



Environmental risk: being prepared with a proactive approach

Environmental risk is a part of every organisation's profile. Strategy and operations are increasingly shaped by regulation, which is often complex to navigate. Chubb's expertise and partnered approach provides a solution to these challenges.



The Chubb way

This brochure profiles Chubb's extensive knowledge of environmental risk and how we support our clients to provide the best cover.

An experienced team

Chubb has been at the forefront of environmental risk insurance for almost 20 years, working with clients to shape the strategic thinking around their environmental impact and exposure to risk.

How do we deliver this outstanding support? Through specialist teams of underwriters, claims managers, in-house engineering support staff and a proven external network of consultants, we bring a culture of understanding and knowledge to our clients.

In a constantly changing environmental landscape, our expert teams advise on technology and evolving regulations. Our claims support also provides essential feedback ensuring the most effective cover is in place.

Tailor-made solutions

Understanding the unique characteristics of a company's activity is critical in assessing the environmental risk factors at play.

Chubb's experts can identify areas of vulnerability specific to a business, whilst keeping an ongoing and open dialogue with our clients in partnership with specialist brokers. This approach is at the heart of how our policies are written - understanding the precise nature of risk and shaping a solution accordingly.

Chubb provides engineering expertise to help with risk appraisal and establishing prevention or protection measures to limit environmental impact. We also assist with crisis management planning through our network of dedicated crisis management professionals.

The result? A dedicated and tailored solution to your environmental risk.

A multinational vision

Across all commercial sectors, international expansion is a key aspect of business development.

For our environmental risk clients, Chubb's reach is across five continents. Our teams of claims managers and underwriters ensure that a local presence and knowledge provides invaluable expertise on regional and country specific requirements.

Chubb's Worldview tool is a dedicated client resource which helps to establish and monitor international insurance programmes, in real time.

Supporting international insurance programmes from the moment they become active, Worldview is a market-leading platform.

Key figures

1 tree planted for every new policy and every renewal.

30,000

clients have already chosen Chubb to cover their environmental risks.

130

underwriters specialising in environmental matters around the world.

24/7

Chubb Alert responds in the event of an emergency, at any time of day or night.

Underestimated risk leads to an inevitable financial impact.

The following scenarios demonstrate the potential impact and cost of an environmental incident.



Prevention and emergency expenses

In a commercial food production facility making ready meals, a waste pump fails, causing flooding to the local road network.

A temporary pumping solution is installed immediately and is diverted to a containment system.

Total cost: €120,000



Environmental Civil Liability / Third-party and Environmental Damage

A fire originating at an adjacent site, spreads to a logistics warehouse. Smoke extends for miles with ash fallout contaminating neighbouring agricultural land and livestock.

Income loss for the farming community is severe with soil and land needing to be decontaminated.

Total cost: €3,750,000



Environmental Liability / Environmental Damage

A beverage manufacturer extracts local groundwater. During a particularly dry summer, groundwater pumping causes a nearby pond to dry up and decimates a protected species of frog.

The operator is liable for the environmental reintroduction of the frog species and a subsequent monitoring programme lasting several years.

Total cost: €250,000



Pollution control and restoration expenses

Caught in the act of siphoning from a hydrocarbon tank, thieves flee, leaving the drain valve open.

An adjacent river becomes polluted by diesel.

The environmental regulator orders decontamination of the soil and the surface water.

Total cost: €450,000



Operating loss

Delivery of a fuel oil storage tank at an industrial bakery causes a spill, polluting the nearby river. Noxious and unpleasant fumes fill the site and the bakery has to close while the premises are cleaned.

The loss of income for the bakery is covered by the environmental insurance policy.

