

Real Deals That Worked

Twin Elms Environmental Insurance Agency

95 Roxbury Road

Washington, Connecticut 06793

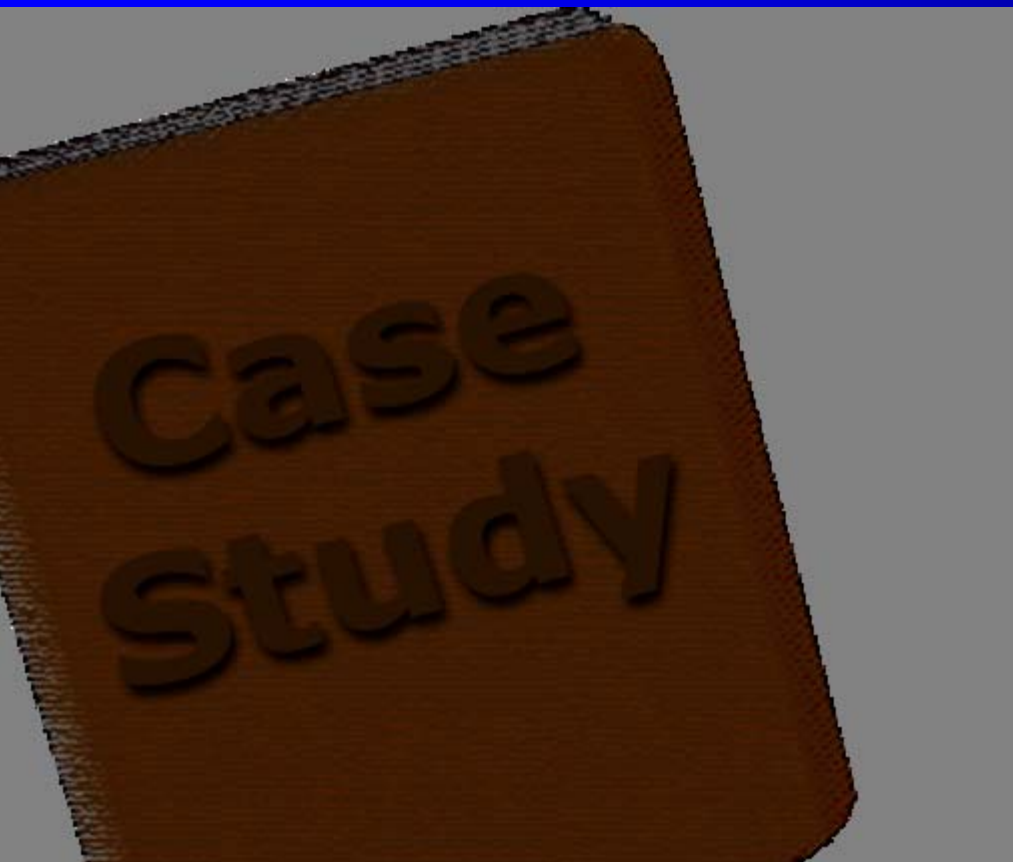
(860) 868-3800



www.twinelms.com

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Real Deals that Worked



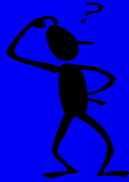
Former Industrial Site



Property Description: A 25 Acre campus located on a major river way.

Environmental Condition

- On-site soil contamination
- On-site groundwater contamination
- No known off-site contamination



Transaction Dilemma

- Owner desires to sell property without retaining liability
- Buyer desires cost certainty in redevelopment
- Lender requires personal recourse guarantee for financing



Solution

- Carrier provides Cost Cap and Pollution Legal Liability
- Seller divests of liability and buyer gains cost protection
- Lender accepts insurance in lieu of personal recourse

