



OVERVIEW OF TRAINING MANUAL

This document gives you a brief overview of the type of material and strategies you receive in becoming a certified eS. The eS certification training manual is 97 pages while this overview is 17 pages.

Managing and Transferring Environmental Exposures

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Mission Statement:

- **As environmental Strategist™ we assist our clients to leverage their business model by managing and transferring their environmental exposures.**

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WHAT IS A POLLUTANT?

**A MATERIAL SUBSTANCE OR PRODUCT...INTRODUCED
TO AN ENVIRONMENT FOR OTHER THAN ITS INTENDED
USE / PURPOSE**



Managing environmental exposures

- Sustainability has been defined as: strategies that meet society's present needs without compromising the ability of future generations to meet their own needs.
- Sustainability is just a synonym for environmental Risk Management (eRM).
- eRM Example: How does a business buy their raw materials FOB point of shipment / delivery? eS 4 ways to address this.

COMMON ENVIRONMENTAL EXPOSURES eS MANAGE FOR CLIENT'S

Real Estate Exposures Impacting: Owners, Sellers, Lenders, Developers, Tenants, Trusts...

Environmental Due Diligence for buyers / lenders

- Innocent Landowner defense / Lender Liability defense
- Environmental due diligence does not protect you from impacted third parties.

Environmental Site Assessment

ASTM: American Society for Testing and Materials

PHASE I SITE ASSESSMENT:

eS research shows that about 50% of the phase I's performed are inaccurate. A phase I site assessment creates more E&O claims than any other area of work for environmental engineers and consultants.

This is mainly due to two factors, first, the vast amount of Phase I work being performed. Secondly, the environmental auditor does not clearly explain the scope of the phase I to the client or they promise more than they can deliver. Do not get caught in the commodity-based mindset of buying on price alone.

AAI: All Appropriate Inquiry –

PHASE II SITE ASSESSMENT:

PHASE III SITE ASSESSMENT:

BEA: Baseline Environmental Assessment

Brownfields: (**eS business lead:** Most municipalities have Brownfield redevelopment boards and their meetings / minutes / website is public information. Brownfields are like an annuity for eS because you come in and help to manage and transfer the environmental exposures for the brownfields developer and then whatever the end use they will also need your eS services.)

AHERA: Asbestos Hazard and Emergency Response Act

AST: Aboveground Storage Tank

CAA: Clean Air Act (of 1970, 1977):

CNS: Covenant Not to Sue, No Further Action Letter... (MTBE)

CWA: Clean Water Act

2. In the United States, 40% of our waterways remain un-swimmable or fishable.
3. 80% of the world's fresh water usage is for agriculture and the demand is growing.
4. Agricultural runoff accounts for 72% of the pollution in our rivers and 56% of all pollution in lakes.
5. Coal burning utilities account for 30% of the mercury that gets into our waterways.
6. One of five waster systems violates safety requirements.
7. Each year contaminated drinking water kills more than 900 people and makes another 900,000 sick in the United States, and around the world 2 billion people are

displaced each year because they are not able to get access to clean water. Each year 5 million children die around the world from drinking unsafe water.

EIS: Environmental Impact Statement –

ESA: Environmental Site Assessment or Endangered Species Act (there are approximately 1,228 endangered species)

LEED: Leadership in Energy and Environmental Design

LUST: Leaking Underground Storage Tank (The US has in excess of 400,000 known leaking UST's)

NPL: National Priorities List / Superfund site

RAP: Remedial Action Plan

Remediation: All processes designed to clean up or contain a pollution condition.

SBS: Sick Building Syndrome

SEP: Supplemental Environmental Project:

UST: Underground Storage Tank

Vandalism: As a property owner, under federal law, you are ultimately responsible for the environmental condition of the property regardless of who caused the environmental liability

Vapor Intrusion (ASTM 2600):

Manufacturer, Distributor, Municipality, School, Medical Facility, Disposal / Recycling Facility...

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act (Of 1980, 1986: commonly known as Superfund): CRADLE TO GRAVE.

CSR: Corporate Social Responsibility, encompasses social, economic and ecological

EPCRA: Emergency Planning and Community Right-to-Know Act

EPP: Environmentally Preferable Purchasing.

Financial Assurance:

HAP: Hazardous Air Pollutant

HAZMAT: Hazardous Materials

HAZWOPER: Hazardous Waste Operations and Emergency Response

Illicit abandonment: Environmentally sensitive materials left behind / No pollution loss

IAQ: Indoor Air Quality (Lab engineer used had faulty equipment and tests were faulty forcing the manufacturer to invest in air upgrades it was later discovered they did not need to make. Who are you doing business with)

LCA: Life Cycle Analysis

Mergers & Acquisitions

MSDS: Material Safety Data Sheets

MSW: Municipal Solid Waste

NPDES: National Pollution Discharge Elimination System

POTW: Publicly Owned treatment Works

PRP: Potentially Responsible Party

RCRA: Resource Conservation and Recovery Act (of 1976, 1984) – (Permit to hold hazardous waste up to 90 days)

SOX: Sarbanes-Oxley

SAB 92 Ruling:

FIN 47: Financial Accounting Standards Board Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations (AROs)

GASB 49: Impacts U.S., state and local governments in addressing accounting and financial reporting standards for pollution (including contamination) remediation obligations.

