

DCAT

PROVIDED BY UCPM

ENVIRONMENTAL INSURANCE COVERAGE REVIEW



Prepared for
Board of Public Works of
the City of Lewes

On behalf of
HMS Insurance Associates, Inc.

November 1, 2022

©2020 UCPM, Inc.
Patent #10,475,126

Cost of Placement

We know that cost is a primary consideration in determining value. The total cost of a policy always includes the premium, but also may include state surplus lines taxes, state stamping fees, carrier inspection fees or a UCPM fee. For the purpose of this analysis, we have used your total "out-the-door" cost.

Carrier

Beazley Syndicates

* For a complete breakdown of relevant state, municipal, or other taxes and fees, please review each quote.

**TRIA coverage is not included in the above figures.

Coverage Overview

The analysis is intended to be a resource to help identify the coverage being offered. It is based on our evaluation of various issues, policy language and the combined wording of both policy forms and relevant endorsements. It is not a guarantee of coverage. Whether or not there is coverage will depend on the details of the individual claim and court interpretation of coverage. Please refer to the individual policy forms for specific coverage details.

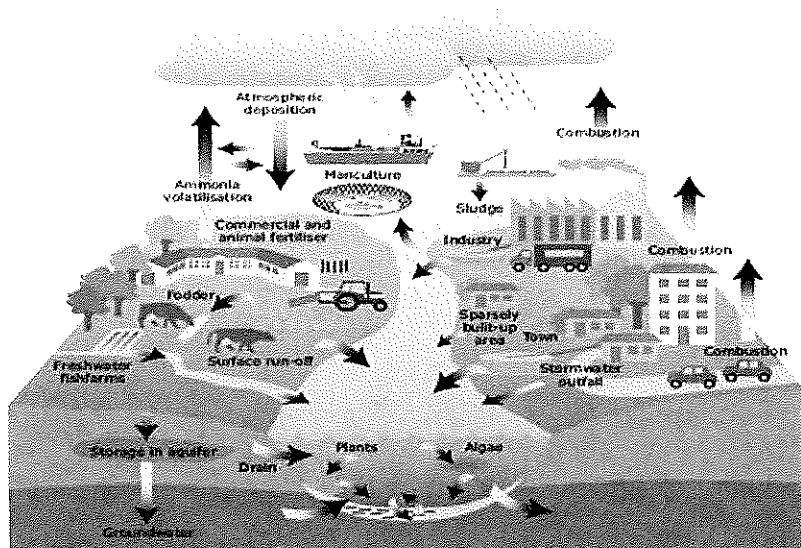
Issue	Beazley Syndicates
Disinfection Expense	Silent
Mold Coverage	Covered
Mold CU Stand is Env Cons	Yes
Bacteria and/or Virus	Silent
Legionella	Yes
Comm Disease Excl	Yes
Medical Monitoring	Yes
Phys Inj Restriction	Yes
Diminution in Value	Yes
Natural Resource Damage	Yes
Sudd & Acc Only	No
Cert of Financial Resp	No
Vault/Basement Tanks	Yes

UST Exclusion	No USTs Scheduled
Asbestos Exclusion	Limited Exclusion
Asbestos Bldg Materials	No
Asb for 3rd Party BI & PD	No
Asbestos Inadv Disturb	No
Asbestos Soil & Groundwtr	Yes
Lead-Based Paint Excl	Limited Exclusion
Lead Bldg Materials	No
Lead - 3rd Party BI & PD	No
Lead Inadv Disturb	No
Lead Soil & Groundwater	Yes
Emergency Response	Yes
Illicit Abandonment	Covered
Restoration Costs	Yes
Civil Fines and Penalties	Covered
Min Earned Prem	25%
Punitive Damages	Covered
Site Defense	Inside the Limits
Cap Imp / Site Dev Excl	Yes
Government Mandate	No
Material Change Excl	Yes
PFAS Exclusion	Yes
Business Interruption	No
Known Conditions	None Scheduled
NODS O/O Exclusion	Silent
Non-Owned Disposal Site	All Waste
CPL Coverage	Yes
Discovery Trigger	Discovery
Divested Properties Cov	Yes

Claim Deductible	Per Occurrence
1st Party Transport	Yes
3rd Party Transport	Yes
Load & Unload Covered	Yes
ERP Period	Underwriter Review
ERP Premium	Underwriter Review

Environmental Impairment Liability

Pollution exposures for a specific property may vary widely. Some locations have a "rich" history of prior operations and prior pollution that make crafting meaningful coverage more challenging, while other properties are just vacant virgin land. Regardless of the history (or the planned future use) of a site, the environmental products available for property owners and/or their tenants are very similar.



