

# Environmental Damage and Pollution Legal Liability

## Claims Example – **Property Owner**

This factsheet provides a summary of a claim that was realised by the property owner of an industrial unit. The case highlights that liability associated with pollution incidents and environmental damage caused by an operator or a contractor as part of their daily activities may fall to the landowner should the polluter no longer exist.



### **Operator Type**

The industrial unit was leased by a small powder coating company.

### **The Background**

The site, near Southampton was leased from a large property fund. The operator went into liquidation and contractors were employed to refurbish the unit.

The refurbishment discovered large process tanks which had been poorly maintained and resulted in leakage of chlorinated solvents.

Cracks in the concrete floor of the warehouse had allowed chemicals to escape, causing extensive soil and groundwater contamination to the surrounding property, with potential to impact on sensitive local water resources.

### **Claims Management**

Specialist consultants were immediately deployed to the site to assess the extent of the impact.

Investigation works and extensive risk modeling were undertaken to determine the potential impacts on local potable water resources.

Source removal of the process infrastructure and tanks filled with chlorinated solvents was undertaken.

A program of groundwater treatment was prepared.

### **Discussion and Comments**

Pollution liability rests primarily with the “polluter” however as the polluter went into liquidation, the responsibility for contamination falls to the property fund landowner.

The insurer’s relationship with specialist consultants provided a rapid response and prevented contamination from impacting on water resources. This would have resulted in a much greater liability and potential prosecution.

### **Insurance**

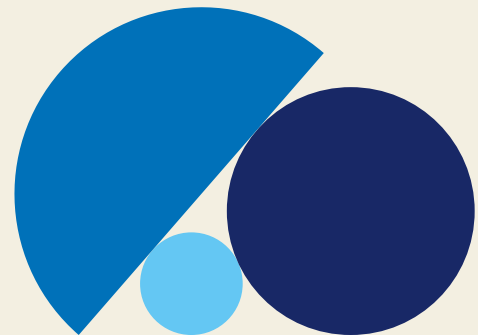
The property fund had an annual portfolio-wide Premises Pollution Liability policy covering some 75 properties.

The cover provided the following limits:

- £5 million any one incident
- With a policy aggregate of £10 million
- Self-insured retention of £25,000.

### **Contact Us**

In order to obtain a free premium indication and draft policy wording please contact [clive.walker@uk.zurich.com](mailto:clive.walker@uk.zurich.com)



Zurich Insurance Company Ltd. A public limited company incorporated in Switzerland. Registered in the Canton of Zurich, No. CHE-105.833.114, registered offices at Mythenquai 2, 8002 Zurich. UK Branch registered in England and Wales no BR000105. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ. Zurich Insurance Company Ltd is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Our firm reference number is 959113.

---