

# Environmental Risk Resources Association, Inc.

*Presents*

A world-class conference focused on providing attendees with a working knowledge of environmental insurance and risk management, featuring a faculty of senior practitioners offering solutions to real world problems and state of the art advice.



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# **ENVIRONMENTAL INSURANCE FORUM**

**June 26-27, 2003**

**Emory Conference Center Hotel  
Emory University  
Atlanta, GA**

There is an unprecedented need for knowledge in environmental insurance today!

Insurance agents and brokers will deliver over fifty million microbial matter, fungus, mold and bio-terrorism exclusions to their customers this year. These new "pollution" exclusions will create a need for environmental insurance across hundreds of thousands of businesses and public entities. As a result of these new exclusions, thousands of insurance intermediaries and their customers will be forced to work with dozens of manuscripted environmental insurance products for the first time. This conference is designed to give attendees an understanding of the environmental risk management process and how environmental insurance can be used as a tool to manage a broad array of "environmental" risks.

Environmental insurance is utilized by less than one percent of insurance practitioners today. This conference is an excellent opportunity to learn how these powerful but completely underutilized insurance products can be used to enhance virtually any insurance program.

## **Presentation Topics Include:**

- **The Environmental Risk Management Process**
- **Environmental Insurance Products - An Overview**
- **The Environmental Insurance Underwriting Process**
- **Insurance Solutions to Fungus, Microbial Matter, Mold and Bio-Terrorism Exclusions**
- **Reaching Financial Closure to Environmental Legacy Costs**
- **State of the Art Environmental Insurance Placement Strategies**
- **Future Opportunities in Environmental Insurance Products and Services**
- **Applying the Lessons Learned in a Case Study With the Faculty**

**Continuing Education Credits available, please inquire!**

## MEET THE SPONSORS:



**Environmental Strategies Corporation**  
11911 Freedom Drive, Suite 900  
Reston, VA 20190  
703-709-6500  
fax: 708-318-3972  
www.environmental-strategies.com

Environmental Strategies Corporation is a leading environmental health and safety (EHS) services organization providing business and industry with creative solutions of the highest quality. Environmental Strategies' objectives are straightforward: Identify the problem and resolve it, so clients can focus on their business.

Environmental Strategies is a full-service consulting, management and engineering firm with expertise in costing and evaluating environmental liabilities for the insurance industry and policyholders.



**American Safety Insurance Group, Ltd.**  
1845 The Exchange  
Atlanta, GA 30339  
800.388.3647  
fax: 770.955.8339  
www.americansafetygroup.com

American Safety is a multi-line/multi-industry leader in the development and sale of specialty environmental insurance products. American Safety operates in the specialty niche and alternative insurance market. The company develops specialty insurance programs and provides a broad range of insurance, reinsurance and program management services to fit the needs of specialty industries and risks.



**Environmental Insurance Services, Inc.**  
200 Cahaba Park South, Suite 200  
Birmingham, AL 35242  
205-991-7885  
fax: 205-991-7767  
www.env-ins.com

For almost 15 years, EIS has been providing coverages for insureds with any kind of environmental exposure on a nationwide basis. EIS has sought and attracted professionals with experience in environmental consulting and commercial insurance. As a group we do not necessarily want to be the biggest, we want only to be recognized as the best at what we do. Our high renewal rates, referrals and the positive feedback from our clients and insurance companies are the result of years of effort to build relationships based on mutual benefit, and above all, trust and integrity.



**Gulf Insurance Group**  
5775 Peachtree-Dunwoody Road, Suite D-490  
Atlanta, GA 30342  
404-497-7226  
fax: 404-497-7210  
www.gulfinsurance.com

Gulf Insurance Group offers a broad range of environmental products and programs for virtually all risk classes. We meet the environmental requirements of firms that traditionally have not purchased the coverage but recognize the necessity because of other insurance policy exclusions. Our ability to manuscript forms meets the needs of those accounts facing complex environmental issues, regulations or transactions that require forms built around current environmental regulations and laws.



