



New York City
Department of
Environmental
Protection

FRANK SCHIANO
Assistant Counsel

⑤ WORLD TRADE
CENTER -
INSURANCE

Da
212

AIG

Will only give a one year⁽¹⁾
tail and may charge up to
100% of the original premium

Excell

Normal underwriting - they will
offer up to a 3 year tail
with a cost of no more than
200% of the original premium
(This is not a normal - so not sure)

59 - 17 Junction Boulevard Elmhurst, New York 11373 - 5107 718 - 595 - 6555
FAX: 718 - 595 - 6543



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PII

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New file

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Dan Lavoie - Marsh

Environmental Impairment Liability Insurance

Excess of \$10 million to be
provided through Contractor.

- 1) \$250,000 self insurance
retention required. ✓
- 2) Limit of \$100 million ✓
per occurrence and in
the aggregate

Cost.

Length of Work

For 1 year coverage	\$1.5 million
" 2 year "	\$2.2 million
" 3 year "	\$2.4 million

Still waiting for quote on General Liability

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T- Don Lavoie (Monsieur Me)
6/12/01

212-345-
7078

AIG doesn't want big limits on anything
related to WTC - \$100mm might
be too much

ENVIRONMENTAL
EXEL OR CHUBB seem to be OK
(CECS Underwriters)
↓
Bermuda-based carrier
AAA

(They will
take first
\$35mm)

T- Don Lavinie
6/21/02

WTC / Insurance

Excess environmental ins.

AIG - only one responsive so far
 No one wants to put big limits down
 on WTC-related work

Pending receipt of favorable

90mm excess over 10mm

Total ⁸3.5mm

(1yr) (3yr)

Not interested in excess CGL

250k self retention

Chubb - no out

ExEL - still awaiting reply.

Hoffer, Mark

From: Hoffer, Mark
Sent: Tuesday, July 02, 2002 9:55 AM
To: 'lkahn@law.nyc.gov'
Cc: Schiano, Frank
Subject: World Trade Center Issues

I. Insurance

Confirming what I reported orally this AM, we have checked with our insurance contact (Dan Lavoie of Marsh McLennan; 212-345-7078) and he reports as follows:

1. The Environmental Markets do not want to touch the additional CGL coverage we are looking for, so Dan canvassed the excess markets (firms such as Zurich and Lexington). They will provide the \$50MM CGL in excess of the \$50MM to be provided through the contractor, on an occurrence form, for a cost of approx. \$1 Million-\$1.5 Million.

2. Environmental Liability Coverage through AIG:

AIG is prepared to offer us two options. Option A is straight Contractors Pollution Liability Coverage - which they described as a straight contractors form WITHOUT professional coverage (merely for the contractor's operations). This would be for \$90MM in excess of the \$10MM to be provided by the contractor, for 3 years on a CLAIMS MADE form with a \$250,000 deductible per claim, for a one-time premium of \$400,000.

Option B is Contractors Pollution Liability Coverage WITH professional coverage (where they believe the bulk of the exposure is: "you said it was clean, but it was not"). This would be for \$90MM in excess of the \$10MM to be provided by the contractor, for 3 years on a CLAIMS MADE form with a \$250,000 deductible per claim, for a total premium of \$2.7 Million-\$4.5 Million (exact quote would be subject to underwriting review of the final contract form and the contract values). An extended reporting period MAY be available for a period of 90 days to 3 years for an additional premium (this would need further discussion with the carrier, including final contract form and contract values).

II. EPA Work above 79th Street

I spoke with Bob Avaltroni, our D/C for Environmental Compliance, and he advises as follows: We are only doing asbestos downtown because that is the only air contaminant of concern where there is an EPA standard at present. EPA is doing tests uptown to try to get info. on background levels of other substances, to eventually set standards for these substances. Having successfully convinced EPA to take the lead and manage the cleaning program on asbestos downtown, Bob is loathe to open up the scope of work again for fear that this will cause EPA to reconsider the program/their role.