SPCC: Spill Prevention Control and Countermeasures

Storm Water Runoff:

TRI: Toxic Release Inventory (roughly 700 different chemicals, impacting 80,000 businesses)

TSDF: Treatment, Storage and Disposal Facility (Get waste characterized)

CONTRACTORS

Repair, Renovation & Painting (RRP):

Construction & Demolition Waste: (CCA treated lumber / Chromate Copper Arsenate)

STRATEGIES FOR TRANSFERRING ENVIRONMENTAL EXPOSURES



ENVIRONMENTAL LIABILITY INSURANCE GENERAL DISCUSSION

- Majority of policies are written on a claims made basis
- Auditable vs. Non-auditable
- Defense inside or outside the limits
- Deductible / SIR, make sure affordable to your client. Pay deductible within 30 days
- Minimum premiums
- Sudden and gradual versus sudden and accidental (Limited Pollution Policies)
- Project specific vs. Blanket coverage vs. Owner controlled vs. Multi-year contracts

- First Party Coverage
- Make sure to read and understand the policies insuring agreement and definition sections
- With contracts, make sure to clarify the insurance coverage's being requested
- Reporting a claim or potential claim
- Warranty application, review with your client prior to binding
- Complete submissions are very important (Include your client / prospect web site address)
- Authorization to bind letter
- Change is the only constant in the environmental market. There are no environmental experts. eS are environmental specialists.

eS Strategy: Environmental Liability Insurance is part of a sustainable strategy. At the very minimum it shows you have a financial plan to address an adverse environmental exposure.



ENVIRONMENTAL LIABILITY INSURANCE COVERAGE OVERVIEW

environmental Strategist, Inc. (eSI) understands that environmental liability insurance is a very specialized field. To assist you in better understanding the environmental insurance coverage's, we have developed the following list. Since each insurance company that offers environmental insurance has their own contracts, we feel it's better to give you a general overview of the coverage's. We like to call this document, environmental 101, the laypersons version of environmental liability insurance coverage's. For specific contract language, you should refer to each carrier's policy forms and endorsements.

Today's environmental liability market is dynamic, and there is one constant, change. By calling ESI, we can discuss specific coverage's and recent changes in the market. We are your environmental specialists so you do not have to be.

The vast majority of businesses lack the financial strength to self-insure their environmental exposures. Since every business is impacted by environmental exposures, consideration needs to be given to the economies of scale afforded with environmental liability insurance as part of your risk transfer strategy versus self-insurance.

The **three main benefits** environmental liability insurance offers:

1. **Defense Costs:** Environmental liabilities are relatively new and very litigious. Even if you do nothing wrong you can still get named in a suit and have to expense defense costs i.e. legal fees, environmental investigations. (A statistic from a couple of years ago showed for asbestos payments 60% went for legal fees and over 100,000 jobs were lost.)
2. **Claim Management:** All policies come with specialists to assist you in handling a claim. Who is in charge of communications, public relations, emergency response, government compliance, financial management, third party claims for bodily injury, property damage, natural resource damages...?
3. **Third Party Liability:** The majority of the time the cost to clean up the environmental problem/s is far less than the associated claims that come in from third parties for bodily injury, property damage and business interruption. You need to look at your client's and neighbors that can be impacted if you or a sub-contractor/vendor cause an environmental loss.

Note: the following list of environmental insurance coverages is in alphabetical order not order of importance.

BROWNFIELD REDEVELOPMENT

CONTRACTORS POLLUTION LIABILITY

CLEANUP COST CAP COVERAGE

CLOSURE AND POST CLOSURE CARE INSURANCE

ENVIRONMENTAL IMPAIRMENT LIABILITY (EIL)

PROFESSIONAL LIABILITY

PROPERTY TRANSFER COVERAGE

SECURED CREDITOR COVERAGE

SURETY

TRANSPORTATION POLLUTION LIABILITY

UMBRELLA/ EXCESS COVERAGE

UNDERGROUND AND ABOVE GROUND STORAGE TANKS

eS Strategy: Once a client is educated on their environmental exposures they can make an informed decision which comes down to: Does it make business sense to transfer our environmental exposures for fractions of a cent on the dollar or should we wait until an environmental loss occurs and spend 100 cents on the dollar out of our own pocket for legal fees, clean-up costs, third party bodily injury, third party property damage, third party business interruption....

If they elect not to invest in the environmental liability insurance, after they pay for an environmental loss, if they are still in business, they can come back to you and buy a pollution policy.



