


# Insurance solutions for environmental impairment and cleanup



You might not think a car wash operation would have an environmental exposure, but consider the consequences of the accumulation of oil, detergent, wax, engine lubricants and rubber particles being flushed into the sewer system or, even worse, a lake, river or stream. Sounds improbable? Perhaps. But as unusual as it sounds, many environmental losses are just this hard to imagine.

In fact, many businesses that handle seemingly innocuous materials have the potential for an environmental loss. In high concentrations, even the most benign substance can do harm. Potential environmental liability isn't confined to the products or services of remediation contractors, mining companies, waste companies and chemical companies. By contributing even the smallest amount of contamination, a company can become a potentially responsible party under CERCLA.

## Expanded scope of impairment

In today's business climate, the scope of environmental impairment includes industries once thought to be invulnerable to environmental risk. And as the web of environmental liability expands to capture more businesses, the need for protection against potentially devastating financial loss has become an increasingly important component of a risk-management strategy.

At Zurich, you'll find first-class insurance coverage that protects businesses against loss from their environmental exposures. This protection is backed by a level of technical knowledge and financial strength few insurers can equal.

## Building on experience

Few insurers have any experience in the environmental liability market. Zurich has invested the time to build the base of in-house knowledge that allows us to combine insurance acumen with the specialized skills of geologists, biologists, engineers, chemists, environmental attorneys and even nuclear specialists who know how to handle the trickiest risks. You can rest easy knowing that your environmental risk is being handled by a company truly committed to this specialized field of insurance. In a collaborative effort to tailor coverage, Zurich underwriters can leverage their insights to ensure the right risk-cost balance is achieved.

Most Zurich underwriters have worked with brokers and their clients for more than 12 years, so they know the evolving environmental liability landscape and the types of operating risks that different firms face. Their specialization means Zurich underwriters can design an environmental liability program that reflects a firm's singular risk profile.

Keep in mind that Zurich underwriters are with you through the life of an account. Zurich underwriters, engineers and claims specialists discuss risks and coverages with you. For example, the underwriting intent of coverage language may be clarified with Zurich claims specialists prior to coverage being provided; the engineering team may be engaged to evaluate the exposures in depth. Zurich's legal team is always instrumental in manuscripting policy language to specifically meet the unique needs of an insured. And at renewal, Zurich underwriters discuss an account with our claims and risk-management specialists to ensure that they have a firm grasp of a company's evolving risks.

Zurich underwriters are with you at every point in the process.

## Coverage designed to fit your risk

Zurich's environmental liability coverages provide businesses with protection against potentially devastating loss from environmental exposures. Because each risk is unique, Zurich underwriters will work with you to customize coverage to a firm's specific risk needs.

Coverage can be written for as much as \$50 million and includes:

### *Environmental Impairment Liability (EIL)*

Zurich's EIL coverage provides protection against third-party liability for bodily injury, property damage and cleanup costs as a result of a pollution event that occurs on, at or coming from an insured location.

#### **Some coverage highlights include:**

- Natural Resource damages
- Defense costs
- Compliance with financial assurance RCRA requirements
- Diminution in value (3rd party) where legally constituting property damage
- Up to five-year policy terms

#### **Optional coverages can include:**

- Mold/fungus
- Non-owned disposal sites
- Divested properties
- Business interruption and loss of rents
- Up to five-year policy term

### *Environmental Cleanup and Liability (ECL)*

Zurich's ECL policy broadens the protections of the EIL to include a discovery trigger and provides flexible environmental coverage for site owners and operators. ECL coverage provides protection for third-party claims and first-party onsite cleanup costs resulting from a pollution event that occurs on, at or from an insured location. Protection against loss from unknown historical contamination or new pollution events can be included.

#### **Some coverage highlights include:**

- Onsite clean-up with a first-party discovery trigger
- Protection from the financial loss associated with Superfund liability
- Up to 10-year policy terms

Zurich's EIL and ECL coverage has been an effective risk-financing mechanism for businesses as diverse as manufacturers, mining companies, health care providers, colleges and universities, agricultural firms, warehouses and utilities among others.

## Risk management hard-wired for prevention

Identifying subtle but potentially costly environmental exposures is no field for amateurs. There is no substitute for the knowledge and experience that Zurich has assembled in its risk management team that includes certified hygienists, geologists, seismologists and engineers who have experience in industries as diverse as plastics, petroleum and nuclear energy generation.

