

FarmWeb Environmental Summary of Cover

Introduction

Via the FarmWeb Combined Insurance for the Farmer 2013 policy wording, FarmWeb NIG have inserted a new section, Section 17, that provides additional protection to the Insured from environmental liabilities.

This note provides a **short summary** of the **key items of cover** and associated conditions – please see the final policy wording for detail.

Objective

The objective of Section 17 is to provide, subject to the conditions of the policy, protection from liabilities arising from pollution events that the insured is legally liable for.

This Section extends beyond that provided by standard Public Liability insurance in that it provides cover for:

- Gradual and sudden pollution events; and
- Clean up within the boundary of the farm.

Limit and Deductible

Section 17 provides a £1M subject to a deductible of £500.

Please note that the cover is provided over and above the rest of the FarmWeb policy, therefore the Sudden and Accidental (Section 5) and Material Damage (Section 1) elements of cover and deductible are not affected.

Coverage

The coverage provided by Section comprises:

All sums that the Insured becomes legally liable to pay ... in respect to Environmental Loss arising from a Pollution Condition that occurs... on at or under the Insured's Premises or arising from the Business.

Environmental Loss is defined as:

- **Third Party Damages** - Bodily Injury and Property Damage;
- **Clean Up Costs** to the extent required by Environmental Law – within and beyond the insured's premises;
- **Environmental Damage Costs** – liability under The Environmental Damage (Prevention and Remediation) Regulations 2009; and
- **Associated Legal Defence Costs.**

A Pollution Condition is defined as:

The emission, discharge, dispersal, migration release or escape of Pollutants provided such Pollutants are not naturally occurring.

Exclusions

Section 17 is subject to the following exclusions (see Section 17 for exact wording):

1. Employers liability.
2. The ownership, possession or use (except loading and unloading) of any aircraft, aerial device, hovercraft, watercraft, motor vehicle, trailer or plant.
3. Professional services.
4. Crop spraying on third party land.
5. Offshore work.
6. Liquidated damages, penalty clauses, fines, aggravated, restitutionary, punitive or exemplary damages or additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
7. Claims elsewhere in the policy.
8. Asbestos, lead or lead containing materials applied to, on or in above ground structures.
9. Deliberate or wilful act or omissions.

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10. Fly tipping.
11. Products.
12. Known Underground Storage Tanks.
13. Genetically modified organisms.

Note that:

Crop Spraying – the exclusion does not apply to crop spraying of the insured’s own land, or sudden and accidental events covered by Section 5. Given the nature of the activities, it is highly likely that any claim for diffuse pollution from Crop Spraying would be made against the land owner as the individual event would be very hard to identify. The remaining exposures (accidents or overspray) therefore fall within the Public Liability coverages.

Underground Storage Tanks – are defined as tanks with more than 10% of their volume underground. The exclusion does not apply to tanks that are located within a bund that is below ground level or tanks that are part of a drainage system.

Flytipping – section 1 Material Damage automatically extends to include the cost of cleaning up and removing materials arising out of dumping or tipping on the Insured’s property. Cover provided is up to £10,000 any one claim and is subject to an excess of £250.

Claims Notification

It is important to note that Section 17 have special conditions for the notification of claims or Environmental Loss:

- All Environmental Loss or claims should be notified to NIG via the standard claims process **as soon as possible** – but in no event beyond the end of the policy period or within 30 days of expiry;
- Where possible, the details of the loss or claim should be provided at the same time;
- Co-operate and assist NIG in their investigation of the loss or claim;
- The insured has the duty to, where possible, reduce, mitigate, remediate or prevent Environmental Loss;
- NIG retains the right, but not the duty, to clean-up, remediate or mitigate an Environmental Loss.

Further Information

For further information please see:

- FarmWeb Environmental Insurance – Key Messages; and
- FarmWeb Environmental Insurance – Insurance Briefing Document

Alternatively, please contact EDIA via info@ediainsurance.com.