



Environmental Introduction

XL Insurance

Contacts

Simon Harwood-Matthews

simon.harwood-matthews@xlgroup.com

Robert Potter

robert.potter@xlgroup.com

Simon White

simon.white@xlgroup.com

Graham Withers

graham.withers@xlgroup.com

Laurent Gangiotti

laurent.gangiotti@xlgroup.com

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Environmental Liability Directive

The Environmental Liability Directive (ELD) was adopted by the European Parliament in 2004 and established a framework of environmental liability across the European Union's member states.

The legislation applies the 'polluter pays' principle, to prevent and remedy environmental damage.

For the first time, environmental damage to land, water, natural habitats and protected species is brought under the umbrella of a single piece of European legislation. At the time of going to print the legislation had yet to be implemented in the UK and considerable uncertainty remains with respect to the extent of liabilities operators currently face, and will be due to face, once the scope of the UK legislation has been finalised and implemented.

What is known is that the legislation introduces a broader scope of remediation legal liabilities than previously seen across Europe, including a requirement for primary remediation, complementary remediation and compensatory remediation.

The uncertainty surrounding the scope of liability and implementation of this piece of environmental legislation highlights the importance of ensuring your existing insurance arrangements adequately protect you in respect of statutory environmental liabilities. XL Insurance's EIL policies can be designed to specifically address these liabilities.

If you would like to discuss how XL Insurance's dedicated EIL business unit can assist, please do not hesitate to contact one of the team listed.