The basic premise of an environmental impairment liability policy varies little by carrier. Generally, coverage is designed to pay on behalf of the insured for a combination of four main things: bodily injury, property damage, clean-up costs, and defense expense resulting from a pollution incident at, under or migrating from a scheduled property.

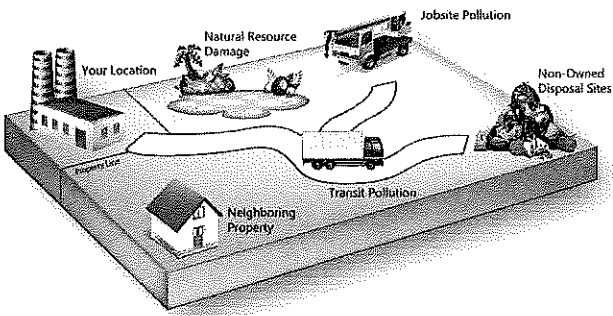
However, every property is unique and so the coverage that carriers craft to address their environmental exposures can vary significantly. For example,

coverage can include pre-existing conditions or just new conditions. Clean-up can be included for on-site events, or just for pollution that may migrate away from the property and impact third parties.

This analysis is designed to help you see what coverage is being offered, and what is not. Underwriters often take into account the reasons that a policy is being purchased. In some cases, the policy is structured for a single property transaction (often with a longer terms), while other times the policy is designed to address on-going operational exposures. Some of the issues we have identified relate to the underwriting "situation" that is unique to each property.

On-Site vs. Off-Site Pollution Exposures

Property owners are obviously responsible for the pollution that they create on their own property. However, they can also be found liable for pollution exposures that migrate away from their property to neighboring areas. They can also be found liable for bodily injury to those who are exposed to pollutants on their own property, and damage to property both on and away from their location. These exposures can vary from site to site. For example, a chemical manufacturing plant may have significant onsite pollution exposures, while vacant land does not.



Property owners also face exposures that are sometimes ignored. Legal statutes in the US specify that pollution that you have created is always yours. Often referred to as “cradle-to-grave”, this means that if you dispose of your waste properly, at an approved disposal facility, you could still be held liable if that pollution ever escapes and causes further problems. You also have liability during transit, and if your pollutants impact local waterways, etc.

Underwriters take all of these exposures into consideration when they offer a quote on your

property. They may limit coverage due to exposures that they think are likely to lead to a significant claim. They may also be willing to offer additional coverage if they can “get comfortable” with the risks involved.

Basic Coverage Elements

The environmental markets may offer core environmental coverage on a facility in different ways, and any number of the following coverage parts could be included or not included. Depending on the risk being quoted, any of the coverage parts being offered could potentially be restricted in some way. The coverage forms should always be closely reviewed to be aware of any potential narrowing of these coverage parts.

On-Site Cleanup - New Conditions

Pays for clean-up costs related to a loss on or under the scheduled property that has commenced **after** the policy period inception date or any retro date. This includes pollutants that originate at the scheduled property, and also includes pollutants that might migrate to, or impact the property from neighboring properties.

On-Site Cleanup - Pre-Existing Conditions

Pays for clean-up costs related to a loss on or under the scheduled property that have commenced **prior** to the policy period or any retro date. Some policies include a “continuity date” while others indicate no retroactive date at all, extending coverage back historically without limit.

Off-Site Cleanup - New Conditions

Pays for clean-up costs related to a loss **beyond the boundaries of the scheduled property** that have commenced **after** the policy period inception date or any retro date.

Off-Site Cleanup - Pre-Existing Conditions

Pays for clean-up costs related to a loss **beyond the boundaries of the scheduled property** that have commenced **prior** to the policy period or any retro date. Some policies include a “continuity date” while others indicate no retroactive date at all, extending coverage back historically without limit.

3rd Party Bodily Injury

Pays for losses you are legally obligated to pay resulting from pollution on, under or migrating from your scheduled property. This coverage part does not distinguish between on-site or off-site, but is limited to Bodily Injury losses.

3rd Party Property Damage

Pays for losses you are legally obligated to pay resulting from pollution on, under or migrating from your scheduled property. This coverage part does not distinguish between on-site or off-site, but is limited to Property Damage

losses.

