

ENVIRONMENTAL LIABILITY MITIGATION FOR THE BAKKEN



WILLISTON BASIN PETROLEUM CONFERENCE

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LEGACY
RISK SOLUTIONS

Introduction



- LEGACY Risk Solutions, LLC
 - Environmental Risk Management Consultants
 - Wholesale Insurance Brokers
- Ken Elliott
- Michael Herrmann

Presentation Overview

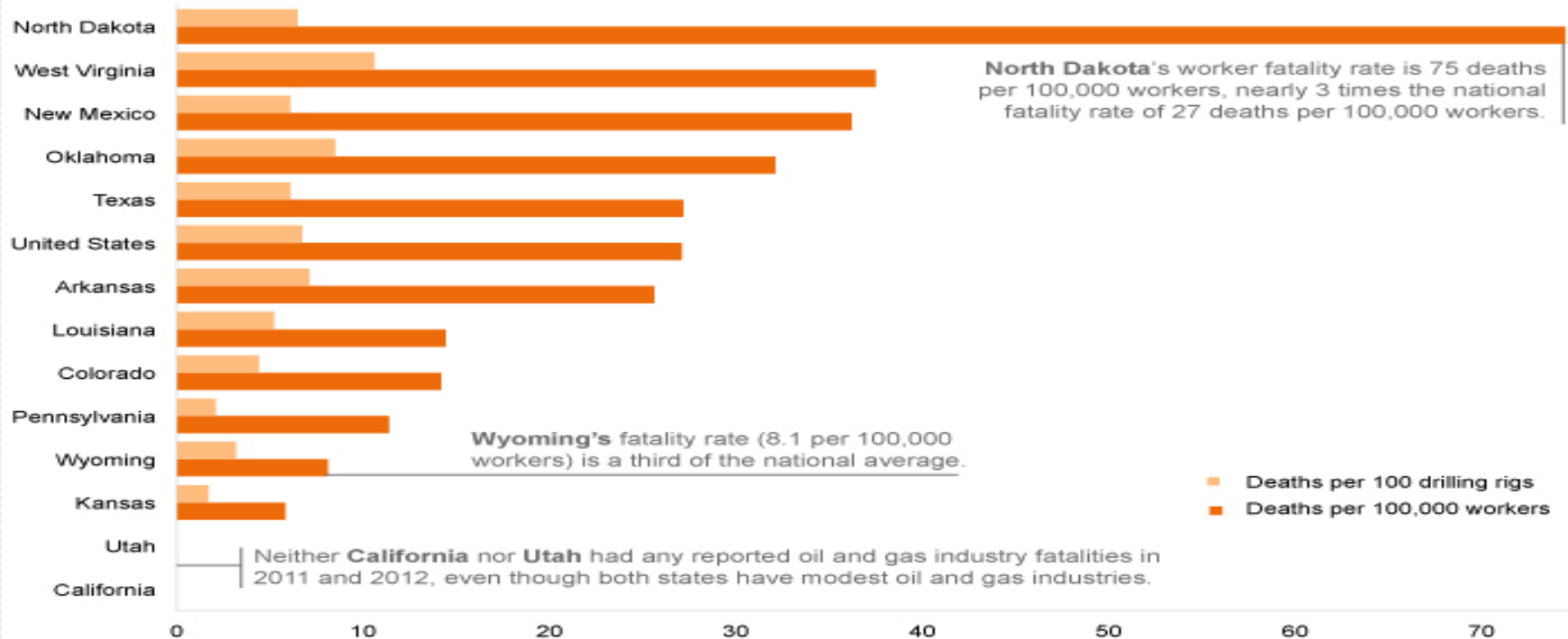


- Danger in the Bakken
- Recent Pollution Events in the Bakken
- Recent Transportation Incidents
- Who's Liable?
- Environmental Risk Management Strategies
- Closing and Questions

Danger in the Bakken



Where Is The U.S. Oil And Gas Industry Most Dangerous?
Oil and Gas Workplace Fatality Rates by State, 2011-2012



This graph shows the annual oil and gas workplace fatality rate, averaged over the two-year period 2011 to 2012, per 100,000 workers and per 100 active rotary rigs. Oil and gas workplace fatality rates are difficult to calculate at the state level because fatality counts are small and the number of workers and drilling rigs fluctuates constantly.

Data Sources: Bureau of Labor Statistics Census of Fatal Occupational Injuries; U.S. Census Bureau County Business Patterns; Baker Hughes Active Rotary Rig Count