Zurich's Risk Management team has specialized knowledge when it comes to the maze of hard-to-unravel federal, state and local environmental regulations – each of which has its own nuances. As a Zurich insured, you can rest assured that your risk has been evaluated from every perspective and Zurich's broadest coverage available for your particular risk has been afforded.

At Zurich, you'll find the resources and information to stay abreast of emerging issues through our quarterly environmental newsletter that includes recent changes in environmental laws as well as a discussion of timely issues.

Additional risk management services include:

- Contract review
- Claims counseling
- Risk management and environmental health and safety (EH&S)
- Policy and program review

## Claims services tooled to respond

An environmental claim is like no other loss. Delays and mismanagement could be costly to a company and eat up precious resources.

Zurich's claims specialists understand the urgency of the situation and have developed a network of resources to handle most types of environment losses. They know which remediation firms to use for a particular loss. Zurich's legal team is experienced in managing large catastrophic claims that may involve managing hundreds of litigants and require specialized skill in allocating liability among parties.

This sense of urgency and level of experience can make an enormous difference in the magnitude of a business' liability and help keep our clients moving ahead.

## Commitment grounded in financial strength

The worst environmental damage occurs slowly, seeping into the ground or water over time. It may go undetected for decades. This type of unseen hazard is the reason businesses need the protection of an insurer that has the staying power to be there when a claim occurs. In the long run, an insurer's protection is only as good as its financial strength. Zurich's financial strength provides long-term protection to meet the environmental insurance needs of our clients.

Zurich's financial strength also gives us the ability to weather business cycles that have driven others from the market. Our stability provides our clients the assurance they need to take on projects that present new and challenging opportunities.

Few insurers can match Zurich's technical knowledge, financial strength and commitment to environmental liability on all fronts. It's the reason Zurich has stayed a leader in the market for more than a dozen years.

## Northwest Region

 Jacobus

Regional vice president  
560 Mission Street, 24th Floor  
San Francisco, CA 94105  
415-538-7378 Fax 415-538-7382  
roderic.jacobus@zurichna.com

 Corbett


Regional sales executive  
818-409-7854  
tim.corbett@zurichna.com

## Southwest Region

Alex Liu

Regional vice president  
801 North Brand Blvd.,  750  
Glendale, CA 91203  
818-500-4714 Fax 818-500-4756  
alex.liu@zurichna.com

Sandra Tate

 Regional sales manager  
818-400-2864  
sandra.tate@zurichna.com

## North Central Region

Ron Anderson

Regional vice president  
550 West Washington Blvd., Suite 1300  
Chicago, IL 60661  
312-496-9633 Fax 312-496-9635  
ron.anderson@zurichna.com

 n Walter

Regional sales executive  
312-496-9114  
timothy.walter@zurichna.com

## Mid-Atlantic Region

Steve Collett

Regional vice president  
1818 Market Street, 21st Floor  
Philadelphia, PA 19103  
215-979-6652 Fax 215-979-6723  
steve.collett@zurichna.com

Brian Kilroy

Regional sales executive  
215-979-6695  
brian.kilroy@zurichna.com

## South Central Region

Shawn Tate

Regional vice president  
2000 W. Sam Houston Pkwy. South  
Suite 1300  
Houston, TX 77042  
713-787-7863 Fax 713-787-7864  
shawn.tate@zurichna.com

Jane Doyle

Regional sales executive  
713-787-5934  
jane.doyle@zurichna.com

## Northeast Region

Matt Milano

Regional vice president  
One Liberty Plaza, 165 Broadway  
New York, NY 10006  
212-553-5582 Fax 212-225-7038  
matthew.milano@zurichna.com

 David Van Sise

Regional sales manager  
212-553-5583  
david.vansise@zurichna.com

## New England Region

Chris DeLauder

Regional vice president  
60 State Street, Suite 600  
Boston, MA 02109  
617-570-8870 Fax 617-570-8817  
chris.delauder@zurichna.com



## Southeast Region

 Patterson

Regional vice president  
3003 Summit Blvd., Suite 1800  
Atlanta, GA 30319  
404-851-3500 Fax 404-851-3687  
 patterson@zurichna.com

Katherine Strong

Regional sales executive  
404-851-3449  
katherine.strong@zurichna.com

## Lender environmental protection risk

Debbie Hausser

5445 DTC Parkway, Suite 1200  
Englewood, CO 80111  
303-224-4071 Fax 303-773-1681  
debra.hausser@zurichna.com

### Zurich

One Liberty Plaza, New York, New York 10006  
866 860 7292 [www.zurichna.com](http://www.zurichna.com)

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