



Environmental Liability

Your Guide To Growing Your Business

CHUBB®

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Environmental Insurance And Your Clients

Traditional insurance cover often fails to respond to pollution related issues of:

- Increasing environmental legislation
- Financial implications
- Damage to trade
- Reputational damage

There is an opportunity to grow your business by introducing environmental insurance to your clients.

A Market Differentiator

By understanding environmental exposures and offering your clients protection and peace of mind, you will set yourself apart from the competition.

Retention

Environmental issues affect your clients, so you need to raise them before your competitors do. By educating your clients you are demonstrating your professional value.

Income

As a relatively new and evolving class of business this is an untapped revenue stream giving you an opportunity to grow additional income.

Professionalism

Offering advice and cover for emerging risks forms part of your duty to offer current and accurate advice.

Provide The Right Cover

Pollution is not just a consideration for the more 'traditional' industries such as chemicals, petroleum or manufacturing.

The Myths

The common misconception is that all environmental risks relate to oil spills - but this is not the case for most businesses. Your clients have an environmental risk if they:

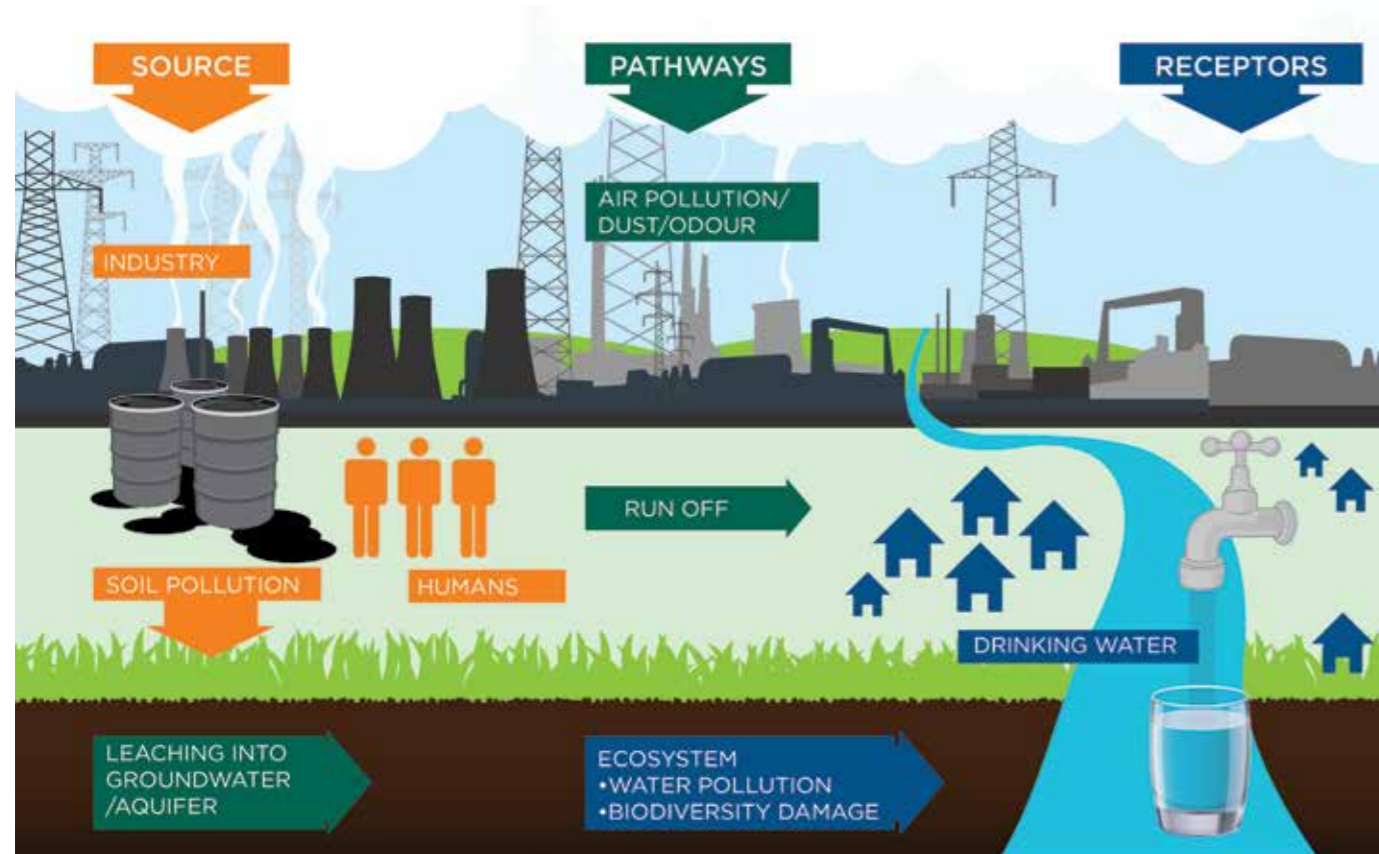
- Own, operate or buy and sell property
- Operate on third-party premises
- Use, store, transport or produce a potentially hazardous substance that may cause contamination
- Create solid, liquid or gaseous waste
- Redevelop brownfield land
- Operate in a biodiverse environment such as next to a nature reserve or protected habitat

Utilise our expertise for your clients

Chubb can support you with a team of specialist environmental risk underwriters who have a wealth of technical experience in the environmental sector.

