

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 Landfills, 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.

Landfills confront environmental liability every day. Specifically, they face environmental exposures in two major areas: operations and transportation 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, depending on the class of landfill, such as improper disposal, underground tanks, residual contamination from small leaks or spills, etc.
- Insufficient screening processes for incoming waste materials, resulting in the inadvertent acceptance of hazardous waste such as:
 - Batteries
 - Paints / lacquers / varnishes / paint thinners
 - Asbestos
 - Lead
 - Pesticides and herbicides
 - Polychlorinated Biphenyls (PCBs)
 - Methyl Ethyl Ketone (MEK)
- 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.

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EXPOSURES (CONT'D)

- 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 nonhazardous materials. Simple, non-reportable spills that go unaddressed can lead to greater first- and third-party environmental claims.
- Air emissions from methane generation.
- Improperly maintained PCB-containing equipment and transformers. PCBs tend to be fairly immobile in soil, which may lead to surface contamination at and beyond property boundaries.
- Improper housekeeping and preventive maintenance resulting in residual contamination.
- Malfunctioning pollution control equipment, leading to untreated discharge of air emissions or discharge water.
- Inadequate underground and aboveground tank inventory and / or management programs can lead to groundwater contamination.
- Inadequate or improper waste / raw materials storage / handling practices may lead to on-site releases and / or potential explosion.
- Improper treatment or disposal of wastewater and sludge from water treatment discharge.
- 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.
- Improper storage, resulting in release of:
 - Acids / alkalines
 - Compressed gases, including cyanide and hydrogen chloride
 - Diesel fuel and lubricant oils
 - Flammable paints and solvents
- Inadequate monitoring programs (e.g., groundwater monitoring, leachate and methane monitors), allowing adverse environmental conditions to worsen.
- Breach of liner system causing release of leachate directly into subsurface soils and / or groundwater.
- Poor design and / or construction of liner system, allowing leachate release.
- Release of waste from ponds or impoundments, causing contamination.
- Inadequate control or collection of dust, odors or trash.
- Inadequate security, leading to vandalism that could result in damage to liner, tanks and equipment, causing adverse environmental conditions and resulting in fines and cleanup costs.
- Malfunctioning leachate collection system resulting in leaks / accidental discharge of leachate into soil / groundwater.

TRANSPORTATION EXPOSURES

- Loading and unloading of product from rail cars, trucks etc.
- Spills of contents (e.g., fuel, product, equipment maintenance fluids, process materials, etc.) during transport.
- Resulting pollution from collisions with various structures (e.g., pole mounted transformers, aboveground tanks, etc.)
- Fuel / oil spills / leaks from vandalism during transport.

LANDFILLS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Landfills. 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. Breach of liner system	<ul style="list-style-type: none"> Costs to repair the system may be extensive, depending on the volume of material in the area. Loss of use of that cell. Liability associated with third party property damage, as well as contamination to potable water supply. Cost to remediate contamination. 	<ul style="list-style-type: none"> Site manager, legal counsel, environmental manager or risk manager. 	<ul style="list-style-type: none"> Monitoring / inspection program to enhance early detection of any problems. Proper screening of incoming material to avoid addition of hazardous wastes. Creation of a buffer zone around landfill cells. Environmental insurance to protect from liability associated with on- and off-site contamination. 	Company was forced to pay millions of dollars when various contaminants migrated from the landfill site and contaminated the potable water supply for a neighboring rural town. The liner system was breached, causing a subsurface release into the groundwater of various heavy metals and other hazardous contaminants.
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				