

# **STANFORD RISK MANAGEMENT** **SERVICES, INC.**

**“Anticipating the Loss... Planning the Response”**

## **STATEMENT OF QUALIFICATIONS**



10 Thomas Road, Lafayette, New Jersey 07848-Tel: 973-383-3260-Cell: 201-463-3819  
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# **STANFORD RISK MANAGEMENT SERVICES, INC.**

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## **1.0 INTRODUCTION TO STANFORD RISK MANAGEMENT SERVICES**

**Stanford Risk Management Services, Inc. (SRMS)** offers a wide range of risk management services to public and private sector clients. **John J. Campanile**, the company’s principal, has provided loss control, insurance brokerage and risk management consulting services for more than 25 years.

Risk management is the first step in any insurance consulting practice. This service identifies risk and ways to reduce or eliminate it. Once risks are identified, the insurance consultant can then introduce available insurance risk transfer techniques to address the “insurable” gaps.

The placement of insurance is at the client’s pleasure. Our job is to develop insurance specifications that suit the client’s particular need. We have an ability to clearly identify risk and we are able to provide potential carriers, through brokers and/or direct writing insurance companies, a comprehensive understanding of your control measures to reduce and or prevent loss. This information is used by the underwriters in applying credits and reducing premiums.

Because we provide an unbiased opinion and independent recommendations, we are not influenced by carrier volume requirements and profit sharing agreements that can often influence the quality and content of the service provided to you by other consultants. The potential gain or loss of commission income never enters into our evaluation and decision-making process, thereby eliminating potential conflict of interest.

Our services are flexible. We can address your risk management/ insurance needs as your budget permits. Our business model allows for engagement on a per-project basis or an “on staff” basis if you would like us to provide you with ongoing input in your risk management process.

John's resume (attached) sets forth his unique background in loss control, insurance and the technique used to identify both insured and uninsurable exposures for clients.

### **Coverage Expertise**

Property  
Boiler & Machinery  
Highly Protected Risk  
Environmental Liability

### **Industry Expertise**

Industrial/Commercial property risk management  
Public sector risk management including Authorities  
Environmental consultants/contractors  
Environmentally challenged property transactions

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# **STANFORD RISK MANAGEMENT** **SERVICES, INC.**

## **“Anticipating the Loss... Planning the Response”**

Third Party Liability

Products Liability

Workers Compensation

Environmental claims coverage support

Bankruptcy case insurance and claims management

Industrial clients

### **Also**

Expert witness/ testimony

Claims coverage issues

## **2.0 STANFORD RISK MANAGEMENT COMMERCIAL RISK MANAGEMENT PROCESS**

**2.1 Site Visit Exposure Analysis**- We will conduct a site visit to aid in the identification of the operational exposures and controls at the Client’s location(s).

**2.2 Contract Review**- The majority of our time and expertise is spent in reviewing the various contracts, leases, bills of lading, contractor/subcontractor agreements, Site access agreements and other legal documents that detail the responsibilities of the parties and the allocation and required funding mechanisms for potential loss.

Critical to the assumption or allocation of the subject risks is the analysis of the need for the transfer. In most cases the allocation is a result of what is perceived as “Standard Practice”, however, leaving the allocation to normal business practices can result in an inadequate or unfulfilled transfer and costly legal litigation.

In order to allocate potential liability or loss it is essential that the exposures be understood and the intent of the parties are clear. Often the transferee may be in a better position to control the exposure, and if need be, secure insurance protection as a funding mechanism. In other cases the transfer may be justifiable and either uninsurable or cost prohibitive to insure. Once the exposure is identified then the negotiation of how to handle the particular exposure begins.

It may be as simple as having the FOB terms modified to be “FOB purchaser’s location” so that upon delivery the insurance for the location will pick up the exposure

In commercial transactions, parties seek to allocate risk by means of contractual assignment of rights, responsibilities and procedures. This is not as simple as merely transferring risk to a third party via an insurance contract.

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**2.3 Accounting Review**- Review of the balance sheet or other financial information to determine liabilities, potential loss of income, profit and continuing expenses. We will work with your accountant to complete the appropriate insurance forms and explain the accountant’s role in claim settlement under the business income coverage.

