



Integrated Waste Management Companies

Property, casualty & environmental
insurance solutions

How vulnerable are you? |

The severity of an environmental claim can be catastrophic for an integrated waste management company's bottom line. An effective way to reduce exposures is through a proactive risk management program that encompasses efforts to reduce exposures, plan for the unexpected and insure against unbudgeted costs.

In today's uncertain times, you may be concerned about the availability of insurance coverage and the financial stability of insurance carriers in general. XL Insurance can help by providing integrated risk management programs that include property, casualty and pollution coverages backed by the financial strength and stability that you require.

HISTORY HAS SHOWN...

Given the nature of their operations, landfills, transfer stations and recycling centers face potential liabilities associated with environmental exposures. Claims for environmental losses are often denied under Commercial General Liability policies due to the absolute pollution exclusion.



Common exposures facing Integrated Waste Management Firms

PROPERTY & CASUALTY EXPOSURES

- Operation/ownership/maintenance of trucks/vehicles that can result in bodily injury/property damage
- Mobile equipment operations
- Trespassers on buffer lands (dirt biking – ATVs)
- Negligence causing injury to third parties on-site
- Improperly maintained perimeter, resulting in attractive nuisance to trespassers

ENVIRONMENTAL EXPOSURES

Landfills

- Air emissions and odors
- Soil, surface water and/or groundwater contamination from the leaching of contaminants from the waste
- Surface water contamination from erosion due to earthmoving operations
- Run-off of contaminated rainwater
- Gas generation from the degradation of waste materials
- Past on-site disposal practices
- Illegal disposal of hazardous wastes
- Disposal of household hazardous waste
- Inadequate waste screening procedures
- Poor waste management practices
- Potential for fires
- Spills or leaks from storage tanks or drums on-site
- Waste spills during transit

Recycling Centers

- Leaks, spills or ruptures of tanks or pipelines
- Foul odors
- Poor underground storage tank management programs
- Wastewater discharges from the treatment of wastes and/or storm water runoff
- Spills or leaks from loading/unloading of materials

- Spills or leaks from the storage and handling of material containers such as drums, totes or bags
- Poor on-site storage practices, i.e., improper storage of incompatible wastes

Incinerators

- Air emissions affecting neighboring properties and/or regional air quality
- Foul odors emanating from waste storage areas
- Soil and/or groundwater contamination from improper ash handling
- Leaks, spills or ruptures of tanks or pipelines
- Fire/explosion hazard from flammable materials and combustion process
- Presence of PCBs in electrical equipment
- Spills or leaks from loading/unloading of materials

Transfer Stations

- Spills or leaks from on-site aboveground/underground tanks or piping
- Spills or leaks from loading/unloading of materials
- Poor storage tank management programs
 - Lack of proper containment of aboveground storage tanks (ASTs)
 - Lack of integrity testing for underground storage tanks (USTs)
- Historical concerns including:
 - Incomplete or missing information of historical on-site activities
 - Past on-site disposal activities (e.g., old septic system, spills)
- Inadequate housekeeping practices within the facility
- “Temporary” storage of hazardous materials within trailers on-site
- Poor storage practices (e.g., improper storage of incompatible wastes)

This list is intended only to outline some typical exposures common to integrated waste management companies and is not all encompassing.

Fortunately, there's coverage you can count on from XL Insurance

THE SOLUTION FROM XL INSURANCE

The Environmental group of XL Insurance offers both monoline environmental coverage as well as a package of insurance — including pollution — to help integrated waste management companies protect their profitability. Historically, general liability and environmental exposures and/or coverages have been interpreted differently by insurance carriers, creating “gray areas.” This situation is exacerbated when the general liability and environmental coverages are provided by different insurance carriers. When both casualty and environmental coverages are written through the Environmental group of XL Insurance, integrated waste management companies can help eliminate “gray area” disputes that might arise among multiple carriers. The following XL Insurance coverages are available to help protect against financial liability from both non-environmental and environmental losses:

CASUALTY

- **Commercial General Liability (CGL):** Provides liability coverage for claims that arise from an insured's premises, operations, products or completed operations. Available on either an Occurrence or Claims-Made form.
- **Commercial Automobile Liability and Physical Damage (AL):** Liability, including broadened Pollution and Physical Damage coverages, is available to cover losses that arise from the ownership, maintenance or use of covered automobiles including hired/non-owned.
- **Umbrella Liability:** Provides broad coverage over any environmental primary casualty program and affords additional limits of liability and coverage in some uninsured areas. This coverage also provides continuance as

underlying insurance in the event the primary aggregate is exhausted by a loss. In-house limits of liability: \$10 million. Higher limits can be arranged.

- **Workers' Compensation:** Provides coverage which insures the employer's responsibilities for injuries to persons in their employ, as prescribed by the applicable state workers compensation statute or Federal Act. Employer's Liability Limits: \$1 million each employee/each accident/policy limit. Target minimum premium \$75,000.

