



Non-Owned Disposal Facility Audit Guidelines

INTRODUCTION

As a generator of waste, your responsibility for its management extends to knowing that contracted waste haulers and disposal facilities are properly permitted, in compliance, well-managed, and financially responsible. This knowledge is essential because you may be held liable if your contracted hauler or disposal facility is cited, fined, or named a responsible party to a site cleanup. Regulators may ask you to demonstrate the due diligence used when selecting and maintaining waste contractors. For example, you may be asked



if, prior to using a disposal facility, you determined whether the disposal site operates responsibly by being financially sound and in compliance with all appropriate laws, permits and regulations regarding screening, handling, treatment and disposal of waste.

The attached audit form is a critical loss prevention tool designed to assist your firm's risk management efforts to minimize claims or the risk of becoming a potential responsible party to a cleanup.

Each item on the audit form serves to offer protection by helping provide a solid understanding of the disposal facility's operation.

DOCUMENTING DUE DILIGENCE EFFORTS

Use of an audit form will enhance your due diligence efforts; however, a formal Due Diligence Program should also be created to provide context on how this information will be used, such as: documenting the approval process for a new waste vendor, defining what constitutes acceptable or non-acceptable audit findings, determining how a non-approved and approved contractor list is maintained, defining any special conditions under which a facility can be used (i.e., only certain waste streams), describing the frequency of follow-up audits/due diligence, defining who is responsible for doing this work (each facility, corporate staff, etc.), and record-keeping.

Documentation of effective research into a facility's status and management will show regulators your due diligence has been adequate. For the contractor you hire, try to complete the form as fully as possible and obtain copies of permits and other information demonstrating the facility's management practices. After selection of a contractor, periodically update your contractor's data on this form.

USING THIS FORM

Not all facilities merit the same level of review. The amount of information you obtain depends on several factors including type of waste managed, volume of waste managed, and type of facility (e.g., landfill vs. used oil recycler). Also, in

screening out facilities, some criteria may be more important than others. If a contractor has been subject to Notices of Violation, Consent Orders, or other regulatory action, this information may be sufficient to eliminate them from consideration as an approved vendor.



Much of the information on this form can be collected through phone discussions with the facility and regulators. Some can be accessed from the internet. The onsite inspection section will help

you verify data obtained over the phone and guide observations of the facility.

In addition, certain operations may find the attached audit format to be insufficient for their documentation needs and may consider the format a “starting point” for their own more intensive audit process, including retaining a specialist firm to conduct the audit.

This document does not constitute a guarantee, a warranty, advice or a representation of any kind and is provided for informational purposes only. It is recommended that in completion of the attached audit form firms consult legal counsel for specific advice regarding degree of liability and responsibility.

The information contained herein is intended for informational purposes only and does not constitute legal advice. For legal advice, seek the services of a competent attorney. Any descriptions of insurance provisions are general overviews only.

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Non-Owned Disposal Facility Audit

GENERAL INFORMATION						
Name					Date	
Address						
Owner						
Phone			Email Address			
Type of facility		Date facility opened		Life expectancy		
Facility size		Treatment capacity		Storage capacity		
Facility hours		Number of trucks/tons permitted per day				
Date of first permit			Date of last permit			
Previous land use						
FINANCES/INSURANCE/CLOSURE & POST-CLOSURE COSTS						
Review 10K and other publicly available financial reports.						
Review insurance policies to ensure adequate pollution liability coverage exists to fund third party claims or site remediation						
Review pending financial liabilities and financial strengths						
Review written closure plan and ensure adequate funding exists to close treatment units and remediate site						

COMPLIANCE STATUS

1. Review the facility's permit status. Keep on file current copies of your waste disposal contractors' permits.

Permitting authority	Permitted activity	Permit #	Status	Expiratio	Copied?

2. Is the facility permitted to accept your waste streams?

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3. Are any additional permits pending?

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4. What is the facility's waste acceptance protocol?
(e.g., analytical testing, special waste profiling, or monitoring at the gate?)

5. Does the company maintain a list of acceptable waste? Are any of these also not listed on the permits?

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6. Does the facility have a Quality Assurance Program with the following:	Present	Date	Copied?
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Description of waste management procedures?			
Waste and facility inspection programs?			
Employee training programs?			
Documentation protocols?			

7. Review most recent regulatory inspection reports for recommended corrective actions, Notices of Violation, Consent Orders, nuisance complaints, or enforcement actions.

Type of document & regulatory authority	Complaint or problem	Current status	Date

If the facility provides no inspection information, check with regulatory agencies.

ENVIRONMENTAL MANAGEMENT AND SYSTEMS

The potential for liability in the waste disposal industry makes the development of documentation procedures, accurate management and maintenance of environmental records, and designation of a responsible person critical to the waste disposal contractor and its clients.

8. Name of responsible individual:	Phone:	()
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9. Review record keeping procedures for the following information:

Role and responsibilities

Record maintenance schedule or system

Report submission schedule or system

Internal inspection schedule and inspection reports

10. Review responses to regulatory inspections or permit amendments, if any.

BROKER/TRANSPORTER

11. What criteria are used to select disposal sites?

12. What hauling permits have been obtained by the broker?

13. Is pollution liability insurance coverage adequate and current?

14. Are personnel trained in appropriate manifesting and shipping document preparation, labeling, hazard designations, quantities, and other critical information?

SITE INSPECTIONS

A site inspection should be conducted before signing a waste disposal contract. The site inspection should occur after the risk has been deemed acceptable in the areas of compliance and financial stability. Include interviews of those responsible for waste operations to assess their level of knowledge and competence and to answer some of the questions below.

15. Determine whether the treatment, recycling, or disposal of waste is consistent with permit requirements.

16. Identify the waste management units onsite (UST, AST, surface impoundment, landfill, drums).

17. Estimate the number of waste management units and their capacities in volume or area.

18. Do waste management units appear to be well-contained from spill, run-off, run-on, etc.
19. Is stored waste appropriately protected from the weather, adequately contained, and accurately labeled?
20. Determine where and how waste is disposed.
21. Assess facility's overall appearance for housekeeping. Does the level of cleanliness appear adequate for the activities at the facility?
22. Review surrounding land use. How close is the nearest water body, residences, or other sensitive receptors?
23. Has the facility conducted any environmental investigations? If so, why and what was found?
24. Does the facility monitor ground water, discharges to POTWs, or other emissions?
OBSERVATIONS:
25. Does the facility appear secure from vandalism?
26. Are any of the following present: ponded water, odors, or emissions?
27. Is there any evidence of waste migration from the facility?

For additional information, you may want to contact a firm that will search regulatory and other databases for a fee. The following websites are good sources of compliance information on specific locations:

www.edrnet.com for profit organization providing regulatory database searches

www.epa.gov/echo/ USEPA

www.scorecard.org private anti-pollution organization providing regulatory release data

www.chsmeg.org non-profit industry auditing group



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