



Environmental Impairment Liability

With an ever increasing amount of scrutiny about our environment and how we look after it, Farmers need to understand the changes to legislation and the impact they have on their business activities.

By it's very nature, farming could cause damage to the environment by handling pollutants, whether it be fuel, pesticides or even the storage of silage and milk.

Farmers therefore have liabilities under significant pieces of legislation such as:

- Wildlife & Countryside Act 1981
- Water Resources Act 1991
- Nitrate Pollution Prevention Regulations 2009
- The Environment Damage (Protection & Remediation) Regulations 2009



Passionate about farm insurance

It's this final piece of legislation that means a standard Public Liability policy could leave farmers severely financially exposed.

The Environment Damage (Protection & Remediation) Regulations 2009

This Regulation was introduced to ensure the UK complies with the European directive and is designed to ensure the 'polluter pays'.

Pollutants include any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Odour is not considered a Pollutant. A Pollutant condition is described as the emission, discharge, dispersal, migration release or escape of Pollutants provided such Pollutants are not naturally occurring.

Certain types of environmental risk, that is the potential impact to the environment caused by pollution, are obvious – a fire in a grain store causing damage, for example. However, other

forms of risk are not so obvious – the slow drip of a leak of fuel from a tank or the spreading of a contaminant over a large area. It's important to note that whilst immediate events can be easily visualised, they are limited in volume. Slow events (over a period of months and years) involve much larger volumes and so have a much more significant risk.

The Regulations say that any person or company who controls an activity or is in charge of it should prevent, limit or remediate serious environmental damage. This includes protecting nature, natural habitats, sites of special scientific interest, surface or ground water and land.



Environmental Impairment Liability is included in our Farm Combined Policy.

In recognition of the risks Farmers face our policy already provides some cover including:

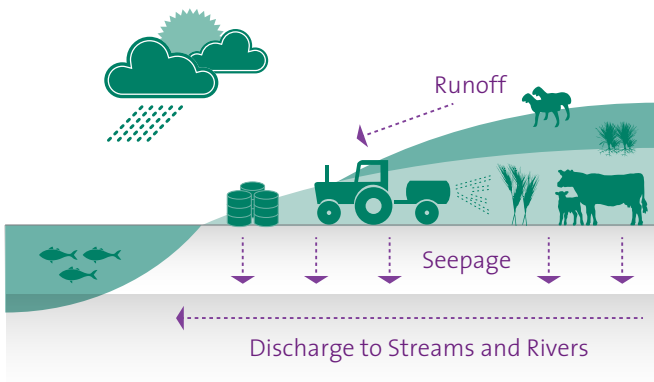
- > Standard public liability cover
- > Claims arising from sudden and accidental pollution incidents
- > Statutory clean up costs of up to £1M
- > Clear up costs of polluting or contaminating substances on own property and land

This has now been extended to meet the requirements of the EC Directive providing:

- > Gradually occurring pollution and contamination incidents
- > Costs and expenses you are ordered to pay
- > Environmental statutory clean up
- > Remediation costs of up to £1M in any one period of insurance



For farmers, pollution is an ever present threat to their daily business and is very difficult to identify. Whilst currently there remain limited examples that Farmers are held responsible for large scale pollution the pressures are growing and with time it can be expected that claims will increase in scale and frequency.



The agricultural industry presents a significant environmental risk. Virtually all the activities that a farm conducts involves the handling of a pollutant of some form (fertiliser, silage, fuel, milk etc). At the same time farms are generally located in sensitive environmental areas. Trees, fields and nearby watercourses, together with nature and natural habitats are all at risk. Cover for pollution risk under the FarmWeb policy also includes a “retroactive date”, which provides continual cover from the date the cover was first purchased, even if this was from another insurer. This means there is no break in cover affording you more comprehensive protection in the event of a gradual incident.

The Environment Agency states that:

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- 90% of nitrogen pollution actually comes from diffuse sources.
 - 70% of England drains to Nitrate Polluted Water.
 - 60% of nitrates in rivers comes from farms.
 - 62% of England is now a Nitrate Vulnerable Zone.
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Visit our website at www.farmweb.co.uk/literature-library for more information on Environmental Impairment Liability.

01452 361645

Contact FarmWeb to find your local representative

Full no-obligation assessment

Your local FarmWeb representative will carry out a thorough assessment of your insurance needs, including:

- Review of your sums insured to ensure you are fully covered in a claims situation
- Validating your business activities against available covers to ensure full protection
- Discussing your general insurance requirements
- Advice on reducing risk and insurance costs
- Representing your best interests

Points to remember:

- > Farmers face more uncertainty than other types of business as their operations are often conducted under conditions beyond their control
- > Without appropriate insurance cover the costs of a major case of environmental damage could far exceed a farmer's assets
- > The level of remediation and costs are not limited by the legislation and the cost of a severe case could easily run into several hundreds of thousands of pounds



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