



UK / Casualty / Environmental

Contractor's Pollution Legal Liability (CPL)

For brownfield redevelopment, utilities and construction. AXA XL offers pollution cover to contractors of all sizes, from small building trades to large corporate clients.

Why should CPL be considered?

AXA XL's CPL policy provides pollution cover for contractors operating at 'job sites'. This includes legal liabilities arising from the unintentional exacerbation of historical pollution and the creation of new pollution as a result of their contracting services.

Public liability policies typically have significant gaps in coverage for pollution. AXA XL's CPL policy ensures that contractors have cover for:

- Sudden and accidental and gradual pollution releases
- Pollution Loss to include clean-up costs, natural resource damage, bodily injury and property damage
- Automatic cover for the 'Client' – the person or organisation that directly hires the named insured
- Cover for contractual liabilities - where the insured has assumed liability from the client for clean-up costs or natural resource damage

The CPL policy responds to a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the insured. This includes claims from third parties and/or regulators.

Our CPL solution

AXA XL's CPL policy can cover one-off projects for up to 10 years in duration, or they can be designed to cover business activities on an annual 'blanket' basis.

Coverage sections include:

- **Job Site:** liability for losses due to a pollution condition resulting from covered contracting services at a job site, including natural resource damage, as stipulated under the environmental liability directive
- **Emergency Costs:** allows insureds to incur reasonable emergency expenses needed to address a pollution condition or natural resource damage
- **Named Insured's Location:** losses resulting from a sudden and accidental pollution condition which is on, at, under or migrating from the insured's owned location

- **Transportation:** losses resulting from a pollution condition discovered (or resulting in a claim) during transportation
- **Non-owned Disposal Sites (NOD):** liability for losses due to a pollution condition at a NOD arising from waste that was generated at a jobsite, or originated from a named insured location

AXA XL's added value

- 30+ years in the environmental insurance market
- Experienced Underwriters
- Supported by specialist environmental Risk Consultants
- Dedicated environmental Claims Handlers
- Policies available on an occurrence or claims-made basis
- Project-specific coverage including owner-controlled and contractor-controlled program structures
- Can be placed in conjunction with 'sites-based' environmental policies, protecting owners and developers of brownfield land

Information needed for a quotation

For an initial indication of premium and cover, please contact one of the team below with details of the insured(s); the project (location, scope of works); policy period; project revenues and any environmental reports.

Alternatively, and for a more detailed quotation, please contact one of the team for the AXA XL CPL application form.

- Broad insured coverage
- Automatic coverage for certain newly acquired or leased locations
- Coverage for locations inadvertently left off of the property schedule
- Abandoned materials
- Fines and penalties (where allowable by law)
- Automatic coverage for certain underground storage tanks

AXA XL

At AXA XL, we work closely together with other AXA teams around the globe to provide you and your client the most holistic service and relevant solutions.

Case study: City-centre building £2m environmental loss

While carrying out replacement works in the basement of a city centre, multi-tenanted commercial building, contractors inadvertently damaged badly-corroded pipes connecting oil storage tanks to boilers.

The consequences

Work to remedy the situation did not start until a few weeks after discovery of the leak. As a result, the problem was exacerbated with fuel penetrating into the slab beneath the basement and a basement cinema. Significant remedial work was required, comprising flooding and flushing out of the diesel using dispersants and water, and subsequent removal of fuel-bearing fluid by tanker. The sub-floor and basement slab were also excavated and the contamination removed. Additionally, operation of the cinema was interrupted for an extended period.

The costs for on-site clean-up and third party business interruption were estimated at £2 million.

This case demonstrates how even a seemingly low risk land use, like an office building, has the potential to give rise to significant environmental liabilities. It also demonstrates how, despite good intentions and risk management, operator error or mechanical error still leaves the potential for environmental damage to occur.

Example claims scenarios

AXA XL's CPL policy may respond to the following types of scenario (subject to the terms and conditions of the policy wording):

- A contractor piles through contaminated made ground, creating a pathway which pollutes sensitive groundwater at depth and resulting in a regulatory claim to clean up or a third-party claim for property damage.
- Potentially toxic dust is emitted from a job site during development, giving rise to third party claims for bodily injury or property damage.
- Protected habitats suffer natural resource damage as a result of contracting services - even where there has been no physical pollution condition e.g. as a result of fire, landslip or changes to the water table.

Contacts

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