

Arthur J. Gallagher & Co.

Environmental Specialty Group

Gene P. Devine, Esq., Senior Vice President

Carl Varteresian, Senior Account Executive

- **Over 50 years combined environmental and insurance experience**
- **Provide knowledge based services to prevent and mitigate claims**
- **Customized environmental insurance program to meet SPELL's needs**
- **Create partnership between SPELL, AJG, AIG its vendors**

AIG Policy Coverages

1 Year Policy Period: 7/01/14 - 7/01/15

Policy Limits: \$3M Claim / \$12M Aggregate*

***Aggregate has been sub-limited to \$6M for each Named Insured (4 JIFs) so no single JIF can exhaust the policy limits of \$12M**

**Deductible: \$25K Each Incident
EXCEPT \$100K for Cleanup of Mold**

Separate Defense Costs:

\$3M Additional Limit outside the Policy Aggregate

AIG Policy Coverages

First-Party “Discovery” and Third-Party “Claims” for On-Site & Off-Site Pollution Conditions: Coverage provided for Clean-Up Costs, Bodily Injury and Property Damage Claims.

Includes Claims for Mold, Legionella, Asbestos, Lead-Based Paint

Also Non-Owned Disposal Sites and Transportation of Cargo

Additional coverages provided:

- **Emergency Response Costs**
- **Business Interruption Costs**
- **CrisisResponse® and Crisis Management**
- **Coverage for Illicit Abandonment (“midnight dumping”)**
- **Restoration Costs include upgrade to “Green” building materials**
- **PIER Network Provider Deductible Reduction (-50% up to a maximum of \$25,000) Endorsement**

AIG Policy Coverages

UNDERGROUND STORAGE TANKS

Coverage can be provided for “KNOWN” USTs subject to additional u/w info:

- **Tank Schedule – Location, Age, Size, Contents, Construction Type, Monitoring Method, Recent Tightness Test**
- **Upon completion of satisfactory underwriting, USTs are scheduled to policy**
- **Unknown USTs are automatically covered**
- **ASTs are automatically covered**

The Underwriting Perspective

What affects rate and deductible for your policy?

- The risk itself, limits, term, claim experience and the Insured's maintenance and response protocols

What factors are in your control that may influence your rate and deductible?

- Maintenance and response protocols: We look at our client's ability to prevent, mitigate and respond to circumstances that could give rise to claims and how they are engaged in managing those exposures.

These are examples of factors that may be considered and are not exhaustive.

The Underwriting Perspective

- What kind of formal protocols for prevention and response are in place?
- Are personnel at all levels provided with appropriate training?
- Is there effective and efficient communication within the organization?
- Are incidents and complaints proactively investigated and addressed?

Prevention and response activity that is effective and timely may reduce costs to clean-up environmental issues and mitigate human health exposure.

These are examples of factors that may be considered and are not exhaustive.