

249

INSURANCE CHECKLIST		File ID:
Facility / Instrument Information		Outstanding Issues / Follow-up
Operator Name: Future Gen Alliance		Face value of policy will be \$10M before drilling begins and will increase to \$100M before injection begins. "Effective Date" fields are blank as these dates are TBD. "Cost Estimate" field is blank because FutureGen's submitted cost estimate was significantly lower than EPA's estimated costs using the Cost Estimation Tool (\$6.1M versus \$14.7M-\$77.9M). These estimates may also change based on the final AOR decision. These final cost estimates are TBD. FutureGen has not provided a Certificate of Insurance, which is recommended by the Class VI FR Guidance.
Facility Name: Morgan County Class VI Wells #1, 2, 3, and 4		
Facility #: To be determined upon permitting		
Insurance Company: American International Group, Inc. (AIG)		
Policy Number: To be assigned once finalized		
Permit Type: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Area		
Permit ID: To be assigned once issued		
Coverage: Single or Multiple Wells		
Coverage Type: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Multiple		
Cost Estimate: <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required		
Well Class(es): <input type="checkbox"/> I Non-Hazardous <input type="checkbox"/> I Hazardous <input type="checkbox"/> II <input type="checkbox"/> III <input type="checkbox"/> IV <input type="checkbox"/> V <input checked="" type="checkbox"/> VI		
Number of Wells (# Date):		Original Revision Revision Revision
Cost Estimate (Value Date):		4 05/01/2013
Total Liability:		
Face Value:		\$10,000,000 \$100,000,000
Effective Date:		
Expiration Date:		
Face Value ≥ Total Liability: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		
<small>Total liability should equal the sum of the cost estimate and all other liabilities currently met using the insurance policy, including CERCLA and RCRA</small>		
Issuing Institution Qualifications		
Licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer in one or more state: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Notes: "Bond rating" below reflects financial strength rating. Has a rating of Baa in Moody's, and A- in S&P.		
Credit Rating (Value Date):		Original (Value Date) Revision Revision Revision
Bond Rating (Value Date):		a (AM Best) 2/20/2014
		A (AM Best) 2/20/2014
<small>Minimum bond and credit rating standards - Moody's (Aaa, Aa, A, Baa) or S&P (AAA, AA, A, BBB) S&P: www.standardandpoors.com FDIC www.fdic.gov Moody's: www.moody.com/</small>		
Instrument Provisions (Does the instrument meet the following provisions?)		
Specifies conditions for drawing on the instrument (e.g., failure to properly close and plug wells):		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Language consistent with Federal requirements/recommendations:		
Certificate of Insurance for Class I Hazardous 40 CFR 144.70(e) / Class VI FR Guidance:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Language consistent with form provided by regulatory agency:		<input type="checkbox"/> Yes <input type="checkbox"/> No
Policy specifies payment of funds in compliance with Miscellaneous Receipts Act (DI Programs):		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Additional Provisions or Further Description (Customize to regulatory agency and well type):		
Renewal: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No renewal provisions are included. EPA requested FutureGen to include the option for renewal pending a risk assessment by the insurance company.	
Release of Instrument: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Value Increase: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No provisions for increasing value of insurance policy. This would likely require renegotiation with the insurance company and issuance of a new policy, so this is not a concern.	
Bankruptcy: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No provisions in the case that the insurance company files for bankruptcy.	
Cancellation: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Cancellation provisions are included but do not comply with rule (90 days listed, should be 120 days notice).	
<input type="checkbox"/> Yes <input type="checkbox"/> No		
Accompanying Documentation (Does the file contain...?)		
<input type="checkbox"/> Certificate of Insurance	<input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Schedule of Covered Wells (names and locations)	<input type="checkbox"/> Other	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

File Review Information

Reviewer	Date of Review	Additional Notes
Jaime Rooke	03/11/2014	