Carrier	On-Site Cleanup New Conditions	On-Site Cleanup Pre-Existing Conditions	Off-Site Cleanup New Conditions	Off-Site Cleanup Pre-Existing Conditions	3rd Party Property Damage	3rd Party Bodily Injury
Beazley Syndicates	Yes	No	Yes	No	Yes	Yes

Retroactive Date

All premises pollution policies are written on a Claims Made basis. Under this type of claims made policy, coverage is not only triggered by a pollution incident, but by the reporting of a claim or potential claim within the policy period. That means that coverage “begins” at the Retroactive Date identified on the policy. Normally, this is the date from which there has been continuous, uninterrupted coverage. Each subsequent renewal of the policy has held that initial date of coverage inception static. In effect, extending the original policy terms another year, and another year, and so forth.

Your policy will pay for pollution events that occur after the retroactive date, and are reported during the policy period, so you want that date to be as far back in the past as possible.

The retro dates for the current offerings are outlined below:

Carrier	Retro Date
Beazley Syndicates	Policy Inception

Detailed Analysis of Coverage

The following pages contain various coverage issues. Each issue includes a brief write up explaining the issue, why it matters and how the policy as quoted should respond.

Disinfection Expense

In the event of an outbreak of a communicable disease, the possibility exists for a facility to become contaminated and to require thorough disinfection of the property. This issue looks at how the quoted carrier(s) address payments for the resulting costs.

Covered - means the policy wording specifically addresses coverage for disinfection expenses. Keep in mind that even with affirmative language in the policy for this issue, there could be limitations to coverage depending on other specific policy wording for issues such as bacteria, viruses or communicable disease.

Silent - means the policy wording does not specifically address disinfection expense as covered or excluded. It would then be up to the carrier or the courts to determine whether the policy would respond to those costs in the event of a claim.

Excluded - means the policy wording specifically excludes disinfection expenses from coverage.

Beazley Syndicates	Silent
--------------------	--------

Mold and/or Fungus as a Pollutant

The EPA website states that "molds and mildews release disease-causing toxins". Not all molds release potentially hazardous mycotoxins and not all people suffer long-term health effects from them. Still, mold has the potential to lead to claims of severe bodily injury or significant remediation costs, and as such, needs to be a consideration for any facility that has the potential for mold growth. Whether mold fits the historical definition of a pollutant has been debated widely, with legal opinions coming out in support of both sides of the issue. In this analysis, we are focusing on the language as it relates to the facility. Mold coverage can be obtained for contracting operations as well, but are not addressed here.

Covered-Claims Made - means the policy wording specifically names mold (or the broader term of fungus) in the definition of "pollutants" or "pollution conditions" and that the mold portion of the policy is claims made.

Silent - means the policy wording does not specifically address mold/fungus as covered or excluded. It would then be up to the carrier or courts to determine whether mold is a "pollutant" under the policy terms.

Excluded - means the policy wording specifically excludes claims arising from mold/fungus.

Beazley Syndicates	Covered
--------------------	---------

Mold Cleanup Standard as Recommended by an Environmental Professional

Some policies state that the carrier will pay to remediate pollution conditions to the extent required by environmental laws. There are not environmental laws that set forth the acceptable cleanup standard for mold. As such, it is preferable when the definition of "cleanup costs" includes the clarification that in the absence of environmental laws, they will remediate to the extent recommended by an environmental professional.

Beazley Syndicates

Yes

Bacteria and/or Virus Coverage

Certain carriers provide affirmative pollution coverage for Bacteria and Virus in their policies. Other carriers are 'silent' on the issue (coverage may or may not be provided in the event of a claim), while a few carriers specifically exclude Bacteria and/or Virus entirely. In this issue we address whether a policy contains specific wording for any of these scenarios. There is a separate issue that pertains specifically to Legionella coverage.

Beazley Syndicates

Silent

Legionella Coverage

Legionella is a bacterium that causes a form of potentially fatal pneumonia known as Legionnaires' disease. Legionella can thrive in water containing systems like large air conditioning systems, water heating systems and industrial water-cooling systems. Some policies will name Legionella as a pollutant or pollution condition, while others go a step further by covering all viruses and bacteria. Other carriers do not specifically address legionella, viruses or bacteria at all and in that case, you should assume they would not cover pollution claims related to viral or bacterial pollution. Certain carriers specifically exclude Legionella and, in these cases, we will indicate that the coverage wording is not present.

