

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 Golf Courses, 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.

Golf Courses confront environmental liability every day. Specifically, they face environmental exposures in three major areas: operations, 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

- Liability arising from soil and groundwater contamination
  - Remediation including clean-up of neighboring properties (off-site) and owned property (on-site)
  - Lack of adequate stormwater management protocol, resulting in exacerbation of contamination.
  - Inadequate or improper waste / sludge handling and storage practices, leading to on- and off-site contamination.
  - Run-off from fertilizer, pesticide/herbicide application
  - Exposure to pool chemicals used for maintenance of swimming pools
- Air emissions or odors arising from herbicide and pesticide use
- Liability arising both on- and off-site from above and underground storage tanks, spills, and residual contamination from small leaks, etc.
  - Leaking storage tanks filled with chemicals, pesticides and fuels
  - Fertilizer spills or release
- Malfunction of sprinkler systems resulting in large pools of stillwater
- Diminution in value of neighboring properties due to soil and groundwater contamination

### CONTACT

RT ECP | 2465 Kuser Road, Suite 202 | Hamilton, NJ 08690  
Phone: (609) 298-3516 | Fax: (609) 298-6254 | Email: rtec@rtspecialty.com  
Or contact your local RT Specialty broker or underwriter.  
rtspecialty.com

## EXPOSURES (CONT'D)

- Corrosion of piping systems, leading to underground release of wastewater, etc.
- Release of waste from ponds or impoundments, causing contamination
- Natural Resource Damages, resulting in substantial costs for state- and federal-mandated cleanup requirements and potential fines.
- Contaminated historic fill associated with bunkers and excavation activities
- Poor Indoor Air Quality from improper heating, ventilation and air-conditioning maintenance / operation leading to mold / microbial matter growth inside the club house.
- Legionella exposure resulting from improper maintenance of hot tubs and steam rooms inside the club house.
- Legionella exposure resulting from improper maintenance of swimming pools.
- Air emissions or odors arising from chemicals associated with pool maintenance and cleaning.
- Spills of contents (e.g., fuel, product, equipment, maintenance fluids, pesticides, herbicides, etc.) during transport.
- Clean-up costs for material spilled or released while being transported or while being loaded or unloaded, whether by automobile, rolling stock, watercraft, or aircraft

### DISPOSAL EXPOSURES

- Clean up and liability associated with the disposal of waste / materials at disposal facilities or recyclers. This may expose the organization to Superfund liability.
- Wastewater lagoon and impoundment overflow due to heavy rains causing on- and off-site contamination resulting from contaminated flood waters
- Clean-up for waste that causes a pollution condition at a licensed non-owned disposal site

### TRANSPORTATION EXPOSURES

- Inadvertent transport and subsequent disposal of unknown contaminated sludge in soil.

# GOLF COURSES

Name of Organization: \_\_\_\_\_

Lasts Updated: \_\_\_\_\_

## SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Golf Courses. 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
<b>OPERATIONAL EXPOSURES:</b> <ul style="list-style-type: none"> <li>Liability arising from soil and groundwater contamination</li> </ul>	<ul style="list-style-type: none"> <li>Costs associated with remediation and cleanup of contaminated property</li> <li>Liability associated with diminution of value of neighboring properties due to soil and groundwater contamination</li> <li>Potential Superfund implications</li> <li>Potential impact to reputation and incoming business</li> </ul>	<ul style="list-style-type: none"> <li>Property manager, legal counsel, course owner, municipality</li> </ul>	<ul style="list-style-type: none"> <li>Environmental insurance protecting the facility from past, present and future environmental conditions on, at, under or emanating from the location or, roll into the facility’s current environmental insurance program</li> </ul>	
<b>TRANSPORTATION EXPOSURES:</b>				
<b>DISPOSAL EXPOSURES:</b>				

This example of an ERP has been prepared by RT ECP for use by licensed insurance agents and brokers in advising their clients on environmental risks. This ERP does not purport to be a complete description of all possible environmental risks and should only be used as part of a comprehensive assessment of an insured’s risk exposure. RT ECP is a part of the RT Specialty division of RSG Specialty, LLC, a Delaware limited liability company based in Illinois. RSG Specialty, LLC, is a subsidiary of Ryan Specialty, LLC. RT ECP provides wholesale insurance brokerage and other services to agents and brokers. RT ECP does not solicit insurance from the public. Some products may only be available in certain states, and some products may only be available from surplus lines insurers.