

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 Electrical Contractors, 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.

Contractors confront environmental liability every day. Specifically, they face environmental exposures in four major areas – job site operations, owned or leased properties, transportation, and disposal liabilities. Each area must be evaluated to identify risks that may expose the firm to environmental liability. This example of an ERP excerpt identifies some of the major exposures and associated claims.

EXPOSURES

OPERATIONAL EXPOSURES

- Heating, ventilation, air conditioning (HVAC) construction and / or maintenance errors, causing release of airborne bacteria, mold, fungus or carbon monoxide, or mold growth from water intrusion or moisture encapsulation.
- Responsibility for damages and / or pollution releases arising from power cut off on client's facility pollution control equipment, fire sprinkler systems, electronic monitoring devices, etc.
- Improper handling of mercury in utility meters, resulting in release of mercury from meters or thermostats in or on homes and other residential / commercial structures.
- Release of equipment lubricant oils and other fluids due to improper or inadequate storage.
- Release from improper or inadequate storage of on site fuel tanks.

- Vicarious exposure from subcontractors on site performing both environmental and non-environmental work.
- Inadvertant disturbance of pre-existing contamination / product (see Construction Firms Environmental Risk Profile)

OWNED PREMISES EXPOSURES

- (maintenance garages, offices, etc.)
- Leaking underground / aboveground storage tanks.
- Residual contamination from minor spills of oils, fuel, lubricants, etc., and poor housekeeping during maintenance operations.
- Leaks from vehicles and / or equipment stored on premises.

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EXPOSURES (CONT'D)

- Surface contamination from fuels and lubricants stored improperly (without secondary containment).
- Improper disposal of waste materials.
- Unidentified, pre-existing contamination from past owners of the premises.
- If the firm owns commercial structures or habitational structures, there is a major exposure from mold growth. Mold could result from construction defect, inadequate maintenance from both property manager and / or occupant, poor HVAC systems etc.

TRANSPORTATION EXPOSURES

- Resulting pollution from collisions with various structures (e.g., pole mounted transformers, aboveground tanks, etc.).
- Fuel / oil spills / leaks from vandalism.

DISPOSAL EXPOSURES

- Superfund liability for the inadvertent disposal of waste materials.
- Improper disposal of waste on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials.

ELECTRICAL CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Electrical Contractors. 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. Damages resulting from power cut off.	<ul style="list-style-type: none"> Financial impact to remediate resulting pollution conditions. Liability associated with third party bodily injury and / or property damage. 	Project manager, corporate safety officer, on-site personnel or environmental manager / personnel.	<ul style="list-style-type: none"> Self-perform initial environmental insurance for both subcontractors and the firm for resulting liability and clean up costs. Employee education on proper safety measures. 	One of the firm's employees accidentally cut off power to the building's fire sprinkler system. Another on-site subcontractor started a fire, which was exacerbated by the failure of the sprinkler system. This created a dangerous build-up of toxic fumes released by burning plastics, furniture, fixtures and light ballasts, and respiratory injuries to bystanders. Extensive bodily injury damages and the cost to remediate was in the millions of dollars.
OWNED PREMISES EXPOSURES:				
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				

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