PLL/CCC

PLL Liability Limit: \$15,000,000

Cost Cap Liability Limit: \$5,000,000

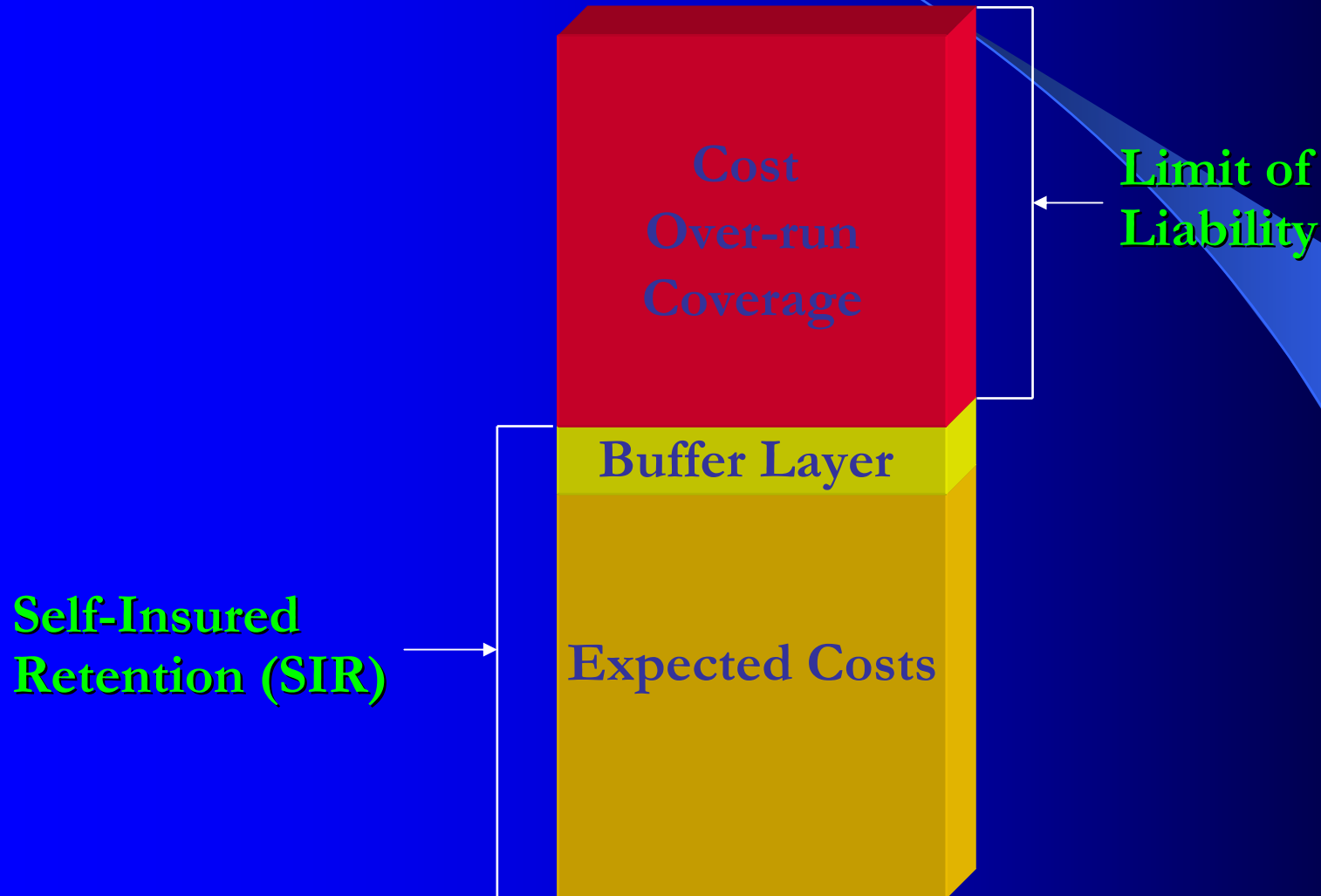
Policy Period: 10 Years

Policy Term Premium: \$778,400

Coverage Provided

- On-site clean-up of historical conditions
- On-site clean-up of new conditions
- Off-site clean-up of historical conditions
- Off-site clean-up of new conditions
- Third party claims for bodily injury and property damage
- Contractual liability coverage
- Additional insureds – seller and lender
- Business interruption - actual loss of rental income

Remediation Cost Cap Policy



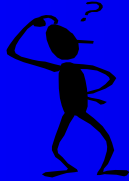
Retail Center



Property Description: This Center is a 85,000 square foot center built in 1989 set on 9.65 acres.

