



ASTSWMO, Providing Pathways to Our  
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## **UST Insurance Brochure September 2019**

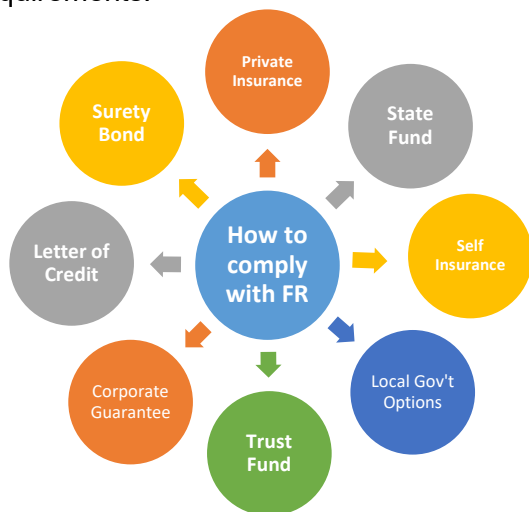
This Association of State and Territorial Solid Waste Management Officials created the UST Insurance Brochure to provide some basic information that will help in the selection and evaluation of private underground storage tank (UST) insurance. It was specifically designed as a template to allow individual States to edit information as needed. The yellow highlighted words and citations are possible locations for State inserts and changes. For State Program Approval (SPA) States, please use your State citation instead of the federal citation listed. For non-SPA States, you can add your State requirement in addition to the federal citation if desired. Reformatting may be necessary if changes are made to the brochure

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According to Federal and State regulations 40 CFR Part 280 and (insert State citation), if you own or operate a regulated underground storage tank (UST), you must show that you have the financial resources to clean up a site if a release from your tank occurs and to pay compensation to third parties for damage to their property or for personal injury. These requirements form the basis of the financial responsibility (FR) regulations.

### WHERE DO I START?

The UST Regulations allow you to choose from a variety of mechanisms to comply with the FR requirements.



The most frequently chosen mechanisms are State Financial Assurance (FA) Funds and Private UST Insurance. This brochure is specifically designed as a guide to provide some basic information that will help in the selection and evaluation of Private UST Insurance. For information regarding State FA Funds and other mechanisms, you can reach us at (insert State contact info).

### UNDERSTANDING YOUR POLICY

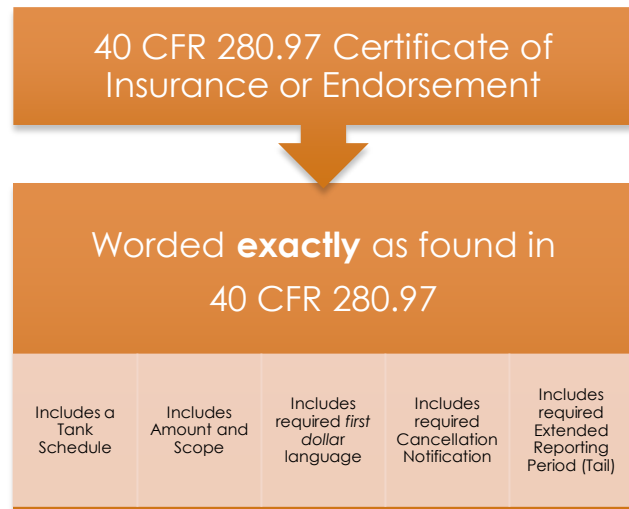
While all policies must meet certain basic requirements to comply with the applicable State or federal regulations, there are differences in the policies offered. All policies must provide coverage in specified amounts for cleaning up a release and paying for property damage and bodily injury, and the policy must provide a separate limit for defense.

The table below represents the required amounts of FR for groups of UST owners and operators.

Group of UST Owners and Operators	Per Occurrence Coverage A	Aggregate Coverage
Group 1: Petroleum producers, refiners, or marketers	\$1,000,000	\$1 million for 100 or fewer tanks or \$2 million for more than 100 tanks
Group 2: Nonmarketers	\$500,000 if throughput is 10,000 gallons monthly or less or \$1 million if throughput is more than 10,000 gallons monthly	

### UNDERSTANDING YOUR OPTIONS

To make sure your insurance policy meets the basic financial responsibility requirements, your policy must include a Certificate of Insurance or Endorsement as per 40 CFR 280.97.



After meeting these basic requirements, you will be asked questions by your insurance agent or broker regarding your tank system that will allow you to make choices on what type of policy you want to purchase. Differences in policy terms such as deductibles will affect what premium you pay and most importantly what costs the insurer will and will not pay.

Items considered by insurers include:

- Tank System Status & Components
  - Tank – Type, Age, Material, Product
  - Piping – Material, Age, Distance
  - Containment
- Compliance Records
  - History of prior releases
  - Inspection records
  - Tank system testing data

## QUESTIONS TO ASK YOUR BROKER

- Is the insurer eligible to provide insurance in the State?
- Is the signed Certificate of Insurance or Endorsement worded exactly as specified in **40 CFR 280.97**?
- Does the policy provide the proper amount of coverage as specified in **40 CFR 280.93**?
- Does the policy include coverage for both sudden and non-sudden accidental releases?
- Does the policy list all the tanks at each facility and are the tanks correctly identified in the Schedule of Covered Tanks or Declarations?
- Does the policy include self-insured retention, voluntary tank removal and/or site investigation exclusion/limitation, and/or loading and unloading exclusion/limitation language? If Yes, then the policy may not fully meet the federal FR requirements.
- Does your Retroactive date (date when coverage begins) give you adequate coverage? Any loss that occurred before this date will not be covered by the policy.
- What are your reporting requirements? Generally, if you need to notify the State you also need to notify the insurer. Insurers typically list specific notification timeframes.

Note: If the owner and operator of an UST are separate entities, only one party is required to demonstrate compliance with the financial responsibility requirements. However, both parties may be fined if financial responsibility requirements are not met.



## INSURANCE POLICY DETAILS

Read your policy carefully and discuss it with your insurance agent or broker to make sure you fully understand what you are purchasing and what your responsibilities are if your UST has a leak or release.

- Declarations Page: Coverage Summary (Insured Name, Address, Locations, Limits, Deductibles, Term, etc.)
- Insuring Agreement: Coverages that are intended to be paid.
- Exclusions/Limitations: What is not covered. Describes specific circumstances in which no coverage will be provided.
- Limits of Insurance: How incident limits apply (relative to the aggregate, the deductible, defense costs, etc.).
- Policy Conditions: Insured's duties in event of a claim, cancellation, other insurance, State funds, warranties.
- Extended Reporting Period: A minimum 6-month time period during which the insured can report a release that occurred during the time the policy was in effect, but after the policy end date.
- Insurance Coverage: Certificate of Insurance or Endorsement if your UST insurance coverage is an expansion of a policy you already have.
- Schedule of Covered Storage Tanks Endorsement: List of tanks covered under the policy.

### Disclaimer

*This brochure provides information to promote compliance but is not a substitute for federal and State financial responsibility requirements. For regulatory requirements regarding UST systems, refer to the federal regulation governing UST systems at **40 CFR part 280**.*

**For additional UST FR resources visit:**

<https://www.epa.gov/ust/resources-ust-owners-and-operators>

Insert State Information/  
Name/Address/email here

## Private Tank Insurance

Guide for UST  
Owners & Operators  
September 2019



Insert State Environmental  
Protection Seal or State  
Seal Here.

