

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 Painting 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.

Painting 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

- Fumes, emissions and spills from cleaning compounds, rust inhibitors and other chemicals (volatile organic compounds) applied during the painting process and / or paint removal process causing respiratory hazards.
- Inadvertent disturbance of pre-existing contamination / product during preparation work:
 - Asbestos-containing materials
 - Lead paint
- Release of volatile organic compounds, paint removers and other fluids due to improper or inadequate storage.
- Release from improper or inadequate storage of on-site fuel or product tanks.
- Release of oils / fuels from tanks / drums as a result of vandalism.
- Vicarious exposure from subcontractors on site performing both environmental and non-environmental work.
- Silica dust or lead-dust from excavation / removal / renovation of older paint surfaces.
- Exposure to lead in the event lead abatement operations are performed.

OWNED PREMISES EXPOSURES

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

- Leaking underground / aboveground storage tanks.

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EXPOSURES (CONT'D)

- 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.
- Surface contamination from fuels, lubricants, paints and other solutions 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

- Spills of contents (e.g., fuel, etc.) during transport.
- 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 (e.g., blasting compounds such as silica or steel grit) or unknown contaminated materials, such as lead paint-containing chips from removal operations.
- Improper disposal of waste on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials.

PAINTING CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Painting 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. Paint removal via sandblasting	<ul style="list-style-type: none"> Financial impact to remediate current conditions and associated liability. Liability associated with silica exposure, to both workers and third parties. Impact on reputation for inappropriate use of material or ppor containment systems. 	Project manager, on-site personnel or environmental manager / personnel.	<ul style="list-style-type: none"> In addition to regulated secondary containment systems: Use alternative material, such as steel grit, walnut shells, chemical applications, etc. Environmental insurance for both painting contractor and subcontractors for resulting liability and clean up costs. 	None.
OWNED PREMISES EXPOSURES: 1. Maintenance facility				
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				