



## **Environmental Liability** **(a.k.a. Pollution Liability)**

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*"Isn't Pollution Liability something big oil companies have to buy in order to pay the cost of cleaning up an oil spill in the ocean?"*

Yes, but **anyone** who utilizes, handles or stores any type of chemical or fuel (pollutants), operates equipment that uses a chemical or fuel, and contractors who specialize in restoration are also at risk of a being liable for an environmental incident.

Environmental Liability is a legal obligation caused by the past or by the ongoing manufacture, use, release, or threatened release of a particular substance; or by other activities that adversely affect the environment and/or human health.

This is certainly an all encompassing definition and the result is practically every commercial insured, especially aviation operators and aviation service providers, have some degree of exposure to Environmental Liability.

Some examples of possible pollutant contributors are:

- Applying, storing and disposing pesticides
- Fire protection
- Repair Shops
- Aircraft Storage
- Equipment Storage
- Fuel Storage

We are finding that the majority of premises lease agreements require the tenants to be financially responsible if pollution or contamination is found anywhere on the premises - even if the tenant is not directly responsible. While most of the premises lease agreements do not specifically require the tenant to carry pollution/contamination liability coverage, there are paragraphs in some of the leases, such as "Environmental Removal and Disposal", that specifically state the tenant is responsible for the removal and disposal of all hazardous substances. Another paragraph, "Environmental Indemnification", relieves the landlord and holds him harmless from any costs and expenses (directly or indirectly) connected with such pollution or contamination clean up.

Don't get caught unaware. Protect your business and your assets from fines and penalties imposed by federal and local governments by purchasing an Environmental Liability policy. AIS has an exclusive, low cost program tailored to aviation operators and service providers. In addition, AIS has access to various programs available for non-aviation operations. Contact your AIS representative today for details.