

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 Utility 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.

Utility 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

- Accepting supposedly "clean" fill from unknown origins, finding later that it was contaminated with petroleum or other hazardous substances – thereby exacerbating the extent of contamination.
- Release of mercury from meters or thermostats in or on homes and other residential / commercial structures.
- Inadvertent disturbance of pre-existing contamination / product:
 - Asbestos-containing materials
 - Naturally-occurring asbestos in subsurface soils / geology
 - Lead paint
 - Contaminated soils, surface or groundwater
- 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 / drilling operations that exacerbate pre-existing contaminated soil (e.g., unknown residual contamination such as petroleum contamination from leaking underground tanks).
- Impacting underground utility lines and other underground structures via drilling operations.

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EXPOSURES (CONT'D)

- Vicarious exposure from subcontractors on site performing both environmental and non-environmental work.
- Silica dust from excavation.

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 or habitational structures, there is a major exposure from mold growth. Mold could result from a 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 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 for the inadvertent disposal of waste materials or unknown contaminated soil.
- Improper disposal of waste of contaminated soil on the project site or at unregulated facilities.
- Vicarious liability from subcontractors that transport and dispose of waste materials or soil.

UTILITY CONTRACTORS

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Utility 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:				
OWNED PREMISES EXPOSURES:				
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				

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