

# Potential Differences Between the Limited Pollution CGL Endorsement and a Contractors Pollution Liability Policy

<p>Unable to satisfy many common contract requirements for pollution.</p>	<p><b>Contract Requirements</b> Many jobs require contractors to provide evidence of pollution liability.</p>	<p>Pollution policies satisfy or can be endorsed to satisfy most contractual requirements.</p>
<p>Limited to \$1M or less in most cases. Limits are generally shared with the CGL which means frequency driven CGL claims can reduce limits.</p>	<p><b>Limits</b> Pollution claims are often high severity claims. The lower the limits of insurance the greater the risk of being underinsured.</p>	<p>Pollution policy limits generally start at \$1M and up.</p>
<p>Most excess policies have a pollution exclusion and will not sit over the limited pollution which is problematic for severity driven pollution incidents.</p>	<p><b>Excess Limits</b> Pollution claims are often high severity claims. The lower the limits of insurance the greater the risk of being underinsured.</p>	<p>Pollution policy limits are readily available up to \$25M. Higher limits are available as needed.</p>
<p>Coverage may be limited to BI and PD and if so would not cover cleanup or monitoring.</p>	<p><b>Cleanup and Monitoring Costs</b> Cleanup and monitoring of pollution incidents are often mandated by the government and the cost can be significant.</p>	<p>Pollution policies regularly include the cost of cleanup and monitoring.</p>
<p>Coverage may be limited to sudden and accidental. If so, the pollution incident must occur and be reported within the specified number of days. Often 10 days or less.</p>	<p><b>Time Element</b> Not all pollution incidents are the result of a spill. The release of pollutants may go undetected, migrate and grow gradually over time.</p>	<p>Pollution policies regularly include coverage for sudden and accidental as well as gradual pollution incidents that may occur over time.</p>
<p>Unable to satisfy contractual requirements for completed operations and extended discovery.</p>	<p><b>Completed Operations / ERP</b> Contracts often include requirements for completed ops or extended reporting.</p>	<p>Project policies can provide extended reporting period for claims made policies and completed operations for occurrence policies.</p>
<p>Coverage may be limited to include just the insured's premises and not work performed at a job site.</p>	<p><b>Work Performed at a Job Site</b> Work performed at a job site is the primary pollution exposure for most contractors.</p>	<p>Pollution policies provide coverage for work performed at a job site.</p>
<p>Coverage may be limited to BI and PD. Without onsite cleanup the value of coverage is limited.</p>	<p><b>Owned and Leased Locations</b> Many contractors have a contractor's yard with equipment, vehicles and above ground storage tanks to fuel their fleet.</p>	<p>Pollution policies are able to provide coverage for BI and PD as well as onsite cleanup for owned and leased locations.</p>
<p>Generally not covered under the limited pollution CGL endorsement. The CA 99 48 pollution endorsement available on the auto has limitations as well.</p>	<p><b>Transportation Pollution</b> Provides protection for over-the-road exposure. Can include loading/unloading should the cargo create a pollution condition.</p>	<p>Pollution policies regularly include coverage for 1<sup>st</sup> and 3<sup>rd</sup> party transportation pollution liability including loading and unloading.</p>
<p>Generally not covered under the limited pollution CGL endorsement.</p>	<p><b>Non-Owned Disposal Site</b> In the event a disposal facility becomes a superfund site, all contributors of waste are potentially responsible parties.</p>	<p>Pollution policies regularly include coverage for non-owned disposal site liability.</p>
<p>Generally not covered under the limited pollution CGL endorsement.</p>	<p><b>Legionella</b> Legionella is a bacterium that causes a form of potentially fatal pneumonia. It <i>is not</i> the same as mold, fungi, etc.</p>	<p>Pollution policies regularly include Legionella as a specifically named pollutant.</p>
<p>Generally not covered under the limited pollution CGL endorsement.</p>	<p><b>Natural Resource Damage</b> Pollution incidents may contaminate wildlife, fish and wetlands that will require restoration.</p>	<p>Pollution policies regularly include coverage for natural resource damage including restoration costs.</p>
<p>Most likely will be handled by the CGL claims adjuster and counsel.</p>	<p><b>Claims Handling</b> Environmental claims are complex and involve local, state and federal laws. Each jurisdiction has a unique regulatory position requiring environmental counsel.</p>	<p>Pollution claims are typically handled by an Environmental claims adjuster and environmental counsel.</p>
<p>Premiums often range between \$250 and \$1,000 and coverage is limiting.</p>	<p><b>Value</b> The difference in cost is often relatively small in comparison to the difference in coverage.</p>	<p>Pollution policies start as low as \$1,000 and coverage is significantly greater.</p>

All Commercial General Liability (CGL) policies contain some form of the total pollution exclusion. Occasionally carriers are willing to give back limited coverage by endorsement. The chart above highlights a few of the common differences between the various limited CGL pollution endorsements and a full pollution policy. Actual coverage will be provided in accordance with the endorsements and policy issued. Please refer to the specific CGL limited pollution endorsement and CPL policy form for verification.