PEPIP Pollution: Essential Loss Reporting Practices

We are pleased to provide you with the attached document titled *PEPIP Pollution Essential Loss Reporting Practices*. These four pages outline the steps that should be taken at the time of an environmental incident to assure that the Pollution coverage offered with ACE through PEPIP if fully available for claims payment. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of "Emergency Response" expenses that you may incur to address a ***Sudden and Accidental*** type loss. For these "Emergency Response" expenses there is a strict seven (7) day window, following discovery of a "Pollution Condition" by the "Insured", after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **Extremely Important** that a Sudden and Accidental exposure be reported **immediately,** and clearly no later than seven (7) days. The following pages provide you with relevant information and material to comply with this important client obligation.

We would like to point out to you some of the key sections of the 2012/13 ACE policy which address the "Emergency Response" and reporting provisions; they include the following:

III. DEFENSE AND SETTLEMENT

C. The "insured" shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any "pollution condition" covered pursuant to this Policy. The "insured" must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an "emergency response". Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the "self-insured retention", except in the event of an "emergency response".

Alliant Comment: *This section of the policy says the Insured has the RIGHT AND DUTY to retain a qualified consultant to do the work, then makes the insured get written agreement* ***first*** *unless it is an "emergency response" (see definition below) situation.*

V. DEFINITIONS

F. "Emergency response" means actions taken and reasonable "remediation costs" 7 days following the discovery of a "pollution condition" by an "insured" in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such "pollution condition".

T. "Pollution condition" means:

2. The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. "Remediation costs" means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize "pollution conditions" to the extent required by "environmental law".

VII. REPORTING AND COOPERATION

A. The "insured" must see to it that the Insurer receives written notice of any "claim" or "pollution condition", as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the "insured", including contact information for an appropriate person to contact regarding the handling of the "claim" or "pollution condition";

2. The identity of the "covered location" or "covered operations";

3. The nature of the "claim" or "pollution condition"; and

4. Any steps undertaken by the "insured" to respond to the "claim" or "pollution condition". In the event of a "pollution condition", the "insured" must also take all reasonable measures to provide immediate verbal notice to the Insurer.

B. The "insured" must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any "claim";

2. Authorize the Insurer to obtain records and other information;

3. Cooperate with the Insurer in the investigation, settlement or defense of the "claim";

4. Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of "bodily injury", "property damage", "remediation costs" or "legal defense expense" to which this Policy may apply; and

5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No "insured" shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any "claim" without the written consent of the Insurer. Nor shall any "insured" retain any consultants or incur any "remediation costs" without the prior express written consent of the Insurer, except in the event of an "emergency response". (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a "pollution condition", the "insured" shall make every attempt to mitigate any loss and comply with applicable "environmental law". The Insurer shall have the right, but not the duty, to mitigate such "pollution conditions" if, in the sole judgment of the Insurer, the "insured" fails to take reasonable steps to do so. In that event, any "remediation costs" incurred by the Insurer shall be deemed incurred by the "insured", and shall be subject to the "self-insured retention" and Limits of Liability identified in the Declarations to this Policy.

The Bottom Line is; if you have a **Sudden and Accidental** spill, please and **Call us Immediately** - - let's get the any Incident reported to property protect coverage for these unexpected events.

To report a claim, please contact:

David Sutton, dsutton@alliantinsurance.com, 415-403-1417
Michelle Maffei, mmaffei@alliantinsurance.com, 415-403-1418

For general coverage questions, please contact your Alliant representatives:

Mimi Long, mlong@alliantinsurance.com, 415-403-1423
Robert Leong, rleong@alliantinsurance.com, 415-403-1441

PLEASE NOTE: Additional PEPIP limits are included in the main form under the General Provisions Section I., Limits of Liability. Coverage for Accidental Contamination has an additional sublimit of $250,000 excess of your standard PEPIP deductible so coverage can also be trigger under the terms of that policy. Reporting follows the standard claims system currently in place.

Environmental Risk

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

1) *Follow your company procedures for reporting and responding to an incident*

2) *Alert local emergency authorities, as appropriate*

3) *Report the incident to* ACE Environmental Risk *immediately at:*

888-310-9553

All pollution incidents must be reported within: SEVEN (7) days of Discovery

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

4) *Contact your Alliant representatives and use the reporting guidelines that follow:*

To report a claim, please contact:

David Sutton, dsutton@alliantinsurance.com, 415-403-1417
Michelle Maffei, mmaffei@alliantinsurance.com, 415-403-1418

For general coverage questions, please contact your Alliant representatives:

Mimi Long, mlong@alliantinsurance.com, 415-403-1423
Robert Leong, rleong@alliantinsurance.com, 415-403-1441

DO follow your company's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification

ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager
BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510
BY FAX: (800) 951-4119
BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com
CC Alliant Insurance: dsutton@alliantinsurance.com
And your Alliant representative

Today's Date: _____
Notice of: (check all that apply)

☐ **Pollution Incident** ☐ **Potential Claim** ☐ **Other _____**
☐ **Third-Party Claim** ☐ **Litigation Initiated**

Insured's Name & Contact Information

Company Name: _____ **Point of Contact:** _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims **Point of Contact:** David Sutton

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 415-403-1400

Policy Information

Policy Number: PPL G24544837 002 **Policy Period:** 7/1/12 to 7/1/13

Limits of Liability: _____ **per** _____ **agg** **Self-Insured Retention/Deductible** _____

Loss Information

Date of Incident/Claim: _____ **Location:** _____

Claimant Name/Address: _____

Description of Loss: _____
Please list all attached or enclosed documentation: ☐ **(check if none provided)** _____

_____
_____
_____

Name of Person Completing This Form: _____ **Signature:** _____

_____
_____
_____