Environmental Impairment Liability Site Coverage

Environmental Impairment Liability Site Coverage (EIL), also known as Pollution Legal Liability Coverage (PLL), is a specialty insurance coverage that provides protection for environmental risks stemming from owning property or operating facilities. EIL can also serve as a strategic risk-management mechanism by providing coverage to protect buyers and sellers from environmental liabilities associated with business transactions, such as mergers, acquisitions or divestitures. Environmental Impairment Liability provides environmental coverage for losses and clean-up obligations due to 1) on- or off-site pollution conditions, 2) transportation of materials or wastes, 3) pollution resulting from owned or non-owned disposal sites, and legal defense costs.

EIL Offers Solutions to:

- Landowners and property managers
- Developers
- Manufacturers
- Banks and lenders
- Shareholders
- Boards of Director
- Private equity groups

Available Coverages:

- Both sudden and gradual pollution conditions
- New and pre-existing (historical) pollution conditions
- First-Party on-site cleanup of pollution conditions
- Third-party claims for on-site and off-site clean-up resulting from pollution conditions
- Third-party claims for on-site and off-site bodily injury and property damage
- Liability associated with the disposal, transportation, treatment or destruction of waste streams (CERCLA)
- First-Party coverage for business interruption
- RCRA financial responsibility assurance in the US and Environmental Liability Directive requirements in Europe
- Closure/Postclosure obligations Defense coverage (within and/or outside the limit of liability)
- Punitive damages, fines, and penalties where allowable by law
- Natural resource damages and biodiversity
- Change in law/government re-openers
- Coverage for claims resulting from products
- Diminution in property value
- Coverage for underground storage tanks
- Contractual liability

**Available Limits:**

- $50M per loss/$50M aggregate limit of liability from a single carrier or up to $200 million by layering the capacity of multiple carriers

**Retentions:**

- $10,000 minimum can be deductibles or self-insured retentions. Typical retentions are $50,000 or $100,000. It is possible to structure programs with substantially higher retentions at lower cost

**Policy Terms:**

- Policy terms of from one (1) to five (5) years are available for new conditions
- Policy terms of up to ten (10) years are available for pre-existing or historic site conditions

**Coverage Territory:**

- Coverage is available on world-wide basis through a single master policy
- Local or country specific policies are available if a local jurisdiction requires a locally admitted form
Benefits:

Using environmental insurance offers several advantages:

- Provides coverage for past, current and future environmental losses
- EIL provides a financial back stop to potential catastrophic events associated with day to day operations
- Programs involving multiple premises can be tailored to address the diverse needs of each property; EIL is an external fund that enables a company to finance environmental loss
- Provides assurance to unknown environmental liabilities in asset transactions
- Product is exceedingly flexible and can be tailored and enhanced to the specific needs of the risk
- Is commonly accepted in lieu of environmental indemnities or can be structured to wrap around indemnities
- Insures business interruption losses resulting from pollution conditions, which would be excluded from most property and liability policies
- Enhances financing prospects by allowing creditor protections
- EIL is a transferable asset to future investors or buyers
- When broadly structured EIL can fill the gap in the General Liability Policies
- Mitigates the uncertainty of environmental liabilities in required SEC disclosures related to all environmental liabilities including remedial projects
Aon’s Value Proposition

Aon Environmental is the global leader in the development of risk management solutions to help clients evaluate and mitigate their environmental risks. Our value proposition to you is best expressed by the following three guiding principles:

**Identify Risks**
- Physical and operational reviews
- Past, present and future view
- Contractual analysis

**Mitigate and/or Transfer**
- Manuscripted coverage
- Risk financing options
- Claims / Litigation assistance

**Measure Risks**
- Conduct probabilistic model analysis
- Magnitude of loss potential
- Regulatory guidance and assistance

By utilizing a multi-disciplinary approach combining both business and technical knowhow, Aon can assess, quantify, mitigate, and transfer environmental risks by delivering coverage that is tailored to the unique needs of each client.

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Aon Environmental is a corporate specialty practice dedicated solely to providing environmental risk management support to Aon clients and prospects. Environmental risk management is highly specialized and Aon provides expert environmental assistance in the areas of insurance, claims, environmental risk management, and engineering expertise.