**McKenna Long & Aldridge LLP**  
303 Peachtree Street, NE, Suite 300  
Atlanta, GA 30308  
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McKenna Long & Aldridge LLP (MLA) is an international law firm comprised of nearly 400 lawyers and public policy advisors with offices in Atlanta, Brussels, Denver, Los Angeles, Philadelphia, San Diego, San Francisco and Washington, DC. The firm's clients are a mix of numerous Fortune 500 firms, mid-size companies, major government contractors and non-profit organizations of all types. MLA's diverse range of services fall into three broad categories: government/regulatory, transactional and litigation.



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Zurich North America is a leading commercial property-casualty and environmental insurance provider serving the multinational, middle market and small business sectors in the United States and Canada. Headquartered in Schaumburg, Ill., Zurich North America has 11,650 employees and wrote \$10.9 billion in premiums in 2001. Zurich North America also offers customers a range of financial services in more than 60 countries worldwide through the affiliated companies of the Zurich Financial Services Group.



**American Risk Management Resources Network, LLC**  
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ARMR.net is the nation's premier network of environmental insurance and risk management practitioners delivering world class expertise in environmental insurance and risk management, locally. ARMR.net acts as a facilitator to match the resources and insurance product needs of a client to the provider of those services. Other services of ARMR.net include developing business plans, environmental risk management consulting, expert witness, seminar and event planning for the environmental insurance industry, knowledge sharing website development, and staff recruiting and training.



**Freberg Environmental Insurance**  
1451 Larimer Street, Suite 200  
Denver CO 80202  
303-534-1171  
fax: 303-623-8101  
www.feinsurance.com

FEI is an insurance program manager that specializes in developing, marketing and underwriting environmental insurance programs. Our staff of environmental and insurance professionals are trained to quickly meet your insurance needs with professionalism, expertise and timely service.

The FEI professional staff is a unique combination of personnel with over 100 years of combined insurance and environmental experience. Please feel free to contact us so that we may answer your insurance and environmental questions.



**LFR Levine Fricke**  
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LFR Levine-Fricke provides comprehensive, proactive solutions nationwide. LFR Levine-Fricke has a reputation for being client-focused and for providing innovative, solutions-based environmental and engineering expertise. That expertise lies in identifying the problem, examining remedial options, and moving toward closure as quickly as possible, whether the need is for straightforward assessment and remediation of an underground storage tank or dry cleaning site, or for a more complex ecological restoration of a wetlands area.



**Risk Management**  
A WORLD OF ANSWERS

## Program Schedule: Day 1

June 26, 2003  
Emory Conference Center Hotel  
Emory University  
Atlanta, GA  
9:00am - 5:00pm

**8:30 - 9:00 Registration - Continental Breakfast**

**9:00 - 9:30 The Environmental Risk Management Process**

**Kenn Anderson**, *Managing Director, Gallagher Environmental Risk and Insurance*

The classical risk management process of identifying, preventing, controlling and financing risks can be applied effectively to environmental risks. This session provides an overview of a methodology that can be used to develop an environmental risk management strategy. This methodology will form the foundation for the rest of the course.

**9:30 - 10:15 Introduction to Environmental Laws**

**James D. Levine, Esq.**, *McKenna Long & Aldridge LLP*

To effectively manage past, present and future environmental risks, risk management professionals need to have an understanding of the laws that drive a substantial part of the loss exposure. How has legislation and regulation created environmental risks? What are the emerging legal and legislative trends that will affect organizations in future years?

**10:15 - 10:30 Break**

**10:30 - 11:15 Environmental Risks and Risk Identification Techniques**

**Alex Rothchild, P.G.**, *Vice President and NE Regional Manager, LFR Levine Fricke*

Risk identification is the cornerstone of any risk management program. What are the most common environmental loss exposures? How can environmental risks be identified? What resources and tools are available to assist in this process? This session will also present how to read and interpret the common elements in Phase I and Phase II environmental reports.

**11:15 - 12:00 Valuing Environmental Risk Management Departments**

**Ken Ogilvie**, *Senior Vice President, Environmental Strategies Corporation*

Companies often question the relationship between the hard costs of environmental risk management and the benefits derived from these investments. What is the cost/benefit relationship between investment in environmental risk management and return on that investment? How does a company measure the return from environmental management investments?

