

Broadform Liability & Environmental Protect Insurance Package

CHUBB®



Facing up to Environmental Risk

There is a growing awareness in the business community of the potential environmental impact of business operations.

With increasing responsibilities arising from environmental regulation and legislation, smart business owners are taking a closer look at the environmental liabilities they may face.

Pollution liability is no longer just a consideration for big corporations or industries most obviously exposed to environmental risk, such as chemicals, petroleum or manufacturing. The majority of potential environmental liabilities also attach to small and medium sized enterprises.

Damage caused by pollution on a business premises could leave that business exposed to the crippling financial burden of clean-up costs, emergency expenses when responding to the incident and remediation costs imposed by regulators. In many instances the liability insurance of that business may not provide coverage for pollution liabilities.

In response to this evolving market landscape, Chubb has built in a robust environmental protection component to its Broadform Liability Policy.

The Broadform Liability & Environmental Protect Insurance Package is a cost-effective solution to cover the environmental liabilities of small to medium sized businesses. It combines the wide coverage and benefits of Chubb's existing Broadform liability insurance with protection against environmental liabilities including sudden and gradual pollution.

Policy Highlights

Broad coverage is available, including the following:

- Coverage for sudden, accidental and gradual pollution
- Coverage for remediation costs for pollution emanating from the insured locations
- Coverage for remediation costs for claims from governmental agencies for pollution emanating from the insured locations

Casualty

- Third party coverage for bodily injury or property damage, and coverage for liability to third parties for costs for pollution emanating from the insured locations. Penalty: \$100,000 which was reduced by 25% for a guilty plea and reduced again for other mitigating factors to \$70,000.
- Coverage for legal defence expenses for any claims covered under the policy
- Coverage is not excluded for emotional distress or mental anguish claims
- Coverage is available for natural resource damages claims

Target Markets

Small to medium-sized commercial operations

Program Parameters

Coverage limit (Environmental Protect section) is \$AUD 250,000 per pollution condition and in the aggregate

Important Questions for Australian Businesses to Consider

Q. Doesn't my liability insurance cover pollution?

A. Actually, most liability policies offer only very narrow sudden and accidental coverage with no express protection for clean-up of contaminated soil and water. The vast majority of pollution conditions are caused gradually and not because of a specific accident. The Broadform Liability & Environmental Protect Insurance Package provides coverage for sudden, accidental and gradual pollution.

Q. Even if there is pollution on my site, who can make me do something about it?

A. Local authorities have been tasked with finding and assigning responsibility for pollution. The number of sites identified and the resulting prosecutions continues to increase. If you are planning to buy or sell a property, it's quite likely someone will want to go looking for a problem. Recent regulatory directives guarantee the enforcement process will become more stringent.

Q. I don't handle hazardous chemicals in my business, so where is my exposure?

A. Any business can find itself exposed to environmental liability, either due to ongoing operations or resulting from activities on your property in years past. There is virtually no way you can be certain of what took place on your site years ago, therefore any business which owns or rents land is at risk.

Q. Isn't pollution coverage expensive and difficult to obtain?

A. The Broadform Liability & Environmental Protect Insurance Package is designed with affordability in mind and ease of application. Particularly for small and mid-sized enterprises that are least able to absorb the unplanned and often catastrophic financial impact of an environmental incident.

About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operations in Australia (Chubb Insurance Australia Limited) provide specialised and customised coverages include Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, for a broad client base, including many of the country's largest companies.

More information can be found at www.chubb.com/au

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