



A VL real life **claim example**

Public & Products Liability

Environmental Contamination

The Insured is a provincial coachline operator. It has a bunded diesel fuel tank at its depot. The tank is owned by the fuel supplier.

The tank had a simple outlet valve which had no locking or spill prevention device. Overnight, fuel was discharged through the valve which had been opened, presumably by vandals. Spilt fuel collected in the bund. Unfortunately the rain drainage valve in the bund had also been left open and 18,000 litres of fuel subsequently discharged onto the ground and into a nearby waterway. An oyster farm was located downstream but fortunately the local authority acted quickly in containing the spill and an even greater loss was averted. The clean up costs were around \$400,000.

The responsibility between the tank owner and the Insured was shared with each party contributing 50%. Together with legal costs, the Insured's share of the claim was \$300,000. The Insured's Public Liability policy covered the claim.

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