Twelve Equations For Energy People Who Like To Simplify Things

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Disclaimer

This underwriting guideline represents my opinion as a professional and is based on my understanding of the coverage, developed over 25 years of serving the renewable energy industry. You should always confirm my understanding by communication with your underwriter. If there’s a disagreement, that’s not proof that I’m right or wrong, it just illustrates the point that reasonable minds differ. Trust your gut. If you feel you have a good coverage argument, present it. There’s a decent chance your gut is right.

Non-Imputation Coverage

- The Created, Suffered, Or Assumed Defense +
- Bona Fide Purchasers For Value +
- Knowledge Parties +
- Indemnification =
- Don’t Name The Insured!!!!

Landco & Revenue Stream Transactions

- Motivation for the transactions +
- Policies based on land valuation -
- Improvements =
- Limited endorsement coverage!!!!!

Non-Real Property Interests

- Real property insurance +
- The Stewart Energy Franchise +
- An “interest” in the Land +
- The value of the endorsement set +
- The Laugh Test -
- Characterization insurance =
- We can probably figure it out

Search Parameters

- SUC approval +
- Mineral coverage +
- Old stuff +
- Technology considerations =
- Long enough –
- Patent search

Modified Zoning Coverage

- Existing zone –
- Energy use +
- CUP/SUP/Resolution/Recorded Doc/Note from Dr. –
- Zoning Letter –
- Terms of the document =
- Sensible zoning coverage – the stuff in 3a-e

BLM, BIA & Other Public Entities

- Public ownership =
- Special registries +
- Processing complications –
- Non-exclusive uses +
- Priority considerations =
- Difficult searches + special requirements – risk (maybe)

Policy Valuation

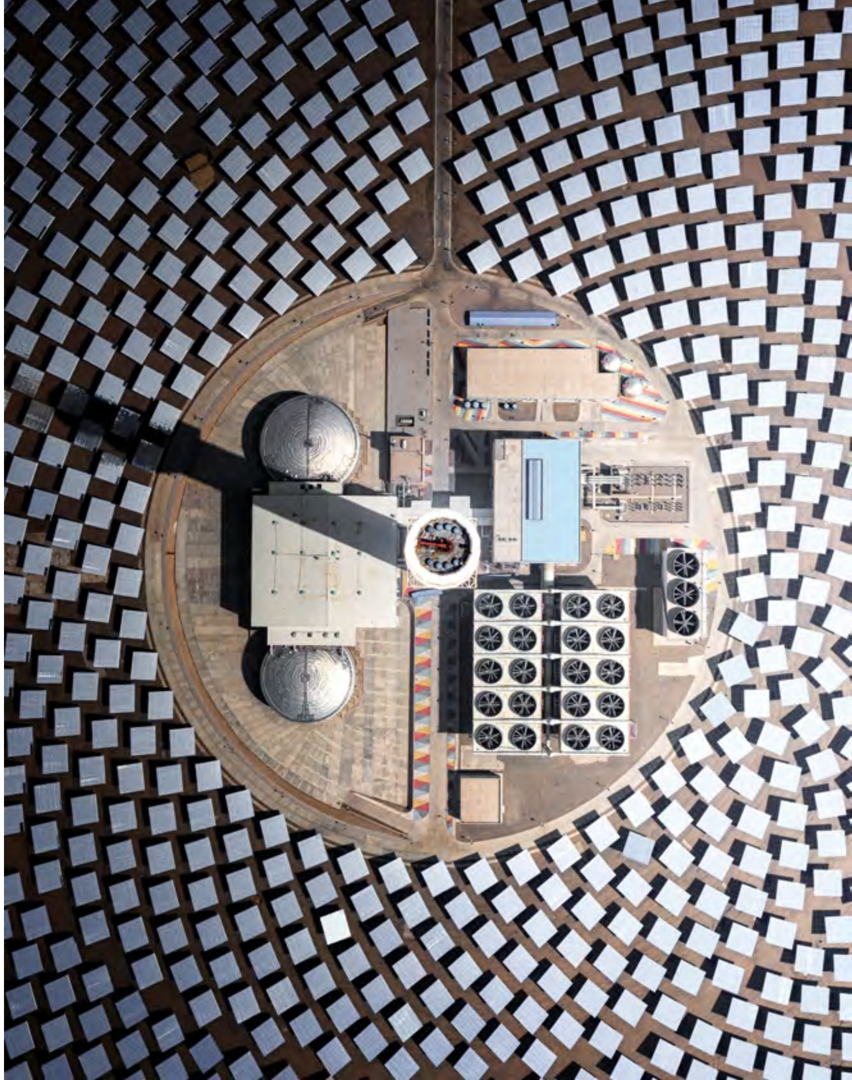
- The value of the estate insured (incl. improvements) –
- The highest possible loss +
- Future improvement coverage –
- PSAs +
- State law/guidelines =
- The responsibility to get it right!!!!!

Duplicative Coverage

- Chronological order +
- Special risks +
- Enron +
- The role of the energy endorsements +
- The discretion of the judge =
- Use the energy forms + Just Say No

Home Office Approval

- Special risks +
- Limited time +
- Painful experiences =
- Energy templates +
- Energy supplements =
- Bless You My Son (or daughter)



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Mineral Coverage

- Rural America +
- Everybody wants it +
- Technology spectrum (accommodation) +
- Mineral research projects +
- Economic infeasibility +
- Leverage principles =
- It ain’t easy peasy but we almost always get “there”

Weird Stuff

- A curious mind +
- Open-ended questions -
- Presumed knowledge +
- A giant elephant +
- Why not? +
- Where's the claim =
- Happy customers

Your Energy Group Role

- Unique risks +
- Explosive growth +
- Smart people =
- Translation & brokerage services –
- Knowledge presumptions =
- One big job split into pieces

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Thank You.

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