



ace insurance

# Environmental insurance solutions

*for Asia Pacific and beyond*

***“Doesn’t my liability insurance cover pollution?”***



# Facing up to environmental risk



**With the pace and breadth of legislation and regulatory change throughout the world increasing, businesses are becoming more aware of the environmental liabilities they may face, both retrospectively and in the future. The business community has, in general, been slow to focus on the potential environmental impact of its operations, but in many instances it is now being forced to take action.**

Despite the drive towards harmonisation, regulations within Asia Pacific currently vary from country to country, so any company operating across more than one needs to make sure it is aware of the legal requirements and liabilities it faces.

Pollution liability is not just a consideration for the more 'traditional' environmental industries such as chemicals, petroleum or manufacturing; there is now pressure on any organisation to behave in a social, ethical and environmentally responsible manner. Companies' corporate governance and compliance controls are becoming increasingly important considerations for existing shareholders, potential investors and lenders.

Legislative changes and the increasing burden of governance and disclosure means that any organisation should consider environmental issues at the most senior level. Organisations need to be aware that in many instances, their casualty policies will not cover them for pollution liabilities.

**Q. Doesn't my liability insurance cover pollution?**

**A.** Actually, most liability policies offer only very narrow sudden and accidental coverage with no express protection for clean-up of contaminated soil and water. The vast majority of pollution conditions are caused gradually and not due to a specific accidental release.

**Q. I don't handle hazardous chemicals in my business, so where is my exposure?**

**A.** Any business can find itself exposed to environmental liability, either due to ongoing operations or resulting from activities on your property in years past. There is virtually no way you can be certain of what took place on your site years ago, therefore any business which owns or rents land is at risk.

**Q. Isn't this coverage only economical for large companies?**

**A.** The majority of environmental liabilities attach to small and mid-size companies, the very firms which are least able to absorb this unplanned and often catastrophic financial impact.

**Q. Even if there is pollution on my site, who can make me do something about it?**

**A.** Local authorities have been tasked with finding and assigning responsibility for pollution. The number of sites identified and the resulting prosecutions continues to increase. If you are planning to buy or sell a property, it's likely someone will want to go looking for a problem. Recent regulatory directives guarantee the enforcement environment will become more stringent.

**Q. Isn't pollution coverage expensive and difficult to obtain?**

**A.** The underwriting process ACE has developed is much more streamlined than in the past and in most cases, a quotation can be provided on the basis of existing documentation. As regards cost, premiums are far more competitive and commensurate with the risk posed than ever before.

# Insuring environmental risk with ACE

Pollution liabilities no longer present the impossible risk management problems they once did. ACE Asia Pacific offers a full range of environmental liability solutions; from traditional risk transfer for simple operational exposures, to bespoke programmes specifically designed for complex merger, acquisition or liability relief transactions.

ACE's environmental coverage offers a range of options including:

- Coverage for gradual as well as sudden and accidental pollution conditions
- Coverage for historic conditions and operational exposures
- On-site clean-up of pollution conditions.

ACE's environmental liability offerings go well beyond the limits of traditional casualty insurance coverage. Through global expertise and experience, ACE can help its clients identify potential risks and create solutions to minimise bottom line impacts. We can provide comprehensive hands-on management for environmental liabilities from start to finish. In many cases, working with ACE to lessen the risk of environmental issues can actually free up assets and return idle properties to productive use.

## **Coverage for site-based exposures:**

### **Premises: Pollution Liability**

The Premises Pollution Liability policy is designed to offer a broad range of pollution liability protection for gradual as well as sudden and accidental first and third party environmental liabilities.

## **Coverage for service-based exposures:**

### **Premises: Pollution Liability**

The Contractors Pollution Liability policy is designed to offer pollution liability protection for gradual as well as sudden and accidental third-party environmental liabilities arising out of the covered operations of an insured. This coverage offers an array of coverages for an insured and their subcontractors while performing covered operations at a job site. ACE Environmental Risk offers the ability to tailor the policy through endorsements and manuscripted language to enhance the policy to meet the specific needs of the insured.



## Working with ACE

ACE Asia Pacific is part of the ACE Group of Companies<sup>®</sup>, global leaders in insurance and reinsurance. The region comprises an extensive network of operations serving Australia, Hong Kong, India, Indonesia, Korea, Macau, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam. Our presence in China is driven by a strategic partnership with Huatai Insurance Company, in which we are the single largest shareholder.

