



# Environmental Product Overview

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# Colony's Environmental Division

## Product Overview

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# Site Specific Coverages

*Site Specific Coverages provide environmental insurance for exposures at, emanating from, or related to fixed locations. Coverage is not restricted by the type of facility (e.g. dry cleaners, chemical manufacturers, warehouses, or landfills). This Section discusses Site Pollution Liability and Site Pollution Cleanup, and outlines three pollution programs designed specifically for dry cleaners, agrichemical dealers & garden centers, and golf courses & country clubs.*

## SITE POLLUTION LIABILITY (PLL)

### What is Site Pollution Liability Coverage?

Coverage is provided in the event of a sudden or gradual release of a Pollutant that begins during the policy period and emanates from a Scheduled Facility and travels beyond the Insured's property boundary. The form provides coverage for off-site third party Bodily Injury or Property Damage, including off-site cleanup costs, and diminution of property value. Defense for this form is outside the limit of liability.

The form can be endorsed to provide on-site third party Bodily Injury and Property Damage including cleanup costs. Transit coverage can be endorsed to provide coverage for upset and overturn of vehicles departing from the scheduled facility (owned or leased vehicles operated by the Insured).

**Target Classes** Any facility that has the potential for a pollutant to emanate from their facility. *(This is only a partial list. If you are unsure if a risk is eligible, contact your underwriter.)*

Analytical Labs	Hotels and Motels	Warehouses
Body Shops	Incinerators	Waste Treatment, Storage and Disposal Facilities
Brownfield Redevelopers	Manufacturers	Light Industrial Properties
Bulk Storage Terminals	Medical Facilities	Institutions
Carpet Manufacturers	Mobile Home Parks	Landfills
Chemical Manufacturers	Printers	
Commercial Real Estate	Property Managers	
Developers	Recyclers	
Dry Cleaners <i>(See Program)</i>	Refiners	
Electric Utilities	Research and Development	
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Operations	Semiconductor Manufacturing	
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Food Storage Facilities	Trustees and Financial	
Food Processors	Institutions	
Golf Courses <i>(See Program)</i>	Undeveloped Land	
Hardware Stores	Universities	
Hospitals	Utilities	

## Optional Coverages

- On-Site Third Party BI/PD including cleanup costs
- Transit Coverage (for upset and overturn)

## Limits

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- Limits as low as \$100,000
- Defense costs outside the limit of liability
- Per location limits available

**Deductibles** As low as \$1,000 Each Claim

**Minimum Premium** \$1,500 (for \$1,000,000 Each Claim/\$1,000,000 Agg. Policy Limit)

**Application** **New Business:** [Site Pollution Liability](#)  
Attach a plot plan, resumes, and emergency plan

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

All applications are available on our web site [www.colonyins.com](http://www.colonyins.com) under Application/Environmental.

If an inspection is required, Colony will absorb its cost.

## Claims Examples

### Chemical Manufacturer:

A forklift operator backs into a pressurized tank and causes a release from the tank into the surrounding neighborhood. The area is evacuated and several of the residents are treated for fume inhalations. Claims are filed for Bodily Injury. Coverage would be granted under a PLL policy for Bodily Injury.

### Landfill:

An insured owns and operates a local landfill. Residents allege Bodily Injury and Property Damage due to seepage from the landfill. Coverage would be granted under a PLL policy to defend the Insured and determine if the allegations are correct.

### Treatment, Storage, & Disposal Facility (TSDF):

A drum recycler located in an old industrial building allegedly emits acid and caustic fumes from its vent stacks. Local residents complain of allergies and respiratory problems, alleging that their health problems are associated with the facility. They filed Bodily Injury claims. Coverage would be granted under the PLL.

## SITE POLLUTION CLEANUP LIABILITY (PCL)

### What is Site Pollution Cleanup Liability?

Coverage is provided in the event of a sudden and accidental release of a Pollutant at or from a Scheduled Facility. Both on-site and off-site cleanup is covered; however, coverage does not apply to Bodily Injury or Property Damage. Transit coverage can be endorsed to provide coverage for upset and overturn of vehicles departing from the scheduled facility. All claims must be reported within seven days, and an automatic seven-day extended reporting period is provided. The form is claims made, but a retroactive date is not used. Defense coverage under this form is outside the limit of liability.