**12:00 - 1:15 Lunch**

**Keynote Speaker:**

**The Future of Environmental Insurance in the Middle Market**

**Stephen Crim**, *President and CEO, American Safety Group, Ltd.*

Environmental insurance is approaching its 25th year of continuous availability, yet most experts agree the overall market has less than 1% market penetration. With a wide-open horizon for product demand, what is the future for environmental insurance? Where are the next big opportunities going to come from?

## **Program Schedule: Day 1 (continued)**

### **1:15 - 1:45 Overview of Environmental Insurance Products**

**Thomas Owen**, *Environmental Manager, Freberg Environmental, Inc.*

Pollution exclusions and now mold exclusions create insurance coverage gaps that need to be filled with specialty environmental insurance coverages. The environmental insurance market is constantly expanding the depth of products offered and the risk that is underwritten. Where are the best opportunities to utilize these tools to serve the needs of customers? How can risk management professionals position themselves to capitalize on these emerging opportunities?

### **1:45 - 2:30 Hot Topic: Mold, Fungus, Microbial Matter, Bio and Nuclear Terrorism Exclusions are all Related to Pollution Exclusions - Environmental Insurance as a Solution**

**Dave Dybdahl**, *President, American Risk Management Resources Network, LLC*

With new exclusions for these new sources of "pollution" being added to virtually all commercial and personal lines insurance policies, new forms of environmental insurance coverage are being introduced into the market. Environmental insurance carriers are stepping in to fill the coverage gap created by these new insurance exclusions in commercial insurance policies. Many personal lines insurance companies are offering coverage buy backs for mold related damages. What insurance coverage is available to fill the coverage gaps created by the new wave of pollution exclusions? What is the current insurance market for mold related damages? Mold exclusions have created unprecedented professional liability for risk advisors. Learn how advisors can protect themselves from this new professional errors and omissions loss exposure at the same time they provide valuable and competitive services to their clients.

### **2:30 - 2:45 Break**

### **2:45 - 3:30 Environmental Risks and Coverages for Fixed Sites**

**Ted Joy**, *Underwriter, AIG Environmental*

A wide variety of environmental insurance coverages have been developed to address the needs of fixed facilities. In addition to the exposures of site owners and operators, specialty insurance products have been developed for creditors. What are the common environmental loss exposures of fixed sites and what environmental insurance products address them? Environmental insurance is now heavily relied on to assist in completing clean-up projects and to protect against future environmental clean-up costs in brownfield development, military base closure and property transfer transactions. What environmental insurance policies are applicable to these transactions? How do they fit into the owner's or contractor's insurance programs?

### **3:30 - 4:15 Environmental Risks and Coverage for Service Providers**

**Barbara Deas**, *Vice President, Gulf Insurance Group*

Most environmental contractors are aware of the need for pollution coverage for their operations and completed operations. However, contractors and consultants in any specialty may have environmental loss exposures. The incidental environmental risks of contractors are often overlooked, this is especially true with mold. What are common environmental loss exposures for contractors? What techniques can be used to identify them? How is environmental insurance used to address them?

### **4:15 - 5:00 Remediation Stop Loss and Finite Risk Insurance**

**Ken Ayers**, *Chief Executive Officer, Willis Environmental Practice*

Remediation stop loss and finite risk insurance are powerful tools to manage risks and balance sheet liabilities for environmental legacy costs. How do these innovative coverages fit into a risk management program? Can financial closure to environmental legacy costs be achieved through the innovative use of environmental insurance? What are the key advantages that can be derived through the use of these insurance products?

### **5:00 - 6:30 Reception**

This is unique opportunity to network with the faculty and attendees.

## Program Schedule: Day 2

June 27, 2003  
Emory Conference Center Hotel  
Emory University  
Atlanta, GA  
9:00am - 12:00pm

**8:30 - 9:00 Continental Breakfast**

**9:00 - 9:45 The Environmental Insurance Underwriting Process**

**John Broomfield**, *Environmental Underwriter, Zurich North America*

Without published underwriting manuals, the environmental underwriting process is an intimidating mystery to most insurance practitioners. Walk through the environmental underwriting process with an experienced environmental underwriter. Learn the best way to develop a submission for the underwriter. What information is necessary to prepare a good submission for various types of environmental insurance? Why underwriters ask the questions they do? What are the basics of environmental insurance underwriting? What are the underwriters looking for?