**2.4 Insurance Coverage**- Develop coordinated insurance coverage specifications to address the needs and deficiencies identified during the risk management analysis that are best handled through insurance transfer.

**2.5 Uninsured/Uninsurable Exposures**- Aid in the identification of uninsured or uninsurable exposures and develop alternate means of responding to loss by self-funding or contractually transferring liability to a third party.

**2.6 Insurance Bid Specifications**- Develop coordinated insurance coverage specifications to facilitate the third party transfer of risk using insurance products to qualified brokers and ultimately insurance companies.

Detailed insurance specifications for all lines will be developed and distributed to the prospective Brokers and insurers. In addition the specification will contain the elements of the risk management activities at the Client to demonstrate the Client’s commitment to aggressive risk management and provide all necessary underwriting information in one comprehensive package. Quality and comprehensive insurance submissions to potential insurers get the most attention and best cost saving results.

**2.7 Insurance Offering Analysis/Proposal Review**- Evaluate the subsequent offerings and identify which Insurance Company/Broker has offered the most cost competitive and comprehensive quotation for the commercial insurance incorporating the specifications previously provided.

**2.8 Coverage/Broker/Carrier Selection**- After the review of the proposals and insurance contracts the Client will be provided with a recommendation of which program best complies with the insurance specifications.

**2.9 Implementation**- Oversee the implementation of the new insurance company program and evaluate compliance with the specifications.

**2.10 Program Management**- Monitor the continuing service as respects daily servicing, claims service, loss control services and adequacy and timelines of loss information.

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**2.11 Claims Review**- Assist the Client in the submission, processing and evaluation of claims and identify applicable insurance coverage. The services objective is to aid the Client in securing payment for insured losses. Please note Stanford Risk Management Services Inc. is not licensed as a Public Adjuster nor does it provide such services. Our claims service is limited to claims reporting and identification of coverage under the policy forms.

**2.12 Claims Management**- Subsequent to filing of claim information to the carriers, Stanford will continue to “identify the coverage” in the policy to avoid claim denial. In the event of a claim denial we will be ready to defend our position, if necessary, via qualified legal counsel. Our goal is to have the claim paid smoothly or in the event of denial, have a file for the Client to support litigation which includes fact-finding, coverage analysis and company denial ready for delivery to counsel.

### **3.0 STANFORD RISK MANAGEMENT “BROWNFIELDS” RISK MANAGEMENT SERVICES**

**3.1 Introduction**- Obtaining an environmental insurance policy is unlike binding insurance of any other type. Typically, insurance coverage is purchased without question and without much thought: a property is purchased or sold, a call made to the insurance broker who binds coverage and the parties feel secure. This security exists regarding liability and casualty coverage and the secure feeling is well supported; however, environmental insurance coverage is entirely different and requires much more scrutiny and evaluation. Policies are infinitely more complex, property specific and risk managed (from the insurer's perspective). For a buyer or seller to truly be secure, binding environmental insurance to properly manage the risks requires an expert that represents their interests.

Experts in this field WHO REPRESENT BUYERS AND SELLERS are rare because many parties do not know the risks involved. Others rely on their attorneys who may not specialize in environmental insurance analysis. For those in the know, a call to our office is fundamental to prudent risk management. We specialize in all aspects of binding comprehensive insurance coverage to manage the risks associated with the purchase of contaminated or potentially contaminated property. Such policies require intensive analysis, comparison to the property-specific engineering and finally negotiation with the insurance underwriters to ensure that the risks of the parties are properly managed. Unlike traditional liability and casualty insurance, environmental insurance is very much a "caveat emptor" situation: if a party has not properly protected his interests, he will find that those interests have been left bare by the insurer.

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We work closely with insurance carriers to allow them to provide a more complete portfolio of insurance products to their customers. We have the capacity to place coverage with multiple environmental insurance carriers. In addition, we provide environmental insurance consulting that commences at the contract negotiation phase of the transaction. We analyze the contract to ensure that the risks assumed by the party we represent can be insured. We then have the capacity to retain environmental engineers, reviewing their analysis, interface with insurers regarding this analysis and finally negotiate and place insurance coverage that completely manages the property specific risk based upon this engineering and the contract terms.

