

Example Claim

The owners of a dairy farm were ordered to pay fines and costs for polluting a stream near a popular coastal beauty spot.

A member of the public contacted the Environment Agency after they saw pollution in a stream running through an Area of Outstanding Natural Beauty, and discharging into the sea at a stretch of coast popular with walkers and surfers.

The pollution was traced back to a nearby farm, where a slurry store was found to be over filled and leaking into the stream.**

In this scenario the CLA Land and Estate policy, which automatically provides cover for most gradual pollution incidents, would seek to reimburse the farmers costs.



**Source: www.environment-agency.gov.uk

**For more information
please contact us:**

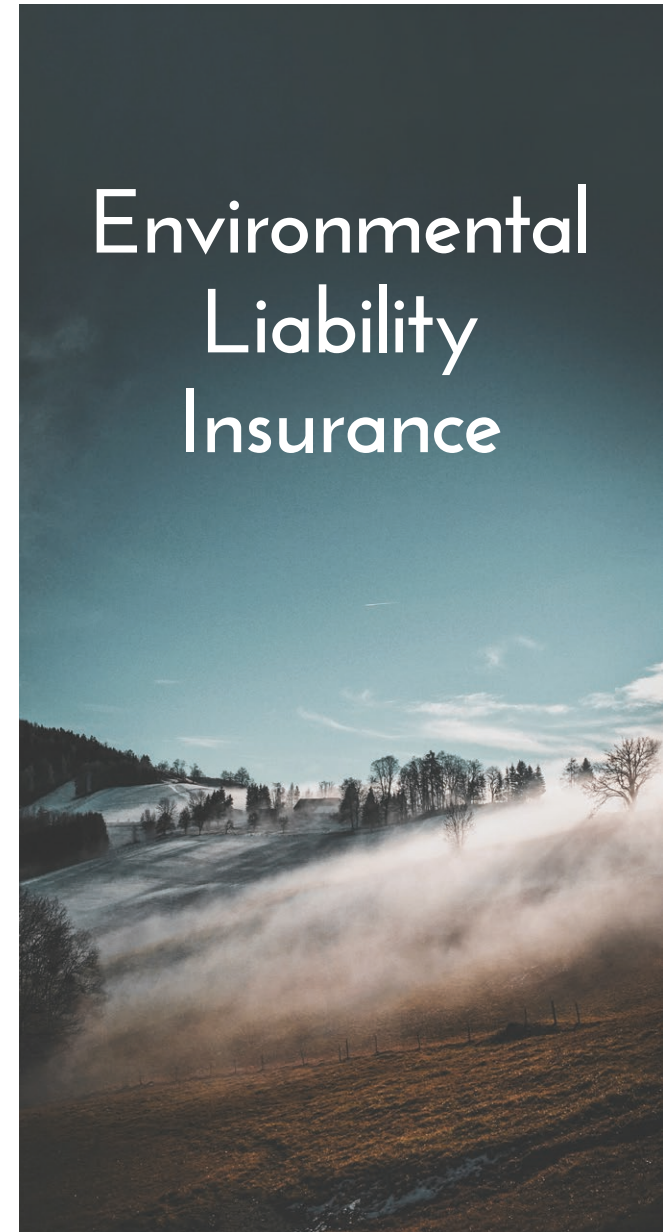
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Environmental Liability Insurance



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More than you imagined



Environmental Damage Insurance

DEFRA says that you must prevent or minimise pollution. Pollution is any emission as a result of your operations which may:

- Be harmful to human health or the quality of the environment, for example ecosystems on land or water
- Cause offence to a human sense, for example hearing
- Cause damage to property
- Damage or interfere with amenities or other uses of the environment.*

Despite this, many insurance policies still only include very limited environmental damage cover.

If a pollution incident occurs and you are deemed responsible, there may be no limit on the costs to put it right. In extreme circumstances, this could run into millions of pounds and, in the worst case scenario, force bankruptcy.

CLA Insurance has a policy for landowners, which includes broad pollution cover as standard.

*Source: www.defra.gov.uk

Agriculture can be a risky business

The Environmental Damage Regulations (EDR) mean you are financially liable if you cause environmental damage. This goes beyond cleaning up the pollution to include the cost of reinstating land to the condition it was before the incident and any complementary or compensatory costs.

Unfortunately the agricultural industry is one of the most likely to be affected by the EDR. Virtually all farming activities involve the handling of a pollutant of some kind (e.g. fertiliser, silage, fuel or milk). At the same time farms tend to be located in environmentally sensitive areas. Certain risks might be obvious such as a fire in a hay barn causing damage. However others are less so, for example, a leak of oil from an oil tank.

To minimise risks you can try to identify potential sources of risk and implement procedures to manage these. You should also ensure you have adequate insurance cover.

Many policies only include limited cover

Many agricultural insurance policies only include limited pollution cover. Cover is often also limited to damage to other parties: land rather than your own. Landowners, therefore, frequently do not have insurance protection for the most significant environmental risks.

To ensure proper protection our policy includes the following environmental damage cover as standard:

- Sudden and accidental, and gradual incidents
- Third party damages, following injury or property damage
- Clean-up costs on and off your land
- EDR costs and expenses (including complementary or compensatory)
- Associated legal defence costs
- Continual cover from the date you first purchased this cover (even with another insurer).