

Presented by:



UNIVERSITY OF WISCONSIN-MADISON
EXECUTIVE EDUCATION • SCHOOL OF BUSINESS



ENVIRONMENTAL RISK
RESOURCES ASSOCIATION

ADVANCED ENVIRONMENTAL RISK MANAGEMENT STRATEGIES

September 26 & 27, 2006
University of Wisconsin—Madison
School of Business
Fluno Executive Education Center

Program Highlights

- Enhancing shareholder value through active environmental risk management
- Emerging environmental risk management trends and opportunities.
- Best practices in managing future, current and legacy environmental risks
- Sustainability risk management techniques
- Current best practices in the brownfield restoration
- Prospering in the era of environmental transparency

Who Should Attend?

Chief Financial Officers	Risk Managers
Insurance Brokers	Chief Environmental Officers
Lawyers	Financial Analysts
Environmental Managers	Regulators
Chief Risk Officers	Environmental Engineers
Insurers	Brand Managers
Economists	Business Writers
Strategic Planners	Credit Officers
Governmental Program Managers	Consultants

A World Class Program In A World Class Venue

The Fluno Center at the University of Wisconsin Madison School of Business is rated #1 in the world by the *London Financial Times* for food and accommodations.

Advanced Environmental Risk Management Strategies

STRATEGIES

With increasing pressure on the natural resources of the world and the huge costs involved, environmental risk will soon become a much more significant part of organizational risk management programs and sustainability planning. The convergence of global climate change, a global economy, the information age, cultural changes demanding social justice, changes in environmental accounting rules, advances in market share liability schemes and the proliferation of the U.S. tort system, or elements of it, significantly change the risk profile of many organizations. The risks may be long term in nature or they can surface suddenly. In either case, traditional risk management protocols are not designed to deal with these converging risks. The “Advanced Environmental Risk Management Strategies” seminar is designed to provide the attendee with a broad overview of these converging risks and introduce how traditional risk management concepts can be used to help manage the new environmental and sustainability risks faced by organizations and the world.

This program is a unique blend of expertise from the scientific, academic, regulatory, financial and risk management communities. Attendees will learn best practices in managing future, current and legacy environmental risks through risk identification, loss prevention, loss control and risk financing.

The University of Wisconsin has over a hundred year tradition of forward thinking on the environment. The founders of the Sierra Club, Earth Day and the wildlife conservation movement all hail from the University of Wisconsin-Madison. The Gaylord Nelson Institute for Environmental Studies at the University of Wisconsin-Madison was created to integrate the skill sets of the scientific and environmental areas, and also includes faculty from the Law School and the Business School. Environmental and social programs in the Business School at the University of Wisconsin-Madison were recently ranked 16th in the United States and 28th in the world. The University of Wisconsin Risk and Insurance Program is consistently ranked in the top 3 in the U.S.

Professor Dan Anderson, PCU, the Leslie Schultz Professor of Risk and Insurance in the Business School at the University of Wisconsin-Madison recently published his book [Corporate Survival: The Critical Importance of Sustainability Risk Management](#). Applying the disciplines and skills used by risk manager’s Professor Anderson makes a compelling argument why environmental and sustainability risks need to be planned for and managed. This book culminates thirty-five years of multi-disciplined research into these subjects at one of the top rated research universities in the world. Attendees of the Advanced Environmental Risk Management Strategies will receive a signed copy of the book as part of the curriculum.

Continuing Education Credits Legal and insurance continuing education credits are available in most states for this course. Attendees seeking such credits should register early and be certain to advise the conference coordinators of the need for CE credits in specific states. Additional administrative fees may apply for CE credit registrations depending on the state where it is required by the attendee.

Agenda

Tuesday, September 26, 2006

7:45-8:30 Breakfast at Fluno Center

8:30-8:45 Welcome

Mike Knetter, Dean, University of Wisconsin-Madison, School of Business

8:45-10:00 Emerging Environmental Risks And Management Techniques: Sustainability Risk Management

Dan R. Anderson, PhD, CPCU, University of Wisconsin - Madison

Leslie P. Schultz Professor of Risk Management & Insurance
Author of *Corporate Survival: The Critical Importance of Sustainability Risk Management*

- Corporations and their insurers face significant financial distress from emerging environmental and corporate social responsibility risks.
- Sustainability risks include, but go far beyond the familiar risks of Superfund, contaminated properties and asbestos liabilities. They include boycotts, litigation for chemicals and other hazardous substances, climate change, reputation damage, and competitor and regulatory pressures.
- A series of legal and scientific developments portend significantly increasing risks. This is one area where strategic planners, financial analysts, directors and officers, risk managers, insurers and brokers cannot afford to be surprised. Without knowledge of these developments and sustainability risk management strategies for mitigating and financing these risks, the potential for corporate and even personal financial losses is considerable.

