

# MARKETPLACE REALITIES & RISK MANAGEMENT SOLUTIONS

ENVIRONMENTAL

- The environmental insurance market continues to attract new entrants and the increased competition has delivered **many advantages for buyers**.
- The environmental sector is experiencing a **dilution of underwriting expertise** as personnel leave established carriers to join new market entries. Some carriers may start to face challenges in underwriting, policy servicing and claim handling as a result.
- **Underwriting appetites** range from near commoditization in some products (i.e., Contractors Pollution Liability) to very cautious in others (i.e., Cleanup Cost Cap).
- Softness in pricing has produced opportunities for clients to lock in **long-term savings through multiyear programs**, as well as to obtain **enhanced limits, coverage or other terms and conditions**.
- With the cautious recovery of the world financial markets, we expect that **transaction-related environmental placement opportunities** (real estate, development and M&A) will continue to slowly increase in both frequency and success.
- Many companies are reinvesting the savings they have experienced in traditional Property and Casualty lines in **first-time purchase of environmental coverage**.
- A **worldwide increase in environmental regulatory requirements and enforcement** (reporting of greenhouse gas emissions, financial assurance, green certification of general contractors, etc.) is also raising interest in environmental coverage.
- **With more coverage, we have seen more claims**, particularly in association with construction and transportation-related activities, including mold, excessive siltation, fuel spills, etc.

## PRICE PREDICTIONS

PRODUCT	MARKET OUTLOOK
<b>Contractors Pollution Liability</b>	-5% to -25%
<b>Pollution Legal Liability (Including Combined GL/PLL)</b>	-5% to -15%
<b>Environmental Professional Liability (including CPL)</b>	-5% to -10%
<b>Financial Assurance Instruments - UST, Closure (risk transfer), Performance Bonds</b>	Flat to +5%
<b>Cleanup Cost Cap</b>	Flat to +5%

## CONTACT

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