

Environmental

Premises Environmental Liability Insurance Policy Enhancements Guide

Offering Protection Beyond Your Standard Site Coverage



FOR AGENT/BROKER DISTRIBUTION ONLY



Did you know? Alongside Great American Environmental’s core coverage that addresses bodily injury, property damage, legal expenses, and clean-up costs arising from pollution conditions at specific locations, our Premises Environmental Liability (PRE) policy provides a range of endorsement options to bolster your client’s coverage. These endorsements present competitive opportunities to enhance the protection offered. One such endorsement is the Premises Environmental Liability Enhancement Endorsement (the, “Enhancement Endorsement”).

Why is it important for your clients to consider obtaining additional enhancement coverages?

Great American Environmental is well-equipped to offer top-notch site coverage and policy improvements to our insureds as the insurance industry undergoes constant changes. Our Enhancement Endorsement is designed to cater to various types of locations, such as residential, commercial, real estate, redevelopment sites, brownfields, warehouses, hospitality, chemical/petroleum, municipalities and more. With this and other enhancement offerings, our underwriting experts can tailor custom solutions that perfectly align with the operational requirements of your clients.

PRE endorsements offerings include:

- Mold-drying costs
- Emergency response & public relations costs
- Civil fines included in clean-up costs
- Additional defense outside the limits
- First-party transportation

Overview of Endorsement Offerings



Emergency response & public relations costs

Let’s face it, accidents happen! In the event that a pollution incident occurs, it can often cause media and reputation headaches for the insured. By adding the emergency response and public relations costs enhancements, Great American Environmental can provide coverage for the public relations costs incurred to maintain and/or restore public confidence in the insured along with extending the reporting period to up to seven days following the occurrence.



Civil fines included in clean-up costs

When dealing with clean-up following a pollution incident, environmental regulatory agencies may become involved. In the case that the insured has to pay civil fines in addition to clean-up costs, this enhancement adds “civil fines, penalties and assessments” to the definition of clean-up costs to provide an additional layer of coverage.



Additional defense outside the limits



In the event of a claim, the associated costs can be substantial. To address this, the Enhancement Endorsement includes an extra limit for legal expenses that goes beyond the standard limits of liability for all coverages. This addition ensures that the insured has additional financial protection specifically allocated for legal expenses, providing them with comprehensive coverage when facing legal challenges related to their policy.



First-party transportation

Virtually every industry relies on logistics or transportation management to effectively run their operations. However, transportation inherently brings numerous environmental risks that can be both unpredictable and beyond one’s control. Without adequate coverage, the potential expenses for clean-up and legal matters can quickly escalate. That’s why we provide a first-party transportation endorsement, which offers coverage specifically for the transportation of materials conducted by the insured. This endorsement ensures that the insured is protected against potential liabilities and expenses associated with transportation-related incidents.



Diminution in value

Even after a property has undergone remediation, a stigma might persist, negatively impacting the property's appraised value. To address this issue, the first-party diminution in value enhancement offers a solution. This enhancement covers the difference in the property's value that can be attributed to the lingering stigma.



Disinfection

The need for disinfection coverage can be applicable to diverse property types serving different purposes. If a property is contaminated with MRSA bacteria or any other facility-borne, non-communicable, infectious bacteria or virus, this Enhancement Endorsement provides coverage for expenses linked to the clean-up and disinfection necessary to eradicate the pollution condition.

Mold-Drying Cost Enhancement

Mold litigation continue to be a significant problem nationwide, resulting in costly judgments against contractors, property owners, and insureds. The environmental insurance industry has witnessed a rise in both the frequency and severity of claims associated with mold issues.

When mold is discovered, the subsequent drying and remediation efforts can place a significant financial burden on the insured. That's why Great American Environmental offers a mold-drying enhancement, which provides coverage for the costs associated with drying, dehumidifying, or similar activities required for mold remediation under specific conditions for all new and renewed policies.

Coverage Details:

Great American Environmental's affirmative coverage for mold-related drying costs makes their position on coverage for water intrusion or moisture conditions clear and can offer additional advantages to the insured.

- Once the existence of mold (the pollution condition) is confirmed, the policy covers the costs of drying, dehumidifying, or similar activities necessary to complete the mold remediation process.
- The coverage for mold-related drying costs is subject to a separate self-insured retention (SIR) and is limited by a sublimit, typically set at \$10,000 and \$25,000, respectively.

Not only is our mold-drying coverage an additional \$25,000 enhancement (outside the limits of liability), the \$10,000 self-insured retention is one of the lowest in the marketplace!

The claim scenario above illustrates an environmental exposure your clients may face. All situations are unique!

Consider this example...



During a renovation project, a contractor was installing new drywall when one of their employees accidentally drilled through a concealed water pipe located behind the wall. Unfortunately, the contractor was unaware of the water leak, which led to significant mold growth between the walls. As a consequence, the drywall contractor was held accountable for the expenses related to cleaning up the mold and also had to cover the costs of defending third-party bodily injury claims arising from the incident.

The terms, conditions, exclusions, and limitations in any policy may vary. Our team of experienced underwriters, dedicated claims handling unit and technical support staff understands these unique environmental exposures and can work with you to help tailor a policy to find acceptable coverage and claim solutions for your clients!

You can find more examples illustrating the various environmental exposures that could affect your customers by visiting our [Claims Scenario Library](#).

Although environmental issues may not occur frequently, they tend to be substantial, costly, and intricate in nature. A major pollution event has the potential to pose financial risks and disrupt business operations, as well as negatively impact the reputation of the company.

A [Premise Environmental Liability \(PRE\)](#) policy from Great American's Environmental Division provides protection against environmental liability resulting from pollution conditions associated with a covered location, including: bodily injury, property damage, legal expenses and clean-up costs. To learn more about our PRE policy, please visit the following resources:

- [PRE webpage](#)
- [PRE Fact Sheet](#)
- [Understanding Environmental Premises Policies – Product Video](#)
- [Overall Product Guide](#)
- [Broker Toolkit](#)

Questions?

Contact your Great American Environmental underwriter or EnvironmentalMarketing@gaig.com to further discuss how we can best protect your clients.



Great American
Insurance Company

115+ years
with an **A** or better
rating by
AM Best

for all the *great* you do®