

Hanover Specialty Insurance Brokers

Pollution liability coverage for contractors and consultants

Contractors and consultants are often involved in operations that could result in an environmental pollution incident. As a result, they face a wide range of unique jobsite pollution risks, such as water or soil contamination from broken pipelines or leaking fuel tanks. Hanover Specialty Insurance Brokers (HSIB), coverholder at Lloyd's, has arranged for Streamlined Pollution Exposure Coverage (SPEC) designed to protect contractors and consultants from a variety of environmental pollution risks and help satisfy their contractual requirements. Additionally, HSIB can provide contractors professional liability coverage as an endorsement to SPEC for qualifying accounts.

Who we target

We target non-environmental contractors and consultants with limited to no in-house design services. We offer solutions for a variety of contracting operations that face complex environmental risks, including:

Non-environmental contractors:

- Carpentry
- Construction
- Electrical
- Excavation
- General
- HVAC
- Masonry
- Painting
- Plumbing
- Street and road

Environmental contractors:

- Emergency response
- Environmental drilling
- Remediation/abatement contractors
- Tank installation, service, repair and cleaning
- Testing labs/soil and water sampling

Consultants

- Air quality testing
- Industrial hygiene, health and safety consulting
- Storage tank system testing

Program overview

HSIB's SPEC policy helps protect your clients' assets from exposures that could impact earnings or hazards that could lead to bodily injury, property damage or pollution cleanup costs. Coverage is underwritten by certain underwriters at Lloyd's. Coverage highlights and options include:

- Occurrence coverage form
- Practice or project specific options
- Low minimum premium of \$1,500 for CPL only, \$5,000 for CPL with contractors professional liability
- 25% minimum earned premium applies
- Deductible options as low as \$2,500
- Limits up to \$10,000,000 available in-house
- Definition of insured includes the client of the insured when required by written contract
- Definition of property damage includes natural resource damages
- Emergency response expense provided at a \$100,000 sub-limit
- Transportation pollution liability endorsement
- Mold coverage available on either claims made or occurrence basis
- Claims made blanket non-owned disposal site coverage endorsement
- Additional defense limits endorsement
- Contractor professional liability coverage endorsement

HSIB's SPEC policy advantages

- Available exclusively to Hanover agents
- We handle the necessary E&S filings
- Innovative touch-free quote delivery option—quote can be forwarded direct to the client, if desired

Why do contractors and consultants need pollution liability coverage?

Evidence of pollution coverage is often an upfront contractual requirement. While most contractors purchase a commercial general liability (CGL) policy, a CGL policy does not provide the comprehensive pollution coverage your clients need to protect their businesses. It isn't unusual for contractors to find themselves involved in a pollution incident that falls outside of standard contract coverages. Consider these scenarios:

- A general contractor is held responsible for water intrusion that results in mold contamination throughout a student housing building
- A street and road contractor was hired to pave a 20-mile section of highway. While on the job site, one of the contractor's dump trucks accidentally backs into and ruptures a mobile refueling tank, resulting in 200 gallons of diesel fuel leaking into the surface and a nearby lake

HSIB's SPEC policy offers solutions that address these unique risks and exposures.

Professional liability endorsement

The Professional Liability Endorsement offers Errors and Omissions (E&O) coverage to non-environmental contractors for professional services performed by, or on behalf of the Named Insured. It extends protection to contractors who are not receiving compensation for design work. The endorsement specifically covers instances where an error or omission results in the release of harmful pollutants, offering enhanced pollution liability coverage tailored to such loss scenarios.

HSIB advantages

With a dedicated team of experienced insurance professionals, and as a coverholder at Lloyd's, HSIB is uniquely qualified to offer solutions for your contractor-clients' environmental exposures. Our entire team is focused on creating franchise value for you and your agency, making it easy for you to capture business in the contractor segment.

- **Stability**—We have served the environmental needs of our agents since 1979
- **Internal coordination**—By combining our capabilities with those of Middle Market's Hanover Contractors Advantage and Hanover Professional Liability's Architects & Engineers Advantage, we can offer an account-focused solution for pollution exposures rarely covered by other carriers
- **Generous commissions**—15% standard commission
- **Payment options**—Premium flexibility helps accommodate contractors' and consultants' fluctuating incomes

Opportunities are everywhere. Let's get started.

Please send all applications and correspondence to environmental@hanover.com. For more information, contact Hanover Specialty Insurance Brokers.

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