**Target Classes** Any facility that has the potential for a sudden release or rupture such as:

Ag Chem. Facilities (*See Program*)

Body Shops

Bulk Storage Terminals

Carpet Manufacturers

Food Processors

Food Storage Facilities

Garden Centers

Hardware Stores

Manufacturing Facilities

Semiconductor Manufacturers

Warehouses

Waste Treatment Facilities

### Optional Coverages Transit Coverage (for upset and overturn)

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- Limits as low as \$100,000
- Defense costs are outside the limit of liability

**Deductibles:** As low as \$1,000 Each Claim (based on limits purchased)

**Minimum Premium:** \$1,500 (for \$1,000,000 Each Claim/\$1,000,000 Agg. Policy Limit)

**Application New Business:** [Site Pollution Liability](#)

Attach a plot plan, resumes, and emergency plan

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

All applications are available on our web site [www.colonyins.com](http://www.colonyins.com) under Application/Environmental.

If an inspection is required, Colony will absorb its cost

### Claims Examples

#### A Bulk Storage Facility:

A tank ruptures and releases its entire contents into the soil and air. Coverage would be provided for the required cleanup.

#### A Warehouse:

A warehouse storing hazardous chemicals is struck by lightning and burns to the ground. In attempting to extinguish the fire, the fire department pours thousands of gallons of water on the blaze, causing the stored chemicals to disperse over the property of the Insured and their neighbor. Coverage would be provided for the required cleanup.

#### A Printing Facility:

A valve on a printing ink storage tank ruptures and the ink leaves a trail through the floor drains to a wastewater treatment plant. Coverage would be provided for the required cleanup.

## GOLF COURSE & COUNTRY CLUB PROGRAM

### What is the Golf Course & Country Club Program?

This program combines Site Pollution Liability, Storage Tank Liability, and optional D&O Environmental Impairment Liability. Three separate policies are issued:

- Site Pollution Liability** (PLL) coverage for off-site losses resulting from a sudden or gradual release of a pollutant, such as herbicides/pesticides or fertilizer.
- Storage Tank Liability** coverage for on-site and off-site cleanup costs and third party BI/PD/Diminution of Property Values resulting from the release of a petroleum product.
- Optional Directors & Officers Environmental Impairment Liability** (D&O EIL) to supplement the club's standard D&O by providing coverage for claims asserting a wrongful act that results in an environmental impairment.

**Target Classes**      Golf Courses and Country Clubs

#### Optional Coverages

- Transit Coverage (for upset and overturn)
- On-site Third Party Bodily Injury – E011
- Directors & Officers Environmental Impairment Liability

#### Limits

- PLL: Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- TANKS: Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- D&O EIL: \$500,000 Combined Single Limit
- Defense costs are outside the limit of liability.

#### Deductibles

- PLL:            As low as \$1,000 Each Claim
- TANKS:        As low as \$1,000 Each Claim
- D&O EIL:     \$10,000 Each Claim

**Minimum Premium** \$1,500 (based on program parts and limits purchased)

#### Application

**New Business:**      [Site Pollution Liability](#)  
                                 Attach a plot plan, resumes, emergency plan

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

All applications are available on our web site [www.colonyins.com](http://www.colonyins.com) under Application/Environmental.

If an inspection is required, Colony will absorb its cost.

#### Claims Example

After a routine application of fertilizer to a golf course, a heavy rainfall occurs and the fertilizer (heavy in phosphorus) is washed into a neighbor's pond, causing heavy damage to the aquatic life.

Additionally, a club member becomes ill after playing a round of golf the day after the fertilizer application. It was later discovered that the individual had been placing his golf ball in his mouth to "clean" it. The modified PLL policy (endorsed to include onsite BI) would respond to the third party Bodily Injury and pay to restore/cleanup the pond.

## DRY CLEANERS PROGRAM

### What is the Dry Cleaners Program?

The Program provides coverage for a loss associated with a release of dry cleaning solvent from a dry cleaning machine or solvent storage container. It provides coverage for on-site and off-site third party Bodily Injury and Property Damage, including on-site and off-site cleanup costs, and third party diminution of property values.

This program permits us to combine the environmental and general liability exposures under one policy form. The General Liability portion of this coverage is written on the 2001 ISO Occurrence GL form.

**Target Classes** All Dry Cleaning facilities that are in compliance with state and federal regulations.

**Optional Coverages** n/a

### Limits

Site Pollution

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- If portfolio purchased (GL/DPLL) Limits available are \$1,000,000 Each Claim/\$2,000,000 Agg. Policy Limit
- Defense costs outside the limit of liability
- Per location limits are available  
General Liability (premises only)
- Limits up to \$1,000,000 Each Claim/\$2,000,000 Agg. Policy Limit

### Deductibles

- As low as \$2,500 (options based on facility's annual receipts)
- Not applicable to the GL premises coverage

### Minimum Premium

\$1,500 per location (for petroleum based solvents)  
\$1,750 per location (for perc.- based solvents)  
\$750 for the GL premises coverage

### Application

**New Business:** [Dry Cleaners](#)

**Renewal Business:** [Dry Cleaners Renewal](#)

All applications are available on our web site [www.colonyins.com](http://www.colonyins.com) under Application/Environmental.

