

# Beazley Turnkey Reinsurance

## Environmental

### Why is pollution coverage needed?

Under most Commercial General Liability (CGL) policies, pollution exposures are excluded from coverage, or limited under extension endorsements, which may only follow the ISO coverage for “bodily injury” and “property damage.” “Clean up” is also not generally offered. Additionally, most companies do not have environmental specialists handling the claims. Primary companies, brokers and insureds seek out Beazley’s turnkey reinsurance which bridges the CGL pollution gap across their commercial book.

### Environmental endorsement solutions

**Contractor Pollution Liability (CPL)**, with optional incidental Professional Liability coverage covers a “pollution condition” arising from contracting services performed on job site. CPL is primarily designed for commercial contractors. Occurrence or claims made.

– Professional Liability is meant to cover incidental exposures of the trade contractor (i.e., value engineering, field changes in design). Claims made only and offered with CPL endorsement.

**Premises Pollution Liability (PPL)** covers “pollution condition” arising from a “covered location.” Claims made only.

### Eligibility

- **CPL** – Commercial trade contractors and general contractors
- **Professional liability** – trade contractors
- **PPL** – Premises risks – retail/office/wholesalers/distributors /non-manufacturing.

### Claims examples

#### CPL

- HVAC contractor incorrectly connected hoses, causing fumes to enter building ventilation system and sickening employees and visitors – \$74K in medical bills (bodily injury)
- Excavation contractor spilled hydraulic fluids at a job site, temporarily shutting down site – \$35K
- Uncovered hidden “dump site” of barrels, tires, and trash while excavating expansion of a shopping center – \$155K (clean up).

#### PPL

- Food wholesale distributor had sump pump failure, resulting in waste washing down storm drain system and causing odor to a residential neighborhood. High pressure steam used to clean out storm drain system – \$96k (clean-up costs)
- Club house/swimming pool lifeguard incorrectly mixed pool chemicals, resulting in high chlorine levels that sickened guests – \$100K (bodily injury)
- Converted loft apartments site was previously used by a dry cleaning company that dumped cleaning fluids down an elevator shaft. Over time, vapor released from chemicals discovered under the concrete sickened residents – \$500K (clean up plus bodily injury).

### Features

- Limits offered – \$50K up to \$1M
  - No application for \$50K/\$100K limit
- Sales method – “opt out” or “buy-on-behalf”
- Endorsement can be easily added to business owner and other commercial package policies
- 100% quota share option with ceded commission
- Admitted or non-admitted
- Seamless rating method
- Treaty approach across commercial business book.

### For more information

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