10:00-10:15 Break

10:15-11:30 The Effects Of Increased Stresses On Eco Systems

Jon Foley, Director, Center for Sustainability and the Global Environment (SAGE), Nelson Institute for Environmental Studies, University of Wisconsin-Madison

SAGE studies global ecosystems, land use, water resources, agricultural systems, air quality and environmental health. All these areas come under the umbrella of sustainability science. Professor Foley will share some of their research findings particularly with the increasing stresses that are being put on ecosystems including:

- A growing population, increasing resource consumption, changing patterns of climate, diminishing land and freshwater resources, degrading air and water quality, emerging diseases, and increasing threats to human health and security.
- The increasing pressures on these formerly free and abundant natural resources will result in security risks and health problems for populations, governments and businesses.
- Methods and strategies for dealing with these risks and the business opportunities that emanate from developing solutions.

11:30-12:15 Population Health Impacts of Damaged Environments

Jonathan Patz, MD, MPH, Associate Professor and Director, Global Environmental Health Center for

Sustainability and the Global Environment (SAGE), Nelson Institute for Environmental Studies & Department of Health Sciences, University of Wisconsin-Madison

Advancing industrial development and an expanding population is creating measurable health impacts in human populations on a global basis.

- From a risk management standpoint the exportation of the U.S. tort and "polluter pays" environmental regulatory schemes could dramatically change the risk profile and decision making processes for a broad range of economic development options over time.
- Social justice and sustainability are key concerns.

12:30—1:15 Lunch—Fluno Center

1:15-2:00 Restoring Brownfields, Environmental Social Justice, and The Benefits of Applying Those Lessons to Natural Disaster Response

Timothy Fields, M.S. Vice President, DC Operations, Tetra Tech EMI

Contaminated property from past industrial activities has created blighted areas. Innovative redevelopment of former hazardous waste sites under the Superfund program put blighted land back into valuable reuse. Recent studies point to the increased profits from socially responsible environmental permitting. Natural disaster response like those conducted in New Orleans indicate the same benefits accruing to those that use the lessons learned from brownfield programs

- Managing the risks associated with contaminated property and the development of waste management facilities for individual organizations and society as a whole.
- The history and current trends in the restoration of contaminated property. What is the future of environmental regulations for contaminated property? Are there business opportunities in improving the local environmental condition?
- The economic advantages of early stakeholder involvement in brownfields and social justice in the environmental permitting process.

2:00 – 3:00 Surviving And Prospering In The Era Of Environmental Transparency: Disclosure of Environmental Liabilities

C. Gregory Rogers, JD, CPA, President of Advanced Environmental Dimensions.

Historical accounting rules and practices do not capture the true cost of risk for environmental costs. Sustainability and social justice costs are not reflected in financial statements until it is too late to incorporate the full cost of production in the cost of a product or service. Under reporting of environmental costs leads to inappropriate decision making by managers, investors and society and the misallocation of resources in the global economy. As a result shareholders, accounting standard boards, governmental agencies and outside auditors are all demanding more complete disclosure of environmental risks and liabilities.

To prosper in the era of environmental transparency companies must learn how to:

- Assess environmental reporting risks
- Turn idle assets into cash

Agenda

- Return land into productive reuse
- Manage the financial impact of environmental risks
- Exploit opportunities for “Green Companies”

3:00-3:15 Break

3:15-4:45 Environmental Risk Management, Best Practices In Current Operations

Michael Gromacki, Manufacturing Director-Composites, Cook Composites & Polymers, Part of the TOTAL Group

Rita Hayen, Manager of Environmental Programs, American Transmission Company

David Jung, Vice President, XL Specialty Insurance Company

A handful of leading companies have already embraced the importance of environmental sustainability in their own risk management and corporate strategy plans. This panel discussion will look into how these companies are harnessing opportunities as a competitive advantage while being outstanding corporate citizens in the global economy.

5:00-6:00 Reception, Fluno Study Pub

Wednesday, September 27, 2006

7:45-8:30 Breakfast at Fluno Center

8:30-8:40 Introduction

Professor Dan Anderson

8:40-9:15 Enterprise Environmental Management Strategies for Current Operations and Legacy Cost Obligations

Mark Smith, PE, Principal

Lyman Wible, Principal

Tom Kunes, PE Principal

Co-Founders, Kestrel Management Services, LLC.

