



UK / Casualty / Environmental

## Pollution and Remediation Legal Liability (PARLL) policy

AXA XL's PARLL environmental insurance product helps businesses, from manufacturers to owner-operators, to minimise the financial impact of environmental losses and get back to business fast if an incident occurs. The demand for environmental risk transfer is becoming increasingly important as the scope of environmental liabilities a company faces increases, leaving many businesses potentially exposed from a financial and reputational perspective.

AXA XL's PARLL product is suited to a wide array of business types, ranging from SMEs, to upper middle-market to large multinationals, including but not limited to the following sectors:

- Manufacturing
- Chemical
- Pharmaceutical
- Property owners and real estate
- Developers
- Waste
- Industrial

### Why should PARLL be considered?

Stricter environmental laws mean that businesses face an ever-widening range of liabilities – and potentially huge clean-up and compensation costs for exposures such as historical contamination and gradual pollution running years into the future.

These risks are often not covered under general liability and property policies and can cause significant financial, operational and reputational damage. AXA XL's PARLL policy helps to bridge these gaps, for instance by covering sudden & accidental and gradual pollution releases and responding to a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the insured – this includes claims from third parties and regulators.

### AXA XL's PARLL Solution

AXA XL's PARLL policy provides cover for environmental liabilities arising from business operations:

- **Covered Locations:** Liability for pollution conditions or natural resource damage discovered (or resulting in a claim) from sites which the insured owns or operates from. This could be as a result of equipment failure, human error, illegal third-party activities, or related to historical activities.
- **Covered Operations:** Liability arising for pollution conditions or natural resource damage at third party locations at which the insured operates or services.
- **Transportation:** Liability resulting from a pollution condition discovered (or resulting in a claim) during transportation of waste, goods or products.
- **Business Interruption and Extra Expense:** Losses resulting from suspension of operations due to a pollution condition or natural resource damage, including loss of rent where a tenant has had to vacate the insured premises.
- **Disaster Response:** Expenses incurred to assist the insured in managing and minimising potential reputational harm as a result of a pollution condition or natural resource damage.
- **Non-owned Disposal Sites:** Liability for losses due to a pollution condition at a waste disposal site, arising from waste that was generated as part of business operations.
- **Legal Expense:** Legal fees and costs incurred in the investigation, adjustment or defence of a claim.
- **Emergency Costs:** Allows insureds to incur reasonable emergency expenses needed to address a pollution condition or natural resource damage without prior approval from the insurer.

## AXA XL's Added value

- We have 30 years' experience in the environmental impairment liability market.
- AXA XL's underwriters are highly qualified and knowledgeable in this sector.
- We cover everything from single sites to global programmes.
- Policy options include annual and multi-year renewable policies, or up to 10 year policies for Brownfield property transactions or Mergers and Acquisitions (M&A).
- We have broad policy wording.
- We have a dedicated environmental claims handling team.
- We have access to best in class environmental lawyers.
- We can support brokers with in-house training, support client meetings, and help proactively target accounts with environmental exposures.

## Information needed for a quotation

For an initial indication of premium and coverage for operational exposures, please contact one of the team below with details of the insured, their business activities, locations from which they operate, and geographies to be insured.

For transactional or development opportunities, or for a more detailed quotation please call or email one of the team for a copy of the AXA XL PARLL application form.

## Example claims scenarios

AXA XL's PARLL policy would provide cover for the following types of scenario (subject to the terms and conditions of the policy wording):

- A manufacturing company using solvents has a failure from its waste water effluent system, resulting in pollution entering a public waterway. This results in fish kills, a temporary loss of public amenity and reputational damage via unwelcome media attention. The company faces clean-up costs, restocking of the fish in the river, long-term monitoring costs, and third-party claims from a local fishing club, in addition to legal defence and crisis management costs.
- Attempted theft leads to a release of fuel resulting in pollution of an insured's depot and off-site migration resulting in third party claims and statutory costs. The release could be sudden and accidental or gradual. Depending on the sensitivity of the environment and the time it takes to deal with the incident, even a small loss of fuel can result in significant clean-up costs, business interruption and legal defence costs.
- The regulator becomes aware of pollution impacting a local drinking abstraction borehole and traces it back to a tenant operating at an insured premises; the pollution is linked to years of poor housekeeping and drips and spills. The tenant is unable to cover the costs of remediation and files for bankruptcy. The regulator seeks recourse from the landlord.

- A site is acquired by an insured. During the policy period a third-party undertakes development on adjacent land and discovers contamination that has migrated historically from the insured's site. The third-party claims for property damage, including diminution of property value and delays in start-up for the development of the adjacent land.
- A business is acquired that forms part of a larger industrial estate and the regulator identifies all occupants of the industrial estate as jointly liable for pollution which is causing significant damage to the local environment. There is a joint requirement to investigate and remediate.
- A fire at a warehouse results in firewater, contaminated with chemical residues, to leak into surface water drains and subsequently into a nearby river. The regulator deals with the immediate containment and remediation and seeks reimbursement for these costs from the warehouse owner, as well as long-term clean-up and monitoring costs.

## Contacts

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