### Inspection Fees

Site Pollution –If applicable at Colony's expense  
GL premise-\$125 inspection fee applies

**Program Form** Site Pollution Liability & 2001 ISO occurrence GL

### Program Endts.

- E026 - On-site Bodily Injury and Property Damage coverage
- E024DRY CLEANERS - Coverage is provided for a loss associated with the release of dry cleaning solvent from a dry cleaning machine or solvent storage container.
- CG 22 53 11 85 Exclusion Laundry and Dry Cleaning Damage (GL coverage)

## Claims Example

**A dry cleaner carries a large rug into the cleaning area and knocks over a container of solvent. The solvent seeps through the floor tile into the soil. The policy would respond to the cleanup.**

## AG DEALERS CHOICE POLLUTION PROGRAM

### What is the Ag Dealers Choice Pollution Program?

This Program is designed for Agrichemical Dealers who store fertilizers and/or agrichemicals at their facilities for resale to farmers. The following coverages are available for Ag Dealers' exposures in the storing, handling, transporting and applying of fertilizers and agrichemicals:

- Site Pollution Cleanup Coverage** - Covers costs to clean up a sudden and accidental spill at the Insured's facility (*For more details, see Site Specific Coverage Section pg. 3- PCL.*)
- Loss or Damage to Product Coverage** - Optional coverage that pays to replace lost or damaged Ag Product (fertilizers and agrichemicals) in the event of a covered release.
- Storage Tank Liability Coverage** - Optional coverage for the Insured's above ground or underground petroleum storage tanks. Coverage for above ground tanks can be included in PLL and/or PCL coverages. (*For more details, see Storage Tank Coverage Section.*)
- Transit Coverage** - Optional coverage that extends coverage beyond the scheduled facility to cover spills occurring during transportation and delivery.
- Applicators Coverage** - Optional coverage that extends coverage due to spills occurring during the application of fertilizers and/or agrichemicals to the property of others.
- Third Party Property Damage Coverage**-Optional

**Target Classes**      Ag Dealers  
                                 Garden Centers

### Optional Coverages

- Loss or Damage to Product Coverage
- Petroleum Storage Tank Coverage
- Transit Coverage
- Applicators Coverage

### Limits

- Limits available up to \$2,000,000 for Each Release
- Aggregate Policy Limit matches the total number of Insured facilities (*e.g, if five locations are covered, a \$5,000,000 policy aggregate applies*)
- Loss or Damage to Product Coverage and Applicators Coverage is subject to \$100,000 sublimit
- Defense costs are outside the limit of liability.

**Deductibles**      Deductible choices of \$5,000, \$10,000, \$15,000, \$25,000, \$50,000 or higher

**Minimum Premium** \$1,150 per facility.



**Application**

**New Business:** [Ag Dealers](#)  
**Renewal Business:** [Ag Dealers Renewal](#)

All applications are available on our web site [www.colonyins.com](http://www.colonyins.com) under Application/Environmental.

If an inspection is required, Colony will absorb its cost.

**Claim Examples**

*(Insureds in the Ag Dealers Choice Program are provided with an 800 number for 24 hour emergency response service.)*

**Warehouse Fire:**

An Ag Dealer experiences a fire in their warehouse. To put out the fire, the warehouse is heavily sprayed with water. The water causes the chemical to seep into the soil and run off onto the adjacent properties. The cleanup on-site and off-site would be covered.

**Product Spill:**

An Ag Dealer receives a delivery of liquid nitrogen and the delivery hose becomes disconnected from the tank, spilling several hundred gallons. The cleanup would be covered.

**Auto Spill:**

An Ag Dealer's delivery truck overturns in a field prior to unloading 500 gallons of water/herbicide mix. The cleanup would be covered if the optional transit coverage was purchased.

# Service Specific Coverages

*Service Specific Coverages provide environmental insurance for individuals or companies performing hands-on operations (contractors) and for those who provide analysis and reports (professionals). This Section discusses Contractors Pollution Liability and Professional Errors & Omissions Coverage, and a combination form for Insureds having both exposures.*

## CONTRACTORS POLLUTION LIABILITY (CPL)

### What is Contractors Pollution Liability?

Coverage is provided for contractors in the event Covered Operations at a job site result in a pollution condition. The form provides coverage for third party Bodily Injury, Property Damage including cleanup costs, and for transportation of materials to and from a job site. Defense for this product is outside the limit of liability.

