

OVERVIEW

Cleanup Cost Cap coverage (CCC) is an environmental insurance policy that protects owners or remediation firms from potential cost overruns associated with the execution of a cleanup. This product brings more certainty to the total cost of undertaking a remediation project. Companies interested in quantifying their financial exposure on such projects can utilize the Cleanup Cost Cap program to insure against cost overruns when environmental remediation projects exceed the projected costs. Cleanup Cost Cap becomes a tool in an investment strategy for better managing liabilities by ensuring that unexpected costs don't make investing in contaminated property an unknown financial proposition.

Historically, investing in and redeveloping contaminated property has been viewed as having more risks than benefits. The potential for cleanup cost overruns can often turn an attractive real estate deal into a financial burden. Fortunately, the continued refinement of environmental insurance over the years has made investment in contaminated property far less risky. Cleanup Cost Cap coverage is designed to address the risk uncertainty associated with beginning or continuing an environmental remediation project.

CUSTOMER PROFILE

1. Owners, Buyers, Sellers or Operators of Contaminated Properties
2. Remediation Contractors
3. Parties to Mergers and Acquisitions Transactions
4. Brownfields Developers
5. Mining Companies
6. Potentially Responsible Parties (PRP's)

AVAILABLE COVERAGE**Cleanup Cost Cap**

- Coverage for cost overruns of known remediation expenses.
- Discovery of unknown pollution conditions discovered during course of performing cleanup pursuant to the remedial plan.
- Coverage for higher concentration of known contamination.
- Coverage for changes in regulatory remediation standards.
- Coverage for costs associated with design negligence.
- Coverage for greater spread of contamination.
- Coverage for the failure of remediation technology.

Cleanup Cost Cap/ Pollution Legal Liability Coverage

During the remediation or redevelopment of a site a CCC policy can address the known environmental liabilities that are subject to a remedial plan, but can also simultaneously provide protect against legal liability from unknown pollution conditions. This is achieved through a single source program. By combining the Cleanup Cost Cap policy with a Pollution Legal Liability policy, this alternative approach has proven to be an efficient method for projects with planned remediation and potential third-party liabilities both at the start of the project and once remediation has been completed.

HIGHLIGHTS

- CCC responds to cost overruns associated with the implementation of a remedial plan. The policy structure allows coverage for a variety of cleanup scenarios that include fully approved plans as well as plans in progress.
- CCC can help protect the financial condition of the borrower and the value of the lender's collateral by protecting against cost overruns that could impair the borrower's cash flow or overall financial position.
- Covers remediation cost overruns for the cleanup of known conditions defined by a Remedial Plan, including those arising from:
 - Actual contamination that is greater than expected.
 - Change orders required by Government Authorities during the policy term.
 - Off-site cleanup costs for known pollutants pursuant to the performance of the covered Remedial Plan.
- CCC also offers an additional optional coverage for new found contamination that is discovered in the course of performing cleanup pursuant to the Remedial Plan at a covered location.
- Multi-site programs can be offered.
- Terms of up to ten years are available.
- CCC is an alternative solution to creating and managing costly escrow, surety or trust.
- CCC underwriters provide another level of engineering and monitoring resource to remediation projects at no additional cost to the insured.