

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 Remediation 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.

Remediation 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.
- Incomplete remediation of a project site, leading to exacerbation of contamination.
- Failure of remedial technique, leading to release of additional contaminants.
- Fugitive air emissions from remedial processes.
- Cross contamination of groundwater aquifer as a result of soil borings or monitoring well installation.
- Use or mixing of incompatible waste / materials resulting in fire, explosion or the release of hazardous vapors.
- Fumes, emissions and spills from chemicals applied during construction (volatile organic compounds, e.g., finishers, sealants, curing compounds, floor coatings, adhesives, etc.), causing respiratory hazards.
- Accepting supposedly "clean" fill from unknown origins, discovering at a later date that it was contaminated with petroleum or other hazardous substances.
- Improper installation of capping systems, leading to additional contamination.
- Rupture of capping systems from construction equipment accidents, leading to additional contamination.
- Water infiltration arising from construction defects that eventually leads to mold / fungal growth.

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EXPOSURES (CONT'D)

- Improper installation of aboveground and underground tank systems - faulty monitoring systems, piping break during installation, etc.
- Inadvertent disturbance of pre-existing contamination / product:
 - Asbestos-containing materials
 - Naturally-occurring asbestos in subsurface soils
 - Lead paint
 - Contaminated soils, surface water or groundwater.
- Release from improper or inadequate storage of lubricant oils and other fluids from equipment.
- Release from improper or inadequate storage of on-site fuel tanks.
- Impacting underground utility lines and other underground structures.
- Vicarious exposure from subcontractors performing either environmental or non-environmental work on site.

OWNED PREMISES EXPOSURES

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

- Leaking underground / aboveground storage tanks.
- Residual contamination from minor spills of oils, fuel, lubricants, etc., and poor housekeeping.
- Surface contamination from fuels lubricants stored improperly (i.e., without secondary containment).
- Improper disposal of waste materials.
- Unidentified, pre-existing contamination from past owners of the premises.

TRANSPORTATION EXPOSURES

- Inadvertent transport and subsequent disposal of known or unknown contaminated soil.
- Spills of contents (e.g., fuel, debris, soil, 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 from the inadvertent disposal of waste materials or unknown contaminated soil.
- Improper disposal of waste-contaminated soil on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials or soil.
- Vicarious liability from disposal site selection.

REMEDICATION CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Remediation 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. Fumes, emissions or spills from chemicals and other materials used in the remedial process	<ul style="list-style-type: none"> • Cost to further remediate the affected areas • Liability associated with bodily injury from third parties working on site, e.g., subcontractors 	Project manager, project director and / or safety manager	<ul style="list-style-type: none"> • Track materials used via MSDS • Education to all on-site personnel • Contractor's Pollution Liability insurance to protect against third party claims 	Workers were exposed to a compound containing VOCs. Needed to be hospitalized with no chronic health issues.
OWNED PREMISES EXPOSURES:				
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				