**Target Classes** All classes of contractors are targeted *except for contractors who perform asbestos abatement and/or lead abatement and those who are primarily transporters. Artisan Contractors.*

Carpenters	Mobile Waste Treatment
Construction Managers	Painters
Demolition Contractors	Paving Contractors
Electrical Contractors	Pesticide/herbicide Applicators
Emergency Response Contractors	Plumbers
Environmental Contractors	Remediation Contractors
Excavation Contractors	Site Restoration and Cleanup Contractors
General Contractors	Soil Movers
Maintenance Contractors	Storage Tank Installers and Removers
Mechanical Contractors	Transformer/PCB Contractors

### Optional Coverages

Professional E&O Liability (PEO) coverage is available as a separate policy (see p.13), or in combination with the CPL (see CEO p.15) The CEO form combines the PEO and CPL for Insureds that have both contracting and professional exposures. Combining these two coverages reduces the possibility of a gap in coverage, and often results in significant savings to the Insured by eliminating two minimum premiums and deductibles.

- Project only policies
- Project excess limits

### Limits

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- Limits as low as \$100,000
- Defense costs are outside the limit of liability.

**Deductibles** As low as \$1,000 Each Claim

**Minimum Premium** \$1,500 (for \$1,000,000 Each Claim/\$1,000,000 Agg. Policy Limit)

## Application

**New Business:** [Contractors Pollution Liability](#)  
Attach Health and Safety Plan, Key Personnel Resumes, Contract  
Used with Customer

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

## Claims Example

### **Paving Contractor:**

A paving contractor is hired to pave a new subdivision. The contractor completes the job and thunderstorm rolls through the area. The rain-washes the sealant into a nearby stream causing severe damage to aquatic life. Then, on the way to the next job the contractor is in an auto accident causing the asphalt in his truck to spill into a nearby drainage ditch. The coverage would respond to the cleanup, restore the stream, and provide the cleanup for the asphalt associated with the auto accident.

## PROFESSIONAL ERRORS & OMISSIONS LIABILITY (PEO)

### What is Professional E&O Liability?

Environmental consultants and engineers are covered for their third party liability for acts, errors, or omissions resulting from covered Professional Services rendered or Professional Services that should have been rendered, and Defense costs.

### Target Classes

Engineering Firms

Environmental Laboratories

Environmental Consultants

Environmental Scientists

### Optional Coverages

- Contractors Pollution Liability (CPL) coverage is available as a separate policy or in combination with the PEO. The CEO form combines the PEO and CPL for Insureds having both contracting and professional exposures. Combining these two coverages reduces the possibility of a gap in coverage, and often results in significant savings to Insureds by eliminating two minimum premiums and deductibles.
- Project only policies
- Project excess limits

### Limits

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit
- Limits as low as \$100,000
- Defense costs are outside the limit of liability.

### Deductibles

As low as \$1,000 Each Claim

**Minimum Premium** \$1,500 (for \$1,000,000 Each Claim/\$1,000,000 Agg. Policy Limit)

### Application

**New Business:** [Professional Liability](#) (Environmental Prof)

Attach Health and Safety Plan, Key Personnel Resumes, Contract used with Customer, and a Sample of Insured's Work

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

### Claims Example

#### Phase I Environmental Site Assessment:

A consultant is hired to perform a due diligence survey for the buyer of a small warehouse. The consulting firm provides a Phase I report that indicates that there are no apparent problems at the site. The buyer closes on the property and proceeds to obtain permits to expand the site. In order to expand the site the new owner has to test the soil to excavate and prepare the area. It is determined that the soil is contaminated and requires cleanup. The consultant who performed the due diligence is sued. The policy would respond to the claim.

## CONTRACTORS POLLUTION & PROFESSIONAL E&O LIABILITY (CEO)

### What is Contractors Pollution & Professional E&O Liability?

This policy merges the Contractors Pollution Liability and the Professional Errors & Omissions Liability policies into one form. When an Insured has both contracting and professional exposures, this form helps to prevent gaps in coverage that can occur with two separate policies and often results in significant savings by eliminating two minimum premiums and deductibles.

**Target Classes**      *See CPL and PEO Target Classes*

#### Limits

- Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit Limits as low as \$100,000
- Defense costs are outside the limit of liability.