Using well established management efficiency protocols, organizations can minimize the adverse consequences of environmental legacy costs and increase operating efficiencies in the future.

- Prioritize operational environmental compliance risks and business strategies to manage them.
- Manage environmental legacy sites for business values.
- Forecast environmental legacy liabilities to meet financial reporting requirements.
- Sustain and continually improve critical environmental business processes.
- Accurately forecast and report environmental legacy costs

9:15-10:00 Fixed Cost Environmental Remediation Strategies

Joshua Bloom, JD, General Counsel and Executive Vice President, Environmental Risk Solutions, LLC.

From over ten years of experience the empirical evidence shows that fixed price remediations shorten the time it takes to close contaminated sites and lowers the cost of remediation. The sessions will explore that evidence in real world terms with case examples from government and private sites.

- What is the evidence that this contracting strategy works?
- What are the pitfalls to avoid?

- What savings can be achieved under this innovative environmental remediation contracting strategy?
- What role does environmental insurance play in helping to manage the risks associated with these long-term contracts?

10:00-10:20 Break

10:20-11:15 Environmental Legacy Loss Portfolio Transfer And The Impact on Directors and Officers

Kenn Anderson, ARM, Central Team Leader, Aon Environmental Practice.

Changes in accounting rules and a movement towards transparent environmental impact cost accounting have created a new paradigm for industry. Many mothballed facilities will now be a drain on the balance sheet. Reductions in the capitalized value of firms with recently disclosed environmental legacy costs will far exceed the expected cost to remediate the site. This session will discuss:

- Innovative uses of environmental insurance products that enable firms to transfer their known and unknown environmental liabilities to an insurance company.
- The insurance products used to accomplish loss portfolio transfer and the underwriting parameters used to establish the premiums.
- The impacts Fin 47 has on directors and officer's liability and possible solutions to manage these risks.

11:15-12:00 The Role of the Insurance Industry In Managing Environmental Risks, Past, Present and Future

David Dybdahl, CPCU, ARM, MBA, President, American Risk Management Resources Network LLC.

The insurance industry has been stung with unanticipated toxic tort costs associated with asbestos, Superfund and mold. Sustainability risks from environmental and social justice costs will far exceed the combined cost of all of these loss drivers.

- Is the insurance industry prepared for these increased loss costs?
- Are insurers already on the hook for these loss costs under policies in force?
- Can prospective insurance products be created to insure sustainability and social justice risks in a global economy?
- Many of the insurance products needed to insure sustainability and social justice risks have yet to be created. What will they look like, how will they be underwritten and priced.?
- Are some business endeavors too risky to insure? If an organization is too risky to be insurable should it be allowed to operate and transfer its risk cost onto society? Could the insurance industry play a role in providing proof of financial responsibility for potential environmental harm?

12:00-12:30 Closing Remarks

Professor Dan Anderson

Faculty

Dan Anderson, PhD, CPCU, University of Wisconsin-Madison, Leslie P. Schultz Professor of Risk Management & Insurance

Author of Corporate Survival: The Critical Importance of Sustainability Risk Management

Dr Anderson's research work in the area of environmental risk management is unprecedented. Spanning a career of over thirty years at the University of Wisconsin-Madison, Dr. Anderson has been instrumental in establishing the Insurance and Risk Management program and recently the Gaylord Nelson Institute for Environmental Studies as top ranked programs in the world.

Kenneth Anderson, ARM, Central Team Leader, Aon Environmental Practice

Mr. Anderson and his team are responsible for working with the Aon offices throughout the Central United States to assist their clients in managing the financial consequences related to their environmental loss exposure. He started his career as a government support contractor for the US EPA Superfund Program and applies that insight as an insurance broker today.

Joshua Bloom, JD General Counsel and Executive Vice President, Environmental Risk Solutions, LLC.

Mr. Bloom is one of the leading environmental risk transfer attorneys in the U.S. He has negotiated many break through innovations in fixed price remediations. He has negotiated in excess of \$260 million of fixed price remediations and has placed over \$550 million of insurance limits on projects.

David Dybdahl, MBA, CPCU, ARM President, American Risk Management Resources, LLC.

Mr. Dybdahl is a pioneer in environmental insurance brokerage and risk management consulting. In a career spanning 25 years he has created environmental insurance solutions for some of the most complex risks in the world including The EPA Superfund program, the nuclear disaster at Chernobyl and DOE weapons facilities. His published works include the chapters on environmental insurance for the prestigious CPCU and ARM professional designations for insurance professionals.

