



Insurance Expert Services

The ARMR Network Expert Value Proposition A Unique Team

ARMR has assembled a team of experts in all facets of the environmental insurance business. Our team offers unparalleled qualifications, and the most complete set of historical records tracing the availability of environmental insurance. Our team of experts assist the legal and insurance communities in resolving claims involving environmental damages.

From the experience gained by working with thousands of environmental insurance policies over three decades, we have hands on knowledge of the customs and practices in the insurance marketplace, environmental insurance underwriting in practice, national product line marketing, insurance brokerage operations and claims adjustment practices.

Environmental Insurance

Our Main Areas of Focus Are:

- The availability and cost of environmental insurance over time
- Environmental insurance coverage in practice
- Environmental liability insurance underwriting practices
- Policy form interpretation
- Pollution claims adjustment practices
- The application of pollution/fungus/mold/bacteria exclusions in property and liability insurance policies
- Continuous trigger allocation of loss between policy periods
- Cost Cap insurance claims and policy interpretation
- Insurance agent/broker professional liability defense

Our diverse team can support a wide variety of environmental insurance coverage litigation cases, ranging from the historical availability of environmental insurance over time to modern day customs and practices in the environmental insurance coverage line.

Changing The Game On Environmental Legacy Cost Allocations

The existence of a robust environmental insurance market place has become increasingly relevant as the “pro-rata” allocation of loss has become the majority rule over the “all sums” allocation doctrine.

The allocation of environmental damage claims onto pre-1986 General Liability policies is most often based upon a false assumption that environmental insurance was not available between 1986 and 2004. ARMR Network expert testimony from senior boots-on-the-ground environmental insurance practitioners, combined with our records assembled from over twenty-years of ARMR research into the environment insurance product line, enables ARMR Network clients to provide strong evidence that environmental insurance was available for virtually any environmental loss exposure.

The Exclusive ARMR Network Library

Years of country wide research has produced the most complete library in the world documenting the history and availability of environmental insurance products over time.

Our library gives us the ability to opine on what environmental coverage was available at what cost, over a particular time period, by class of business. With this documentation, we save our clients time by reducing the number of hours needed for supporting research.

The ARMR Library has:

- Sample Environmental Impairment Liability (EIL) policies from 1978 to 2017
- Issued EIL policies with policy terms greater than 10 years, policy limits measured in tens of millions of dollars and insuring known Superfund sites
- Sample and actual issued Remediation Cost Cap policies with policy terms greater than 10 years (one with a 37-year policy term)
- Actual General Liability policies issued after 1986 without an “Absolute” Pollution Exclusion
- Marketing materials used by the insurance companies to promote environmental insurance
- Over 1500 pages of advertising and articles on environmental insurance from 1986 to 2015 taken from insurance trade magazines

With 20/20 hindsight, it turns out that the EIL type insurance policies being aggressively marketed to buy out a firm’s environmental legacy costs were woefully underpriced from the insurance companies’ perspectives. Contrary to the myth that environmental insurance was not available after 1986, meaningful coverage was readily available at pricing that was so low the premiums would not cover the loss costs. Since 1986 environmental insurance has been easy to find. The coverage sold was also inexpensive relative to the losses the policies paid for.

Project Examples

- Reviewed the insurance provided for Guaranteed Fixed Price Remediation’s for the U.S. Army Environmental Center. The contract value was \$500,000,000. Washington DC and Omaha
- Evaluated cost proposals for fixed price remediation insurance packages, private clients in Texas and California
- Expert on insurance coverage issues related to Cost Cap/Stop Loss environmental insurance policies, three cases: NJ, CA, KS

Expert Witness & Litigation



David J. Dybdahl, Jr.
CPCU, ARM, MBA

David J. Dybdahl Jr. is a true pioneer in the development and sale of environmental insurance products. After guiding Johns Manville through bankruptcy due to developing asbestos products liability claims in 1981, he has been an insurance broker and consultant specializing in the environmental insurance product line.

- Placed tens of thousands of various environmental insurance policies
- Developed Contractors Pollution Liability insurance policy in 1987
- Successfully placed insurance on Chernobyl
- Developed the first successful environmental insurance practice group
- Was responsible for 42 environmental specialty insurance brokers producing \$100,000,000 in environmental insurance premiums by the late 90's
- Active insurance educator, co-author of the Chartered Property and Casualty Underwriter professional designation
- Environmental insurance expert witness and litigation support services for over 15 years
- Served as a consultant in over \$1,700,000,000 of disputed environmental insurance claims
- In-depth knowledge on custom and practice in the environmental insurance industry with 35 years of experience
- Was the insurance consultant for the U.S. Army Corps of Engineers
- Expert with first-hand experience, both as a seller and buyer, on environmental insurance



Brad Maurer,
J.D. CPCU

Brad Maurer is another pioneer in the environmental insurance industry. After his role as a project environmental scientist for Black & Veatch performing Superfund site investigations under contract with USEPA Region 3, he joined one of the first groups of environmental underwriters at ECS Underwriting (now XL/Caitlin). At that time, there were only rudimentary policies with first party and third-party insurance contained on separate policy forms.

