



Annex III

Environmental Insurance: Availability and Demand

Improving financial security in the context of the
Environmental Liability Directive

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EXPLANATORY NOTE

Annex III sets out information on the availability of, and demand for, environmental insurance in the form of stand-alone environmental insurance policies, environmental extensions to general liability policies, and environmental extensions to property policies.

The data in annex III concerns only the availability of, and demand for, environmental insurance for businesses with sites and/or operations in a single Member State. The annex does not describe the availability of, or demand for, stand-alone environmental insurance policies for businesses with sites and/or operations in more than one Member State. This is because these policies do not depend on the status of environmental insurance in a single Member State. The availability and demand for them is discussed in the report as well as individual Member State reports and summaries in annexes I and II.

The data in this annex is necessarily 'broad brush' in order to fit into the various categories of availability and demand. Annexes I and II contain more nuanced data for each Member State.

Further, the annotations in this annex indicate whether the three types of environmental insurance provide cover for liabilities under other environmental liability legislation as well as the ELD. Figure 3 in the report concerns only cover for liabilities under the ELD.

Stand-alone environmental insurance policies

Stand-alone environmental insurance policies provide cover for ELD liabilities to a greater or lesser extent. In most Member States, they provide cover for all ELD liabilities. In a few Member States, they provide cover only for sudden and accidental pollution (not other types of environmental damage and not gradual pollution).

Environmental extensions to general liability policies

Environmental extensions to general liability policies are available in most Member States. Cover provided by them, however, is limited. It is rare for them to provide cover for liabilities under the ELD.

The extensions generally provide cover for ELD liabilities only to the extent that the remediation of off-site land/soil pollution is required under other environmental legislation and thus overlaps with the ELD. Nearly all the extensions provide cover only for remediating off-site land/soil pollution from a sudden and accidental incident on an insured's site. That is, the vast majority of extensions do not provide cover for preventing or remediating (1) environmental damage other than pollution; (2) gradual pollution; or (3) primary, complementary or compensatory remediation of water and biodiversity damage under the ELD. The vast majority of extensions have low or very low sub-limits of liability.

Environmental extensions to property policies

Environmental extensions to property policies are available to a much lower extent than environmental extensions to general liability policies. Cover provided by them is very limited. It is rare for them to provide any cover for liabilities under the ELD.

STAND-ALONE ENVIRONMENTAL INSURANCE POLICIES: AVAILABILITY AND DEMAND BY MEMBER STATE

- Austria (ubiquitous cover in extensions to general liability policies)
- Belgium (high availability; good demand)
- Bulgaria (limited availability; no cover for environmental damage other than pollution; no cover for complementary or compensatory remediation; low demand)
- Croatia (not available; low demand)
- Cyprus (not available; low to non-existent demand)
- Czech Republic (high availability but only three insurers provide cover for gradual as well as sudden environmental damage; low but growing demand)
- Denmark (high availability but some provide cover only for sudden and accidental pollution; low demand)
- Estonia (not generally available; low demand)
- Finland (moderate availability; low but growing demand)
- France (high availability; good demand)
- Germany (ubiquitous cover in extensions to general liability policies)
- Greece (low availability with cover limited to pollution, not other types of environmental damage; low demand)
- Hungary (moderate availability but some provide cover only for sudden and accidental pollution; low demand)
- Ireland (high availability; good demand)
- Italy (high availability; low demand)
- Latvia (not generally available; low to non-existent demand)
- Lithuania (not available; low to non-existent demand)
- Luxembourg (high availability; low to rare demand)
- Malta (not available; non-existent demand)
- Netherlands (high availability; low to moderate but growing demand)
- Poland (low but increasing availability; moderate but growing demand)
- Portugal (high availability; good demand)
- Romania (not generally available; low to non-existent demand)
- Slovakia (high availability; moderate but growing demand)
- Slovenia (not available; low to non-existent demand)
- Spain (high availability; moderate but growing demand)
- Sweden (high availability; moderate demand)
- United Kingdom (high availability; good and increasing demand)

**STAND-ALONE ENVIRONMENTAL INSURANCE POLICIES:
BY LEVEL OF AVAILABILITY**

High availability

- Austria
- Belgium
- Denmark
- France
- Germany
- Ireland
- Italy
- Luxembourg
- Netherlands
- Portugal
- Slovakia
- Spain
- Sweden
- United Kingdom

**Limited to moderate
availability**

- Bulgaria
- Czech Republic
- Greece
- Finland
- Hungary
- Poland

**Low to non-existent
availability**

- Croatia
- Cyprus
- Estonia
- Latvia
- Lithuania
- Malta
- Romania
- Slovenia

STAND-ALONE ENVIRONMENTAL INSURANCE POLICIES: BY LEVEL OF DEMAND¹

High demand

- No Member States

Moderate to good demand

- Belgium
- France
- Ireland
- Poland
- Portugal
- Slovakia
- Spain
- Sweden
- United Kingdom

Low to non-existent demand

- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- Greece
- Hungary
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Romania
- Slovenia

¹ Austria and Germany are not included in the above list because both Member States have ubiquitous cover for ELD liabilities, albeit subject to some gaps, in environmental extensions to general liability policies drafted by the national insurance associations.