Total claim: €1,000,000



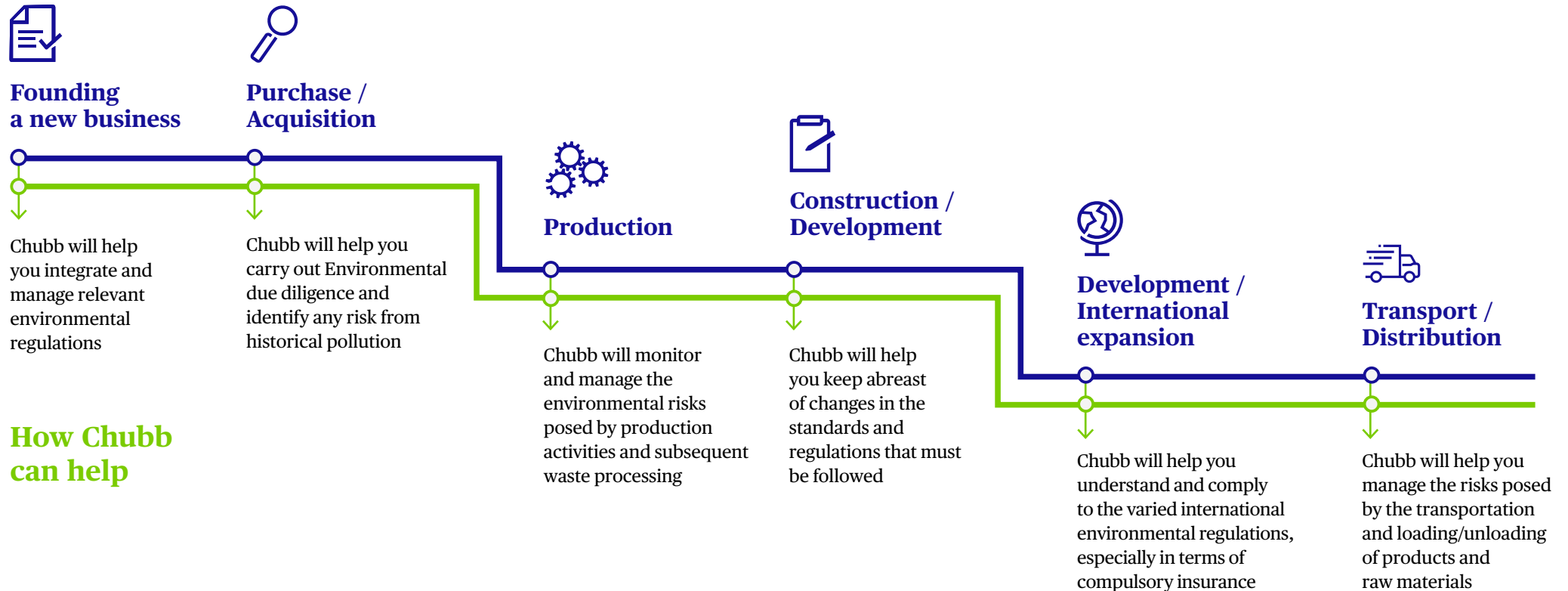
Transport

A 100-litre chemicals drum falls from the bed of a lorry transporting hazardous materials, spilling onto the road. Two local residential properties are affected and 35 specialist firefighters are called to the scene for several hours to make the area safe.

The bill for the emergency services is €75,000

Insuring environmental liability requires a strategic understanding at every stage of a business' development and its operational activities

Your risk



A complete response chain

Prevention procedures are regularly implemented, but there is no such thing as “zero risk”. Despite taking precautions, accidents can happen. In the case of a fire at a metal recycling plant, Chubb’s support lasted over six months.



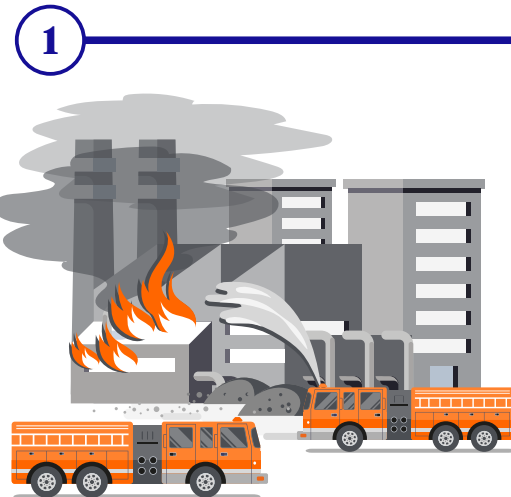
Emergency

Following analysis and consultation with the regulator, Chubb’s expert focuses on the environmental implications of the situation. They recommend that the firefighters use soil rather than water to put out the fire. In addition recovering the firefighting water containing pollutants happens as quickly as possible.



Disaster recovery

Overall, it takes the business six months to undertake clean-up and resume normal business operations. Cover for the plant’s operating loss helps to reassure both investors and clients.



Alert

An explosion caused by a piece of production machinery causes a fire within the plant. Thick smoke spreads and the local industrial area needs to be evacuated. The firefighters bring the blaze under control and Chubb’s appointed expert is dispatched to the scene. Use of the 24/7 Chubb Alert application ensures a fast response.



Communication

Faced with pressure from local residents and the media, Chubb hires a specialist crisis communications agency. Door-to-door canvassing is organised to reassure neighbouring residents. At the same time the agency works with local and national media on behalf of the company.



Decontamination

The affected land and drainage ditches are treated. Chubb’s expert supervises the sampling to ensure that the decontamination targets are met.

In the weeks that follow, Chubb coordinates and selects the best companies to make sure the appraisal is performed correctly. Decontamination work also meets the targets that are set and validated by the regulator.



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