Environmental

Pollution Exposures and Coverage Solutions for the Life Sciences Industry

CHUBB

Chubb understands the challenges facing the Life Sciences Industry, resulting in endorsements by the Biotechnology Innovation Organization (BIO) due to our experience, knowledge and leadership in the industry. Chubb delivers specialized insurance and risk management solutions that minimize loss potential, and protect your company's reputation and bottom line from the financial consequences of an insured loss or lawsuit.

Even environmentally conscious businesses may not recognize the full extent of the risks that their daily operations entail, especially as environmental laws and regulations continue to evolve. General liability, auto liability and property policies often contain pollution exclusions or provide limited pollution coverage thereby creating coverage gaps for first-party and third-party claims. A dedicated pollution liability policy can help fill those gaps and help protect your financial standing. Customers who own, lease, operate, or manage property, hold environmental permits, or transport and dispose of regulated or hazardous waste, should be aware of the following environmental exposures.

Biological Research Laboratory Exposures

Laboratories transport, store, handle, and dispose of a variety of materials and wastes, most of which are hazardous in nature.

- Toxins, carcinogens, pathogens, mutagens and low-level radioactive materials are typically used for medical analysis
- Laboratory fires and the water to extinguish them can result in a large scale release of hazardous materials, thereby potentially contaminating the property or injuring surrounding communities
- Accidental culture or specimen spills may require decontamination of certain areas or entire labs
- Air emission violations from medical waste incinerators, sterilization units, lab chemicals, emergency generators, boilers and furnaces can lead to environmental liabilities
- The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) liability holds hazardous waste generators and transporters liable, regardless of whether waste transportation and disposal operations are contracted out to third-parties

Sample Exposure

Incident: A fire in a biological research lab causes contaminated water to runoff the property and into a nearby stormwater ditch. Soils within the stormwater ditch are contaminated with the runoff containing chemicals from the lab.

Exposure: Hundreds of thousands of dollars are required to be incurred for first-party remediation costs associated with remediating the contaminated soils.

Medical Device Manufacturing Exposures

Core operations of prototyping, plastics and electronics manufacturing, along with metal fabrication and plating, present pollution exposures related to the hazardous materials utilized in the medical device manufacturing process.

- Prototype operations often utilize flammable solvents, cutting oils, acids and bases
- Plastics manufacturing utilizes chemicals such as epoxies, lubricants, foaming agents, phenolic compounds, polyurethanes and polyethylene. Typical wastes generated may include spent solvents, oils and wastes containing heavy metals
- Electronics manufacturing utilizes alkaline cleaning solutions, acids, resists, lead solder, flux, developing solutions and etching materials. Typical wastes include metals and etching wastes, spent acids, used epoxies and ignitables
- Metal fabrication & plating utilizes chemicals such as oils, degreasing and cleaning solvents, acids, alkalis, paints, heavy metal-bearing solutions and cyanide-bearing solutions

Sample Exposure:

Incident: An orthopedic device manufacturer places metal parts into the distillation unit for sanitization. Still bottoms containing waste solvents are generated from this process. The contracted waste disposer abandons the still bottom waste in a wooded area. Over time, solvents leach into the ground. The U.S. Environmental Protection Agency (EPA) traces the waste back to the orthopedic device manufacturer and holds them liable for remediation costs under CERCLA cradle to grave hazardous waste liability.

Exposure: Hundreds of thousands of dollars are incurred for remediation cost.

Pharmaceutical Exposures

Pharmaceutical companies use a wide variety of chemicals. In large quantities, these chemicals are hazardous to human health and the environment.

- Spills, leaks and releases can occur during: the receiving, unloading and bulk storage of raw material; the formulating of pharmaceuticals through mixing and blending of various ingredients; the filling and packing of the product; product testing, and more
- Large scale operations may require power generation facilities, water treatment plants, wastewater treatment plants, water storage towers, fire pump stations, and railcar loading and unloading docks

Sample Exposure:

Incident: A pharmaceutical company generates process wastewater as part of their operation. Under the facility's discharge permit, wastewater must be tested for metals, VOCs, oil, grease and cyanide to ensure contamination is within allowable limits before being discharged to the local river. An upset condition caused by a flow meter allows untreated wastewater to be discharged. Discharged water exceeds allowable permit thresholds, which results in a fish kill within the receiving river and its downstream estuary.

Exposure: Millions of dollars are incurred for remediation costs and natural resource damage assessments.

Environmental Coverage Solutions

Premises Pollution Liability Policy

We offer pollution coverage for owners, operators, managers and lessees of life science facilities. Coverage can be structured to provide first-party or third-party triggers for new and pre-existing pollution exposures, fungi, legionella, bacteria, virus, emergency response, catastrophe management, business interruption, non-owned disposal sites, transportation, illicit abandonment and off-site operational pollution liability.

- Limits up to $25m
- Term up to 3 years
- Minimum Premium: $5,000

Storage Tank Liability Policy

TankSafe® is our fully-automated, internet-based system for underground and aboveground storage tank insurance with the ability to issue financial responsibility certificates, if required.

- Limits up to $5m
- Term: 1 year
- Minimum Premium: $350

Additional Available Services

Environmental Incident Alert℠

Environmental Incident Alert℠ helps assist customers in finding and dispatching qualified incident response contractors, monitor cleanup costs, and mitigate potential liability associated with environmental releases. Environmental Incident Alert is assessable 24/7 via phone, web or mobile device. For more information visit www.chubbeia.net

Risk Engineering

Common risk engineering services include: review of waste disposal practices, Spill, Prevention, Control and Countermeasure (SPCC) plan development, legionella awareness training, asbestos and lead-based paint operations & maintenance plan development, and mold management plan development.

Contact Us

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For more information regarding our environmental products and service capabilities, please visit:

www2.chubb.com/us-en/business-insurance/Environmental.aspx

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