**Deductibles**      As low as \$1,000 Each Claim

**Minimum Premium** : \$1,500 (for \$1,000,000 Each Claim/\$1,000,000 Agg. Policy Limit)

#### Application

**New Business:**      [Contractors Pollution and Professional Liability](#)  
Attach Health and Safety Plan, Key Personnel Resumes, Contract used with Customer

**Renewal Business:** [Renewal](#) (Contractors, Consultants, and Sites)

**Claims Examples**      See CPL and PEO

# Storage Tank Coverage

*Petroleum Storage Tank Coverage is available for underground or above ground storage tanks. The policy for underground storage tanks satisfies all state and federal financial responsibility requirements and is issued with an EPA Certificate of Insurance. Many states have financial assurance funds in place that provide reimbursement for tank leaks; however, several state funds are insolvent and many Insureds cannot afford to pay the up-front cleanup costs and large deductibles. Colony's Storage Tank Pollution Liability Program provides first dollar coverage and offers Insureds a low-cost alternative to the uncertainty of state reimbursement funds.*

## STORAGE TANK LIABILITY (PP)

### What is Storage Tank Liability?

Coverage is provided for corrective action costs and third party damages incurred due to a sudden or gradual release of a petroleum product from a scheduled underground or above ground storage tank. Corrective action costs includes on-site and off-site cleanup; third party damages includes BI, PD and diminution of property value. When used to cover underground storage tanks, the form provides financial responsibility coverage that satisfies state and federal regulations.

**Target Classes** Any commercial business with underground or above ground storage tanks such as:

Convenience Stores  
Garages  
Tanks Used for Private Consumption (e.g. Truck Fleets, Manufacturing, etc.)  
Service Stations

**Eligible Tanks** Tanks installed after 1988 or older tanks upgraded to 12/22/1998 technical requirements

### Coverages Available

#### Broad Form Coverage

The coverage trigger for the Broad Form is a "Release" of a petroleum product from a scheduled facility. In the event of a loss, Colony will investigate the loss to confirm that the release first commenced during the policy period and subsequent to the retroactive date from a scheduled underground storage tank.

#### Basic Form Coverage

- The Basic Form has been designed to compete with the more restrictive coverages typically available in the marketplace. The coverage trigger for the Basic Form is a "*Confirmed Release*" of a petroleum product from a scheduled facility. In the event that contamination is discovered at the facility, the Insured must identify the specific source of the release; Colony will further investigate to confirm that the release first occurred during the policy period and subsequent to the retroactive date.
  
- Unlike many competitors' policies, Colony covers the costs incurred by the Insured in investigating a confirmed release.*

- A "Confirmed Release" is defined in the policy as "a Release that has been investigated and confirmed by or on behalf of the Insured by performing a Storage Tank System tightness test or site check in accordance with 40 CFR §280.52 or other applicable state regulation or statute." In 40 CFR §280.52, the EPA generally describes a site check as the taking of soil samples.

## Optional Coverages Available

### Business Interruption and Extra Expense

- This optional coverage pays for the Insured's Business Interruption and Extra Expense loss arising from a necessary interruption caused by a release of petroleum from a covered storage tank system.
- Limits of \$25,000 and \$50,000 are available and are in addition to the UST policy limits. Separate deductibles of \$2,500 and \$5,000 apply, respectively. The coverage is available for all facilities having tanks that were installed after 1970, provided that they are in compliance with state and federal requirements and are otherwise eligible for coverage under the Colony underground storage tank program.

### Storage Tank Repair or Replacement Cost Coverage

This optional coverage pays reasonable and necessary costs to repair, rebuild or replace a covered storage tank system. The need to repair, rebuild or replace must arise out of a release that is covered by the UST policy.

- Limits of \$25,000 and \$50,000 are available and are in addition to the UST policy limits. Separate deductibles of \$2,500 and \$5,000 apply, respectively. The coverage is available for all tanks that were installed after 1970, provided that they are in compliance with state and federal requirements and are otherwise eligible for coverage under the Colony underground storage tank program.
- Storage Tank Repair or Replacement Cost Coverage covers the storage tank system (tank, piping and attached dispenser) but does not include coverage for petroleum products that are lost or damaged.

**Limits** Limits up to \$2,000,000 Each Claim/\$2,000,000 Agg. Policy Limit or \$1,000,000 Each Claim/\$10,000,000 Agg. Policy Limit.  
Per location limits are available equal to the number of site on any give policy.

**Deductible** As low as \$1,000 Each Claim

**Minimum Policy Premium** \$500

### Application

**New Business:** [Storage Tank](#)  
**Renewal Business:** [Storage Tank Renewal](#)

### Claims Example

A full service gas station first purchases Storage Tank Pollution Liability Coverage in 1990. In 1998 they replace the tanks and discover that they had leaked causing soil and groundwater contamination. The policy would respond to the loss.

