



ENVIRONMENTAL & POLLUTION LIABILITY

Environmental insurance: How to remain calm in a crisis

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Would your organization be ready to respond to a crisis involving an escape of pollutants at or from your premises? Have you considered what impact those decisions would have on your business and reputation?

Often crisis response becomes top-of-mind only when something bad happens and not before, when clearer thinking and preparation can be done. In a crisis, it's a high-stress environment where quick actions may be required. It's not a time when you want to cross your fingers and hope you've made the right decisions; you want to be confident you've responded in a way that will protect both your business and reputation.

Having a good crisis communications plan is an important first step to ensure your company is prepared when an environmental incident occurs. This involves creating a strategy to identify what the organization will communicate to stakeholders, including when and how the



communication will be released. When a crisis strikes, the organization should be ready to:

1. Quickly assess the situation and determine how to respond.
2. Demonstrate transparency by communicating details of the crisis, how it's being managed, and include information related to safety, responsibilities, actions moving forward, etc.
3. Control the narrative to prevent the spread of inaccurate information.
4. Provide great leadership.

These tasks can appear daunting; however, there are firms that specialize

in crisis management. They can provide professional services to help you through the process of creating a crisis communications plan, and assist in its execution, should the need arise.

Responding to an accidental escape of pollutants can be a costly undertaking. While most environmental liability insurance products will cover the cost of cleanup and remediation, it's important to ask about coverage for crisis management as well. A crisis that is managed poorly can result in serious damage to the organization's reputation and sales. In some cases, if public confidence is diminished severely enough, it may even threaten the organization's ability to continue operations.



Victor's Environmental Program

Victor's Environmental Program provides coverage for Crisis Management Expenses by endorsement that can be attached to the Environmental Cleanup and Liability Insurance for Premises policy. The endorsement provides reasonable and necessary fees, costs and expenses when a pollution condition results in regional or national media reports that diminish public confidence in the named insured. Part of the covered expenses includes public relations services provided by a crisis management firm approved by Victor to mitigate actual or potential negative publicity.

The Environmental Cleanup and Liability Insurance for Premises policy is available to a wide variety of organizations, including retail, manufacturing, commercial, industrial or institutional occupancies. Here are some examples of the types of risk that this policy can help protect against:

1. A trailer storing barrels of oil at a manufacturing facility flipped over when a support leg failed, resulting in a release of oil from the damaged barrels.
2. A release from an exterior above ground fuel tank occurred as a result of ice falling from an adjacent roof onto it and breaking the fuel supply line between the storage tank and boilers.
3. A piece of machinery was moved from the shop floor at a manufacturing plant as part of a process line re-organization, at which point a leak was discovered emanating from the equipment into an unsealed trench pit.
4. A manufacturer of industrial cleaning compounds experienced an accidental discharge of approximately 16,000L of diluted residual material from an on-site blending tank into a storm sewer and neighbouring river.

Victor has been a trusted provider of specialty insurance since 1962. As a leading managing general agent in Canada, we offer insurance programs for individuals, professionals, organizations and businesses, which are available through brokers and plan advisors across the country.

Learn more about our [Environmental & Pollution Liability program](#) or contact one of [our underwriters](#) for assistance.

Visit us at victorinsurance.ca/environmental to learn more.

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