ACE Asia Pacific has a diversified product suite which has at its core an established Property & Casualty business which is increasingly balanced by Accident & Health offerings. Supplementing these primary lines of business is a growing array of SME and Personal Lines products.

Headquartered in Singapore, ACE Asia Pacific is well-respected for its creativity in Direct Marketing which broadens our reach of consumer-oriented products to meet diverse needs. This creativity in marketing is tempered by our underwriting discipline across all lines of business. We have a market reputation for prudent risk-taking which is backed by deep industry knowledge.

ACE's is committed to meeting customers' needs through:

- Flexibility to handle most circumstances
- A strong capital base that can deal with major exposures
- A wide variety of innovative products and services
- An international network of claims centres and risk control professionals who know how to help clients reduce risk and loss costs.

For more information, visit [www.ancelimited.com](http://www.ancelimited.com)



## ACE ASIA PACIFIC OFFICES:

### Australia

#### ACE Insurance Limited

28-34 O'Connell Street, Sydney,  
New South Wales 2000, Australia  
Tel : +61 (2) 9335 3200  
Fax : +61 (2) 9335 3333

### China

#### ACE Insurance Company of North America Beijing Representative Office

1713, Tower A, Corporate Square  
35 Financial Street, Beijing, China 100032  
Tel : +86 (10) 8809 1175 to 77  
Fax : +86 (10) 8809 1184

### Hong Kong

#### ACE Insurance Limited

25th Floor, Shui On Centre  
No. 6-8, Harbour Road  
Wanchai, Hong Kong  
Tel : +852 3191 6800  
Fax : +852 2560 3565

### India

#### ACE (India) Representative Office

Taj Lands End Room 1601  
Bangstand West Mumbai 400050  
India  
Tel : +91 (22) 2655 8768  
Fax : +91 (22) 2655 8769

### Indonesia

#### PT ACE INA Insurance

13th Floor, World Trade Center  
Jl. Jendral Sudirman Kav. 29-31  
Jakarta 12920  
Tel : +62 (21) 5299 8200  
Fax : +62 (21) 521 1801

### Korea

#### ACE American Fire and Marine Insurance Company Korea

19th Floor, Seoul City Tower  
581 Namdaemoonro-5-ka  
Chung-ku, Seoul 100-741, Korea  
Tel : +82 (2) 2127 2301  
Fax : +82 (2) 2127 2303

### Malaysia

#### ACE Synergy Insurance Berhad

Level 26 Menara Weld  
No. 76 Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia  
Tel : +60 (3) 2058 3000  
Fax : +60 (3) 2058 3333

### Macau

#### ACE Seguradora S.A.

Luso International Building  
Rooms 1701-1702  
Rua do Dr Pedro' Jose Lobo  
No. 1-3, 17 Andar, Macau  
Tel : +853 2855 7191  
Fax : +853 2857 0188

### New Zealand

#### ACE Insurance Limited

CU 1-3, Shed 24, Princes Wharf  
Auckland 1010, New Zealand  
PO Box 734  
Auckland 1140, New Zealand  
Tel : +64 (9) 377 1459  
Fax : +64 (9) 303 1909

### Philippines

#### ACE Insurance Company of North America

14th Floor, Exportbank Plaza Building  
Chino Roces Avenue  
Corner Sen. Gil J. Puyat Avenue  
Makati City 1200, Philippines  
Tel : +63 (2) 849 6000  
Fax : +63 (2) 325 8027

### Singapore

#### ACE Insurance Limited

600 North Bridge Road  
#04-02 Parkview Square  
Singapore 188778  
Tel : +65 6398 8000  
Fax : +65 6298 1055

### Taiwan

#### ACE American Insurance Company Insurance Company of North America

10th Floor No. 8 Hsin Yi Road  
Sec. 5 Taipei 110 Taiwan R.O.C.  
Tel : +886 (2) 8758 1800  
Fax : +886 (2) 8758 1888

### Thailand

#### ACE INA Overseas Insurance Company Limited

Level 8, Abdulrahim Place, 990 Rama IV Road,  
Silom Bangrak, Bangkok 10500, Thailand  
Tel : +66 (2) 611 4040  
Fax : +66 (2) 636 1080

### Vietnam

#### ACE Insurance Company, Ltd. (P&C Head Office)

Saigon Finance Center  
9 Dinh Tien Hoang Street, 8/F  
Da Kao Ward, District 1  
Ho Chi Minh City, Vietnam  
Tel : +84 (8) 910 7227  
Fax : +84 (8) 910 7228



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