**3.2 Preliminary Site Selection**- Under the “never too early” proviso, we can conduct a brief desktop review of available State and Federal environmental data to determine if the prospective site warrants further investigation by the Client. Often the major environmental issues are readily identifiable and the associated risks can be evaluated prior to the cost of a full “Due Diligence” investigation.

**3.3 Contract Of Sale Review**- Review the proposed contract of sale and work with the Clients designated attorney in coordinating all applicable contract provisions with environmental insurance policy provisions. This review will typically focus on:

- i) The allocation of liability retained by the Seller or assumed by the Buyer through the environmental hold harmless and indemnification provisions of the contract of sale;
- ii) The funding mechanism for the remediation for any identified and unidentified environmental conditions;
- iii) The funding mechanism for environmental third party claims.

**3.4 Environmental Assessment Review**- Work in conjunction with the Client’s environmental consultants and designated attorney in determining the method of presentation of the studies to prospective insurance carriers to achieve maximum coverage at minimal cost.

**3.5 Title Insurance**- If requested, coordinate the securing of Title insurance for the transaction through our associates. Upon receipt of the historic title information we will provide the background research information to your environmental consultant for the Preliminary Assessment report. Additionally we can utilize the historical information to identify possible liability assumptions running with the land as well as identify prior owners that could facilitate accessing prior insurance policies that may offer limited environmental coverage.

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**3.6 Environmental Insurance Brokerage**- Our brokerage operation is now limited to environmental insurance placement as part of the overall Brownfields risk management process where the complexity of the transaction requires direct negotiation with the parties to a contaminated property sale and the insurance underwriters.

## **4.0 STANFORD RISK MANAGEMENT “INSURANCE ARCHEOLOGY” SERVICES**

Our firm, as a result of our participation in Brownfields redevelopment, has been instrumental in conducting insurance archeology research and identifying historical coverage for our clients. The benefit of this effort is the identification of historic liability policies that were in place prior to the introduction of broad pollution exclusions in the newer policies that essentially eliminated the environmental coverage that was available in the older policies.

With proper documentation it is possible to file claims against the various carriers for the period of the pollution exposure and have the cost of the claim allocated to the prior carriers based on their percentage of coverage over the period in question. As these environmental claims tend to be very costly, the effort to identify the historical carriers can be well worth the effort of identifying the policies.

**Insurance Archeology**- If requested, provide investigatory services to aid in insurance coverage identification including and not limited to:

- a. **Legal Document Review**-We will review all provided legal documents to aid in the identification of the history of the site, its ownership and occupancies to aid in the identification process. The review may include and not be limited to:
  - i. The most current site title information
  - ii. US SEC Filings for company history reconstruction.
  - iii. Leases, contracts of sale, sales and distributor contracts.
- b. **Records Search**-We will search available record rooms or archives to aid in the identification of documents that may be useful in policy coverage identification.
- c. **Insurance Carrier Investigation**- We will contact carriers who we have determined may have provided coverage for the periods in question in an effort to additionally identify available coverage.

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- d. **Historical Policy identification**- We will work with you or your designated persons (insurance brokers, accountants, lawyers etc.) to aid in the identification of historical insurance policies or other evidence of coverage for policies that pre date the current policies with contain pollution exclusions.
- e. **Industry Association Review**- We will work with you to identify possible industry association participation in group program insurance that may have been offered in the past. These programs tended to be more comprehensive and the archival information may be more readily available from these sources.
- f. **Carrier/Limit XL Spreadsheet Analysis**- We will draft an analysis with the identification of carriers and available limits for the period in question. All results will be provided to your chosen attorney for pursuit of coverage with the various carriers.
- g. **Responsible Parties (RP's)** - As part of our research we will review Title information for the site to aid in the identification of other possible RP's who may have additional insurance coverage that may be available.