ENVIRONMENTAL EXTENSIONS TO GENERAL LIABILITY POLICIES: AVAILABILITY AND DEMAND BY MEMBER STATE²

- Austria (very high availability and demand; part of virtually all general liability policies)
- Belgium* (high availability; good demand)
- Bulgaria* (high availability; low demand)
- Croatia* (high availability; low demand)
- Cyprus (not available; non-existent demand)
- Czech Republic* (high availability; low demand)
- Denmark* (high availability; low demand)
- Estonia* (high availability; low demand)
- Finland* (high availability; low demand)
- France (high availability – some provide cover for ELD liabilities but only from sudden and accidental pollution, with very low sub-limits; good demand)
- Germany (very high availability and demand; part of virtually all general liability policies)
- Greece* (limited availability; very low demand)
- Hungary* (available but some limited to claims for bodily injury and property damage from sudden and accidental pollution; low demand)
- Ireland* (high availability; low demand)
- Italy* (high availability; low demand)
- Latvia* (available; low demand)
- Lithuania* (available – also provide cover for compensation under national law; low demand but increasing)
- Luxembourg* (high availability; very low to rare demand)
- Malta (not available; non-existent demand)
- Netherlands* (high availability; good demand)
- Poland* (high availability; low demand)
- Portugal (not generally available; low to non-existent demand)
- Romania* (not generally available; very low demand)
- Slovakia* (high availability – some provide cover for off-site gradual as well as sudden and accidental pollution; moderate demand)
- Slovenia* (not generally available; low demand)
- Spain (available but their scope is limited – do not provide cover for complementary or compensatory remediation; moderate demand)
- Sweden* (available; moderate demand)
- United Kingdom (standardised ‘add ins’ for large businesses and high availability for small and medium size businesses – vast majority do not provide cover for ELD liabilities; good demand)

² Environmental extensions in Member States marked with an asterisk (*) generally provide cover only for the remediation of off-site land/soil pollution from a sudden and accidental incident on an insured’s site.

ENVIRONMENTAL EXTENSIONS TO GENERAL LIABILITY POLICIES: BY LEVEL OF AVAILABILITY

Very high availability

- Austria
- Germany
- United Kingdom

High availability

- Belgium
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Ireland
- Italy
- Luxembourg
- Netherlands
- Poland
- Slovakia

Low to moderate availability

- Greece
- Hungary
- Latvia
- Lithuania
- Spain
- Sweden

Not available or not generally available

- Cyprus
- Malta
- Portugal
- Romania
- Slovenia

ENVIRONMENTAL EXTENSIONS TO GENERAL LIABILITY POLICIES: BY LEVEL OF DEMAND

Very high demand

- Austria
- Germany

Good to high demand

- Belgium
- France
- Netherlands
- Slovakia
- Spain
- Sweden
- United Kingdom

Low demand

- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- Poland

Very low to non-existent demand

- Cyprus
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Portugal
- Romania
- Slovenia

ENVIRONMENTAL EXTENSIONS TO PROPERTY POLICIES: AVAILABILITY AND DEMAND BY MEMBER STATE

- Austria (not available)
- Belgium (available to a limited extent; low demand)
- Bulgaria (not available)
- Croatia (available on demand – do not provide cover for ELD liabilities; low demand)
- Cyprus (not generally available – do not provide cover for ELD liabilities)
- Czech Republic (not available)
- Denmark (available – cover is primarily limited to remediating pollution from a sudden and accidental incident on an insured’s site; low demand)
- Estonia (available – provide limited cover for remediating land/soil pollution at an insured’s site; low demand)
- Finland (available; provide cover only from sudden and accidental pollution incidents on an insured’s site in connection with property damage; low demand)
- France (not available except for some large accounts; low demand)
- Germany (not available)
- Greece (available on a limited basis – provide cover only for remediating on-site sudden and accidental pollution; very low demand)
- Hungary (not available)
- Ireland (not available)
- Italy (not available)
- Latvia (not generally available except from a single insurer – covers emergency and remedial measures to remove pollution from oil and chemicals subject to a sub-limit; demand is rare)
- Lithuania (not available)
- Luxembourg (not available)
- Malta (not available)
- Netherlands (not available)
- Poland (not available)
- Portugal (not available)
- Romania (not available)
- Slovakia (not available)
- Slovenia (not available)
- Spain (not available)
- Sweden (not available)
- United Kingdom (not available)

ENVIRONMENTAL EXTENSIONS TO PROPERTY POLICIES: BY LEVEL OF AVAILABILITY

Available

- Denmark
- Estonia
- Finland

Available to a limited extent

- Belgium
- Greece
- Latvia

Not available or not generally available

- Austria
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- France
- Germany
- Hungary
- Ireland
- Italy
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

ENVIRONMENTAL EXTENSIONS TO PROPERTY POLICIES: BY LEVEL OF DEMAND³

Low demand

- Belgium
- Croatia
- Denmark
- Estonia
- Finland
- France

Very low or rare demand

- Greece
- Latvia

³ Demand is only shown for Member States in which environmental extensions to property policies are available.