ENVIRONMENTAL

- **Pollution and Remediation Legal Liability (PARLL):** Provides first- and third-party remediation expense, third-party bodily injury and property damage as well as all resulting legal defense expenses. Coverage is provided for sudden or gradual pollution conditions on or emanating from covered locations. For landfill locations, only third-party remediation expense coverage is available.

PROPERTY

- **Property:** Provides Property, Business Interruption, and Boiler and Machinery coverage for locations owned or operated by the insured. Pollutant and contaminant cleanup available.
- **Inland Marine:** Provides coverage for exposures such as computers, contractor's equipment, cargo and other typical inland marine categories.

The above information is merely a description of our insurance products and not a complete list of all terms, conditions and exclusions. Only the provisions of a specific policy have legal effect. Certain terms used in the above description are defined in the policy. Please see the policy for a complete description of its scope and limitations of coverage.

Integrated Environmental Risk Management®

The Environmental group's integrated approach to risk management centers on risk control and claims management services. As part of your insurance program, the Environmental group of XL Insurance provides engineering, technical and legal expertise to further reduce the risks associated with an integrated waste management company's operations.

RISK CONTROL

Risk Control services are available as part of an integrated program, at no additional cost to the insured. Key programs for integrated waste management companies include:

- Mock OSHA inspections/audits
- Industrial hygiene services
- Environmental assessment services
- Spill response, loss prevention and health & safety training
- Emergency planning
- Hazardous material storage: audits, inventorying, review of practices
- Transportation safety services

BENEFITS OF RISK CONTROL

- Helps minimize losses and protect profitability through a variety of customized training, audits and services
- Helps identify, prioritize and address exposures
- Assists in achieving your annual training requirements
- Saves money because you don't have to hire outside consultants
- Increases employee morale, retention and productivity due to improved worker safety

CLAIMS MANAGEMENT

Specialized claims handling provides cost-effective solutions to litigation and remediation problems associated with an incident. Technical expertise, a nationwide network of remediation contractors and environmental attorneys, effective cost recovery strategies and continual responsiveness assist in minimizing the overall financial risk associated with a loss.

We've handled more than 10,000 environmental claims of varying complexity and size, ranging from small diesel spills and indoor air quality claims to complex Superfund sites and hazardous materials train derailments. Our capabilities extend beyond simple claims handling to encompass environmental project management, cost control, claims consulting and litigation support.



Don't let it happen to you...

In the following case histories, the environmental exposures take a variety of forms. These examples demonstrate just some of the many ways in which integrated waste management companies can incur environmental liabilities and why it is important to be protected with a complete package of insurance.

LEAKS AND RADIATION

A newly approved landfill had been bitterly contested by a local citizen's action group. The group had closely observed the construction of the landfill and within its first five weeks of operation filed numerous lawsuits alleging negligent practices. Among the incidents cited were two punctures to the landfill liner by the waste management company's own equipment, which fueled the public's fears of contaminated groundwater and drinking water. They also cited inadequate practices regarding a load containing radioactive waste. The radioactivity was missed in their first screening but was discovered by hand-held Geiger counters prior to placing in the landfill. The ensuing temporary shutdown of the facility created waiting lines of waste-laden trucks on the surrounding roadways. Claims were filed for perceived bodily injury, trespass of pollutants and diminution of property value. The final settlement, including defense costs, exceeded \$3 million.

ALL BURNED UP

A fire started in a large landfill from decomposing waste. The fire burned and smoldered for several weeks fueled by a variety of waste and the lack of an adequate methane venting system at the landfill. Hot ashes, billowing clouds and a lingering haze of smoke and soot spoiled hundreds of acres of surrounding agricultural crops. Beans and tomatoes were blackened on the vine and corn crops were ruined in the field. The ensuing negligence suits claimed property damage and loss of income amounting to \$1.7 million.

The examples above are intended to illustrate the wide variety of environmental exposures faced by integrated waste management companies and the many ways in which those exposures can arise. Insurance coverage in any particular case will depend upon the type of policy in effect, the terms, conditions and exclusions in any such policy and the facts of each unique situation. No representation is made that any specific insurance coverage would apply in the above examples. Please refer to the individual policy forms for specific coverage details.



ABOUT XL INSURANCE

For more than 25 years, the Environmental group of XL Insurance has been a market leader in pollution insurance products through strong underwriting, significant capacity, exceptional service and global capabilities. We've made it our business to protect the business assets of our insureds from the unpredictable costs of pollution liability claims through our integrated underwriting, loss control and claims management services.

The XL Insurance companies are global providers of risk management solutions for leading industrial and commercial businesses. As members of XL Group plc, we offer a broad portfolio of high quality insurance products and related services including property, casualty, professional and specialty coverages.

"XL Insurance" is the global brand used by XL Group plc's (NYSE: XL) insurance companies. Coverages described herein are underwritten in the USA by Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., and XL Specialty Insurance Company, and in Canada through XL Insurance Company Limited – Canadian Branch. Not all of the insurers do business in all jurisdictions nor is coverage available in all jurisdictions.

Information accurate as of May 2011.

QUESTIONS? NEED MORE INFORMATION?

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