

What's A Small Mess to You Could be an Environmental Nightmare!



Environmental Liability Insurance

From the Insurance Information Institute

In the 1960s and 1970s concern for the environment led to passage of a number of federal and state laws regarding liability for environmental cleanups. This created a large Gap.

Today the standard general liability policy excludes most pollution losses. The main exceptions are from smoke from an out-of-control fire or fumes from a faulty heating or air-conditioning system. In its place stands environmental liability coverage.

Standard business general liability (GL) policies provide little coverage for pollution damage, for example from a toxic spill. Most companies that store or handle potentially toxic materials purchase a separate environmental liability policy. These policies cover the exposure that the GL policy excludes.

Several other types of environmental liability insurance exist:

- Environmental consultants errors and omissions policies cover consultants who advise third parties about environmental conditions.
- Environmental contractor policies cover operations that a remediation contractor performs.
- Environmental testing laboratory coverage addresses the liability of firms that analyze hazardous materials in the soil, ground or air.

In addition, there are policies that protect lenders and real estate agents if they handle properties that later turn out to be contaminated.

Underground storage tank pollution liability fulfills an EPA requirement that tank owners and operators demonstrate they can pay the cost of cleaning up leaks and the resulting damage.

Environmental Accidents Happen! Make sure you are covered!

(Source: <https://www.iii.org/article/environmental-liability-insurance>)