

An aerial photograph of a dense tropical forest. A dirt road, appearing as a reddish-brown line, winds through the lush green canopy from the top left towards the bottom right. The forest is composed of various shades of green, indicating different types of trees and vegetation. The lighting is bright, suggesting a sunny day.

Product Playbook

Environmental
Insurance

Introducing AIG's Environmental Insurance

Select a topic below to explore



Our Environmental Insurance Products

Faced with tougher legislation, heightened public scrutiny and increasing duty of care, companies today are exposed to greater environmental risks than ever before – which is why your clients need robust insurance protection to be accountable to their many stakeholders.

AIG's environmental insurance protects businesses against a range of environmental liabilities and is designed to respond to all types of pollution and clean-up obligations. For over 20 years, AIG has remained steadfast in delivering innovative environmental insurance programmes to the Asia Pacific market. Understanding that no two businesses are identical, our suite of environmental insurance products is designed to cater to your clients' exposures and requirements, no matter their size or industry.

Our Products at a Glance



EnviroPro

Comprehensive environmental cover for a diverse range of commercial businesses



Contractors Pollution Liability (CPL)

Customisable coverage for contractors working at third-party sites



Pollution Legal Liability (PLL)

Bespoke solutions for clients with complex exposures



Opportunities for Brokers

Against a complex and evolving risk landscape, brokers play a pivotal role as trusted risk advisors – working with clients to understand their exposures, demystify environment liability, and advise them on robust risk management solutions that meet their unique needs.

Brokers who can have meaningful conversations with their clients about their environmental risks are able to differentiate themselves from competing brokers who may not have the same degree of risk and product knowledge. This presents exciting opportunities in new business and retention strategies for brokers, and reaffirms their position as valued and informed risk experts.

Policy Wording Highlights

Covered Costs

Pollution incidents are often complex events with significant knock-on effects and long-tail claims. In the event of a pollution incident, the total financial impact your client can suffer goes beyond the direct costs of clean-up – negative publicity, reputational damage, and even loss of investor interest can have long-lasting detrimental effects on business performance.

AIG's environmental insurance is designed to help businesses manage these impacts and account for the considerable expenses involved. In addition to traditional coverage for clean-up costs, bodily injury and property damage, our solutions provide cover* for the following losses:

*Subject to terms and conditions of the policy

Target Clients

Businesses today are held to a greater duty of care and more stringent regulatory obligations. With the stakes higher than ever, your clients can no longer afford to opt out of insurance protection for their growing environmental exposures.

From heavy industrial and manufacturing facilities to restaurants and grocery stores, no business is immune to environmental risk. AIG's suite of environmental insurance products caters to a wide range of industries and segments:



EnviroPro

Traditional environmental insurance policies have been developed with complex risks in mind, often leading to unnecessarily complicated policies and information requirements unsuited to the needs of the average business in Asia Pacific. EnviroPro makes environmental coverage accessible for SMEs in a diverse range of industries.

Target clients of EnviroPro policies include:

- General manufacturing and light industrial facilities
- Retail and warehousing facilities
- Commercial sites, including shopping centres, office buildings and hotels
- Healthcare facilities, including hospitals and laboratories
- Education institutions, including universities
- Sports and amusement facilities



Contractors Pollution Liability (CPL)

The construction industry is widely recognised as a major source of pollution, and companies in this sector face heightened risks of environmental incidents. CPL is designed to provide comprehensive protection for contractors, site owners and developers. Coverage can be tailored to meet individual needs as well as any special contractual requirements.

Target clients of CPL policies include:

- Construction companies
- Development companies and housebuilders
- Demolition and excavation contractors
- Street and road contractors
- Environmental contractors
- Trade contractors, such as mechanical, electrical and plumbing contractors
- Any entity controlling a construction project (project principal/owner, government entity, general contractor, construction manager)
- Transportation and logistics contractors



Pollution Legal Liability (PLL)

PLL can be tailored to a company's specific pollution insurance needs for new and/or pre-existing pollution conditions. This makes PLL an excellent insurance tool for multinational companies requiring local admitted policy placements, companies undertaking a merger or acquisition of sites with potential historical contaminations, or companies operating in industries with higher environmental exposures.

