RAWLINS INSURANCE

Pollution—a disaster waiting to happen ?

Companies must take care when arranging insurance for Pollution and Contamination risks. Most businesses are happy to rely on their Public Liability policy which covers sudden, identifiable and unintended incidents causing damages to a third party. An example would be escape of oil from a tank which spread onto a neighbours land following an accident.

However, with increasing environmental legislation this level of cover could well be inadequate. This was highlighted by a case in 2006 between Bartoline & RSA.

Following a fire at Bartoline's premises foam and chemicals polluted two local watercourses. The Environment Agency presented Bartoline with a substantial invoice for clean up costs. Bartoline's insurers, RSA, declined to meet these costs on the basis that these were not damages but the imposition of a statutory notice by an enforcing authority. As such this fell outside the scope of a Public Liability policy.

Some insurers have responded by extending their policy wordings to include statutory notices, but most have not. Even where the extended cover is in place it is unlikely to include clean up costs at your own premises, reinstatement of flora or fauna or various remediation costs. This would be the remit of a specialist Environmental Liability policy which would also cover gradual pollution.

While the insurance industry was quick to respond to the Corporate Homicide and Manslaughter legislation, the industry has been slow to respond to recent Environmental legislation.

Rawlins Insurance are a local company who specialise in providing Insurance and Risk Management to businesses. For a review of your Insurance Portfolio or for more information on Environmental Liability please contact Tim Green on 01782 753000.

"We help when things go wrong"

RAWLINS
COMMERCIAL INSURANCE BROKERS