RT ENVIRONMENTAL & CONSTRUCTION PROFESSIONAL

ENVIRONMENTAL RISK PROFILE

FIRE & WATER RESTORATION CONTRACTORS

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 Fire & Water Restoration 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.

Fire & Water Restoration Contractors confront environmental liability every day. Specifically, they face environmental exposures in four major areas: operations, owned premises, 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

- Inadequate ventilation plan either devised before or completed during operations, causing release or exacerbating the extent of airborne mold, bacteria or carbon monoxide accumulation.
- Fumes, emissions and spills from chemicals (volatile organic compounds) applied during restoration or renovation (finishers, sealants, curing compounds, floor coatings, adhesives, etc.), causing respiratory hazards.
- Over-application of deodorizing detergents and solvents during water restoration resulting in inhalation hazards.
- Leaks / accidental punctures around pipelines or utilities, causing release of fumes or spills.
- Improper application / mixing of cleaning solutions resulting in hazardous vapors and subsequent evacuation of building or project site.
- Improper handling of waste material on project site including ash residue.
- Incomplete or improper remediation of a structure, exposing residents to mold.
- Misidentification of mold or bacteria in structure prior to demolition.
    - In the event total demolition does not take place, the part of the structure not demolished is exposed to the "elements," resulting in potential water intrusion and resulting mold growth.
    - "Re-growth" of mold as a result of not addressing potential structural changes needed to reduce / remove moisture and / or water intrusion.
    - Over-application of solutions used to remove mold, resulting in inhalation hazards.

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EXPOSURES (cont'd)

    - Development of mold due to improper drying & dehumidification or improper emergency water extraction

- Inadvertent disturbance of pre-existing contamination / product during clean up including:
    - Asbestos-containing materials (ACM)
    - Naturally occurring asbestos
    - Lead paint
    - Contaminated soils, surface or groundwater.
- Exhaust or discharge of equipment such as ozone machines or air purifiers
- Release from improper or inadequate storage of containers containing cleaning solutions.
- Release of cleaning solutions from tanks / drums as a result of vandalism.
- Silica dust from demolition of a building damaged beyond repair after a fire creating an airborne hazard

OWNED PREMISES EXPOSURES

(maintenance garages, fabrication shops, offices. etc.)

- Residual contamination (of cleaning solutions) from minor spills or poor housekeeping during regular property maintenance
- Improper disposal of waste materials on the premises.
- Unidentified, pre-existing contamination from past owners of the premises.
- Residual contamination from spills of cleaning solvent due to use of premises.
- Leaks from vehicles and / or equipment stored on premises.

TRANSPORTATION EXPOSURES

- Inadvertent transport and subsequent disposal of unknown contaminated waste / material.
- Spills of contents (e.g., cleaning solution, waste) during transport.
- Resulting pollution from collisions with various structures (e.g.,pole mounted transformers, above ground tanks, etc.).
- Fuel / oil spills / leaks from vandalism.

DISPOSAL EXPOSURES

- Superfund liability for the inadvertent disposal of waste materials or unknown contaminated debris.
- Vicarious liability from subcontractors that transport and dispose of waste materials such as appliances, plastics, and / or furnishings ruined by acid, discoloration, corrosion, etc.
- Improper disposal of uncharacterized waste materials at disposal sites
- Disposal liability as result of chemicals utilized for restoration

FIRE & WATER RESTORATION CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Fire & Water Restoration 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. Mold / bacteria exposure caused by water intrusion or moisture accumulation**	• The liabilities associated with claims can have a negative impact on a contractor's financials, reputation and can be costly and time consuming to manage	• Risk manager, employer, onsite personnel	• Employee education on safety and proper handling of microbial matter • MSDS to identify hazardous substances used in the removal of mold growth. • Use of non-hazardous alternative products. • Environmental insurance for both subcontractors and the firm for resulting liability and clean-up costs.	Improper remediation lead to a law-suit by homeowner. It was alleged that the firm exacerbated the mold growth in the home resulting in respiratory issues for the residents. Although the suit was successfully defended the firm paid $100,000 in defense cots alone.
OWNED PREMISES EXPOSURES: **1. Maintenance shop**				
TRANSPORTATION EXPOSURES: **1. Refueling vehicles**				
DISPOSAL EXPOSURES **1. Improper disposal of pollutant at site not certified to accept such**				