Timothy Fields Jr. MS, VP DC Operations Tetra Tech EMI Inc.

As a US EPA Assistant Administrator Mr. Fields provided national direction and oversight of the nation's environmental site assessment, clean up and waste management programs. In his current role at Tetra Tech EMI he manages the firm's service offerings in site assessments and remediation activities. He has recently completed reach studies on sustainability strategies for land re-use, environmental justice and the environmental permitting process and applying the lessons learned to enhance business performance.

Jon Foley, Director, Center for Sustainability and the Global Environment (SAGE), Nelson Institute for Environmental Studies, University of Wisconsin-Madison

Foley's work focuses on the behavior of complex global environmental systems and their interactions with human societies. In particular, Foley's research group uses

state-of-the-art computer models and satellite measurements to analyze changes in land use, ecosystems, climate and freshwater resources across local, regional and global scales. He and his students and colleagues have contributed to our understanding of large-scale ecosystem processes, global patterns of land use, the behavior of the planet's water and carbon cycles, and the interactions between ecosystems and the atmosphere.

Michael Gromacki, Manufacturing Director-Composites, Cook Composites & Polymers, Part of the TOTAL Group

Mr. Gromacki's primary professional experience and activities are related to hazardous waste management and minimization, process safety management, environmental assessment and remediation, and environmental, safety and quality management systems.

Rita L. Hayen, P.E. Manager, Environmental Department, American Transmission Company

As Manager of American Transmission Company's Environmental Department, Rita has led development of the company's environmental program, including staffing, environmental commitment, procedures, and an environmental management system. Prior to ATC, Rita worked for Wisconsin Electric where she developed its distributed resources program, led its hydroelectric licensing negotiation, led development of an energy partnership with the Nepal Electric Authority, and held project management and supervisory positions in the Environmental, Generation Planning and Engineering Departments.

David J. Jung, MS, Vice President, XL Specialty

Mr. Jung is the Vice President and Regional Underwriting Manager for XL Capital in Chicago. He is currently responsible for building a regional underwriting operation for XL Specialty Environmental in the Central United States. David manages all underwriting, marketing, recruiting and business strategy related to the Facility Environmental division of XL Specialty Environmental in the Central US.

Thomas Kunes, PE, Principal, Kestrel Management Services, LLC.

Mr. Kunes has 33 years experience, much of it involved with the design and optimization of EHS management systems and business processes for industrial companies across many sectors. He has helped clients develop and implement integrated Management Systems meeting standards under ISO 14001 (Environmental), ISO 9001 (Quality) and OHSAS 18001 (Health and Safety) from the ground up, improving existing systems, and optimizing them to reduce costs and improve performance. In addition, he has helped many companies design and improve their audit and performance management systems

Jonathan Patz, MD, MPH, University of Wisconsin-Madison

Director, Global Environmental Health Center for Sustainability and the Global Environment (SAGE), Nelson Institute for Environmental Studies & Department of Health Sciences University of Wisconsin-Madison

Faculty

Dr Patz was the principal investigator for the largest US multi-institutional study on climate change health risks and has briefed the US Congress, Administration and federal agency leaders. He was also the convening lead author for the United Nations /World Bank Millennium Ecosystem Assessment.

Greg Rogers, JD, CPA, President, Advanced Environmental Dimensions, LLC.

Mr. Rogers has combined his skills and experience as both a lawyer and an auditor for one of the largest accounting firms in the world to become the leading consultant in the US on the effects of environmental transparency in accounting. His book Financial Reporting of Environmental Liabilities and Risks After Sarbanes-Oxley is the defining work on the subject to date.

Mark Smith, PE, Principal, Kestrel Management Services, LLC.

Mark assists industrial clients in environmental systems optimization, environmental health and safety strategic planning, contaminated asset liability management, merger and acquisition due diligence and post acquisition integration. In his 25 years of consulting, Mark has assisted clients in the metals, commercial solid waste, pulp and paper, railroad, chemical and petrochemical industries. He has led services involving RCRA

compliance, hazardous and solid waste facility design and permitting, implementation of corrective action programs, and development and implementation of environmental management programs.

Lyman Wible, Principal, Kestrel Management Services, LLC.