# Common Environmental Terms

**40 CFR 281** - Implements financial responsibility requirements for petroleum underground storage tanks.

**40 CFR 280** - A citation in the Code of Federal Regulations implementing standards for petroleum underground storage tank construction, leak detection, closure, and corrective action requirements.

**ADMINISTRATIVE ORDER** - A legal document signed by the EPA directing an individual, business, or other entity to take corrective action or refrain from an activity. It describes the violations and actions to be taken and is enforceable in court.

**BIOREMEDIATION** - The use of living organisms to clean up or remove pollutants from soil, water or wastewater.

**CERCLA** - The Comprehensive Environmental Response, Compensation and Liability Act, also known as Superfund, was enacted in 1980 and significantly amended in 1986 by the Superfund Amendments & Reauthorization Act. Liability is strict, joint and several, and retroactive.

**CLEANUP COSTS** - Costs incurred in the remediation of a pollutant.

**CORRECTIVE ACTION COSTS** - Costs incurred in the remediation of a pollutant as required by a government regulation, e.g., for leaking underground storage tanks.

**ENVIRONMENTAL IMPAIRMENT** - Usually defined as "harm to the environment." Colony defines environmental impairment as any contamination of or harm to the atmosphere, land, or any watercourse, groundwater, or body of water.

**FINANCIAL RESPONSIBILITY**- Federal or state regulations mandating that those engaging in certain activities (e.g. operation of a UST or landfill) must have significant resources available in the event that an environmental impairment or pollution condition were to occur.

**HAZARDOUS SUBSTANCE** - The government defines hazardous substances in multiple codes and regulations: Sections 307 and 311 of the Clean Water Act; Section 3001 of the Solid Waste Disposal Act (RCRA); Section 112 of the Clean Air Act; Section 7 of the Toxic Substances Control Act; Section 302 of the Emergency Planning and Community Right-To-Know Act; and in CERCLA. Additionally, "Biological Control Agents" are defined at 40 CFR Section 152, and a list of hazardous substances is available at 40 CFR Section 302.

**JOINT & SEVERAL LIABILITY** - In terms of a Superfund cleanup, this holds any one PRP (*see next page*) responsible for the entire cleanup, if the other contributing parties are unavailable or unable to contribute financially.

**NATIONAL PRIORITIES LIST** - An EPA list of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long term remedial action under Superfund.



**POLLUTANT** - Definitions vary by insurer. Colony defines a pollutant as any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, soot, fumes, acid, alkaline, or toxic chemicals.

**POLLUTION CONDITION** - Colony defines a pollution condition as the discharge, dispersal, release or escape of a Pollutant into or upon land, the atmosphere or any watercourse or body of water, provided that such condition is not naturally present in the environment.

**PRP** - A Potentially Responsible Party, a designation assigned by state or federal regulators to those believed to be responsible for, or to have contributed to, a Superfund site. There are four categories of liable parties under CERCLA: (1) the current facility owner or operator; (2) the facility owner or operator at the time hazardous substances were disposed of at the facility; (3) any person who arranged for the disposal of the hazardous substance; and (4) any transporter of the hazardous substance.

**RCRA** - Resource Conservation and Recovery Act. This federal regulation gave the EPA the authority to regulate hazardous wastes and the industries that generate them.

**REMEDIATION** - The implementation of cleanup or corrective action measures to reduce the level of pollutants or contaminants in the environment. Remedial actions generally can be discontinued when contaminant levels are reduced below a government-established threshold.

**RETROACTIVE LIABILITY** - With regard to CERCLA, any individual or company can be named as a Potentially Responsible Party (PRP) and held responsible for actions taken in the past, even if those actions were legal at that time or even if those actions were taken under the direction and supervision of regulatory authorities.

**STRICT LIABILITY** - With regard to CERCLA, it means that responsibility will be placed on an individual or company, even though all possible care was exercised at the time. The government need not prove negligence on the part of the company or individual.

**Note:** *This list is provided for general informational purpose only and is not intended to be a comprehensive list of definitions. These definitions are subject to change without notice. Please check the appropriate policy form for definitions applicable to a specific type of coverage.*

# Environmental Coverage Evaluation Factors

Terms to consider when evaluating environmental insurance policies:

**SUDDEN & ACCIDENTAL COVERAGE** - Coverage is triggered when a pollutant is discharged, dispersed, released, or escapes from its normal place of containment in a short period of time; the duration of the release, etc. is brief and is not gradual.

*Colony's Site Pollution Cleanup (PCL) coverage is the only form used with a sudden and accidental release trigger. It is designed for facilities having the potential for a sudden rupture, explosion or other abrupt release of a pollutant. The release must begin and end within a 72-hour period.*

**GRADUAL COVERAGE** - Coverage applies when a pollutant escapes slowly over time, e.g. a slow leak or small accumulations over a long period.