Beazley Syndicates

Yes

Coverage Specifically Excludes Communicable or Infectious Disease

With increased scrutiny by insureds of policy language to determine whether there is coverage grants for Viruses, Bacteria, Biologicals or Microbial Matter, some carriers have specifically extended coverage either in policy language or by endorsement for these pollutants but have limited coverage by excluding coverage for communicable or infectious disease.

Beazley Syndicates

Yes

Definition of Bodily Injury Includes Medical Monitoring Coverage

If someone is exposed to pollutants, they may need to be medically monitored for many years before it will be known whether they have sustained bodily injury as a result of the exposure. Some policies include medical monitoring in the definition of "bodily injury." This enhances coverage by clarifying that such expenses are covered if you are found liable, even when physical injury may not be evident for years, if ever.

Beazley Syndicates

Yes

Restriction That Mental Anguish be Accompanied by Bodily Injury

Lawsuits may be brought by individuals for mental anguish with no evidence of bodily injury. In some policies, the definition of "bodily injury" specifically states that mental anguish must be accompanied by bodily injury. This coverage restriction has the effect of excluding coverage for mental anguish claims if they are not accompanied by allegations of bodily injury.

Beazley Syndicates

Yes

Diminution in Value Coverage

Once a piece of property has been polluted, it might never be restored to its full pre-pollution value. Even after pollutants have been remediated to regulatory standards, traces of pollutants may remain along with the stigma associated with a previously polluted property. It is favorable to have Diminution of Value included in the definition of "property damage" or otherwise covered in the insuring agreement. Refer to the policy form for the extent of coverage granted.

Beazley Syndicates

Yes

Natural Resource Damage Coverage

Natural Resource Damage coverage is for physical injury to, or destruction of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies and other such resources controlled by the federal, state or local government. The coverage will provide cleanup costs regarding the investigation and remediation of site conditions, including transport and disposal of any hazardous substances to a treatment or disposal facility, and restoration or recovery of any damages to natural resources. This may not fit the traditional definition of "property damage", so some carriers have specifically added verbiage in order to clarify their intent to cover such damage.

Beazley Syndicates

Yes

Sudden and Accidental Coverage Limitation

Some policy language limits pollution coverage to just those events that are considered "sudden and accidental." This means that pollution has to occur within a specific discovery period, and be reported in a shorter reporting window.

Beazley Syndicates

No

Certificate of Financial Responsibility

Most states regulate Underground Storage Tanks (USTs) and require that tank owners provide certification that they have a financial mechanism in place to provide for environmental cleanup in the event of a release. One way to meet this requirement is with environmental insurance. Site Pollution Liability policies can provide coverage for scheduled USTs, but not all carriers can issue the Certificate of Financial Responsibility required by state laws. Certain states have this requirement for Aboveground Storage Tanks (ASTs) as well.

Beazley Syndicates

No

Coverage for Vault/Basement Tanks

Underground Storage Tank exclusions are complicated by the fact that some tanks are technically below a building's grade, but may not actually be in the ground. These tanks could be sitting above the surface of the ground in a basement, a contained vault, and so forth. This would include many heating oil tanks, oil/water separator systems, etc. For our analysis we are looking for an exception to the UST exclusion commonly found on most policies, that provides coverage for these 'above the earth' tanks that are situated below grade.

Beazley Syndicates

Yes

UST Exclusion

Most site pollution policies require that Underground Storage Tanks (UST) be scheduled on the policy by endorsement before coverage would apply. Unknown USTs and aboveground storage tanks are typically covered by the general policy language. Known USTs are likely excluded if not scheduled. In rare cases, a carrier will exclude all tanks, known or not. In those cases, our analysis will be so noted.

Beazley Syndicates

No USTs Scheduled

Asbestos

Asbestos is a well-established pollutant with respect to environmental coverage. As a result of numerous lawsuits, some carriers limit or completely exclude coverage for asbestos related claims. Typical scenarios are 1) total exclusion for asbestos or asbestos containing materials (ACM); 2) limited coverage for asbestos or ACM found in the policy form; or 3) limited coverage for asbestos or ACM added back via endorsement.

Beazley Syndicates

Limited Exclusion

Asbestos Building Material - Cleanup

Coverage for cleanup of asbestos or asbestos containing materials (ACM).

