



## PRODUCT PROFILE

# POLLUTION LEGAL LIABILITY

### COVERAGE APPLICATION

Pollution Legal Liability (PLL) provides pollution liability coverage for environmental risks associated with the ownership/lease of property or operation of a facility or site. PLL applies to virtually every industry that owns, leases, acquires or divests real estate.

Where PLL was once used solely as an alternative for federally-regulated facilities to post financial assurance under the various federal statutes, today its applicability is far more widespread. In addition to treators/storers/disposers/generators of hazardous waste/materials, industries such as the following are purchasing PLL coverage to protect against environmental loss:

- Agriculture
- Biotechnology
- Brownfields Energy
- Commercial
- Condominiums
- Construction
- Education
- Financial Institutions
- Fuel Distribution
- Healthcare
- Hotel/Casino
- Manufacturing
- Mining
- Pharmaceuticals
- Property Development
- Sports/Entertainment
- Transportation
- Warehousing
- and more...

### POLICY FORM

PLL provides coverage for pollution conditions or events on, at, under or emanating from a covered location(s). Coverage is afforded for third-party bodily injury, property damage, clean up costs and defense costs. A unique feature of many PLL policies is their ability to offer various and different coverage parts under one policy. Such coverage parts include, but are not limited to -

- New pollution conditions
- Existing pollution conditions
- On site clean up coverage
- Transportation coverage
- Non Owned Disposal Site (NODS) coverage
- Business interruption
- Builders soft cost
- Mold liability coverage
- Products – pollution liability

Another important aspect of coverage offered under PLL that should be understood is, if a known environmental condition exists at a site, the policy can be structured to provide some type of environmental coverage for that existing contamination. Coverage is based on the type and extent of the site's existing contamination.

### PROGRAM OVERVIEW:

- PLL is intended to fill the “environmental gap” left in most general liability policies for owners of property and operators of facilities or sites.
- External protection mechanism for environmental losses/claims that would otherwise be paid by the owner of the property.
- Can be structured with mold liability and mold clean up coverage.
- Provides coverage for past, current and future environmental losses.
- PLL provides simple asset protection from potentially catastrophic environmental events associated with day-to-day operations.
- Reduces much of the uncertainty associated with environmental liability.
- Programs involving multiple premises can be tailored to address the diverse needs of each property.
- Can enhance the sale of property and provide assurance to unknown environmental liabilities in property transactions.

### CONTACT

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## POLLUTION LEGAL LIABILITY *(cont.)*

- PLL is flexible and can be tailored and enhanced to meet the specific needs of each risk.
- PLL is commonly accepted in lieu of environmental indemnities or can be structured to supplement indemnities.
- PLL provides coverage for Natural Resource Damage (NRD) claims.

### POLICY TERM

For transactional purchases, terms vary between 5 and 10 years with a few carriers offering 10-year policies for operational coverage, while others offer 10-year terms for transactions. In regard to hospitality, habitation, and healthcare risks, most markets offer a maximum term of 3 years. For prospective coverage, the average term is 3 years.

### MARKET OVERVIEW

Coverage terms have been impacted over recent years, depending on the type of risk, by a combination of high profile mold claims, rising legionella claims, natural disasters, and the focus on emerging contaminants such as per- and polyfluoroalkyl substances (PFAs).

Coverage enhancements such as contingent business interruption, defense outside the limits, and first-party diminution of value are readily available for inert real estate portfolios, while indemnity triggers are utilized to address the known pollution conditions identified in contaminated property transfers.

### LIMITS OF LIABILITY

\$300,000,000 each pollution condition / \$300,000,000 aggregate limit of liability (i.e., structured from various carriers from the pollution liability marketplace).

### RETENTIONS

\$10,000 minimum either as a deductible or self insured retention depending on the carrier.

### PREMIUMS

Premiums can begin as low as \$5,000 for a \$1,000,000 each pollution condition / \$1,000,000 aggregate depending on the carrier.

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