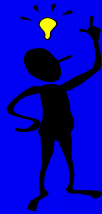
Environmental Condition

- On-site soil and groundwater petroleum contamination
- No known off-site contamination
- Property enrolled in State Cleanup Fund



Transaction Dilemma

- Owner desires to sell center without retaining liability
- Buyer requires environmental indemnification
- Cleanup Fund protection is limited



Solution

- Transfer of environmental liability to insurance carrier
- Indemnification no longer needed
- Enhancement of Fund protection

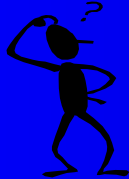
Future Retail Center



Property Description: This project consisted of a 35-acre retail center development of a former industrial facility.

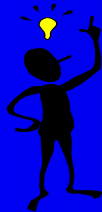
Environmental Condition

- On-site soil and groundwater solvent contamination
- Off-site condition unknown
- Existence of asbestos and lead paint



Transaction Dilemma

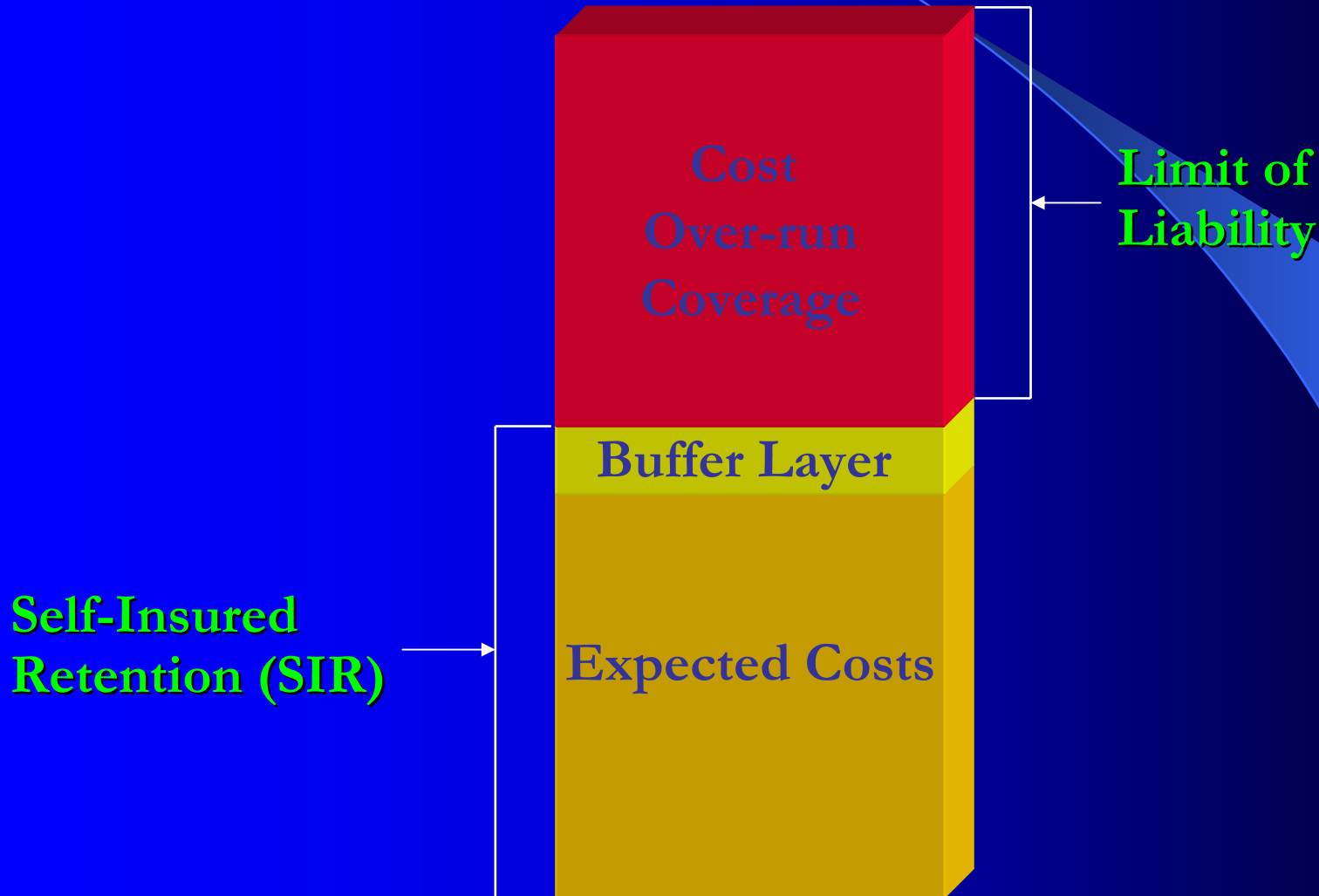
- Developer has signed contract with retailer, but is required to deliver site with regulatory closure
- Developer wants to remove clean-up cost uncertainty
- Developer seeks relief from regulatory administrative burdens



