

Wisconsin Develops New Insurance Program For Brownfields Cleanup

MADISON – Wisconsin has a new tool to promote the voluntary cleanup and redevelopment of abandoned or underused contaminated properties known as "brownfields."

The Wisconsin Brownfields Insurance Program (WBIP) will enable developers, businesses and local governments and other parties involved in cleaning up contaminated properties to obtain insurance, which will help manage risks for unplanned expenses related to brownfields redevelopment.

The program was developed by the Wisconsin Department of Natural Resources (DNR), the Department of Administration's (DOA) Bureau of State Risk Management, and the state's insurance broker. The insurance policies are underwritten by AIG Environmental.

"This new insurance tool will mean more cleanups and redevelopments for Wisconsin communities," said Mark Giesfeldt, bureau director for the DNR's Remediation and Redevelopment (RR) Program. "Our goal is to encourage private investment so we can return these eyesores to the tax rolls and bring jobs to our communities."

Giesfeldt added that the new program takes advantage of a more receptive market for insuring contaminated properties, and provides several advantages to aid private parties in brownfields reclamation, including lower cost premiums, coverage for on-site and off-site contamination, and a streamlined underwriting and negotiation process.

The state selected AIG Environmental to underwrite this program through a competitive process, and businesses, developers or local governments can work with any insurance broker to obtain insurance coverage through the WBIP.

"People who get the insurance will get a premium discount and an affordable transaction rate. The program allows parties to obtain insurance coverage at less cost than they could normally obtain in the general marketplace," explained Giesfeldt.

The program was recommended by the Brownfields Study Group, a statewide citizen advisory task force, and passed by the State Legislature in 2003. It builds on Wisconsin's first brownfield insurance program – and one of the first in the nation – created in 2000 to allow parties to obtain insurance at brownfield sites using natural attenuation as a remedy.

"Wisconsin continues to be a national leader in providing brownfields cleanup and redevelopment tools for communities and private developers," said Giesfeldt. "We're one of a handful of states that offer viable insurance options for brownfields, which in turn provide a level of comfort needed to encourage parties to clean up blighted areas."

FOR MORE INFORMATION CONTACT: Michael Prager, 608-261-4927, michael.prager@wisconsin.gov, or check out the RR Program's new web page on the WBIP at: dnr.wi.gov/org/aw/rr/rbrownfields/wbip.htm.

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