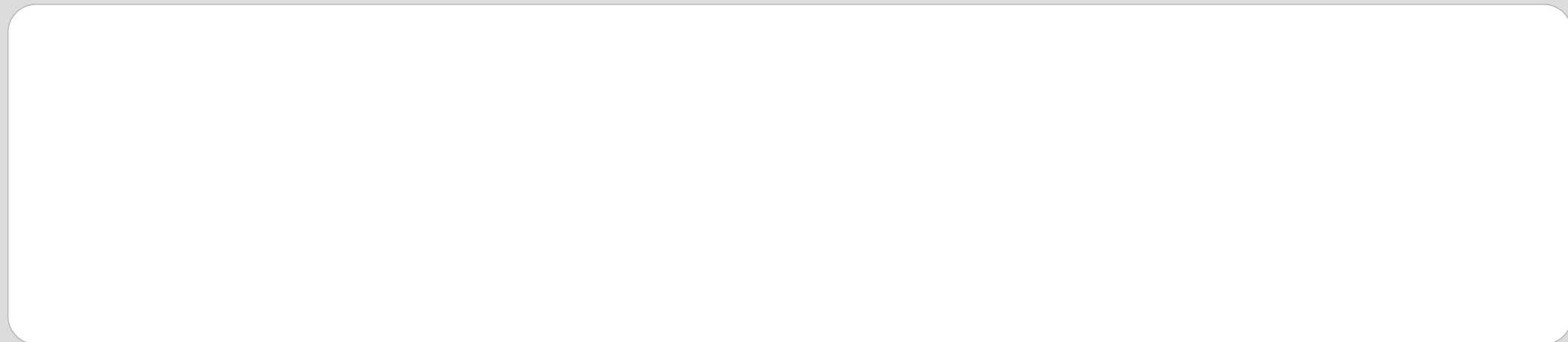
Target clients of PLL policies include:

- Chemical manufacturing and heavy industrial facilities
- Bulk fuel terminal and pipelines
- Power and utility facilities
- Waste treatment, recycling and disposal facilities
- Large real estate companies, including real estate investment trusts (REIT)

Our Risk Appetite

Recognising that transparency is key to any successful partnership, AIG is committed to defining and communicating our risk appetite clearly so clients can focus on what matters most – securing the right cover to protect their business, stakeholders and communities.

