

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 [ADD appropriate ERP name], 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.

Steel Erectors 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 chemicals used (volatile organic compounds).
- Fumes from welding operations causing adverse health effects on workers. Primarily a third-party over action expense; nonetheless, it can expose the organization to environmental liability.
- 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.

- Site preparation / excavation exacerbating pre-existing contaminated soil (e.g., unknown residual contamination such as petroleum contamination from leaking underground tanks).
- Vicarious exposure from subcontractors on site performing both environmental and non-environmental work.
- Silica dust from excavation, concrete work or demolition activities.

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 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.
- If the firm owns or operates landfills: air emissions from uncontrolled methane release, impact of groundwater from leachate, inadequate liner system resulting in release to subsurface soils and groundwater, fines associated with the uncontrolled release of discharge and / or surface water, etc.

TRANSPORTATION EXPOSURES

- Inadvertent transport and subsequent disposal of unknown contaminated soil.
- Spills of contents (e.g., fuel, asphaltic cement, 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 (e.g., lead-contaminated asphalt or concrete) or unknown contaminated soil.
- Improper disposal of waste or contaminated soil on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials or soil.

STEEL ERECTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Steel Erectors. 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. Use of on-site fuels and lubricants.	<ul style="list-style-type: none"> Financial impact to remediate resulting pollution condition. Depending on the extent of incident, it may cause delays in construction activity. Liability exposures through other contractors working on the site. 	Project manager, corporate safety officer, on-site personnel or environmental manager / personnel or risk manager.	<ul style="list-style-type: none"> Employee education on safety, proper cautions in use of hazardous substances. MSDS to identify hazardous substances. Use of containment system to prevent release. Environmental insurance for both subcontractors and the firm for resulting liability and clean up costs. 	The company was forced to pay for soil remediation due to improper storage, residual spills and improper maintenance of fuels and lubricants on a bridge project. No liability ensued, because t cleanup limited future liabilities.
OWNED PREMISES EXPOSURES: 1. Batch plants				
TRANSPORTATION EXPOSURES: 1. Refueling vehicles				
DISPOSAL EXPOSURES: 1. Non-owned disposal sites				