

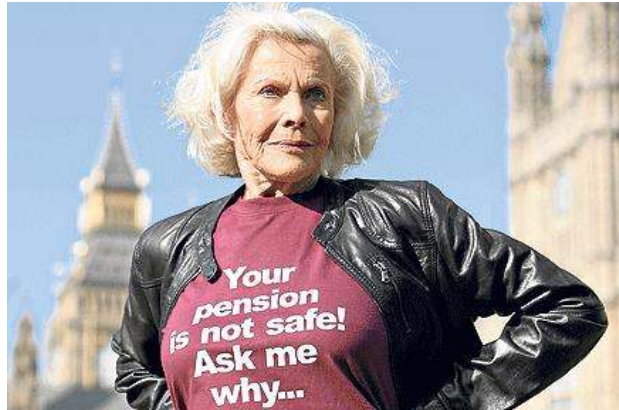
Environmental Insurance

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The Problem With Insurance



Penalised for just one bump

PENSIONER Pete Williams, 66, saw his premium double this year after having his first accident in 30 years, despite having protected a nine-year no claims bonus.

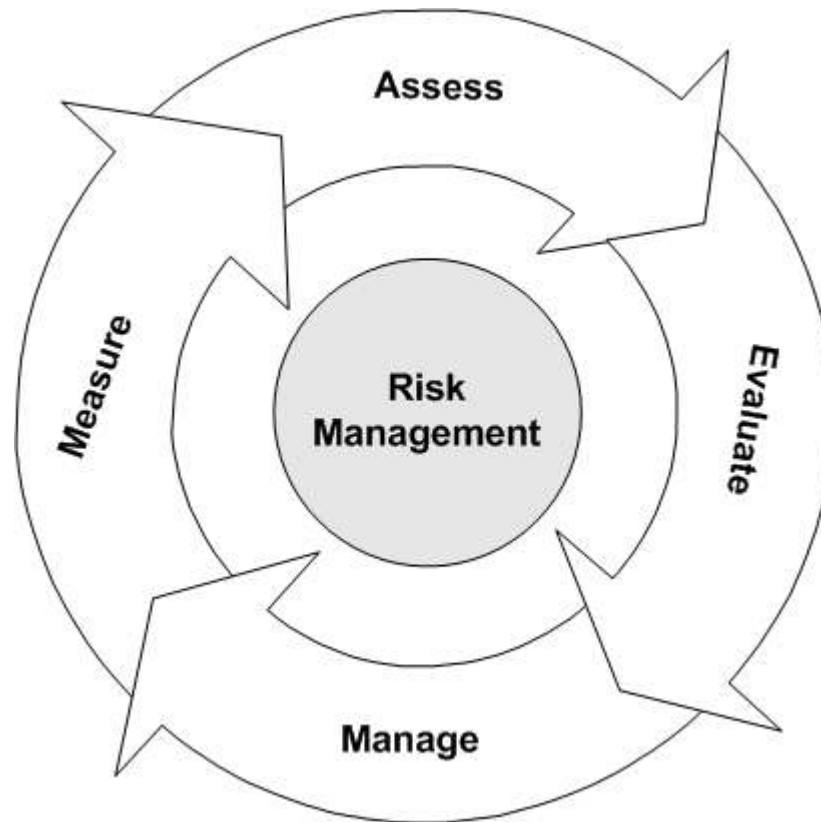
These years of faultless driving allowed him to qualify for a 75pc discount off his premiums. But despite this, his insurance increased from £339.96 to £511.16 when he renewed the policy.

'I've been driving for 30 years and this was my first bump,' says Mr Williams, a former motor mechanic who lives with his wife Margaret, 64, in Hayes, Middlesex.

'You just assume that if you're paying the extra premium for a protected no claims bonus, you're not going to be penalised for it.'



Insurance In the Risk Management Cycle



The Problem With Environmental Insurance



The Problem With Environmental Insurance

Public Liability Insurance

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental

1. Injury to any person
2. **Damage** to any material property
3. Nuisance trespass, obstruction or interference with any right of way , light, air or water occurring within the Territorial Limits during the period of Insurance in connection with the Business.....

The policy does not cover liability in respect of Pollution or Contamination occurring unless caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.....

Pollution or Contamination is defined as

1. All pollution or contamination of buildings or other structures or of water or land or the atmosphere and
2. All Injury or **Damage** directly or indirectly caused by such pollution or contamination.

All pollution or contamination which arises out of or in connection with one incident shall be deemed to have occurred at the time such incident takes place....

The Problem With Public Liability Insurance

Not Covered

- Gradual pollution
- Own site clean up costs
- Regulatory debts including EA Clean Up Costs
- Loss of Profits
- Environmental Damage
- Remediation Costs
- Threat of Pollution

Covered

- Sudden and accidental pollution – third party claims

The Problem With Public Liability Insurance



Bartoline v Royal & Sun Alliance 2006

- Solvent and wood preservative manufacturer in East Yorkshire
- Fire
- Fire fighting foam and chemicals used
- EA carried out emergency clean up works and billed Bartoline
- Bartoline sought to recover from costs Public Liability Policy
- Claim rejected by RSA
- On site clean up costs not covered either
- Judge decided that EA clean up costs did not constitute “**Damage**” within terms of the Policy wording

Solutions To The Problem

Options

- Risk Management
- Retain the Risk
- Transfer the Risk :
 - Specialist Insurers
 - Policies From £750pa
 - Long Term Liabilities up to 10 years
 - Directors :
 - PR Crisis Management

Questions

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