- Started in the environmental risk management business in 1991
- Managing Underwriter at ECS/XL and founding Underwriting Director at Kemper. Managed underwriting units for issuance of pollution legal liability, Cost Cap insurance and lenders environmental liability policies
- In house product development counsel involved in drafting environmental insurance policies. Co-author of combined first party/third party pollution legal liability forms, lenders liability policy and remediation stop loss forms
- In house counsel for a \$50MM environmental services firm
- Principal/Executive in developing Brownfield properties where EIL and Cost Cap policies were utilized. Purchased, remediated and sold brownfield properties in NJ, NY, MA and PA
- Principal/Executive in Guaranteed Fixed Price Remediation (GFPR) entity TerraSure. Marketed, negotiated, and executed 15 GFPR contracts in CA, FL, PA, NJ, NY, RI, MA and IA. Was corporate risk manager with development of subcontracts and environmental insurance including Cost Cap
- Senior Vice President and leader of national environmental insurance brokerage operations with thousands of policies placed over twelve years

- The availability and pricing of environmental insurance on a property transfer in 1995, IL
- The availability of environmental insurance from 1987 to 1995 for insurance recovery allocations on uninsured years, AL
- The availability of environmental insurance on a property transfer in 1997 and 1998, risk advisor's professional liability claim for \$189,000,000, CA

Environmental Insurance



Peggy Cullen

Peggy is one of the first professionals to underwrite environmental insurance as it became commercially available as a stand-alone product in the 1980's. Throughout her 20-year career at American International Group, she rose through the ranks to become the worldwide

environmental underwriting executive for AIU after managing the mergers and acquisitions unit for AIG Environmental and its commercial underground storage tank program. Since 1990, Peggy has been Secretary at The Riverkeeper, an environmental advocacy non-profit organization dedicated to preserving the Hudson River, its tributaries and the watershed of the drinking water sources for New York City. With an annual budget \$5.1MM, Peggy currently serves on the Executive and Litigation committee.

- Pioneer, environmental insurance underwriter at AIG Environmental beginning in 1985 to 2005 with product development experience
- Product Line Manager for Commercial Underground Storage Tank program at AIG Environmental
- Managed AIG's worldwide environmental program for American International Underwriters (AIU) and field operations for 20 AIG Environmental branch offices
- Served as Senior Vice President and Manager of Commercial Accounts for AIG Environmental, serving companies with sales between \$100,000,000 and \$500,000,000
- Marketed and sold all types of AIG Environmental policies including Cleanup Cost Cap, Pollution Legal Liability (PLL), and Secured Creditor Impaired Property Policy
- Director of Operations at Aon Environmental, 2005 to 2006
- Founded EnviroPro Consultants in 2006



Mark Knaack, MBA

Mark Knaack is a 27-year veteran of the environmental risk management industry. The first 10 years of his career he was an environmental scientist with Leggette, Brashears & Graham – one of the first firms to specialize in hydrogeology. Mark was

AIG's Business Development Leader for the national accounts from 2000-2004 and has since been Burns and McDonnell's Midwest regional manager for the oil and gas industry.

- Practicing environmental engineer with MBA in Finance
- Managing the Midwest region of Burns and McDonnell's oil and gas specialty unit in Houston, TX
- Expert in environmental remediation and in the history of environmental insurance products sold to transfer the environmental legacy risk of firms from 1997 to 2007
- Worked as a National Marketing representative for AIG Environmental from 2000 to 2004
- Pioneered the sale of the Environmental Protection Package (EPP) with focus on larger firms with known environmental legacy costs such as manufacturers and chemical companies
- Worked at an environmental liability buyout firm offering loss portfolio buyouts of contaminated property for a guaranteed fixed cost utilizing environmental insurance products to back the indemnity to the seller



7780 Elmwood Ave. Suite 130 | Middleton, WI 53562
877-735-0800 | www.armr.net

Other Expert Resources Available to ARMR Network

With our long tenure in the environmental risk management industry, we have developed strong ties to former colleagues who may assist us in our projects. From underwriting and brokerage executives to claims managers and corporate risk managers, we keep on retainer a substantial and diverse base of professionals who support any area, technical, temporal or geographic, that may need additional support.

Project Examples

- Expert for the plaintiff determining if underlying insurance policies were paid to the attachment point. *LIU International Underwriters v. Texas Brine*, November 2016
- Expert for the plaintiff in a denied claim involving environmental insurance on a brine storage pit. *Indian Harbor Insurance Company v. Texas Brine*, November 2016