



State of Ohio Environmental Protection Agency

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## NEWS RELEASE

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### Ohio EPA Announces Environmental Insurance Program

Ohio EPA has developed an incentive for brownfield cleanups, by partnering with private insurance companies that will offer discounted environmental insurance to parties undertaking a voluntary cleanup in Ohio.

Eligible applicants include those taking a site through the state's Voluntary Action Program (VAP); developers; property owners; financiers; and any other entity who has a liability risk in the property.

Under the new VAP -Environmental Insurance Program, environmental insurance can be used to:

- replace an escrow for the unexpected cost of remediation, which would insure against
  - the chance of discovering new contamination,
  - third party lawsuits/claims, and
  - transportation of wastes;
- fill liability gaps created by contaminant exclusions not covered under the VAP (asbestos, lead paint);
- provide protection from costs that could destabilize a business or municipal budget due to unexpected cleanup cost overruns;
- provide a tool to establish financial stability for estimated clean-up costs; and
- address liability concerns and costs for Natural Resource Damage Assessments that are not covered under the VAP.

Three insurance carriers have signed a memorandum of understanding with Ohio EPA to offer the discounted insurance. They include ACE Environmental Risk, Great American Insurance Company and Navigator's Specialty Insurance Company. The policies will be offered at 10 percent off the typical cost of the premium.

The program provides an incentive for insurance carriers because Ohio EPA will review assessment information. Therefore, the insurance carrier knows that the property is in compliance with Voluntary Action Program regulations, making the review by the insurance carrier's underwriter easier and more efficient.

An environmental insurance policy can be viewed as another contingency fund. It also can support efforts to obtain loans, and can be used as match money for Clean Ohio Funds and other grant applications. If a municipality has been awarded a U.S. EPA brownfield grant, the environmental insurance premium can be paid through the grant. To learn more, visit [www.epa.state.oh.us/derr](http://www.epa.state.oh.us/derr) and click on the shield logo.