

CHAPTER 16: Risk and Environmental Issues

MATCHING:

radon	environmental assessments
asbestos	formaldehyde
replacement cost insurance	hazardous waste
Environmental Protection Agency (EPA)	environmental impact statement
underground storage tanks (USTs)	risk management

- _____ Products that poses a threat to human health or the environment, including wastes that are ignitable, corrosive, toxic, explosive, violently reactive or named specifically
- _____ The type of insurance that guarantees that partial damage to old, depreciated property will be fully replaced by new construction
- _____ A mineral fiber, classified as a carcinogen, often found in older buildings
- _____ A naturally occurring, odorless, colorless, radioactive gas that is a known carcinogen
- _____ A colorless, organic chemical with a strong pronounced odor; often indicated in sick building syndrome
- _____ A federal organization created to centralize government's environmental responsibilities
- _____ An investigation of a property to determine if there are any environmental hazards or concerns that could affect the use or impose future financial liability
- _____ A study that indicates the environmental impact of the proposed development, alternatives and listing any irreversible consequences to natural resources
- _____ One or more combination of tanks, including piping, used to contain an accumulation of regulated substances and of which ten percent or more is underground
- _____ Minimizing or allocating risk of damage, such as utilizing insurance policies to transfer the risk of loss to a third party

Chapter 16: True/False

- T F** The owner of the property is responsible for purchasing insurance to cover the tenant's property.
- T F** Errors and omissions insurance protects against possible accounting mistakes or other oversights.

3. **T F** Property managers should advise the owner to buy insurance from several different agencies in order to spread the risk.
4. **T F** The Department of Housing and Urban Development (HUD) is responsible for overseeing the Environmental Protection Agency (EPA).
5. **T F** Molds require a cellulosic food source, moisture, and sunlight in order to grow.
6. **T F** Testing for asbestos exposure involves a blood test.
7. **T F** A petroleum-storing tank that is 90 percent above-ground is exempt from underground tank regulation.
8. **T F** Polychlorinated biphenyls (PCBs) are generally found in old electrical transformers and are expensive to destroy.
9. **T F** A phase II assessment consists of sampling, testing and evaluation of substances found on the property.
10. **T F** All businesses that handle or deal with hazardous chemicals must evaluate them and label them for the protection of employees.

Chapter 16: Multiple Choice

1. **Safety programs coupled with loss reduction plans and emergency preparedness are examples of**
 - a. avoiding the risk.
 - b. retaining the risk.
 - c. transferring the risk.
 - d. controlling the risk.
2. **Shifting risk in part or wholly to insurers is an example of**
 - a. avoiding the risk.
 - b. retaining the risk.
 - c. transferring the risk.
 - d. controlling the risk.
3. **The property owner wants to ensure that the insurance policy will pay for a new roof if the ten-year-old roof is totally damaged by a windstorm. What kind of insurance policy should the owner obtain?**
 - a. Actual cash value policy
 - b. Replacement cost insurance policy
 - c. Actual depreciated value policy
 - d. Multiperil insurance policy

- 4. Which of the following coverage must always be purchased as a separate policy from the standard owners' multiperil insurance policy?**
 - a. Fire
 - b. Windstorm
 - c. Loss of income
 - d. Flood

- 5. Which of the following pollutants is caused by faulty water heaters and inadequately vented furnaces?**
 - a. Carbon monoxide
 - b. Radon
 - c. Molds
 - d. Chlorofluorocarbons

- 6. Which of the following is implicated as a cause of many indoor air quality complaints?**
 - a. Radon
 - b. Carbon monoxide
 - c. Chlorofluorocarbons
 - d. Formaldehyde

- 7. Many commercial managers have had to supervise the removal of**
 - a. radon.
 - b. formaldehyde.
 - c. PCBs.
 - d. asbestos.

- 8. Any present or past property owner may be required to pay for the cleanup of a hazardous substance as**
 - a. potentially responsible parties.
 - b. innocent landowners.
 - c. strictly nonliable.
 - d. a deep pocket.

- 9. Which of the following illnesses persist after the tenant leaves the building?**
 - a. Chronic fatigue syndrome (CFS)
 - b. Toxic shock syndrome (TSS)
 - c. Sick building syndrome (SBS)
 - d. Building related illness (BRI)

- 10. Which act requires the preparation of an environmental impact statement in advance of any proposed federal action?**
- a. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)
 - b. The Resource Conservation and Recovery Act (RCRA)
 - c. The National Environmental Policy Act (NEPA)
 - d. The Clean Air Act