

Environmental Risk

Emerging Issues and Insurance Market Response

In both developed and emerging countries across the globe, governments are responding to the potent combination of industrial growth and ecological concern with both new environmental regulations and tougher enforcement of existing laws.

Specifically, in some countries in Europe, South America and some US states, mandatory financial security for pollution damage will become compulsory as early as 2011, with others following suit by 2013.

A recent study by the Economist Intelligence Unit covering executives across the globe concluded that:

- 50% of firms have an ad-hoc or non-existent approach to managing environmental risk
- Most companies have no clear consensus on who within a firm should manage this risk
- 40% of companies purchase property without environmental assessments
- Companies that DO adopt an environmental risk strategy, often do so for a positive image
- Lack of certainty regarding environmental regulation and future scope of legislation are the main risk management obstacles

This issue affects not just the “Chevron's” of the world...

ALL businesses with potential to cause pollution and ALL property owners could at some stage be faced with an order to clean up, close down and pay third party costs, should they be found to have caused damage to the environment either through the air, water or land.

Small Business DOES NOT mean Small Risk

Clients and Prospects across a broad spectrum of business sectors and business types will be impacted by tougher regulation. Examples include;

- Property Developers, Construction Contractors**
- Manufacturing,**
- Redevelopment Businesses and Property Maintenance**
- Water and Waste (Including landfill, treatment plants)**
- Leisure Industry (Hotels, Sports Complexes)**
- Service Companies**
- High Risk Industries**
- All Companies near protected habitats**
- Property Funds**

Businesses of all sizes face the risk of being sued or penalised for damaging the environment and this issue will not disappear. Global leaders face increasing pressure to clean up damage caused by pollution and penalise those who pollute in the future.

Over...



Environmental Risk

It is now both straight forward and inexpensive to protect your clients against the impact of future pollution damage as well as dealing with their gradual and historical Environmental risk. Gallagher Environmental is a specialist team with access to a unique London market facility.

We can work with you to:

- ✓ Identify clients at risk to a pollution incident
- ✓ Identify gaps in existing property and liability policies
- ✓ Provide access to markets giving wide coverage at competitive rates
- ✓ Provide premium indications from existing property / liability information

If you are interested in a new source of income and would like to talk through opportunities within your Client and Prospect portfolio, please call your usual Gallagher contact who works closely with our team, or call us direct on one of the numbers below:

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Please also go to www.ajginternational.com/environmental for more information



Gallagher Environmental

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