*Colony's Site Pollution Liability (PLL) and Storage Tank Pollution Liability forms have a sudden and gradual trigger. The Contractors Pollution Liability (CPL) form covered gradual pollution arising out of an Insureds covered operations.*

**ONSITE COVERAGE** - coverage is provided for the Insured's site, premises, facility or location within the property boundary.

*Colony's Site Pollution Cleanup (PCL) form includes both on-site and off-site coverage. The Site Pollution Liability (PLL) form can be endorsed to include on-site coverage for selected classes. In the PLL form, there are three types of coverage that can be endorsed, individually or collectively: Onsite third party BI; Onsite third party PD; and Onsite Cleanup. Contact your underwriter for additional details.*

**OFFSITE COVERAGE** - Coverage is triggered only when a pollutant leaves the boundary of an Insured's facility and impacts a third party. No coverage is provided for any on-site losses.

*Both of Colony's site-specific coverages – Site Pollution Cleanup Coverage and the Site Pollution Liability coverage -- provide coverage for off-site losses.*

**AIRBORNE POLLUTION COVERAGE** - Coverage is triggered when an airborne pollutant leaves the Insured's property and impacts a third party.

*Colony's Site Pollution Liability Policy covers airborne releases that impact third parties.*

**DEFENSE COVERAGE** - defense costs are included either within the limit of liability or a separate defense limit is provided.

*Colony's environmental policies provide defense coverage outside the limits of liability.*

**TRANSIT COVERAGE** - Provides pollution liability coverage in the event of a release during the Insured's transport of a pollutant (e.g., waste materials) from a job site. Coverage often is restricted to a mileage radius from a job site.

Colony's Contractors Pollution Liability (CPL) policy includes transit coverage to and from the job site. Additionally, the Site Pollution Liability and Site Pollution Cleanup Policies can be endorsed to include transit coverage from the Insured facilities. There is no mileage radius restriction in Colony's policies.

**EXTENDED REPORTING PERIOD** - There are three factors to consider: (1) whether the ERP is automatic or must be requested; (2) the duration of the ERP; and (3) whether there is a charge for the ERP.

For Site Specific Coverage, Colony's Site Pollution Cleanup (PCL) form includes an automatic seven-day ERP for no additional charge. The Site Pollution Liability (PLL) form includes an automatic 60 day ERP and the option to purchase up to 24 months. It must be requested by the Insured within 15 days of coverage termination, and the cost is typically 100% of the expiring policy premium.

Colony's Service-Specific Coverages (Contractors Pollution Liability (CPL), Professional E&O Liability (PEO) and Combined (CEO) form include an automatic 60 day ERP and the option to purchase up to 24 months. It must be requested by the Insured within 15 days of coverage termination, and the cost is typically 100% of the expiring policy premium.

Colony's Storage Tank Liability Policy provides an automatic 180 day ERP at no additional charge and an optional 24 month ERP for an additional charge of 100% of the expiring policy premium.

Note: These Evaluation Factors are for general informational purposes only. Please refer to the policy forms for full details.

### Colony Site Coverage Factors

Coverage	Sudden	Gradual	On-site Cleanup	Off-site Cleanup	Defense Outside Limits	Transit Coverage	ERP Auto	ERP Optional
Storage Tanks	Yes	Yes	Yes	Yes	Yes	NA	180 days	24 months
PCL	Yes	No	Yes	Yes	Yes	Yes*	7 days	NA
PLL	Yes	Yes	Yes*	Yes	Yes	Yes*	60 days	24 months

### Colony Service Coverage Factors

Coverage	Sudden	Gradual	BI/PD	Defense outside limit	Transit Coverage	ERP Automatic	ERP Optional
CPL	Yes	Yes	Yes	Yes	Yes	60 days	24 months
PEO	Yes	Yes	Yes	Yes	NA	60 days	24 months
CEO	Yes	Yes	Yes	Yes	Yes	60 days	24 months

**Note:**

- Can provide incidental asbestos and lead coverage by endorsement to the CPL and CEO forms.
- No exclusion for Superfund sites on the CPL and CEO forms.
- Additional Insured coverage can be provided by endorsement (provide contract and description of the job or relationship to the Insured).

\*By Endorsement. Available for selected classes.