Beazley Syndicates

No

Asbestos Building Material - 3rd Party BI & PD

Coverage for 3rd Party Bodily Injury and Property Damage claims. No onsite cleanup is included, but should a 3rd party file a claim for injury or illness resulting from exposure to the existing asbestos or asbestos-containing materials (ACM), coverage is triggered.

Beazley Syndicates

No

Asbestos Building Material - Inadvertent Disturbance

Coverage for 1st Party cleanup and/or 3rd Party claims for Bodily Injury and Property Damage. Asbestos is most dangerous when it becomes friable and airborne. That means there is less risk if it is not disturbed. Some carriers offer cleanup coverage for accidental disturbance of asbestos.

Beazley Syndicates

No

Asbestos - In Soil & Groundwater

Coverage for 1st Party cleanup and/or 3rd Party claims for Bodily Injury and Property Damage for asbestos discovered in soil or groundwater above naturally occurring levels.

Beazley Syndicates

Yes

Lead-Based Paint Exclusion

As a result of numerous lawsuits, some carriers limit or completely exclude coverage for Lead-Based Paint related claims. Lead-Based Paint exclusions may apply only to the manufacture or distribution of Lead-Based Paint products (limited exclusion) or they may exclude all Lead-Based Paint related claims (total exclusion).

Beazley Syndicates	Limited Exclusion
--------------------	-------------------

Lead-Based Paint - Cleanup

Coverage for cleanup of lead or lead-based paint (LBP).

Beazley Syndicates	No
--------------------	----

Lead-Based Paint - 3rd Party BI & PD

Coverage for Third Party Bodily Injury and/or Property Damage claims. No onsite cleanup is included, but should a third party file a claim for injury or illness resulting from exposure to existing lead-based paint (LBP), coverage is triggered.

Beazley Syndicates	No
--------------------	----

Lead-Based Paint - Inadvertent Disturbance

Lead-based paint is most dangerous when it is disturbed and becomes airborne. That means there is less risk if it is not disturbed. Some carriers offer cleanup coverage for accidental disturbance of lead-based paint (LBP).

Beazley Syndicates	No
--------------------	----

Lead-Based - In Soil & Groundwater

Coverage for 1st Party cleanup and/or 3rd Party claims for Bodily Injury and Property Damage for Lead and/or lead-based paint (LBP) discovered in soil or groundwater.

Beazley Syndicates	Yes
--------------------	-----

Emergency Response Costs Specifically Covered

Pollution policies generally include a condition stating that you cannot admit liability or assume obligations without the insurance carrier's consent. Many carriers now provide coverage for reasonable remediation costs you incur without their consent, in response to a pollution condition that poses an imminent and substantial threat to human health and/or the environment. This specific coverage clarification is typically referred to in the policy as "emergency response." These costs must be incurred promptly after the commencement or discovery of the pollution condition and must be reported soon after to the carrier. Remediation costs with the carrier's consent would be covered with, or without, the clarification.

Beazley Syndicates

Yes

Illicit Abandonment Coverage

Illicit abandonment is the illegal dumping of pollutants on your property or jobsite. This is typically done by someone looking to avoid the high costs of hazardous material disposal, but it can become your burden if law enforcement cannot locate the originator of the waste. It becomes a pollution insurance issue because "pollution conditions" have historically been defined using motion words such as dispersal, escape, release, migration or seepage because carriers had to clarify that properly contained pollutants did not constitute a "pollution condition." It creates a problem in the case of illicit abandonment because the pollutants are often contained in drums or tanks of some kind and therefore do not have the requisite motion. Some carriers have specifically added illicit abandonment to the definition of "pollution conditions" to address this issue.

Beazley Syndicates

Covered

Policy Provides Affirmative Coverage for Restoration Costs

Restoration costs are reasonable and necessary costs incurred to restore, repair or replace real or personal property to substantially the same condition it was in before being damaged by remediation activities. For example, remediation of certain soil pollutants may require the removal of sidewalks, foundations or roadways to achieve the necessary cleanup standard. Restoration costs would be expenses such as replacing concrete that was removed as part of the remediation work.