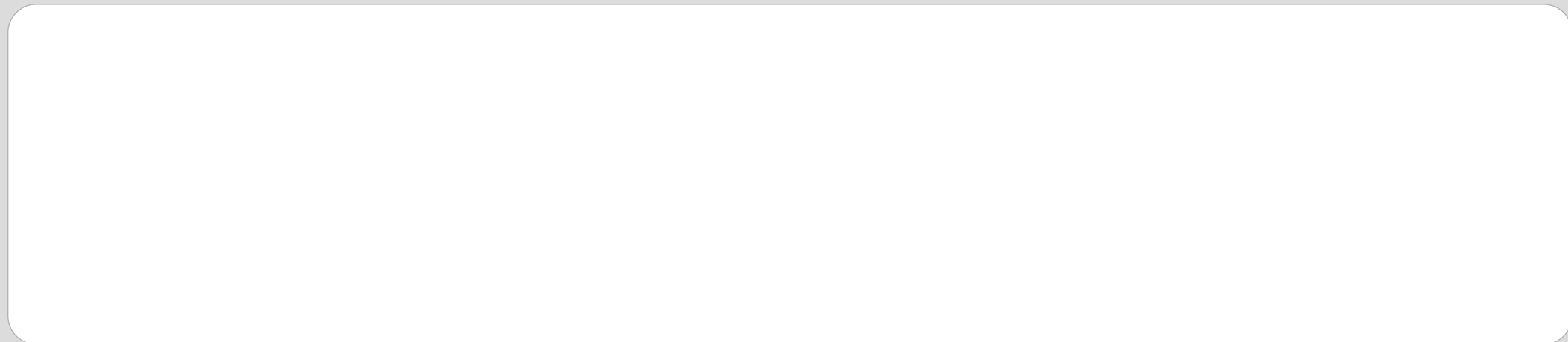
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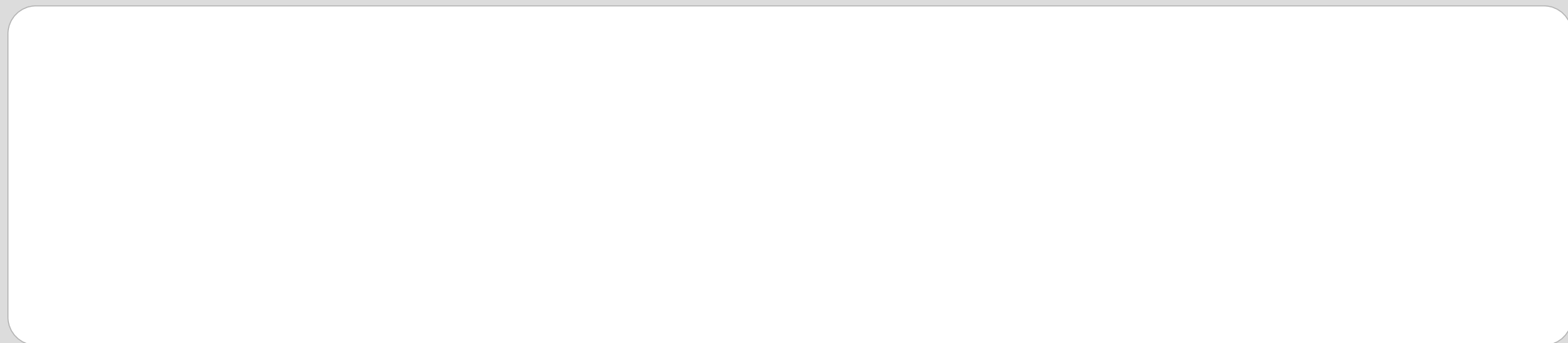
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Policy Gaps Covered by Environmental Insurance

While most General Liability policies in Asia Pacific provide limited pollution coverage, cover in such policies is subject to a narrow set of conditions and limitations. As businesses face ever more complex environmental exposures, reliance on the limited pollution coverage within traditional liability policies is unlikely to be sufficient.

Environmental cover is the only insurance that helps businesses account for the full range of risks and hidden expenses involved in a pollution incident. The table below outlines how AIG's environmental insurance fills the coverage gaps in General Liability policies, providing clients with peace of mind when the unexpected occurs.

| | General Liability policies* | AIG's environmental insurance cover** |
|---|--|---|
| Gradual pollution condition | Coverage is limited to sudden, identifiable, unintended and unexpected events, usually occurring within the last 48 hours. | Coverage includes both gradual as well as sudden and accidental pollution. |
| Natural resource damage | Generally not covered, as policy requires private third-party personal injury or property damage loss to respond. | Scope of coverage includes biodiversity and natural resources belonging to or controlled by public or government authorities. |
| On-site and off-site clean-up obligations | Excluded under most policies, as government-ordered clean-up obligations are considered statutory debt instead of property damage. | Clean-up coverage relates to costs associated with investigation, removal, remediation and monitoring of contamination, and includes restoration costs. |
| Emergency response costs | Excluded as coverage does not begin until a third-party claim is filed. | Coverage allows clients to immediately respond to a pollution emergency without the need for a third-party claim. |
| Crisis management costs | Excluded as reputational risk is a first-party risk. | Coverage provides access to crisis management teams to help clients provide the right messaging to the public. |
| Civil fines and penalties | Coverage for civil or criminal fines or penalties are excluded. | Coverage for civil fines and penalties can be provided when permissible by law. |

*Conditions may vary per insurance policy.

**Subject to the terms and conditions of the policy.

Our Claims Expertise

Our highly experienced environmental claims experts have in-depth knowledge and expertise in claims handling across a variety of business needs and environmental exposures. This means your clients can be confident that they will receive the best possible support in the event of an environmental incident.