# Quick Reference Guide

## Which Application Do I Use?

**Key:**  
**CEO, CPL or PEO:** [Contractors Pollution and Professional Liability](#), [Contractors Pollution Liability](#), or [Professional Liability](#)  
**PCL or PLL:** [Site Pollution Cleanup Liability](#) or [Site Pollution Liability](#)  
**PP:** [Storage Tank](#) (AP-PP)  
**AG:** [Ag Dealers](#) (AP-AG)  
**DRY:** [Dry Cleaners](#) (AP-DRYCLEAN)

<b><u>CLASS</u></b>	<b><u>APP</u></b>	<b><u>CLASS</u></b>	<b><u>APP</u></b>
Agrichemical Dealers	<a href="#">AG</a>	Landscapers	<a href="#">CPL</a>
Applicators (chemical)	<a href="#">CPL</a>	Light Industrial Properties	<a href="#">PLL</a>
Artisan Contractors	<a href="#">CPL</a>	Maintenance Contractors	<a href="#">CPL</a>
Body Shops	<a href="#">PLL</a>	Manufacturers	<a href="#">PCL/PLL</a>
Brownfield Redevelopers	<a href="#">PLL</a>	Mechanical Contractors	<a href="#">CPL</a>
Bulk Storage Terminals	<a href="#">PLL/PP</a>	Medical Facilities	<a href="#">PLL</a>
Carpenters	<a href="#">CPL</a>	Mobile Home Parks	<a href="#">PLL</a>
Chemical Manufacturers	<a href="#">PLL</a>	Mobile Waste Treatment	<a href="#">CPL</a>
Cleanup Contractors	<a href="#">CPL</a>	Painters	<a href="#">CPL</a>
Commercial Real Estate	<a href="#">PLL</a>	Permitting Consultants	<a href="#">PEO</a>
Construction Managers	<a href="#">CPL</a>	Phase I Environ. Site Assessors	<a href="#">PEO</a>
Consultants, Environmental	<a href="#">PEO</a>	Phase II, III Assessors	<a href="#">CPL/PEO</a>
Contractors (all types):	<a href="#">CPL</a>	Printers	<a href="#">PLL</a>
Demolition Contractors	<a href="#">CPL</a>	Paving Contractors	<a href="#">CPL</a>
Dry Cleaners (Program)	<a href="#">DRY</a>	Pesticide / Herbicide Applicators	<a href="#">CPL</a>
Electric Utilities	<a href="#">PLL</a>	Plumbers	<a href="#">CPL</a>
Electrical Contractors	<a href="#">CPL</a>	Property Managers	<a href="#">CPL</a>
Electroplating Operations	<a href="#">PLL</a>	R&D Firms (Research & Devel.)	<a href="#">CPL</a>
Emergency Response Contractors	<a href="#">CPL</a>	Recycling Facilities	<a href="#">PCL/PLL</a>
Engineers, Environmental	<a href="#">PEO</a>	Refiners	<a href="#">PCL/PLL</a>
Environmental Contractors	<a href="#">CPL</a>	Remediation Contractors	<a href="#">CPL</a>
Environmental Labs	<a href="#">PEO</a>	Road Paving	<a href="#">CPL</a>
Environmental Site Assessors	<a href="#">PEO</a>	Semiconductor Manufacturers	<a href="#">PLL</a>
Excavation Contractors	<a href="#">CPL</a>	Shopping Malls	<a href="#">PLL</a>
Food Storage Facilities	<a href="#">PCL/PLL</a>	Site Restoration/Cleanup Contractors	<a href="#">CPL</a>
Food Processors	<a href="#">PCL/PLL</a>	Soil / Earth Movers	<a href="#">CPL</a>
Garden Stores	<a href="#">AG</a>	Storage Tank Installers / Removers	<a href="#">CPL</a>
General Contractors	<a href="#">CPL</a>	Storage Tanks	<a href="#">PP</a>
Geologists	<a href="#">PEO</a>	Transformer / PCB Contractors	<a href="#">CPL</a>
Golf Courses (Program)	<a href="#">PLL</a>	Truck Stops	<a href="#">PP</a>
Hospitals	<a href="#">PLL</a>	Trustees and Financial	<a href="#">PLL</a>
Hotels & Motels	<a href="#">PLL</a>	Undeveloped Land	<a href="#">PLL</a>
Hydrogeologists	<a href="#">PEO</a>	Universities	<a href="#">PLL</a>
Incinerators	<a href="#">PLL</a>	Utilities	<a href="#">PCL/PLL</a>
Industrial	<a href="#">PCL/PLL</a>	Warehouses	<a href="#">PLL</a>
Institutions	<a href="#">PLL</a>	Waste Treatment, Storage or	<a href="#">PCL/PLL</a>
Landfills	<a href="#">PLL</a>	Disposal Facilities	

This is not a comprehensive list.