

Contractors Pollution Liability

International Casualty – Specialty



As part of our Environmental Liability offering, Contractors Pollution Liability (CPL) provides legal liability coverage from a claim caused by a Pollution Event arising from Contracting Operations.

This can be offered on either a claims-made or occurrence form and can be written for specified projects or as a practise programme. Our CPL policy offers extensive coverage for contractors against pollution, whether it is a sudden, accidental release or gradual. The policy will cover the introduction of new pollutants as well as the exacerbation of existing.

Policy periods can range from short-term projects to an annual practise policy, up to a 10-year construction project inclusive of completed operations cover. Coverage is available worldwide (excl. USA) and is customisable to fit the specific need of the client, including owner- or contractor-controlled policies.



Target markets

- Construction companies
- Remediation contractors
- House builders
- Commercial and industrial contractors
- Demolition and excavation contractors
- Any entity undertaking works on a third-party location

Capacity

- USD 35,000,000
- GBP 25,000,000
- EUR 35,000,000
- AUD 50,000,000
- CAD 35,000,000

Exclusions

- Fines and penalties
- Intentional or deliberate acts
- Professional services

Coverage

- Clean-up costs
- Bodily injury
- Property damage
- Nuisance
- Environmental damage
- Transportation liability
- Emergency response costs
- Loss arising from a cyber Incident
- Defence costs
- Crisis management
- Multi-year policy periods
- Abatement work performed by licensed contractors

Submission requirements

- Breakdown of contracting activities with associated values
- Link to contractor website for experience / work examples
- Key environmental management systems / work method statements

MARKEL



Distribution

Our policy is distributed via brokers through open market (direct and facultative reinsurance) and binders on a primary and excess of loss basis.

Locations

Our policy is distributed worldwide.

Wordings

Comprehensive suite of proprietary wordings.




Stamps

We use Syndicate 3000, MIICL, MISE and LBS.

Europe

We write EEA and non-EEA risks.

Appetite

	 Target	 Will consider	 Polite decline
Primary or Excess of Loss	<ul style="list-style-type: none">– Contractors– Construction companies (incl. commercial, residential, industrial)– Remediation contractors– House builders– Site clearance– Demolition– Excavation– HVAC and Plumbers– Transport & Logistics– Environmental consultants– Any entity undertaking works on a third-party location	<ul style="list-style-type: none">– Water services and utilities– Mould and asbestos removal	<ul style="list-style-type: none">– Agrichemical application– E&P operations

Contact

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Confidence in claims

We see ourselves as enterprising but measured, delivering insurance solutions that are effective as well as innovative, and listening carefully and working transparently with our business partners and clients. At the heart of everything we do is an unshakeable commitment to fairness and respect. We meet client needs with confidence because we're driven by a long history of industry leadership and expertise.



Whether you are a business, organisation or individual, when the unexpected happens, we are passionate about getting you back on track.




Contact details and information about our claims service can be found here:

markel.com/claims

Coverage analysis

The below table highlights the extent of coverage for typical policies across a range of liability types.



Cover →	Public Liability	Property	Environmental
Third-party property damage and bodily injury arising from a pollution event	 Sudden and accidental coverage only		
Onsite first-party clean up costs		 Restricted to debris removal, often with sub-limits	
Statutory liability arising from gradual pollution			
Statutory liability arising from sudden and accidental pollution	 Unless with optional extension		
Gradually occurring pollution			
Environmental damage			
Mitigation costs to respond to an imminent threat			
Emergency response costs	 Third-party, sudden and accidental coverage only		

Source: A Practical Buyer's Guide to Environmental Risk, IUA Non-Marine Environmental Committee (June 2021).
For information purposes only. Not a guarantee of coverage.



Why should I consider purchasing a CPL Policy if I have never experienced a Pollution Loss?

In the competitive construction industry, maintaining a solid reputation is vital. Environmental incidents can greatly damage a company's standing, resulting in lost business and diminished trust. Having a CPL policy in place demonstrates a proactive approach to risk management, which can enhance a company's reputation.

The contracting profession inherently involves numerous risks. Construction sites frequently contain chemicals, fuels, and materials that, if improperly handled or accidentally released, can cause serious environmental harm. Such incidents can lead to substantial costs, including legal fees, regulatory fines, and third-party claims for property damage and bodily injury.

Moreover, many construction sites have a history of industrial or brownfield activities. Construction work can unintentionally disturb these areas, exacerbating existing problems and spreading pollutants. A CPL policy protects contractors from the financial repercussions of incidents arising from historical site conditions they could not anticipate.

Finally, environmental regulations are stringent and constantly evolving. A CPL policy ensures adherence to local laws, facilitates cooperation with regulatory bodies, and underscores a commitment to responsible environmental practices.

Can I cover the cost of an Environmental loss myself?

The financial impact of a pollution incident can be overwhelming. Clean-up expenses alone can reach millions of dollars, not to mention legal fees and compensation costs. A CPL policy offers a safety net, ensuring these expenses are covered without endangering the financial health of your business.

Do I need a Contractors Pollution policy if I have General Liability Insurance?

While a General Liability policy offers broad protection against many common business risks, it often excludes coverage for pollution-related incidents. A Contractors Pollution Liability policy fills this gap by offering specialized coverage for environmental risks, including cleanup costs, thirdparty claims, legal defence costs, and more.

Contractors involved in activities with potential environmental impacts should strongly consider obtaining a CPL policy to protect their business against the unique risks associated with pollution.

A General Liability policy typically covers only sudden and accidental pollution releases, whereas a CPL policy extends coverage to include gradual pollution, sudden and accidental incidents, environmental cleanup, and transportation-related incidents involving hazardous waste and materials.

These answers are provided for information purposes only and are not a guarantee of coverage.