The following examples illustrate the consequences that may result from environmental incidents, and the importance of securing environmental insurance to help businesses respond and recover following a loss.



Gradual pollution EnviroPro and PLL

When pollution conditions were discovered at a neighbouring site during redevelopment, the source of pollution was traced to a leak from an underground oil storage tank at the insured's property. The insured was responsible for conducting soil and groundwater clean-up over several months, which included continuous pumping of the water table.



Natural resource damage CPL

An insured contractor installed a vehicle wash down bay on a site to prevent mud and sediment from impacting roads. However, a drain became blocked, resulting in effluent discharge into a nearby waterway. In addition to remediation obligations, the contractor was required to provide an indemnity for the biodiversity damage caused to the environment.



Pre-existing condition PLL

After a spill incident, the insured owner of the affected property was required to conduct soil and groundwater monitoring. During this process, further contaminations from historical site operations by previous site owners were discovered. The regulator mandated that the owner conduct clean-up of the site in accordance with environmental quality standards.

On-site clean-up costs EnviroPro and PLL

A chemical storage tank at a wastewater treatment station collapsed and damaged the facility. When the site was inspected, authorities discovered soil and groundwater contaminations at the facility. As a result, the insured wastewater treatment company was required by the regulator to carry out on-site clean-up and remediation.



Clean-up costs CPL

An insured contractor working on the re-vegetation and landscaping of a site later discovered that the mulch used was contaminated with asbestos-containing material. The contractor was required to remediate the site in accordance with local legislation, and a large quantity of topsoil had to be disposed of at off-site licensed waste treatment facilities.



Business interruption PLL

Heating oil released from a wastewater treatment station damaged the facility and rendered it unable to treat the wastewater. The insured had to halt operations until the plant was cleaned and the filters were replaced. Additionally, the treatment station incurred extra expenses during clean-up.

The AIG Advantage

AIG is a leading global insurance organisation with extensive experience serving clients in Asia Pacific. We take pride in delivering specialised expertise, comprehensive service and tailored solutions that help clients manage their environmental risks.



Underwriting expertise

AIG's team of dedicated environmental underwriters offer unmatched technical knowledge and experience in pollution risks. Clients and brokers can tap on the professional expertise of environmental engineers and scientists in our team to leverage technical underwriting support and expert guidance on risk decision making.



Proactive risk insights

AIG's extensive claims handling experience across the globe gives us unique insights into the latest risk trends and data. From environmental monitoring to claims management, we are committed to equipping our partners with the knowledge and best practices they need to help clients mitigate their ever-evolving risks.



Claims excellence

Our specialised claims handling team is experienced in complex environmental claims and equipped to support requests in different languages. This localised expertise, combined with our global capabilities and knowledge centres, provide AIG clients with best-in-class environmental claims support wherever they operate.



Multinational capabilities

AIG harnesses our deep understanding of sophisticated programme structures and strong local partner networks to help clients design and implement bespoke multinational programmes, whether locally administered or on a controlled master basis – bringing a powerful global lead advantage and service capabilities to our environmental offering.

Understanding the Risks

When considering purchasing AIG's environmental insurance, it is important that clients understand the extent of their potential exposures and the protection offered by our policies.

These discussion points have been developed to help your clients understand the real risks involved in an environmental incident. Click on each theme below for suggested conversation topics to raise with your clients.

Managing Misconceptions

We understand your clients may still have questions about what AIG's environmental insurance products can do for them. Our experience suggests that most purchase obstacles raised by clients are due to a lack of understanding about the full extent of their environmental exposures and the true costs involved in a pollution incident.

Click on the tabs below to access responses to help you manage misconceptions or objections your clients may have.

Required Client Information

To receive the most suitable terms and conditions for an EnviroPro, CPL or PLL policy, your clients should provide relevant information about their environmental risk exposures.

Our underwriting considerations when assessing risk include:

- Insured's business activities**
- Previous claims and incidents**
- Health, safety, and environmental management plans**
- Emergency spill response procedures**

Contact Us

AIG's Asia Pacific Casualty team is pleased to work with you and your clients on their environmental insurance needs. You can find the contact details of our product and underwriting specialists below.

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