

Project Contractors Pollution Liability (CPL)

Exposures and Coverage Solutions

CHUBB®



Heightened environmental awareness and continually evolving environmental regulations are leading to new exposures, risks and challenges for the construction industry. In addition, the casualty market is increasingly applying pollution exclusions resulting in more potential coverage gaps. As a result, more contractors and project owners are purchasing Project Specific Contractors Pollution Liability (CPL) policies to protect against risks that can impact their financial standing and business reputation in the event of a pollution incident. Numerous construction trades and a myriad of environmental exposures are present at a construction site at any given time. Despite the best procedures and protocols, pollution incidents can occur due to human error, equipment failure, or as a result of severe weather events. A project specific wrap up policy can provide comprehensive coverage across all trades by ensuring consistent terms and conditions while also providing cost savings and an expedited claims process due to reduced litigation. Below are a few of the most common project pollution liability exposures along with Chubb's coverage solutions and service offerings.

Common Exposures

- Pre-existing hazardous materials, known or unknown, such as asbestos, lead, PCBs, and mercury encountered during renovation and/or demolition activities
- Spreading pre-existing contaminated soil during grading activities
- Rupturing an underground object, such as a sewer line, natural gas line or underground storage tank during excavation or drilling activities
- Surface water runoff due to improper controls or heavy rains
- Upset or overturn exposures while hauling construction materials to the work site or debris to Non-Owned Disposal Sites
- Leaks or spills of oil, fuel or hydraulic fluid from construction equipment or fuel spills during equipment refueling activities
- Dusts and silica created during rock, stone, concrete, brick and mortar cutting
- Ammonia and freon releases from improperly installed refrigeration systems

- Mold and legionella from improperly sealed building envelope or improperly installed plumbing and HVAC systems
- Improper handling and disposal of wastes at unregulated facilities; illicit abandonment
- Vandalism of the work site that results in water intrusion or a pollution release
- Severe weather event that impacts the work site leading to water intrusion or a pollution release

Coverage Solutions

Insuring construction projects of all sizes:

- Policy Types: Project-Specific, CCIP, OCIP, and Follow-Form Excess
- Ability to cover US-domiciled insureds for projects located in the US or foreign jurisdictions
- Coverage for work performed by or on behalf of the Named Insured
- On OCIP/CCIPs, Named Insureds include Subcontractors of any tier

- Coverage for sudden/accidental and gradual pollution events
- Broad definition of pollution condition including illicit abandonment, silt, soil, sedimentation and EMF
- Emergency response costs included, with no sublimit
- Catastrophe Management coverage
- Completed Operations coverage
- Mold coverage
- Legionella coverage
- Transportation coverage
- Non-Owned Disposal Site coverage
- Work site includes leased locations
- Defense outside the limits available
- Loss includes civil fines, penalties and punitive damages where insurable by law
- No jurisdiction and venue or choice of law provisions

OCIP/CCIP Minimums, Limits, and Terms:

- Minimum self-insured retention: \$25,000
- Minimum premium: \$25,000 (assumes a 3-year policy period and 10 years completed operations)
- Capacity available up to \$25 million per/aggregate limit
- Term: Up to 17 years combined policy period and completed operations

Additional Services Available

Environmental Incident AlertSM:

Complimentary technology program developed to assist clients find and dispatch qualified incident response contractors, monitor cleanup costs and mitigate potential liability associated with environmental releases. This platform helps achieve business continuity by minimizing disruption so clients can focus on returning to normal operations. Accessible 24/7 via phone, web or mobile device. For more information, visit www.chubbeia.net

Success Stories

Who: Project Owner

What: CPL OCIP

Why Chubb Environmental:

Chubb's understanding of the operations and risks associated with the various trades needed to complete the project's scope of work and Chubb's ability to deliver a comprehensive program that addressed the project's unique exposures.

Who: General Contractor

What: CPL CCIP

Why Chubb Environmental:

The contractor opted to purchase a dedicated CCIP due to the project size and complexity. They partnered with Chubb due to our ability to review the project's Environmental, Health & Safety Plan and provide suggestions to strengthen the procedures and protocols in place.

Risk Engineering:

For Chubb's environmental insurance clients, additional services are available to assist the Insured to proactively prevent and mitigate losses associated with environmental liability. Common offerings include mold & legionella awareness training, jobsite surveys, plan review and comment for: Construction Health & Safety Plans, Quality Control / Quality Assurance Procedures, Asbestos & Lead Based Paint Abatement Procedures, Waste Management Handling, Water Intrusion Prevention Plans, etc.

Why Chubb

- Chubb financial stability
- With Chubb-owned offices in all major markets and a network of long-term partners committed to our high standards, we can provide unmatched expertise in more than 170 countries
- Comprehensive coverage form with robust endorsement suite thereby allowing for a highly customizable policy to address each projects unique coverage needs
- Long-Term Tail Coverage/Completed Operations available
- Experienced underwriting specialists across the globe
- Specialized claims, legal defense and risk control expertise

- Broad range of services available through national and international network of best-in-class engineering consultants, including Environmental, Health and Safety
- Thought Leadership that addresses the complexities of domestic and global environmental regulations and compliance
- Valued long-term relationships
- Chubb plants a tree for each environmental policy written so clients are helping to save the planet by placing coverage with Chubb Environmental

For more information regarding our products and capabilities, please visit: www2.chubb.com/us-en/business-insurance/Environmental.aspx.

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