JORDAN WIRFS-BROCK / INSIDE ENERGY

Recent Pollution Events in the Bakken

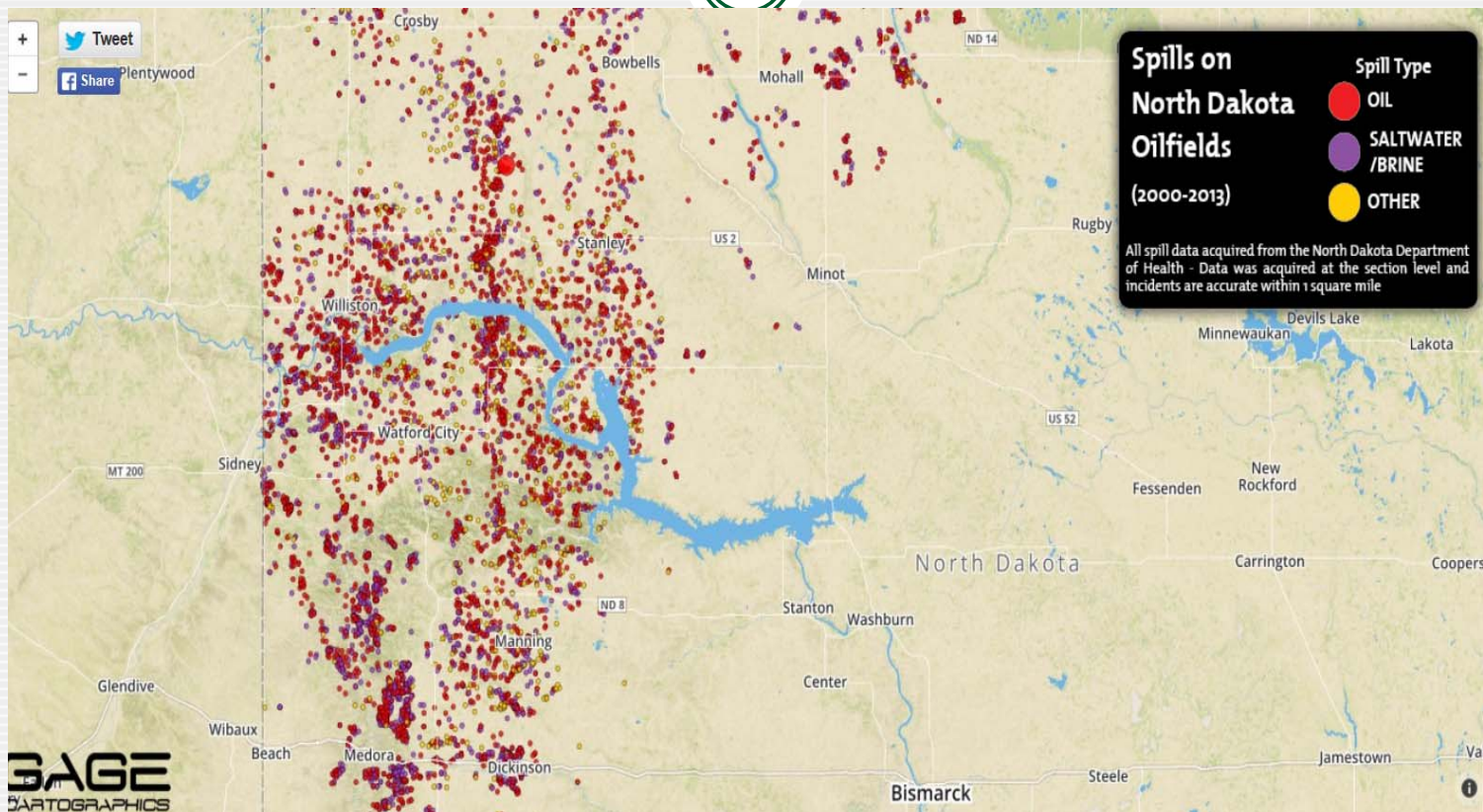


Bridger Pipeline's Oil Spill On The Yellowstone River

**More Than 300 A Year: New
Analysis Shows Devastating
Impact of Pipeline Spills**

**Unprecedented Reporting by
Responsible Parties
Documenting Known
Releases.**

Recent Pollution Events in the Bakken



There were at least 7,662 spills, blowouts, leaks and other mishaps in 2013 in 15 top states for onshore oil and gas activity, according to an *EnergyWire* analysis of state records. That's up from 6,546 in the states where comparisons could be made ([EnergyWire](#), July 8, 2013). That averages over 20 spills a day.

Recent Pollution Events in the Bakken

Home / Energy / 3 killed in oil field accident in Upton County



Photo Courtesy: NewsWest9.com

3 killed in oil field accident in Upton County

🕒 24 hours ago

Recent Transportation Incidents



FILE-This aerial Feb. 17, 2015 file photo photo made available by the Office of the Governor of West Virginia shows a derailed train in Mount Carbon, WVa. As investigators in West Virginia and Ontario pick through the wreckage from the latest pair of oil train derailments to result in massive fires, U.S. transportation officials predict many more catastrophic wrecks involving flammable fuels in coming years absent new regulations. (AP Photo/ Office of the Governor of West Virginia, Steven Wayne Rotsch,File)

AP Exclusive: Fuel-hauling trains could derail at 10 a year

Who can be held liable for pollution events?



- Types of Liability
 - Bodily Injury and Property Damage
 - Cleanup Liability
 - Other Legal Liability



Who can be held liable for pollution events?



- Operators
- Well Field Service Companies
- Contractors - Primary and Subcontractors at all tiers
- Consultants and Professionals
- Pipeline Owners and Operators

Environmental Risk Management Strategies



- Components of Environmental Risk Management

- Risk Identification

- Risk Avoidance

- Risk Mitigation

- Risk Transfer



Risk Management Strategies



- Implementing a Proactive Environmental Risk Management Strategy
 - Environmental Risk Analysis and Identification
 - Environmental Health and Safety
 - Environmental Awareness and Contingency Planning
 - Environmental Insurance to Achieve Risk Transfer

Risk Management Strategies



- Environmental Insurance Specific to your Business and Exposures
 - Operators
 - Contractors
 - Consultants



Closing and Questions



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LEGACY Risk Solutions, LLC is a wholesale insurance brokerage and risk management consulting firm focused on assisting our clients to assess, manage and insure *Environmental Liabilities*.

LEGACY was founded by experienced environmental professionals and underwriters with a focus on assisting our retail brokerage partners to characterize and underwrite accounts with environmental exposures, and place Pollution Liability, Environmental Package, and Professional Liability coverage for their customers.

