



Environmental Case study

Utility company

XL Insurance

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This case study demonstrates how XL Insurance's Environmental Impairment Liability Insurance can be used by utility companies to protect against environmental liabilities resulting from an uncontrolled release of fuel oil.

A water utility company faced a clean up bill of £1.2m following a major diesel spillage.

The company realised that a significant amount of fuel had been lost from one of its back up generators at a treatment plant. Following an exhaustive investigation, a hole was discovered in piping from the tank that ran underground.

The contamination threatened groundwater within a designated Source Protection Zone and posed a risk to a nearby potable drinking water abstraction which was the sole source of water for around 50,000 people in the local area.

In total, about 7,000 litres of fuel were ascertained to have been lost before the leak was detected.

Remediation of the soil and groundwater was undertaken over an 18 month period. Ongoing monitoring was required at the time of going to print, further adding to the remediation expenses.

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.