

ALPHA RISK MANAGEMENT

SERVICES

Alpha is a risk management/insurance consulting firm; we are not engaged in the sale of insurance. Formed in 1973, the firm has offices in Long Island and Montreal. We have served clients throughout the United States, Canada and Europe in the following industries:

Real Estate

Clients with an aggregate of more than 450 million square feet and have included:

- 250 major office buildings, including the Empire State Building, the IBM Building, the General Motors Building, and the Seagram Building
- 200 regional malls, 780 community/strip centers
- 325,000 apartment units
- 20 luxury and 180 mid-range hotels
- Industrial facilities, warehouses, farmland

Commercial and Industrial Companies

- The largest convenience-food warehouse and distribution network in the United States – over \$5 billion in revenues
- Steel manufacturer
- Rail car and wire cable manufacturer
- Construction equipment manufacturers
- Multinational telecommunications equipment manufacturer
- Second largest dairy producer in Canada

Banks

We represent a number of multinational banks in regard to their real estate and construction finance activities in America. Total loans on which we have assisted exceed \$55 billion. The various banks have their headquarters in:

- | | | |
|----------|-----------|---------------|
| - U.S. | - France | - Japan |
| - Canada | - Germany | - Switzerland |

Major Construction Projects

- \$1.3 billion airport expansion
- \$340 million regional mall-OCIP
- Rolling Wrap-up for 5 construction projects
- Cornerstone replacement - Empire State Building

Familiar Names

- Montblanc luxury products
- Topps baseball cards
- The Collegiate School
- Princeton University
- Regis hair salons

When the scaffolding collapsed from the Conde Nast Tower in Times Square, the lead bank called us in to evaluate the adequacy of coverage for all parties including the owner, the general contractor/construction manager and the outside professionals. When the bricks fell off a Madison Avenue building, we were called in for a similar analysis for Harry Macklowe.

The Four Seasons Hotel in Nevis, West Indies, sustained over \$72 million in damages as a result of Hurricane Lenny. Their lender appointed Alpha as the clearing authority to release insurance checks after verifying appropriate documentation, and subsequently the owner retained Alpha as consultant on their extensive holdings of luxury hotels.

Services Provided:

- Evaluation of existing insurance programs:
 - Financial strength of insurers and licensing
 - Adequacy of limits carried
 - Broadness of protective clauses
 - Deductibles, retentions, total costs
 - Need for specialty coverages
 - Self insurance
- Insurance policy review and critique:
 - All-Risk Property
 - Terrorism
 - Boiler & Machinery
 - Transit, Ocean Marine
 - Employee Dishonesty, EFT, Computer Theft
 - Automobile
 - Workers Compensation
 - Umbrella Liability
 - Bonds
 - Construction Managers E&O
 - Design Team E&O
 - Real Estate Management E&O
 - Professional Liability
 - Directors & Officers
 - Pollution Legal Liability
 - Specialty coverages
- Provide ongoing advisory services regarding:
 - Group medical/dental
 - Life insurance
 - Long-term disability
 - Travel accident
 - Executive perks
 - Retirement plans
- Preparation of comprehensive coverage specifications as part of complete underwriting package; supervision of professional competitive bidding efforts among brokers, agents, and direct writers.
- Evaluation of internal Insurance/Risk Management administration and organization as well as outside service providers.
- Contract language and Certificate of Insurance programs to transfer liability to others.
- Records retention; formulation and implementation of disaster recovery programs.
- Assistance at time of loss; guidance in preparation of Proof of Loss; and assistance with settlement negotiation.
- Safety and loss control programs - General Liability, Workers Compensation, Fleet Safety, Employment Practices, Directors & Officers.
- CAM audits.
- Claims management program review to ensure that appropriate steps are in place to minimize unnecessary cost and litigation. Detailed periodic claims review designed to reduce reserves and future premiums
- Lease pointers from a risk management point of view.

***SPECIFIC SUPPORT SERVICES FOR CONSTRUCTION PROJECTS
PROVIDED BY ALPHA RISK MANAGEMENT, INC. TO OWNERS AND LENDERS***

- Work in concert with the owner's attorneys, management, and construction team from the project's conceptual stage through completion and occupancy to assure that the owner's interests are protected before, during and long after project completion. This focuses on contract language, especially transfer of risk to others.
- Design insurance specifications for the project to ensure adequate insurance coverage is provided by construction managers, general contractors, subcontractors and design professionals .
- Review and negotiate with insurers and brokers to obtain the best coverage terms and conditions. Includes OCIP, Design Team Errors & Omissions coverages, Builders Risk, Pollution Liability coverages, and Bonding.
- Establish a certificate of insurance program to transfer liability to others and assist the owner in administering the program.
- Consult with the owner on the establishment of a comprehensive job safety program to minimize loss and its associated cost.

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