**9:45 - 10:30 Successful Environmental Insurance Placement Strategies**

**John Adams**, *President and CEO, Environmental Insurance Services, Inc.*

A specialty wholesaler of environmental insurance gets a rare perspective on the trends in the market place. This presentation will focus on the innovative uses of environmental insurance to solve problems. What are the current hot topic areas? What sectors are growing, which are on the decline? What markets are writing what risks? What are the market pricing benchmarks for various classes of business from recent real world placements of environmental insurance?

**10:30 - 10:45 Break**

**10:45 - 12:00 A Case Study - Applying Environmental Risk Management Program for the ABC Company**  
**Panel with moderator**

**Moderator: James Bulman**, *Environmental Strategies Corporation, in conjunction with the faculty*

This session will be a case study involving the implementation of an environmental risk management program at the ABC Company. The case study will include techniques to identify, prevent, control and finance environmental loss exposures. ABC will attempt to sell a factory with a full complement of environmental legacy issues to the XYZ Company. How can the environmental risks be identified, quantified and incorporated into the transaction? All of the lessons learned in this course will be applied in the completion of this transaction.



## **Information:**

### **Program Date:**

June 26 - 27, 2003

### **Location:**

Emory Conference Center Hotel  
1615 Clifton Road  
Atlanta, GA  
Telephone: 404-712-6565 or 1-800-933-6679  
Facsimile: 404-712-6025

**Overnight Accommodations:** Participants are responsible for their own hotel accommodations. Guest rooms are available at the Emory Conference Center Hotel for \$165 per night. Please call the Emory directly for reservations at 1-800-933-6679. Refer to "The Environmental Risk Resources Association" when making a reservation to get our group rate.

### **Parking:**

Free parking is available at the Emory Conference Center Hotel.  
Maps are available on the our website at [www.erraonline.org](http://www.erraonline.org)

### **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 scheduled event, however, a substitute may be sent. Hotel reservations must be canceled directly with the hotel.

### **Dress:**

Suggested dress is business casual.

### **Continuing Education Credits:**

Please inquire about continuing education credits, we must notify each state in advance. Additional per state application fees may apply. Please indicate when you register if you are interested in CE credits and for which state you would like your CE credits to apply. Please look for sign-in/out sheets the day of the seminar at the registration desk and bring your social security number and/or your agent number.

### **ERRA Membership:**

If you are interested in becoming a member or would like more information about the advantages of being a member, please contact us or visit our website at [www.erraonline.org](http://www.erraonline.org).

### **Contact Information:**

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## REGISTRATION FORM:

Please register online at [www.erraonline.org](http://www.erraonline.org) or complete the registration form and return to ERRA.

**I would like CE credits:** (additional charges may apply)  Insurance CE credits  Legal CE credits

Please indicate which state you would like CE credits in: State of \_\_\_\_\_

**Registration Fee for Non-Members:**  \$800.00

The registration fee includes; continental breakfast, lunch, refreshments, reception, conference materials and a one year membership to ERRA, a \$225.00 value.

**Registration Fee for Members:**  \$600.00

The registration fee includes; continental breakfast, lunch, refreshments, reception & conference materials.

### Please Print:

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## **Program Overview:**

### **The Environmental Insurance Forum**

The goal of this seminar is to provide attendees with a baseline working knowledge in environmental insurance and risk management. Seasoned professionals will present the basic components of environmental risk management and the state of the art in various forms of environmental insurance coverage. The new environmental risk management challenges created by insurance exclusions for mold and bio-terrorism will also be addressed.

The world-class faculty will participate in a case study to apply the lessons learned in the course to a real world property transfer transaction.

#### **Who should attend?**

The Environmental Insurance Forum is designed for all users of environmental insurance including businesses, public entities, real estate professionals, insurance brokers, insurance agents, risk managers, engineers, consultants and lawyers.

#### **Quote:**

*“From their own professional errors and omissions perspective the availability of prospective insurance in the face of tens of millions of new pollution exclusions makes a treacherous mix for insurance advisors. Attending this conference is a rare opportunity to learn how environmental insurance can be used effectively to fill the gaps in insurance coverage created by various forms of pollution exclusions. “*

David J Dybdahl, CPCU, ARM, MBA  
Founder  
Environmental Risk Resources Association