Beazley Syndicates

Yes

Civil Fines and Penalties

Where allowable by law, carriers may provide coverage for civil fines and penalties as long as they are not the result of willful or deliberate non-compliance. The best option is an affirmative coverage grant where civil fines and penalties are specifically included in the definition of "Loss". Another way to give coverage is when a carrier modifies their exclusion for fines and penalties to state that it does not apply where insurance of such damages is allowable by law. Some carriers may offer coverage but sublimit to a much lower amount than policy limits. Carriers may also entirely exclude fines and penalties either with an exclusion that does not have a giveback or by stating in the definition of "Loss" that it does not apply to fines and penalties. It is best to assume that no policy form will provide coverage for fines and penalties that result from criminal activity or deliberate non-compliance.

Beazley Syndicates	Covered
--------------------	---------

Minimum Earned Premium

If, for any reason, you cancel your policy before the expiration date, this is the minimal charge of cancellation. It is typically expressed as percentage of the total premium. For example: a 100% minimum earned premium would indicate that you will not get anything back if you cancel early, while a 25% minimum earned would give you up to 75% of your premium back upon early cancellation. Note that most site pollution policies are 100% minimum earned. In some cases, an account is quoted without this percentage being firmly set. In these cases, we will note "See Quote" as the current status.

Beazley Syndicates	25%
--------------------	-----

Punitive Damages

Punitive damages, also known as exemplary damages, may be imposed in addition to actual or compensatory damages. Punitive damages are a way of punishing the defendant in a civil lawsuit and are based on the theory that the interests of society and the individual harmed can be met by imposing an additional damage award. Some policies specifically exclude punitive damages, some provide coverage where insurable by law, while others are silent, leaving the coverage for punitive damages subject to interpretation.

Beazley Syndicates	Covered
--------------------	---------

Site Pollution Liability Defense

The cost of defending an insured in the event of a lawsuit can be significant. With some policies, the money spent on defense will reduce the amount available to pay any eventual settlement or judgment. This is referred to as defense "inside the limits of liability". Other policies may state that defense expense doesn't reduce the limit available to pay a settlement or judgment ("outside the limits"). Other policies may state that a separate/additional limit is available in addition to the policy limits.

Beazley Syndicates	Inside the Limits
--------------------	-------------------

Capital Improvements and/or Site Development Exclusion

A Capital Improvement and/or Site Development exclusion is generally added by endorsement, and as an exclusion it modifies coverage by specifically excluding coverage for the discovery, release or exacerbation of a pollution condition resulting from investigations, testing, sampling, assessment or analysis performed as part of capital improvements and/or site development activities. The exclusion could also be applied to any capital improvements at specifically scheduled covered locations, or limited to just specific improvement or development actions (subsurface testing, soil remediation, dewatering, etc.).

Beazley Syndicates

Yes

Government Mandate Requirement

Some policies contain language that restricts coverage for cleanup costs to a directive, order or requirement of the U.S. Government, State or Municipal government entity. This would imply that if there is no such directive, coverage for cleanup of pollutants is not being offered. It is preferable to have no such mandate language in the policy.

Beazley Syndicates

No

Material Change in Use Exclusion

The potential for a pollution situation can change if the use of the property were to change significantly. Some policies exclude a material change in use of the property which is a vague term. Some policies only exclude coverage if the property is re-zoned, re-developed or put to a use which is different than what was happening at policy inception.

Beazley Syndicates

Yes

Per and Polyfluoroalkyl Substances Exclusion

Per and Polyfluoroalkyl substances (PFAS) are a group of manmade chemicals that include PFOA, FPOS, GenX and many other chemicals. These chemicals are very persistent in the environment, along with the human body, which means that they do not immediately break down and they accumulate over time. For this reason, these chemicals are commonly referred to as "forever chemicals" because they take decades to degrade. PFAS have been determined to cause cancer or adversely impact the liver, immune system, cholesterol levels and thyroid glands in humans. PFAS are found in food, commercial household products, the workplace, drinking water, living organisms and therefore, pose a threat to human health and the environment. They have been used extensively for the suppression of fires, e.g., military bases, and are located in the foam used to fight fires that contain petroleum and chemical based products. Carriers do not provide affirmative coverage for PFAS and they are oftentimes specifically excluded from pollution liability policies.

Beazley Syndicates

Yes

Business Interruption Coverage

Business Interruption is the economic loss that your company would suffer due to the suspension of your business as a result of a pollution condition. There is typically a "deductible period" or an interval of time before coverage begins, and limitations such that you will not profit from the situation.

Beazley Syndicates	No
--------------------	----

Known Conditions

Environmental insurance policies typically exclude pollution conditions that are already known. If there has been a history of pollution release(s) on a property, a carrier may be convinced to offer a coverage give back for disclosed conditions via endorsement.