**Environmental Risk Assessment (eRA) to Educate
Client's On their Environmental Exposures
(eRA = Get on the same page)**

ENVIRONMENTAL RISK ASSESSMENT (ERA)

The ERA allows you and your client/s to get on the same page about the environmental exposures impacting their operations. I send you the ERA in a Word format so you can cut and paste it into a marketing presentation that compliments your agencies marketing

program. Our agents utilizing the ERA find it an excellent way to leverage their environmental liability insurance sales. **The eS website gives over 30 different eRA's**

The eRA comes in three parts:

1. Review of specific environmental exposure impacting your insured
2. Environmental loss examples
3. Environmental insurance coverage's that are appropriate for the insured to consider

ENVIRONMENTAL EXPOSURES FACED BY REAL ESTATE DEVELOPERS AND OWNERS

ENVIRONMENTAL EXPOSURES IMPACTING THE AGRICULTURAL INDUSTRY

ENVIRONMENTAL EXPOSURES IMPACTING COMMERCIAL CONTRACTORS

ENVIRONMENTAL EXPOSURES FACED BY MANUFACTURERS

DEVELOPING AND EXECUTING AN ENVIRONMENTAL MANAGEMENT STRATEGY (EMS)

Driving Growth and Profits In A Transparent Business Environment Begins With Your environmental Management Strategy

Note: This competitive environmental intelligence overviews the environmental Strategist™ step by step process “how” to develop and execute your environmental Management Strategy (eMS) to drive growth and profits.

What Is Your Environmental Footprint?

Developing And Executing Your eMS:

(Note: The environmental Strategist™ eee questionnaire will direct you through Steps One thru Four.)

eMS Step One: *What’s coming in your front door?*

eMS Step One Environmental Loss Examples: What’s coming in your front door

eS Marketing Strategy: Inspecting vendors of your clients allows you the opportunity to prospect for new business. Who better to inspect your client’s vendors than their professional environmental Risk manager? While inspecting the vendor share with them the services you perform and are performing as a certified eS.

eMS Step Two: *What’s going on inside your corporate walls?*

eMS Step Two Environmental Loss Examples: What’s going on inside your corporate walls?

eMS Step Three: *What’s going out your back door?*

eMS Step Three Environmental Loss Examples: What’s going out your back door?

eMS Step Four: *Who are your neighbors?*

eMS Step Four Environmental Loss Examples: Who are your neighbors?

* **TEAM SPORT** stands for (Together Everyone Accomplishes More because Strategic Partners Optimize Resources and Time).



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environmental Management Strategy (eMS) Flow chart

Your Business
Environmental Transparency/Sustainability
(SOX, SAB 92 Ruling, FIN 47, ISO 14000, Brownfields, UST's, Terrorism....)



eS assist you to manage and transfer your environmental exposures



eMS development



eS perform environmental efficiency evaluation (eee)

- Step 1: What is coming in a business front door?
- Step 2: What's going on inside your corporate walls?
- Step 3: What is going out your back door?
- Step 4: Who are your neighbors?



eS Compile eee and distribute to TEAM members



eMS TEAM members add their CeI to the eee



You execute your eMS
eMS Drives Growth and Profits:



environmental efficiency evaluation (eee) Survey

The foundation of an environmental Management Strategy (eMS) is the environmental efficiency evaluation (eee). An eee identifies the various direct and indirect environmental issues impacting your business. An eee does not attempt to meet any specific governmental standards or follow specific due diligence models that have been developed such as All Appropriate Inquiry (AAI), ASTM Phase I & II reports, ISO 14000, Enterprise Risk Management.... The eee gives you your environmental footprint so you have a defined starting point which is paramount if you want to measure your sustainable progress and benefits. The better defined your starting point, the more control you have in being able to minimize risk, maximize value and optimize performance to drive your growth and profits.



Successfully Writing Environmental Insurance Begins With A Quality Submission

Virtually every business in existence faces either direct or indirect environmental exposures. Through development and execution of an environmental Management Strategy (eMS), most businesses realize they do not possess the financial strength to self-insure their environmental exposures. One environmental risk transfer strategy is to purchase an environmental liability insurance policy. A quality environmental insurance submission allows you to successfully negotiate the broadest coverage at a competitive price.

Quality Underwriting Requires Quality Information The Choice Is Yours. Note: Electronic submissions are preferred.



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New Standard Provides for Assessment of Potential for Vapor Intrusion into Structures



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ENVIRONMENTAL FINES AND PENALTIES

The following is an outline of actual fines and penalties faced by businesses, (when we use the term business we are talking about any entity that sells a product, service or idea).



Environmental Strategist™

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environmental Strategist™

Chris Bunbury, Environmental Strategist™ (eS) is President of Environmental Risk Managers, Inc. (ERMI) and environmental Strategist, Inc. (eSI)

environmental Strategist, Inc. researches, tests and delivers environmental strategies to minimize risk, maximize value and optimize performance (environmental efficiency) for businesses that want to drive growth and profits in today's business environment..

In 1988, just as the environmental insurance industry began to re-evolve, Chris entered the commercial property and casualty insurance industry as a retail insurance producer. The broad spectrum of educational and practical experience gained over the years is the foundation from which Chris and Environmental Risk Managers has built their knowledge.

Environmental Risk Managers, is a national environmental insurance wholesaler working with retail insurance agents. Chris's work through Environmental Risk Managers, allows daily interaction with agents, their client's and environmental insurance carriers. The Environmental Risk Managers network is where strategies shared in this seminar are field tested and proven to drive growth and profits.

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