

# REVOLUTIONIZING MITIGATION FINANCIAL ASSURANCE

NEW COST-EFFECTIVE, RELIABLE, MULTI-YEAR SOLUTIONS FOR COMPENSATORY MITIGATION FINANCIAL ASSURANCE OBLIGATIONS

## FEATURES

- ✦ Our products make significant improvements over all the traditional Financial Assurance instruments in use today.
- ✦ Our Financial Assurance products are provided by “A” or “A+” rated U.S. based insurance companies
- ✦ Specifically designed to comply with the Financial Assurances requirements detailed in 33 CFR 332.3. and later guidance documents prepared by the Institute for Water Resources of the U.S. Army Corps of Engineers
- ✦ Our Financial Assurance options have been designed for efficiency and ease of use by the stakeholders
- ✦ Available in every state for Mitigation Banks, In-Lieu Fee, and Permittee Responsible Mitigation projects

Financial Assurance Product Line	Collateral Requirements	Indemnity Required	Automatically Renewable beyond the original coverage term	Cannot be cancelled by the insurance company	Features
5-year Duration Performance Bond	None	Yes	Yes	Yes	Our new more reliable long-term bond avoids the annual risk of a non-renewal situation. Our extended duration bonds can easily replace existing annually renewable Financial Assurance Bonds on active projects at lower cost.
10-year Duration FA Insurance	None	Yes	Yes	Yes	This Financial Assurance insurance policy form is offered by an A+, U.S based insurance company and has already been approved for use in 11 Army Corps Districts.
10-year Duration FA Insurance	None	No	Yes	Yes	This insurance has been specifically designed to make it easy for a regulatory authority to approve the policy form as acceptable FA.
Insurance Package: 10-year Duration FA Insurance + Genuine Environmental Insurance	None	No	Yes	Yes	This environmental insurance package features a separate Financial Assurance insuring agreement and is the most cost-effective way to insure the environmental indemnity obligations incorporated into conservation easements.

**AFTER 12 YEARS OF RESEARCH AND DEVELOPMENT, WE SOLVED ALL OF THE INHERENT PROBLEMS ASSOCIATED WITH TRADITIONAL FINANCIAL ASSURANCE MECHANISMS.**

## **OUR MITIGATION FINANCIAL ASSURANCE BREAKTHROUGHS:**

- ✚ We offer four different multi-year Financial Assurance products with no collateral requirements! (Collateral=Opportunity Cost on Capital)
- ✚ We have two insurance products with no indemnity requirements.
- ✚ With non-cancellable coverage durations up to 10 years, the Financial Assurance for an entire project can be addressed in a One and Done solution.
- ✚ We can eliminate the risk of a project losing access to Financial Assurance mid-stream in a project life cycle, leading to a “game over” scenario for the mitigation services vendor’s company, even on projects meeting their milestones. (Automatic renewal ≠ Guaranteed renewal)
- ✚ Making a claim on an insurance policy does not impact the credit position of the purchaser.
- ✚ We can insure the Environmental Indemnity Obligations in Conservation Easements.
- ✚ Our insurance and bond options tap into state insurance regulations that address setting loss reserves (escrows) and paying claims. If the Financial Assurance is ever drawn upon, the same insurance regulations solve the problem of avoiding “constructive receipt of funds” for federal regulators.
- ✚ We avoid these inherent problems with LOC’s in the event of a Default:
  - ✚ The full amount LOC will be called in and placed in escrow, whether the full amount of the LOC is needed to cure a deficiency or not;
  - ✚ There are no set rules governing the use of funds or the release of any unused funds in the escrow. The escrow itself creates problems for Federal Regulators who must avoid constructive receipt of funds rules;
  - ✚ Once the LOC is called in at the sole discretion of the Regulatory Authority, the disbursed funds are due and payable to the issuer of the LOC; (Letter of Credit ≠ Line of Credit)
  - ✚ Once called in, the lender is not likely going to issue another LOC for the project or to the mitigation services vendor. Without access to new credit, it can be “game over” on the project and likely the vendor. The “game over” scenario for the mitigation vendor is not necessarily limited to the defaulted project.

*And the bottom line... Our suite of best-in-class mitigation Financial Assurance products are game-changers!  
Please contact us!*

In addition to the best options for Financial Assurance on mitigation projects, ARMR offers through a network of insurance brokers coast to coast, the customized business liability insurance packages that every mitigation firm needs, including General Liability, Professional and Environmental Liability insurance.

### **YOUR DEDICATED TEAM**

David Dybdahl  
CPCU, CIC, ARM, MBA  
dybdahl@armr.net  
608-836-9567



Dustin Helmenstine  
CIC, AINS  
helmenstine@armr.net  
608-836-0999