Beazley Syndicates	None Scheduled
--------------------	----------------

NODS Owners or Operators Claim Exclusion

Environmental laws make you or your customers responsible for your potentially hazardous waste, even after it has been properly disposed of at an approved facility. If a disposal site has environmental problems, the EPA or other regulators will review the manifest and can require the originators of delivered waste to pay for a portion of the cleanup. Environmental policies can provide coverage for hazardous waste you dispose of at a site that is properly permitted for treatment, storage or disposal of such waste. However, certain carriers specifically exclude pollution claims brought by the waste disposal facility owners or operators themselves. This issue addresses whether the quoted carrier has this specific exclusion in their policy form.

Beazley Syndicates	Silent
--------------------	--------

Non-Owned Disposal Site (NODS) Coverage

Environmental laws make you responsible for your potentially hazardous waste even after it has been properly disposed of at an approved facility. If a disposal site has environmental problems, the EPA or other regulators will review the manifest and can require the originators of the waste to pay for a portion of the cleanup. Some policies can provide coverage for hazardous waste you dispose of at a site that is properly permitted for treatment, storage or disposal of such waste.

Beazley Syndicates	All Waste
--------------------	-----------

CPL Coverage

A Contractor's Pollution Liability coverage part provides coverage for the insured in the event that they are performing contracting operations at locations other than their owned location. It pays for Bodily Injury (BI), Property Damage (PD), Clean-Up Costs, and Defense Expense resulting from a pollution incident allegedly caused by the insured's covered operations.

Beazley Syndicates

Yes

Discovery Trigger

Most facility pollution policies are triggered by the "discovery" of an actionable pollutant. This discovery can be by the property owner/tenant, by a third party (like a neighbor), or can be discovered by a government regulatory agency. Some environmental policies contain language that limits the triggering of the policy to only a third party claim, or only a government mandate. The broadest definition is to trigger the policy on just discovery - regardless of who detects the pollutant.

Beazley Syndicates

Discovery

Divested Properties Coverage

You may still be found liable in the event that a pollution condition develops at a property that you no longer own, but for which you might be responsible. Carriers often automatically exclude this coverage, although some carriers have the ability to provide coverage for sold or abandoned locations provided that they remain included on the policy location schedule and are not deleted from the policy.

Beazley Syndicates

Yes

Per Occurrence vs. Per Claim Deductible

There are two types of deductibles: the Per Occurrence Deductible and the Per Claim Deductible. On a Per Occurrence basis, the event that caused the loss is the "occurrence," therefore, one deductible applies to the event regardless of the number of resulting claims filed. On a Per Claim basis, if an event involves multiple claimants, a separate deductible applies to each party of the claim.

Beazley Syndicates

Per Occurrence

First-Party Transportation Coverage

An insured can face liability for pollutants that are transported to or from a job site and/or their own location by their own trucks or trailers. Coverage can be specifically added to address the exposure associated with pollutants being transported by your company. Note: this coverage can be written on a claims made basis.

Beazley Syndicates

Yes

Third-Party Transportation Coverage

An insured can face liability for pollutants that are transported to or from a job site and/or their own location on their behalf by a third party. Coverage can be specifically added to address this exposure. Note: this coverage can be written on a claims made basis.

Beazley Syndicates

Yes

Loading and Unloading Coverage

A pollution condition may occur as a result of potential pollutants being loaded or unloaded at a covered location. To address any potential gap between site liability and transportation liability, some carriers specifically state whether pollution liability resulting from loading or unloading is covered under the policy. In other cases, they may offer the coverage, but it may be limited.

Beazley Syndicates

Yes

Extended Reporting Period

Upon cancellation or non-renewal of a policy, carriers providing coverage on a claims-made basis will typically offer an optional extended reporting period (ERP) for an additional premium. Coverage depends on the insurance carrier's underwriting requirements or preferences, along with the insured's claims history and operations. Sometimes, a carrier will not include these terms in their policy form, but refer to them in the Declarations page or state instead in their form that the terms are subject to underwriter review.

Beazley Syndicates

Underwriter Review

Extended Reporting Premium

If the first named insured is entitled to purchase an optional extended reporting period (ERP) then the carrier will stipulate the additional premium not to exceed the maximum ERP premium noted in the policy. The maximum ERP premium is based on a percentage of the policy premium. Sometimes, a carrier will not include these terms in their policy form, but refer to them in the Declarations page or state instead in their form that the terms are subject to underwriter review.

