

# Environmental Infrastructure Solutions



Over the next decade, investment in the country's infrastructure will be dramatic. With the passing of the American Recovery and Reinvestment Act, nearly \$150 billion will be dedicated to improving and rebuilding the nation's infrastructure assets, such as roads, bridges, airports, water treatment facilities, and sewage plants.<sup>1</sup> With this significant public investment, private investment is also expected to increase, through either Public-Private Partnerships (P3's) or wholly private ventures.

Infrastructure projects typically involve a variety of stakeholders, including the government entity supporting the project, the general contractor retained to manage the process, and subcontractors. To assist the entities undertaking the construction and operations of an infrastructure project, Chartis offers Environmental Infrastructure Solutions, a first-of-its-kind environmental policy designed to address coverage gaps left by standard general liability policies or a less integrated insurance program. Providing coverage for all participants on one form helps eliminate potential coverage gaps that might exist when each party purchases its own protection.

### American Recovery and Reinvestment Act - Infrastructure Highlights<sup>2</sup>

\$27.5 billion for highway and bridge construction projects to be distributed to state transportation departments by the U.S. Department of Transportation (DOT)

\$8.4 billion for transit capital assistance to be distributed based on the existing Federal Transit Administration's (FTA) urban and rural transit formula.

\$1.5 billion for the U.S. DOT to be competitively awarded via grants to state and local governments.

### The Environmental Risks of Infrastructure Projects

Project owners traditionally manage the risks associated with infrastructure projects through a combination of general liability and property insurance, which often does not include full pollution coverage.

Contractors of all disciplines can create or worsen a pollution condition when performing services, and may be liable for work performed by subcontractors. Liabilities can arise from pollution conditions that take place on the worksite, as well as from material or debris transported to or from the work site. Operators face risks such as the release of pollution conditions from the operation and maintenance of the asset, transportation to and from the site, and pollution conditions occurring at the site.

### Comprehensive and Customized

Environmental Infrastructure Solutions addresses the environmental risks associated with infrastructure projects in one convenient, streamlined policy form designed for all entities involved in the construction and operation of the project.

*Construction Covered Operations* protects against claims for third-party bodily injury, property damage or environmental damage resulting from pollution conditions caused by the performance of covered operations during construction, including transportation and completed operations.

*Fixed-Site* pollution coverage provides protection for claims for third-party bodily injury, property damage or clean-up costs resulting from new pollution conditions on, under, or migrating from the insured property, including transportation. Such pollution conditions can arise from owner liability or the performance of operations and maintenance.

<sup>1</sup> American Recovery and Reinvestment Act

<sup>2</sup> Public Works Online: Economic Recovery Resource Center ([www.pwmag.com](http://www.pwmag.com))

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*Emergency Response* is discovery-triggered coverage for the cleanup of sudden and accidental spills giving policyholders the ability to respond immediately to pollution conditions without the need for a third-party claim.

Coverage for properly licensed *non-owned disposal sites* is included in the form. Available endorsements include a discovery trigger for on-site clean-up of pollution conditions and the inclusion of *microbial matter* in the definition of pollution conditions.

## Practical Applications

The following scenario illustrates the effectiveness of the Environmental Infrastructure Solutions policy, but the form is not limited to this specific type of project.

### *Facility Upgrade Has Unintended Consequences*

- Overview – An aging water treatment facility was in the process of a \$300M upgrade to meet state and federal regulations. To support new buildings and structures, contractors drove thousands of piles into the earth, resulting in vibrations which caused a pump in the existing facility to malfunction.
- Problem – 300,000 gallons of partially treated waste water was released into an adjacent river. Several downstream water suppliers were notified. Both the contractor and the site owner were named in enforcement actions by the local environmental authorities.
- Solution – Environmental Infrastructure Solutions responds to the liability of a contractor for covered operations during construction, including emergency response costs. Additionally, it protects both contractor and project owner against claims for third-party bodily injury, property damages and environmental damages caused by pollution conditions.

## Value-Added Policyholder Advantages

Chartis policyholders also have *complimentary* access to critical programs and advantages such as:

- *Pollution Incident and Environmental Response (PIER)* – Access to a 24-hour emergency response, nationwide network of contractors and specialists at pre-negotiated rates who are trained to handle every aspect of a pollution incident, regardless of whether the incident is covered under the policy.
- *RiskTool System* – A web-based solution to help companies identify and reduce health and safety risks. It contains a library of online resources addressing current safety guidelines, regulations and best practices.
- *Claims* – Chartis' pollution claims operation, with 80+ claims specialists, is the largest in the industry. The depth and breadth of our operation means we can devote expertise to environmental claims of all types, such as mold, transportation spills, or large toxic tort cases.

## Infrastructure Project Types

Roads  
Bridges  
Tunnels  
Rail  
Utility/Power Plants  
Water Treatment Plants  
Airports  
Prisons  
Hospitals  
Schools/Universities  
Cultural/Arts/Entertainment Venues

## For More Information on Environmental Infrastructure Solutions

1-800-348-4314 Telephone  
environmental@chartisinsurance.com Email  
www.chartisinsurance.com



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