

Understanding Pollution Insurance Differences

Who you place your environmental liability insurance with matters

CHUBB®

Spills, leaks and blowouts are a constant source of concern for oil and gas lease operators, opening the door to lawsuits and cleanup costs that can total millions of dollars.

And because pollution problems take time to emerge, you need an insurer you can count on to be there when you have a loss.

Many insurers say they provide pollution insurance, but do their policies measure up?

Does the policy respond to gradual spills and slow leaks?

Scenario: An oil and gas operator's saltwater disposal well begins to leak, contaminating area groundwater for months before it is noticed.

While most other pollution policies only provide protection for sudden and accidental events, Chubb's pollution and umbrella policies offer options that include events that are gradual in nature as well as those that are sudden and accidental.

Chubb launched its energy underwriting group in 1985 and has been writing gradual pollution insurance since 1990.

We have a long, stable presence in this industry and understand the risks you face.

Is there a time limit on when the spill must be discovered and reported?

Scenario: A landowner sues present and past operators and interest owners of wells located on his property for long-term pollution damage.

Under many traditional time-element policies, events must be discovered and reported quickly, sometimes in as few as 30 days. With Chubb, many policies contain no such discovery period restrictions, provided the incident takes place after the retroactive date.

Does the umbrella policy insure underground pollution?

Scenario: An underground blowout occurs while a well is being drilled.

Most competitors exclude underground pollution in the umbrella. But with Chubb, insurance is available under the primary limit and the umbrella. Chubb's umbrella policy addresses pollution emanating from underground, and may insure the incident whether it was sudden or gradual.

Does the policy insure fugitive air emissions?

Scenario: The neighbor of a well site claims a severe illness caused by long-term exposure to fumes from a well.

Many policies exclude fugitive air emissions or will not insure the claim due to discovery and reporting period restrictions. Chubb's pollution policy does not contain such limitations.

Energy

Why Choose Chubb:

- We have been writing gradual pollution since 1990, giving us the claims experience and financial stability you need from an insurer to address your exposures.
- Our underwriters, environmental claims adjustors, and risk engineering specialists are dedicated to knowing your industry and understanding your needs.
- You can choose to keep your original Chubb pollution policy inception date as the retroactive date for gradual pollution, giving you a longer period of protection as your relationship with Chubb grows.

- Chubb’s program—which can include all lines of property, casualty and pollution insurance—gives you more seamless coverage than a program split between insurance companies.

Does the insurer have a history in the oil and gas business?

Scenario: An oil and gas operator is sued for pollution damage dating back to 1998. The loss totals millions of dollars.

Some of Chubb’s policy retroactive dates reach as far back as 1990. Depending on the length of your relationship with Chubb, your operations may be insured against gradual events over a longer period of time than many of our competitors.

Connect with Us Today

For more information about how Chubb’s energy specialists can help you manage your pollution risks, contact your agent or broker or visit www.chubb.com/energy.

Put your pollution liability policy to the test.

Compare Chubb’s gradual pollution liability policy to our competitors’ sudden and accidental or gradual pollution policies. With our commitment to the industry, years of experience, and superior insurance solution, we think you’ll see why Chubb should be your preferred insurer.

	Chubb Gradual Pollution Policy ¹	Other Policies
Does your pollution liability policy...		
Include gradual coverage back to the original policy inception/retroactive date?	YES	
Defend gradual-type allegations like air emissions or water-well pollution?	YES	
Cover sudden and gradual underground pollution in the Umbrella?	YES	
Operate as a separate, primary pollution policy that does not erode general liability policy limits?	YES	
Include a separate, additional Umbrella aggregate limit for pollution?	YES	
Offer coverage for on-site, first party clean-up expenses?	YES	
Offer coverage for pollution from a blowout even if no control of well insurance is purchased?	YES	
Offer low minimum premiums for gradual pollution?	YES*	
Impose discovery requirements for a pollution incident?	NO	
Exclude pits or impoundments?	NO	
Require you to report and schedule covered wells?	NO	

¹ Policy form number 80-02-6014 (Ed. 1/12)

* Chubb’s minimum premium for gradual pollution is 10,000, variable by state.

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