Beazley Syndicates

Underwriter Review

Financial Considerations

Proposed Policy Term

Carrier	Effective Date	Expiration Date	Policy Term (in days)
Beazley Syndicates	11/15/2022	11/15/2023	365

Surplus Lines/Admitted

When a carrier chooses to write policies with state guaranteed claims (up to determined limits), the policy offered is referred to as an admitted policy. Carriers also offer policies not backed by state guarantees. These are referred to as non-admitted or surplus lines policies.

Carrier	Surplus Lines or Admitted
Beazley Syndicates	Surplus Lines

Limits & Deductible

Limits options have been outlined below. Each of the carriers also has options when it comes to deductibles. However, you should know that minor adjustments to the deductible don't have the same impact on premium as other lines of insurance.

**The table below indicates the limits and deductibles being offered at this time.

Carrier	Per Occurrence Limit	Aggregate Limit	Deductible / SIR
Beazley Syndicates	\$1,000,000.00	\$2,000,000.00	\$10,000.00

Carrier Ratings

In addition to researching and evaluating each and every form and endorsement, UCPM also reviewed each carrier's strength, stability and capabilities - in case you are interested in something other than what was offered with your quote. Here we compared their maximum limits and their AM Best rating.

Carrier	AM Best Rating	Max Limits
Beazley Syndicates	AXV	\$10,000,000.00/\$10,000,000.00

Final Thought

The analysis was put together to help you better understand the terms that are being offered by each of the carriers so that you can make an informed decision as to which carrier is right for you. If you have questions regarding a particular issue please don't hesitate to ask.

Coverage terms are often negotiable. If there are coverage enhancements that are important to you that you would like to see included, let us know and we will work with the carrier to provide if possible.

Form List

The following forms were considered in the above analysis:

Beazley Syndicates

- EIL 112 12 16: Covered Location Pollution Liability
- CPL 110 12 16: Contractors Pollution Liability
- LMA 9104: Policyholder Disclosure Notice of Terrorism Coverage (TRIA)
- LSW 1001 08 94: Several Liability Notice
- CPL 208 12 16: Other Insurance - Primary Without Right of Contribution
- CPL 271 12 16: Additional Insured - Owners, Lessees or Contractors - Scheduled Person or Organization
- CPL 275 12 16: Additional Insured - Owners, Lessees or Contractors - Completed Operations
- CPL 279 12 16: Waiver of Subrogation - Contractors Pollution Liability
- CPL 282 12 16: Per Occurrence Deductible
- CPL 283 12 16: Delete Asbestos/Lead Based Paint Exclusion
- CPL 287 01 21: Cyber Acts Clarification Endorsement
- CPL 310 12 16 : Delete Fungi Exclusion
- EIL 203 12 16: Covered Locations Endorsement
- EIL 216 12 16: Broadform Transportation Pollution Liability Coverage
- EIL 287 01 21: Cyber Acts Clarification Endorsement
- EIL 312 07 18: Location Specific Capital Improvements Exclusion
- EIL 315 07 18: Broadform Non-Owned Disposal Site Pollution Liability Coverage
- EVA 127 12 16: Estimated Gross Receipts Endorsement
- EVA 129 12 16: Minimum Earned Premium - 25%
- EVA 300 12 16: Sanction Limitation and Exclusion Clause
- EVA 301 12 16: War and Terrorism Exclusion
- EVA 302 12 16: Lloyd's Security Schedule
- EVA 303 12 16: Radioactive Contamination Exclusion Clause - Liability - Direct (USA)
- EVA 304 12 16: Nuclear Incident Exclusion Clause - Liability - Direct (Broad) (USA)
- EIL 318 03 22: Perfluorinated Chemicals Exclusion

Disclaimer

This Dynamic Coverage Analysis Tool (DCAT) provides an analysis of insurance coverage forms for general description and comparison purposes only. The analysis is not a legal review and the review does not provide legal advice. The analysis is provided for educational purposes and not to provide a specific recommendation for coverage selection. While we strive to provide information about coverage that is current and accurate, we do not warrant the completeness or accuracy of the information contained in the analysis. The information provided by the DCAT does not alter, amend, modify or supplement in any way the terms, conditions, coverage, exclusions, premiums or retentions offered by the carriers' quotes analyzed by the DCAT.