



RE: Rates and Commission Schedules/January, 2011

Environmental Surety can be the final piece of an overall comprehensive environmental solution for contractors that operate in the environmental marketplace. Chartis Environmental Surety brings the financial strength of the Commercial Insurance Group at Chartis, a group of companies whose financial ratings are among the highest of any insurance and financial services organization in the world, as well as the expertise of an organization that has been the leader in underwriting environmental risks for over twenty five years.

Specific to environmental surety, Chartis Environmental Surety specializes in the following contracting trades:

- Demolition
- Soil Remediation
- Dismantlement
- Waste Haulers

In accordance with Chartis Environmental's normal business practice, the Company's willingness to extend suretyship is based upon the following underwriting parameters:

- All bonds will be written on New Hampshire Insurance Company or The Insurance Company of the State of Pennsylvania paper. Your office will be provided with appropriate power of attorney to execute bonds.
- All states will receive our \$25.00/m flat (New Hampshire Paper) or \$15.30 per thousand sliding rate (ISOP) for contract and our filed rates for commercial business broken down by class. A list of exception states will follow for those States where ISOP will be used. Our Environmental Rider must be attached to all performance bonds written with environmental exposure. (Attached)
- An underwriting administration fee of \$10,000.00 will be applied to any account that does not generate a minimum surety premium of \$25,000.00 annually. Once the \$25,000.00 threshold is met, the administration fee will be refunded for that particular calendar year. New accounts will have the fee applied based upon an expected minimum premium projection derived from previously issued bonds.
- Chartis Environmental will negotiate commission on its surety writings based upon total account premium expected on an annual basis. This measure includes environmental insurance writings through Chartis Environmental.
- Closure/post closure and mine reclamation bonds will be entertained only with full collateral (cash or bank letter of credit on the CHARTIS form).
- We will not consider unsecured commercial financial guarantee bonds of any type.
- Our focus will be to consider construction projects with completion times limited to twenty-four months or less of duration. All multi-year hauling contracts must be annualized using our annual rider (attached).
- Our minimum tangible company net worth requirement for contractors is \$2,500,000.
- We currently can offer program limits of \$15/40mm- larger programs are available subject to underwriting approval.

ENVIRONMENTAL SURETY DEPARTMENT
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(215) 255-6186 Phone (215) 255-6536 Fax

We appreciate your business and will make every effort to provide you with the service you would expect from the leader in environmental risk management. Should you have questions with our approach to surety described above, please feel free to contact these individuals:

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