



THIRD PARTY POLLUTION APPLICATION DIFFERENCE IN CONDITIONS AUTO LIABILITY

**PLEASE ANSWER ALL QUESTIONS
IF THEY DO NOT APPLY, INDICATE "N/A" – IF SPACE IS INSUFFICIENT PLEASE USE
SEPARATE SHEETS**

A form of environmental cover now commonly purchased, which operates in tandem with automobile or non owned automobile coverage. This cover supplements the Third Party pollution coverage under a statutory automobile policy and provides no other cover. It does not operate excess over an Auto policy. The attached are some examples of claims that might be questionable under an automobile policy. Coverage would apply to general transport of goods, including wastes for delivery, recycling or incineration. Coverage would not apply to claims from disposal in landfills or waste sites.

To assess a DIC auto risk, the application should be completed and returned to our office for rating. **If bound, a signed contractors application is required as the basis of the contract.**

Name of Applicant: _____

Mailing Address: _____

Business of Applicant: _____

Vehicle details: Indicate number of vehicles: _____ **Please attach fleet schedule**

Auto Insurer: _____

Policy number: _____ Policy Limit \$ _____ Pollution Limit \$ _____

Is the policy subject to an Attached Machinery exclusion SEF 30? Yes _____ No _____

Give details of Non-Owned Auto Cover:

Policy No.: _____ Insurer: _____ Limit: \$ _____

Indicate maximum radius: _____

Is USA delivery involved? Yes _____ No _____

Is any Vehicle used to spread waste on agricultural fields? Yes _____ No _____

Are non-owned vehicles used? Yes _____ No _____

Is the Insured a "NAMED INSURED" on auto policies on non-owned vehicles? Yes _____ No _____

Annual Revenue: \$ _____

Limit Requested: \$ _____

Date: _____ Signed: _____

(Applicant)

For purposes of the Insurance Act (Canada), this document was issued in the course of Liberty Mutual Insurance Company's insurance business in Canada



NO COVER IS PROVIDED FOR CLEAN-UP OF WASTE SITES OR LANDFILLS

Completion of this form does not bind coverage. Applicant's acceptance of company's quotation is required prior to binding coverage and policy issuance. It is agreed that this form shall be the basis of the contract, should a policy be issued, and it will become part of the policy.

FEATURE SHEET

DIC AUTO COVERAGE

Most statutory policies provide Sudden/Accidental Pollution coverage on an occurrence basis. In certain provinces, Endorsement No. 30 is allowed and has the effect of excluding pollution losses from machinery or attached equipment. ((British Columbia has a statutory exclusion under Section 72 of the Motor Vehicle Act which imposes this exclusion without exception.) Thus gaps may exist in the Auto pollution cover that could be filled by means of a D.I.C. auto extension to a stand-alone pollution policy.

SPECIAL NOTE: This extension does not give Excess Auto Pollution Cover over the auto policy limit or sub-limit Subject to the limit in the Pollution Policy to which the D.I.C. endorsement is attached it may fill in gaps in the auto pollution cover, but the "drop down" D.I.C. cover would be equal to the limit, if any, under the auto policy on pollution. This is an important point since some provincial auto policies have a Pollution Sub-limit; some American Auto Policies give no Pollution Cover. If there is no Auto Pollution cover, there is no D.I.C. Auto cover.

USE OF NON-OWNED VEHICLES: Another tip is to ensure that your clients are protected by mean of a Non-Owned Auto Endorsement on the G.L. policy. D.I.C. cover applies only in tandem with such cover and would be invalid without it.

Because there is a variety of interpretations by automobile insurers as to the application of a Statutory Automobile Policy on pollution incidents, there is often a need of "D.I.C." Auto Pollution cover. The following types of incidents are examples:

1. Sue and labour expenses to reload the lost cargo.
2. Improper licensing of vehicles or drivers.
3. Unlicensed vehicles uninsured under both the Statutory auto policy or the GL Policy.
4. Government ordered clean up or monitoring expenses.
5. The automobile pollution cover is on a Sudden basis. Gradual events may, therefore, be uninsured by the auto policy.
6. Unloading or pick up activities could be deemed too remote to fall under the automobile policy. An example might be where a delay is incurred in the pick-up or delivery action, e.g. where the driver engages in some other function.
7. Tracking: It has now been recognized that trucks which are entering and exiting a contaminated site can carry contaminants on the tires. This could result in the movement of the contaminants to surrounding properties, municipal sewers, etc...Good risk Management should ensure that the tires are hosed down before leaving the site.
8. Transportation of Prohibited Goods: The adjuster under the automobile policy might be justified in declining a pollution incident where, for example, the truck transports goods for which the truck owner does not have the correct permit or license.
9. Auto Policies that exclude attached machinery (Endt. No. 30). See British Columbia above.

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