Bridge Risk Management Ltd

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Contamination Risk Management in the Foundry Industry

An Insurance Perspective
Introduction

- One Industry - Two Problems
- Pollution issues - important?
- Addressing Pollution Risks
- Using Insurance
- The Products
- Spotlight on EIL
- A Note on Local Authorities
- The Quotation Process
- Summary
One Industry - Two Problems

- Ongoing operational pollution risks
- Historic contamination of decommissioned foundry sites
- The common threat - legislation, litigation and regulation - Part IIa, IPPC and the Environmental Liability Directive
Pollution Issues - important?

Yes! As a source of commercial risk with an impact on business goals, e.g.

- Foundries: Minimise environmental impact/stigma risk
- Vendors: Maximise sale price and facilitate a clean exit
- Purchasers: Minimise sale price and new risk
- Lenders: Minimise liability and reputation risk
Addressing Pollution Risks

- Is grid based Site Investigation infallible?
- Can residues truly be eradicated?
- Does it make financial sense to try?
- The ‘dead money’ option
- IPPC - Do EMS fully eliminate risk?
- Public Liability - the burden of proof
- The consultant/contractor warranty myth
- Ground conditions and the Law can change
Using Insurance

- A secure and effective risk transfer of ongoing and/or historic liabilities
- FRS 12 - Cover brings shareholder confidence
- Insurance against changes in the Law
- Assignable to successors in title
The Products

- Clean-up Cost Cap
- Contractors’ Pollution Liability
- Waste Management
- Environmental Impairment Liability
EIL Policy Cover

- Regulatory clean-up and third party claims plus legal expenses
- Historic and ongoing operational pollution
- Options on policy periods and excesses
- Negotiable exclusions
Local Authorities

- The LGA (Local Government Association) report on brownfield development
- ABI Guidelines - using Insurance to enhance surplus site values
- Encouragement of sound RM among local industry
The Quotation Process

- Using specialists - the partnership approach
- Site background from consultant’s reports/IPPC baseline surveys
- Planning details and correspondence with regulators (as appropriate)
Summary

- A highly effective tool for the management of pollution risks
- Reducing stress in either foundry context
- Bridge - the only specialist environmental brokerage outside London
Any Questions?

Or alternatively...

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