



The Reinsurance Research Council
Le Conseil de Recherche en Réassurance

BULLETIN 26

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RRC
Pollution Exclusion Clause
Applying to Business Classified as Commercial Property

1. This Agreement does not cover:
 - (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”, nor the cost or expense of any resulting “clean-up”, but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” is the direct result of a peril not otherwise excluded;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded.
 - (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.
2. With respect to paragraph 1(a), the following extension of coverage shall be deemed to be included within the sum insured, at the location where the loss or damage is incurred:
 - (a) Debris Removal: Subject to the terms of this Agreement the Reinsurer will pay the Company for expenses incurred in the removal from the insured premises of debris of the property insured.

It is understood that in respect of the original insurance policy the amount payable under this extension shall be deemed not to exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.
 - (b) Removal of Windstorm Debris: Subject to the terms of this Agreement the Reinsurer will pay the Company for expenses incurred in the removal of debris or other property which is not insured but which has been blown by windstorm upon an insured location.

3. With respect to reinsurances of extensions of coverage afforded in paragraph 2 above, this Agreement does not apply to costs or expenses:
 - (a) to “clean up” “pollutants” from land or water; or
 - (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.
4. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. “Clean up” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization, or remediation of “pollutants”, including testing which is integral to the aforementioned processes.
6. It is warranted that Pollution or Contamination shall not be included as a peril insured under any policy issued by the Company.

Notes:

RRC wording published in January 1997 as Bulletin #8 included references to policy inception on or after January 1, 1997. As the references are no longer timely or relevant, they have been removed and clause numbering has been adjusted accordingly. No further changes to the article were considered at this time.