

## Claims Examples – Environmental Impairment Liability

The Environmental Impairment Liability policy is an essential insurance solution that provides coverage for pollution exposures that can arise from a premise. Below are a few examples that will demonstrate how valuable this coverage is.

---

### **Large spill at a chemical mixing plant**

A chemical mixing plant had above ground storage vats that were connected by a line directly to a mixing tank. The plant was secured by a fence and, during off hours, some vandals jumped the fence and severed the line. Thousands of litres of pollutants were spilled onto both the first party property and a third party neighboring property. The mixing plant was responsible for significant cleanup costs of both sites.

If this premise had a Premier EIL policy, there may have been coverage for this claim. \*

### **Soil and water contamination near gas station**

A gas station had a leak in an underground storage tank after it had recently been tested for integrity. The leak was exacerbated because ground water near the surface and the bedrock was fractured. Within a day or two of the leak, nearby residents noticed gasoline in their water wells. The leak was caught before there were any health risks, but the owner of the gas station was deemed responsible by the Ministry of Environment for cleanup of soil and water, which cost him into the hundreds of thousands.

If the gas station had a Premier EIL policy, there may have been coverage for this claim. \*

### **Heating oil spill on a neighboring property**

A commercial property noticed a significant amount of heating oil spilling onto their property. It was determined that an oil tank line at a neighboring property was cut and had been leaking for days. The owner of that site did not have any insurance coverage. The owner of the commercial property had no other option, but to pay for the emergency remediation out of his own pocket. He proceeded with subrogation against the other party but did not recover all his costs.

If this commercial property had a Premier EIL policy, there may have been coverage for this claim. \*

**Chemical fire in commercial dumpster**

An employee at a hotel had been using pesticide around the grounds of the hotel. When he was done, he disposed of the canisters in the dumpster, which was in a self-contained area of the hotel. The canisters contained aluminum phosphide, which is a dangerous and toxic compound that will corrode certain metals and ignite spontaneously when exposed to certain conditions. Fire ensued, and the contents of the dumpster had to be safely disposed of by experts hired by the Department of Environment. Costs for cleanup were significant.

If this hotel had an EIL Premier policy, there may have been coverage for this claim. \*