**Clause Description:**

The *Environmental Impairment Liability* insurance clause is used to provide coverage, subject to the applicable policy’s conditions and exclusions, in the event that the Contractor’s work results in an environmental impairment event. Be aware that some policies may have reporting requirements that involve time restrictions.

**The Recommended Clause – Environmental Impairment Liability**

In addition to the Purchaser’s requirement for General Liability Insurance, the Contractor shall provide Environmental Impairment Liability (EIL) Insurance with limits of not less than ($1,000,000.00) (CAD) per occurrence. That policy is to cover any environmental damage and clean up that arises out of the work being performed and any associated third-party claims. A self-insured retention or policy deductible may be carried but be of no more than ($50,000.00) (CAD).

The Contractor shall supply a Certificate of Insurance to the Purchaser prior to commencement of the Work.

If such coverage is afforded through a “Claims-Made” style of policy, then such insurance shall be maintained in force at all times during the term of the Contract and for a period of two years, depending upon the nature of the work, thereafter for services completed during the term of the Contract.

**NOTE:**

*You may wish to supplement the EIL requirement with Commercial General Liability (CGL) coverage that includes a Sudden and Accidental Pollution coverage requirement:*

The Contractor will maintain Commercial General Liability coverage with a limit of no less than ($1,000,000) (CAD) with that CGL coverage to include Sudden and Accidental Pollution coverage.

*(The entities (i.e. Purchaser, Contractor), and the numbers (i.e. $1,000,000, $50,000), in red font are descriptors that you can substitute for the entities and numbers required for your own specific contract.)*