



CONSTRUCTION ENVIRONMENTAL LIABILITY

Environment Agency research shows that the construction industry is responsible for almost a third of all industry-related pollution events in the UK.

A comprehensive Contractors Pollution Liability insurance policy is one of the best ways to protect against the environmental risks that a business will face, from the inception of a project through to completion.

A number of recent cases have illustrated the regulators increasing interest in this sector, and highlight the numerous ways in which the environment may be affected by a company's activities, even on well-managed projects.

From water pollution, to biodiversity damage, to the remobilisation of historic pollution – businesses could quickly face costly clean-up, without the legal and technical expertise we can provide.

WHEN QUOTING, WHAT INFORMATION DO WE NEED?

The information we need and the questions that we ask will very much depend on the individual project. However, we do require the following information:

- Details of project
- Main construction activities
- Contract value and project timescale
- Risk management and emergency response protocols
- Environmental reports where available.

COVER

- ✓ Capacity £25M
- ✓ Flexible deductibles
- ✓ Specific project policies
- ✓ Annual practice policies
- ✓ Owner controlled programmes
- ✓ New pollution incidents and exacerbation of existing pollution conditions
- ✓ Gradual pollution cover
- ✓ Liability arising under the Environmental Liability Directive
- ✓ Own site clean-up
- ✓ Third party clean-up and liability
- ✓ Statutory liabilities arising from a regulatory authority
- ✓ Crisis Management
- ✓ Emergency Response



Protect Asset Value



Protect Against Regulatory and Operational Exposures



Legal and Technical Defence Expertise



Minimising Reputational Damage



Emergency Response and Crisis Management

CONSTRUCTION SCENARIOS THAT HAVE LED TO ENVIRONMENTAL ISSUES

Example 1

Pollution arising from adverse weather

A storm that occurred during a road construction project washed away excavated materials being stored on a flood plain. The sediment entered a river and resulted in fish killed over a 5km stretch. The loss was estimated in the region of £500K.

Example 2

Pollution arising from construction errors

Raw sewage and foul water flowed into a local river after a plumbing mistake meant effluent from 41 apartments were mistakenly connected with a surface water drain instead of the sewer. This led to raw sewage and foul water flowing into a local river.

Example 3

The risks of purchasing polluted land

A former chemical works was sold and developed for housing in the late 1980s. During the redevelopment, rainfall caused bromide and bromate pollutants already in the soil to gradually migrate into groundwater, and over time a number of offsite drinking water abstraction boreholes were forced to close.

The former land owner and developer were served a remediation notice making them liable for the remediation costs. Total liability issues are estimated to be in the order of £50M. The case highlights the potential for remobilisation of contamination during construction works.

Example 4

Construction in environmentally sensitive areas

The unauthorised construction of an access road across an environmentally sensitive area significantly impacted bog vegetation and altered the local hydrology. The regulatory authority believes remedial measures will be necessary over a number of years, and it may not be possible to return the environment to its original baseline. This is an ongoing issue and may result in the contractor having to carry out complementary and compensatory remediation under the Environmental Damage Regulations 2009.

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