

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 Roofing 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.

Roofing 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 petroleum-based materials used during the commercial application of roofing tars.
- Toxic emissions from roofing materials such as glues, adhesives, etc.
- "Toxic" mold exposure, caused by water entering a building's roofing system or substructure due to improper installation of the roofing system.
- Other exposures associated with mold:
 - Incomplete or improper installation, exposing residents to mold.
 - "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.
 - Costs associated with additional required remediation, due to establishment of new regulations.
- Inadvertent disturbance of pre-existing contamination / product:
 - Asbestos-containing materials in roofing mastic
 - Lead paint

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EXPOSURES (CONT'D)

- 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.
- 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.

OWNED PREMISES EXPOSURES

(maintenance garages, fabrication shops, 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.
- 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

- Inadvertent transport and subsequent disposal of unknown contaminated materials (e.g., asbestos shingles, etc.).
- Spills of contents (e.g., fuel, lubricants, 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 or unknown contaminated material.
- Improper disposal of waste or contaminated material on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials.

ROOFING CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Roofing 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. Water intrusion from improperly installed roofing system.	<ul style="list-style-type: none"> Financial impact to remediate current conditions and relocate third parties. There may also be a negative impact on the firm’s reputation due to the public’s perception of the firm’s handling of the incident. Liability associated with third party bodily injury and property damage – if building tenants are exposed to ‘toxic’ mold. 	Project manager, corporate safety officer, on-site personnel or environmental manager / personnel.	<ul style="list-style-type: none"> Establish written protocol for mold / water intrusion prevention and response. Environmental liability insurance for both subcontractors and the firm for resulting liability and clean up costs – specifically addressing mold. Third-party inspections of roofing systems. Adjust construction scheduling to avoid adverse weather conditions. 	The company was sued, along with all other contractors, on a commercial condo project. Allegedly, the roofing system, window systems and EIFS were installed incorrectly. The company faced potential liability in amounts over \$1,000,000 in cleanup / restoration costs and property damage.
OWNED PREMISES EXPOSURES: 1. Maintenance facility				
TRANSPORTATION EXPOSURES: 1. Refueling vehicles				
DISPOSAL EXPOSURES: 1. Non-owned disposal sites				