



Environmental Insurance FAQs

At Great American, we understand environmental liability can be highly complex. Let us help you better understand these complexities and how your clients can obtain policy protection against them by answering the following frequently asked questions by our underwriting professionals!



1. What is environmental insurance?

Environmental insurance is specialized coverage for losses incurred as a result of a discovery, third-party allegations, or regulatory actions arising from a pollution release at or migrating to an insured property, or because of contracting services performed for a third-party.

Typical coverage addresses:

- Bodily injury
- Property damage
- Clean-up costs
- Defense costs

Coverage enhancements include liabilities resulting from non-owned disposal sites, transportation, contingent business interruption, and first-party diminution of property value.

2. Is environmental protection included in a general liability policy?

Traditionally, commercial general liability policies exclude pollution-related losses, leaving businesses exposed to significant environmental risks. However, with the launch of **GLIDER**, our new combined form policy, businesses now have access to a streamlined solution that integrates general liability coverage with comprehensive environmental protection all in policy.

3. What is the difference between site pollution and contractors pollution?

In plain terms, a site pollution policy affords insureds coverage for losses pertaining to their owned, rented, or occupied locations on a claims made basis during the policy period. Whereas a contractors pollution policy affords coverage to the professional contractor for their services that result in bodily injury, property damage, and clean-up costs that occur during the policy period.

Environmental Division

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4. What are the four core environmental insurance policies?

- [Premises Environmental Liability Policy](#) provides coverage for first-party cleanup costs on- and off-site, bodily injury, property damage, legal expenses, and diminution of property value. The Premises Environmental Liability policy also covers an insured's pollution liability arising from non-owned disposal sites, transportation of products or wastes, business interruption, and contracting services.
- [Contracting Services Liability Policy](#) provides coverage for claims in which a pollution incident is alleged to be the fault of an entity engaged in contracting services.
- [Professional Liability Policy](#) adds professional coverage to the contracting services coverage.
- [Combined General Liability & Environmental Pollution Protection Policy \(GLIDER\)](#) provides site-specific pollution legal liability, hostile fire, and building equipment pollution liability, products pollution and exposure liability, contractors pollution liability, and transported cargo pollution coverage, in addition to ISO-based commercial general liability coverage.

5. Why should my clients be interested in this type of protection?

Conventional insurance policies are often very restrictive or exclude coverage for pollution altogether. Insureds are surprised when they realize their general liability policy or property policy do not afford coverage for pollution releases.

Environmental insurance may be a requirement of a contractual agreement between a buyer and a seller, landlord and tenant, lender, and borrower, or through a governmental entity.

Every operation has some degree of pollution exposure. Having adequate limits on an environmental insurance policy to investigate a pollution-related claim, respond to a claim, or clean up a pollution condition reduces coverage gaps and preserves limits on other lines of insurance.

6. What types of coverages are available?

Great American offers an exclusive focus on environmental insurance solutions to a wide variety of commercial clients. Our comprehensive products and services enable businesses to effectively manage risks that could pose a threat to their financial security.

- [Premises Environmental Liability Policy \(PRE\)](#): Pollution events can be financially threatening and harmful to the operations of a business and the company's reputation. Our PRE policy provides coverage for bodily injury, property damage, legal expenses, and cleanup costs resulting from pollution conditions associated with a covered location. An Insured's pollution liability arising from non-owned disposal sites, transportation of products or wastes, business interruption, contingent business interruption, biological hazards, and incidental contracting services can be added.
 - [Special Risks Insurance Coverage](#): An enhanced site-related pollution policy focusing on classes of business that have a higher exposure due to the nature of their operations.
- [Combined General Liability & Environmental Pollution Protection Policy \(GLG\)](#): GLIDER provides site-specific pollution legal liability, hostile fire, and building equipment pollution liability, products pollution and exposure liability, contractor's pollution liability, and transported cargo pollution coverage, in addition to ISO- based commercial general liability coverage.
- [Indoor Air Quality and Mold Policy \(IAQ\)](#): Mold litigation continues to be an issue throughout the country, resulting in costly verdicts against contractors, property owners, and insureds. Our IAQ policy can help keep your clients safe against lurking mold dangers, providing coverage for bodily injury, property damage, legal expense, and building-related cleanup costs resulting from pollution conditions on, at, or within a building on a covered location.
- [Commercial Lender Policy \(LEN\)](#): A lender enters into loan agreements that financially assist their clients to achieve their business goals. But what happens when a borrower fails to honor their obligation to repay the lender? Our Commercial Lender policy is tailored to protect secured creditors from liability arising out of known or unknown pollution conditions at the insured real estate. This policy covers new and historical pollution sites, third-party bodily injury and property damage, diminution in value of the collateral, emergency response costs, and public relations fees.

- **Contracting Services Environmental Liability Policy (CSE)**: Let's face it, the construction industry is tough! Through day-to-day operations, contractors may experience bottom line-threatening situations that could result in extensive cleanup costs and legal expenses. Our CSE policy provides coverage for liability associated with bodily injury, property damage, legal expenses, and cleanup costs resulting from pollution conditions associated with contracting services, and is offered on both a practice and project basis.
- **Contractors ProProtect (PCE)**: Contractors ProProtect is Great American Environmental's program providing environmental and specialized coverage for contractors in numerous classes of business and contracting specialties. This policy is suitable for non-environmental contractors with annual revenues less than or equal to \$25,000,000.
- **Contracting Services Project Specific Environmental Liability Policy (CSE)**: A variety of accidents and environmental exposures have the potential to obstruct project development and cause financial setbacks. Our CSP policy offers coverage for pollution conditions associated with covered contracting services during the duration of a specific project. This coverage can be extended to include completed operations as well.
- **Professional and Contracting Services Environmental Liability Policy (PCM)**: While some insurance policies offer protection for certain types of professional-related issues, many exclude them completely. Fortunately, our PCM policy includes coverage for liability associated with acts, errors, and omissions arising from professional services, in addition to the coverage provided under the Contracting Service Environmental Liability form. Enhancements include coverage for liability associated with owned locations, non-owned disposal sites, and transportation of the insured's products or wastes.
- **Closure and Post-Closure Financial Assurance Policy (CPC)**: A financial assurance mechanism mandated by the government is proof of financial security (cash and non-cash) to guarantee the cost of complying with environmental objectives. Our CPC policy is a cost-effective means to satisfy these regulatory requirements.
- **Excess Environmental Liability Policy (EEL)**: Provides additional limits, pursuant to follow-form excess language, to any customer class that has a primary environmental liability insurance policy from an accredited carrier.
- **Storage Tank Policy (STP)**: This policy provides primary coverage for above-ground and underground storage tanks on an annual basis. Enabling Great American to issue the written certification pursuant to the state and federal financial assurance requirements pertaining to storage tanks.
- **AeroProtect**: Our AeroProtect policy helps protect against bodily injury, property damage, clean-up costs, and legal expenses resulting from pollution conditions associated with your locations. It also provides coverage for pollution conditions arising from storage tanks and fixed-based operations (FBOs). AeroProtect is built to satisfy your contractual obligations and to fill in coverage gaps left by other casualty lines.
- **CarbonProtect**: The decision to invest in Carbon Capture and Storage (CCS) technologies is one that should not be taken lightly, considering the immense financial and environmental risks that accompany it. Though the reward can be great, it is crucial to ensure your client is protected from these risks in all capacities, from start to finish.

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