

# Distribution Product Guide: Environmental Liability

→ Distributor Product Guide  
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**This guide is for intermediary  
reference only:**

It does not contain the full terms and conditions of the contract of insurance. Full terms and conditions are within the policy documents; you can request to have a copy of these.

## Background

Environmental Liability addresses liabilities arising from third party claims for bodily injury & property damage as well as regulatory claims such as on and off-site clean-up costs and environmental damage resulting from Pollution.

## Product design

Market products go through a Product Design and Approval process to ensure products are able to meet the needs and objectives of the target market. This product has undergone testing, including industry benchmarking as part of this approval process.

Environmental Liability insurance is able to provide worldwide coverage on both a Site Specific or Contractor's basis across a range of industries. The product covers liabilities that businesses may face as a result of pollution caused by their day-to-day operations, providing protection against Pollution events triggered by regulators and/or third parties.

Cover is provided on a 'claims made' basis, or an 'occurrence' basis, as agreed through the broker and as detailed in the Policy documentation.

On a 'claims made' basis the policy is designed to respond to claims that are made during the period of insurance, regardless of when the wrongful act that caused the claim took place (subject to any retroactive date that may apply). On an occurrence basis, coverage is provided for incidents that happen during the policy period, regardless of when the claim is filed.

We confirm that the product is free from any innate conflict of interest that would compromise you from putting customers interests first.

## Target market

**The Target Market for Environmental Liability are commercial customers:**

- Companies insuring against a loss event occurring as a result of pollution

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- Companies in the manufacturing, public sector, utilities, construction, demolition, and engineering sectors
- Companies from micro-enterprises to large organisations
- Companies looking for broad and global coverage to cover against potential Pollution Incidents.
- Companies requiring immediate emergency response services in relation to a pollution event

## **This Policy is not suitable for:**

- Non-commercial customers (parties not buying in relation to their trade or business)

## Scope of cover

Markel International's Environmental Liability policies can be arranged with a number of different extensions to allow other types of business protection to be arranged under the same policy.

Policies can be tailored to the individual risk, ensuring that cover is right for the client's exact needs.

## **We can offer cover for:**

- On and Off-site Clean up
- Third Party Bodily Injury & Property Damage
- Environmental Damage
- Transportation
- 1st Party Business Interruption
- Statutory liabilities

Should a client be in a position to make a claim, we have dedicated claims handlers on hand specifically for this product, possessing the expertise to process the claim and advise the customer to limit loss from the outset.

## Product value assessment

We have taken into account the cost to Markel to provide the product, the chosen distribution channel and, the key features and benefits, alongside anticipated product performance and customer services to undertake a Fair Value Assessment. This includes where an add-on product (including premium finance) not manufactured by us is sold alongside, or forms a package with the distribution of our products. As part of this assessment we have collaborated with our chosen distribution partners to gather and assess fees and charges associated with the Product at point of interaction.

Following our assessment of Environmental Liability, the product as presented provides Fair Value to the intended Target Market, which has been assessed through the Management Information available to us on the products performance, evidencing the value to Policyholders overall. We have determined that the features, benefits and distribution strategy remain consistent with the needs of the Target Market, and provide

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suitable coverage. The defined distribution strategy is appropriate for this product, and provides the value intended through the policy lifecycle.

We do however expect any distributor of this product to consider any additional fees or charges they may charge policyholders and its effect on the end value. This includes the addition of ancillary products provided alongside a Market product which may erode the intended value.

## Distribution strategy

Our Environmental Liability insurance product has been designed for distribution by insurance intermediaries that hold commercial agreements with us. Each distribution partner is assessed by the Underwriting team to have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business. Where necessary, we shall work with intermediaries to provide training and communications as appropriate.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice based upon their expertise in the field. These products are considered suitable for advised and non-advised sales by suitably skilled persons.

## Distributor / partner remuneration and costs

We expect the following to be agreed, prior to any placements being made:

- Commission levels
- Fee for Service arrangements, should they be entered into between both parties

## Distributors / partners responsibilities

You are reminded to assess fair value to your customers where you charge additional fees, charges or where commission rebating takes place. Distributors / partners should consider whether their customers who are purchasing a Market International product are being charged any additional fees that are not funded by the premium paid.

If a distributor / partner identifies that a product is not providing fair value and this has been caused by the distributor's / partner's distribution arrangements, including its remuneration arrangements, the distributor / partner must immediately inform Market International for appropriate action to be determined.

## Providing feedback

We welcome any feedback from our distributors / partners on the performance of our products. All feedback will be considered in our next product review. We shall host regular touchpoints with you to discuss the product offering and any support required.