We frequently visit brokers and clients to understand more about their business and explain the types of cover available.

The illustration below shows the chain of events required to result in a pollution incident.



Sources Of Pollution

1. Source

A source is the 'cause' of contamination which may relate to an activity undertaken as part of your client's business.

Examples:

- Waste
- Chemicals
- Fuel
- Bulk storage of materials
- Waste water
- Industrial processes
- Transportation of materials
- Construction works
- Contaminated land from historical operations
- Fire

2. Pathway

A pathway is the route that the source takes to reach the receptor.

Examples:

- Groundwater
- Surface water
- Soil vapour
- Direct contact (ingestion, inhalation and dermal contact)
- Atmosphere
- Drainage network
- Property and infrastructure
- Drinking water
- Water bodies (rivers, lakes and sea)
- Plants and animals

3. Receptor

If a 'source' is to result in damage or injury, or require regulatory enforced clean-up, it must reach, or have the potential to reach, and impact on a receptor.

Examples:

- Property and infrastructure
- Drinking water
- People or communities
- Water bodies (rivers, lakes and sea)
- Plants and animals
- Natural habitats
- Surface water
- Groundwater

Where all three elements of the pollutant linkage are present, an environmental risk may exist.

The consequence may have substantial implications on a client's business, not only financially but also in terms of the potential social and reputational damage.

Chubb can protect clients from the impact of these consequences.



Whether as a result of historical activities or ongoing operations, the implications of pollution or environmental damage can be disastrous for a business.

Identify Your Clients' Environmental Risks

Ever-increasing legislation

The pace and global breadth of environmental legislation and regulation means you need to ensure your clients are aware of the environmental liabilities they may face, both retrospectively and in the future.

Protecting your client's balance sheet

The ultimate responsibility for cleaning up contamination rests with the polluter (your client).

Environmental insurance provides a cost effective means of transferring this exposure, removing the potential costs from your client's balance sheet.

Reputational damage

Media attention will be drawn to the highest profile brand related to any environmental damage. This means that your client's name might be the one that will make the headlines if an incident occurs.

Public and political awareness on pollution has grown exponentially and has the potential to fuel negative media attention and ultimately result in long term brand damage.

Corporate governance

The environmental liability question is firmly on the boardroom agenda.

This has been fuelled by pressure to operate in a sustainable way and by the necessity to demonstrate environmental protection credentials as part of any tender process or corporate social responsibility programme.

The Real Consequences Of Pollution For Your Clients

Regulatory enforced remediation costs

Regulatory authorities have extensive powers to force businesses to remedy any environmental impacts including first party clean-up costs.

Regulatory authorities can recover the costs of carrying out emergency work from the polluter.

Claims for damages by third parties including:

- Bodily injury
- Property damage
- Nuisance
- Legal costs and expenses

Chubb has designed products to respond specifically to these exposures.

Ensure your clients are covered

This table identifies the potential gaps in your clients' current insurance programmes and the areas where they may have exposures to environmental risks.

Coverage	General Liability	Property	Environmental
Sudden & Accidental Pollution	Yes	No	Yes
Gradual Pollution	No	No	Yes
Historic Pollution	No	No	Yes
Statutory Clean-up	No	No	Yes
On-site First Party Clean-up	No	No	Yes
Environmental Liability Directive	No	No	Yes
Environmental Damage	No	No	Yes
Loss Mitigation	No	No	Yes

The above is a broad indicator based on experience. Please refer to specific policy wordings to verify this on an individual basis.

The Claims Process

Environmental losses can severely disrupt a business and damage its reputation, Chubb takes a 'bigger picture' view and are experienced in managing environmental incidents. We design claims management for each client to minimise negative impact and help clients get back on track as soon as possible.

Rapid response

Pollution damage can escalate within hours, so swift action is vital. Our specialist environmental claims team is contactable 24/7 and is empowered to act immediately when a claim is notified or loss mitigation measures are required.

- Identify and instigate emergency action
- Mobilise experts and specialists where necessary
- Develop a plan for the days, weeks and months following an incident
- Conclude negotiations with regulatory authorities
- Optionally provide crisis management support
- Contact a member of the Chubb team for claims examples

Once an incident has been contained and the clean-up begun, our priority is to help the client get back to business as usual and, wherever possible, avoid unnecessary litigation.



About Chubb in Singapore

Chubb is the world's largest publicly traded property and casualty insurer. Chubb Insurance Singapore Limited, via acquisitions by its predecessor companies, has been present in Singapore since 1948. Chubb in Singapore provides risk management and underwriting expertise for all major classes of general insurance, including Property & Casualty, Marine, Liability, Financial Lines and Group Personal Accident insurance. As one of the leading providers of Accident & Health insurance through direct marketing, the company partners with financial institutions and other companies to tailor individual policies for their clients and employees. In addition, it offers a suite of customised Personal & Specialty insurance solutions to meet the needs of consumers.

Over the years, Chubb in Singapore has established strong client relationships by offering responsive service, developing innovative products and providing market leadership built on financial strength.

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