

## LOGISTICS & WAREHOUSING ENVIRONMENTAL LIABILITIES

Owners and operators of Logistics and Warehouse facilities have insured needs due to their inherent environmental liabilities. However, pollution provisions are most often excluded under their general liability or property policy coverages.

### PHLY Environmental provides the following coverage solutions...

Premises Environmental Coverage (PEC) policies consider any logistical and warehousing risks that...

- Store or hold bill of lading for products that could be considered a contaminant
- Loads, transports and unloads, product or goods via truck, rail, or watercraft; including transloading
- Utilize Freon or Ammonia for cold storage
- Disposes of the waste generated from the operation of these facilities
- Could have contamination released from products stored through named perils, fire or vandalism
- Have above or below ground storage tanks and connected piping, totes, drums or silos for storage of product ...to carry significant exposure to environmental risk

#### PEC Product Specifics:

- Limits: Up to \$10M per occurrence / \$10M aggregate
- Minimum Premium: \$3,000
- Policy Term: up to 3-year term

#### STEP Product Specifics:

- Limits: Up to \$10M per occurrence / \$10M aggregate
- Minimum Premium: \$300 per storage tank
- Admitted and Non-Admitted Capabilities
- Provides Financial responsibility as required

We have developed class specific coverage using our Logistical Shield endorsement, which can include:

- Remediation Expenses for contamination on, at, under, migrating from or through the insured's location
- Third party bodily injury or property damage claims resulting from contamination
- Expenses associated with claims arising out of contamination during transportation of materials or waste from the insured's location
- Expenses associated with the cleanup of a waste disposal site or recycling facility to which the insured shipped its waste or materials
- Claims for Indoor Air Quality, such as mold or legionella
- Natural Resource Damages
- Additional Defense Expense
- Emergency Expense (for the full policy limit)
- Image Restoration
- Business Interruption because of remediation of contamination at the insured's location
- Products Pollution Coverage
- Automatic Acquisition for owned warehouse space for a period of 120 days
- Automatic and blanket use of warehouses and storage facilities mid-term (without scheduling)



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### Contractor Environmental Coverage (CEC)

Contractor Environmental Coverage (CEC) policies can provide coverage for a contractor that...

- Loads, transports and unloads, product or goods via truck, rail, or watercraft; including transloading – including fuel dealers, trucking companies, and shipping.
- Operates or performs work at non-owned storage and/or warehousing facilities which inadvertently causes release, dispersal or escape of products stored at these facilities from operations like installation, and maintenance procedures
- Brings equipment, materials or chemicals to a storage facility to perform work services which may cause or exacerbate pollution conditions at the site through contracting operations
- Work on or near chemical storage areas with refrigerants, aboveground storage tanks, drums or piping, which if breached, can cause or exacerbate a pollution condition.

#### CEC Product Specifics:

- Limits: Up to \$15M per occurrence/\$15M aggregate
- Minimum Premium: \$3,000
- Policy Term: Annual or multi-year terms available

### Claim Scenarios

#### \$1.1M – Property Damage and Bodily Injury

An ammonia gas leak was detected at a refrigeration warehouse which used the gas as a refrigerant. The release caused an evacuation of everyone within a one-mile radius of the warehouse. There were inhalation related injuries to seventy-five people, and damage to food products loaded on trains for delivery. Five people were sent to intensive care for complications related to lung damage.

#### \$232,000 – Contractor Environmental Coverage

During a routine daily inspection, a contractor caused the release of diesel fuel from an aboveground storage tank. The release, release flowed onto an adjacent property, resulting in contamination both on-site and off-site. The contamination was remediated with no additional impacts discovered.

#### \$1.25M – Remediation Expense and Defense Costs

The owner of an industrial park was notified by the state environmental agency that it had received a complaint regarding groundwater contamination at a neighboring site. They requested an investigation at the industrial park. The investigation indicated that a former tenant at the industrial park caused the contamination. The former tenant fought the allegation. The state ordered the owner to start remediation of the site. The owner then sued the tenant for recovery of remediation costs, had to defend lawsuits from neighbors surrounding the industrial park. The investigation, remediation expense and legal costs exceeded \$1.25

#### \$150,000 – Contractor Environmental Coverage

A drum of industrial paint was pierced by a forklift worker at a distribution warehouse. The product bill of lading was still in favor of the logistical company who leased space at the warehouse under written contract with liability provisions that favored the warehouse owner / operator. The released paint flowed into a floor drain, which resulted in remediation of the facility and due to contractual provisions along with the bill of lading identification for the product that was released, costs were borne by the logistics company.



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