Lyman helps industrial clients with the design and optimization of environmental, health, and safety management systems; industrial process optimization; regulatory strategy; strategic planning, and related information management systems. In his 30 years of experience in air, water, waste, and production program management, he has executed, managed, and directed a wide variety of environmental programs and projects. Lyman's work as a consultant has included projects on environmental strategy, contaminated sediments, air permitting, remediation, solid waste facilities, data/information management, industrial process optimization, and environmental management systems, including Responsible Care® and ISO 9001, 14001 and OHSAS 18001. Lyman has helped organizations to define, develop, and implement environmental management systems, including compliance information/data management, policies and procedures, training, public

Facility



FLUNO CENTER for Executive Education

Developed as an executive education extension of the School of Business at the University of Wisconsin-Madison, The Fluno Center offers an excellent educational venue.

Extend your stay to enjoy some of the unique offerings of the Madison, Wisconsin area. Consistently ranked as one of the top ten places to live in the United States, Madison, Wisconsin offers many outdoor recreational activities. Where Napa has its wineries, Wisconsin has

artisan cheese factories and micro- breweries. The famous architect, Frank Lloyd Wright chose to live near Madison because of the natural beauty of the surrounding area. Tour his home in Spring Green and attend a Shakespearean play by the nationally acclaimed American Players. For the outdoor enthusiast, the salmon fishing on Lake Michigan rivals that in Alaska. Class A spring fed trout streams are within twenty miles of the University of Wisconsin. Kohler, WI boasts two of the top 10 public golf courses in the United States and a Kitchen and Bath Design Center that is unrivaled. Canoeing down the wild Wisconsin River just twenty y miles away is comparable to the outdoor experience of the Boundary Waters of Minnesota in a fraction of the time.



ADVANCED ENVIRONMENTAL RISK MANAGEMENT STRATEGIES

Sept. 26-27, 2006

University of
Wisconsin—Madison
Fluno Center

Registration Form

I would like Continuing Education Credits (additional charges may apply):

Insurance CE Credits Legal CE Credits

Please indicate which state: State of _____.

Name _____

Title _____

Company Name _____

Business Address _____

City _____

State _____

Zip _____

Telephone _____

Fax _____

E-mail _____

Payment Information

Registration Fee:

\$850.00 \$750.00 for ERRA members

The registration fee includes admission into the conference, conference material, continental breakfast, lunch and breaks both days, and a networking reception on Tuesday.

Check enclosed (payable to Environmental Risk Resources Association or ERRA)

Visa Mastercard American Express

Card holder name _____

Card Number _____

Expiration Date _____

To Register:

ONLINE

www.erraonline.org

FAX

608-798-1013

BY MAIL

ERRA

Attn: AERMS Registration
4901 Pine Cone Circle, 2nd FL
Middleton, WI 53562

TELEPHONE

877-735-0800

Seminar Information

ADVANCED ENVIRONMENTAL RISK MANAGEMENT STRATEGIES

September 26—27,
2006

University of
Wisconsin—Madison
Fluno Center

Location:

Fluno Center for Executive Education
University of Wisconsin—Madison
601 University Avenue
Madison, WI 53715
www.fluno.com
877-77-Fluno or 608-441-7117
Fax 608-441-7133

Overnight Accommodations: Participants are responsible for their own hotel accommodations.

Fluno Center

877-77-Fluno or 608-441-7117

online reservations www.fluno.com

A few guest rooms are available at the Fluno Center for \$139.00 per night. Please contact the Fluno Center directly for reservations and refer to 'Environmental Risk Management Seminar' when making a reservation to get our group rate. Please make your reservations early, the Fluno Center anticipates sold out capacity on their sleeping rooms.

Doubletree Hotel (Approximately 2 block from the Fluno Center)

525 W. Johnson Street

Madison, WI 53703

608-251-5511 or 800-222-TREE

online reservations at www.doubletree.com

Internet room rates \$149—\$179.

Parking:

The parking garage (Lot 83) below the Fluno Center is available for parking for guests and meeting attendees. The cost is \$7.00 per day and \$3.50 per half day. You may pre-purchase passes through UW Transportation Services by calling (608) 262-8683 or online at www.fluno.com (click on reservation request)

Dress:

Suggested dress is business casual.

Cancellation Policy:

All cancellations must be received two weeks prior to the scheduled event to receive a full refund. No refunds will be given after one week prior to the scheduled event, however, a substitute may be sent. Hotel reservations must be cancelled directly with the hotel.

Contact Information:

Environmental Risk Resources Association

4901 Pine Cone Circle

Middleton, WI 53562-4061

608-798-2904

Fax 608-798-1013

Webmaster@erraonline.org

www.erraonline.org