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## **5.0 CURRICULUM VITAE FOR JOHN J. CAMPANILE PRESIDENT, STANFORD RISK MANAGEMENT SERVICES, INC.**

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Lafayette, New Jersey 07848-4400  
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E-mail: [John@srms.com](mailto:John@srms.com)

### **Education**

Bachelor of Science-Business Management-Graduated Cum Laude  
Farleigh Dickenson University 1980

### **Military Service**

1974-1978 United States Coast Guard - Federal Law Enforcement  
Boarding Officer, Member Oil Pollution Strike Team,  
Small Boat Search and Rescue/Firefighting and boat engineer.

1978-1980 Hoffman-La Roche Pharmaceuticals, Nutley NJ - Pipe fitter for General and Fire Protection Sprinkler Systems.

### **Professional Experience**

1980-1983 Entered the Insurance Industry with Liberty Mutual Insurance Company the largest carrier of workers compensation and one of the largest commercial insurance carriers in the country in the Loss Control (Safety Engineering) Department designated Loss Control Consultant-Property.

1983-1984 Obtained NJ Property Casualty Insurance License. Transferred to Liberty Mutual Business Sales to learn sales process and business insurance coverage issues.

1984-1987 Arkwright-Boston Insurance Company (now known as Factory Mutual Property Insurance). FM is the largest Highly Protected Risk (HPR) property insurance carrier in the world. Received advanced training in fire protection engineering and policy coverage and claims adjusting for HPR property clients.

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1987-1988 ALR Risk Managers, a regional brokerage firm dedicated to larger commercial companies. Began training in the independent agency system in conjunction with providing risk management coverage and claims support services to larger clients.

1988-1995 Pilgrim Insurance Agency specialized bonding and insurance dedicated to the construction industry. I worked in the contractor insurance arena and bond segment while developing risk management programs for their construction and non-construction clients.

1995-1997 D & G Sayles Corp. as a Partner with this local broker. Pursued both risk management and insurance products for clients on both a commercial and personal lines basis.

1997-present President and founder of Stanford Risk Management Services, Inc. Established this company to focus on pure risk management consulting including claims coverage issues, contract reviews, bonding issues, property issues, and overall enterprise risk management program development for both construction and non-construction clients.

### **Highlights Of Professional Career**

- Handled coverage specifications for various municipal and private entities with special emphasis on loss exposure analysis and subsequent policy language modifications to facilitate claims settlement.
- Coordinated the contracts of insurance with the legal documents such as; Leases, Contract of Sale, Redevelopment Agreements, contractor and subcontractor, service and distribution agreements.
- Provided Land Title review for liability assumption or transfer that runs with the land. Examples include easements, releases and hold harmless and indemnification agreements and coordinated funding mechanisms for assumed liabilities.
- Facilitated contractual legal liability transfer from the clients to others via contractual hold harmless and indemnification language.
- Provided insurance and non-insurance mechanism specifications for funding of the various indemnification and hold harmless provisions in the contracts.
- Forensic (generally in the environmental arena) investigation and identification of historical carriers and coordinated claim submission and coverage identification in the forms ultimate payment by the carriers.

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- Expert witness in property/boiler and machinery claims for both physical damage and business interruption. One claim settled for approximately \$650,000 and the total claims paid exceeds \$3,000,000.

## **Partial client/referral base:**

Angelo Morresi, Esq., P.E  
Borough of Palmyra,  
Ciardi, Ciardi & Astin, P.C.  
City of Perth Amboy  
Excel Environmental Resources, Inc.  
Federal Bronze Casting Industries  
Hanover Sewerage Authority

Maraziti, Falcon & Healy  
McManimon & Scotland  
Mechanical Service Corp  
National Fuel Oil  
Passaic County Economic Redevelopment Authority  
Pequannock River Basin Regional Sewerage Authority  
State of NJ-Office of Brownfields Reuse

## **Professional Designations**

CRIS-Construction Risk Insurance Specialist

## **Appointments**

Commissioner Passaic County Brownfields Commission,  
Member, Paterson Environmental Redevelopment Commission  
(Chairman Paterson Historic District Brownfield’s Redevelopment Area)