Solution

- Structure Remediation risk cost cap policy
- Carrier assumes regulatory compliance responsibility
- Clean-up cost uncertainty removed

Remediation Cost Cap Policy



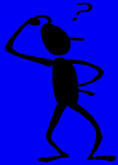
Former Manufacturing Facility



Property Description: 1.4 million square foot building situated on 93 acres. Former defense contractor built the facility in 1942 for manufacturing.

Environmental Condition

- Soil and groundwater industrial cleaning solvent contamination
- Off-site plume covering 300 acres, moving one foot per day
- ROD to conduct extensive pump and treat system



Transaction Dilemma

- Buyer's inability to secure project funding
- Buyer's concern about inheriting environmental liability
- Seller's indemnification agreement is limited



Solution

- Transfer of environmental liability to insurance carrier
 - Buyer, seller & lender named as insureds
 - Policy backstops indemnification

Pollution Legal Liability Policy

Liability Limit: \$20,000,000

Self-Insured Retention: \$150,000

Policy Period: 10 Years

Policy Term Premium: \$195,000

Coverage Provided

- On-site clean-up of historical conditions(excess of indemnification)
- On-site clean-up of new conditions
- Off-site clean-up of historical conditions(excess of indemnification)
- Off-site clean-up of new conditions
- Third party claims for bodily injury and property damage (excess of indemnification)
- Diminution of adjacent property value
- Business interruption-actual loss of rental income
- Additional insureds – lender and seller

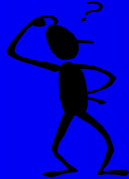
50-Acre Industrial Complex



Property Description: A three building complex comprised of 512,000 square feet located on a 50-acre campus in an industrial corridor.

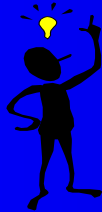
Environmental Condition

- On-site and off-site soil and groundwater solvent contamination
- DEQ approved RAP
- Pump and treat system operation required for 20 years



Transaction Dilemma

- Seller willing to reduce price to fund cleanup cost and O&M
- Buyer desires cleanup cost certainty
- Buyer requires protection for unknown risks and future liability



Solution

- Cost cap policy to protect against cost over-run
- Coverage extended to cover clean-up of unknown conditions
- Pollution legal liability policy structured to protect against future liability

PLL/CCC

Liability Limit: \$3,000,000

Self-Insured Retention: \$50,000

Policy Period: 10 Years

Policy Term Premium: \$97,400

Coverage Provided

- On-site clean-up of historical conditions
- On-site clean-up of new conditions
- Off-site clean-up of historical conditions
- Off-site clean-up of new conditions
- Third party claims for bodily injury and property damage
- Contractual liability coverage
- Additional insureds – seller and lender
- Business interruption - actual loss of rental income

Combined Program

