

A risk profile is a structured management tool for identifying the various exposures associated with an operation. Typically, a risk profile will encompass a review of an organization's operations with a focus on administrative strategies / protocol for reducing or managing particular risks. Environmental risk should not be exempt from this process. In fact, many organizations create stand-alone Environmental Risk Profiles (ERPs) to specifically address the area of environmental liability. This process adds to an organization's ability to systematically identify environmental risk and effectively manage it. Below is an excerpt from an ERP for Airports, which identifies some major exposures. A completed ERP can show the impact such exposures can have on the organization, as well as the risk management strategies available.

Airports confront environmental liability every day. Specifically, they face environmental exposures in three major areas: operational, transportation, and disposal liabilities. Each area must be explored to identify risks that may expose the organization to environmental liability. This hypothetical ERP identifies some of the major exposures and associated claims.

EXPOSURES

OPERATIONAL EXPOSURES

- Liability arising from both on- and off-site historical use, such as improper disposal, underground tanks, residual contamination from small leaks or spills, etc.
- Liability associated with local or regional soil / groundwater contamination, regardless of the source of contamination.
- Environmental liability assumed in acquisition and divestiture of property.
- Large parcels of undeveloped property tend to have fewer environmental issues. As a result, many times, there are poor or inadequate records of activity on those lands. Phase I environmental assessments are cursory reviews of the site with a "walk-through" of the property to physically identify issues. Environmental reports might not identify illegal or "midnight" dumping of waste or materials on these lands. The contamination may only be revealed during development.
- Errors and omissions in environmental site assessments, especially Phase Is due to their limited scope of work, can lead to unidentified underground structures or contamination.
- Residual contamination of soil / groundwater from the use of hazardous and non-hazardous materials. Simple, non-reportable spills that go unaddressed can lead to greater first- and third-party environmental claims.
- Air emissions containing Volatile Organic Compounds (VOCs), carbon dioxide and nitrous oxides, causing ozone depletion.

CONTACT

RT ECP | 2465 Kuser Road, Suite 202 | Hamilton, NJ 08690
Phone: (609) 298-3516 | Fax: (609) 298-6254 | Email: rtec@rtspecialty.com
Or contact your local RT Specialty Broker.
rtspecialty.com

EXPOSURES (CONT'D)

- Improperly maintained polychlorinated biphenyls (PCB)-containing equipment and transformers. PCBs tend to be fairly immobile in soil; this may lead to surface contamination at and beyond property boundaries.
- Improper housekeeping and preventive maintenance resulting in residual contamination.
- Inadequate underground and aboveground tank / pipeline inventory and / or management programs can lead to groundwater contamination.
- Malfunction of oil / water separators releasing petroleum contaminated water into bodies of water or waste streams.
- Natural Resource Damages, resulting in substantial costs for state- and federal-mandated cleanup requirements and potential fines.
- Release of product from pipelines, resulting in soil and groundwater contamination.
- Use of (Per- and Polyfluoroalkyl Substances (PFAS) chemicals in firefighting foam.
- Improper storage, resulting in release of:
 - Acids / alkalines
 - Compressed gases, including cyanide and hydrogen chloride
 - Diesel fuel and lubricant oils
 - Flammable paints and solvents
 - Glycol (de-icing agent)
- Environmental conditions in existing buildings:
 - Asbestos-containing materials
 - Lead-based paint in older structures
 - Fungi / mold problems causing poor indoor air quality.
- Inadequate stormwater runoff protocol / response / controls resulting in soil or groundwater contamination.
- Contractors performing work at airports can create adverse environmental conditions (see General Construction ERP)

TRANSPORTATION EXPOSURES

- Spills during loading / unloading and jet refueling operations on site.
- Spills of contents (e.g., fuel, product, equipment maintenance fluids, process materials, etc.) during transport.
- Fuel / oil spills / leaks from vandalism during transport.

DISPOSAL EXPOSURES

- Inadequate disposal of waste from on-site treatment operations.

AIRPORTS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Airports. A complete ERP can be added to provide a detailed profile: reference documents, website links, details on prior claims / incidents and the organization's response.

A complete ERP can be used to help risk and insurance managers better identify, manage, reduce and even eliminate the organization's exposures to environmental liability and the related costs.

EXPOSURE	IMPACT ON ORGANIZATION	RESPONSIBILITY	RISK MANAGEMENT TECHNIQUE	PRIOR INCIDENTS
OPERATIONAL EXPOSURES: 1. Inadequate underground tank management program	<ul style="list-style-type: none"> Liability associated with contamination as the current owner of property. Possible Superfund liability. Third-party property damage as a result of contamination emanating off-site. Costs associated with remediation / cleanup. 	<ul style="list-style-type: none"> Site manager, legal counsel, environmental manager or risk manager 	<ul style="list-style-type: none"> Environmental insurance to protect from liability associated with on- and off-site contamination. Establish effective groundwater monitoring system to detect issues before they become extensive. Product inventory program to detect anomalies in product amount / levels. Installation of new state-of-the-art double walled USTs with interstitial monitoring systems. 	<p>This small regional airport maintained several USTs. Protocols failed to detect a slow leak in one of the tank's piping systems for many years. During replacement of the tank, it was determined that the long-time leak resulted in extensive soil and even groundwater contamination. Costs associated with the on-site cleanup alone reached the \$1,000,000 range.</p>
TRANSPORTATION EXPOSURES 1. Refueling vehicles				
DISPOSAL EXPOSURES: 1. Non-owned disposal sites				