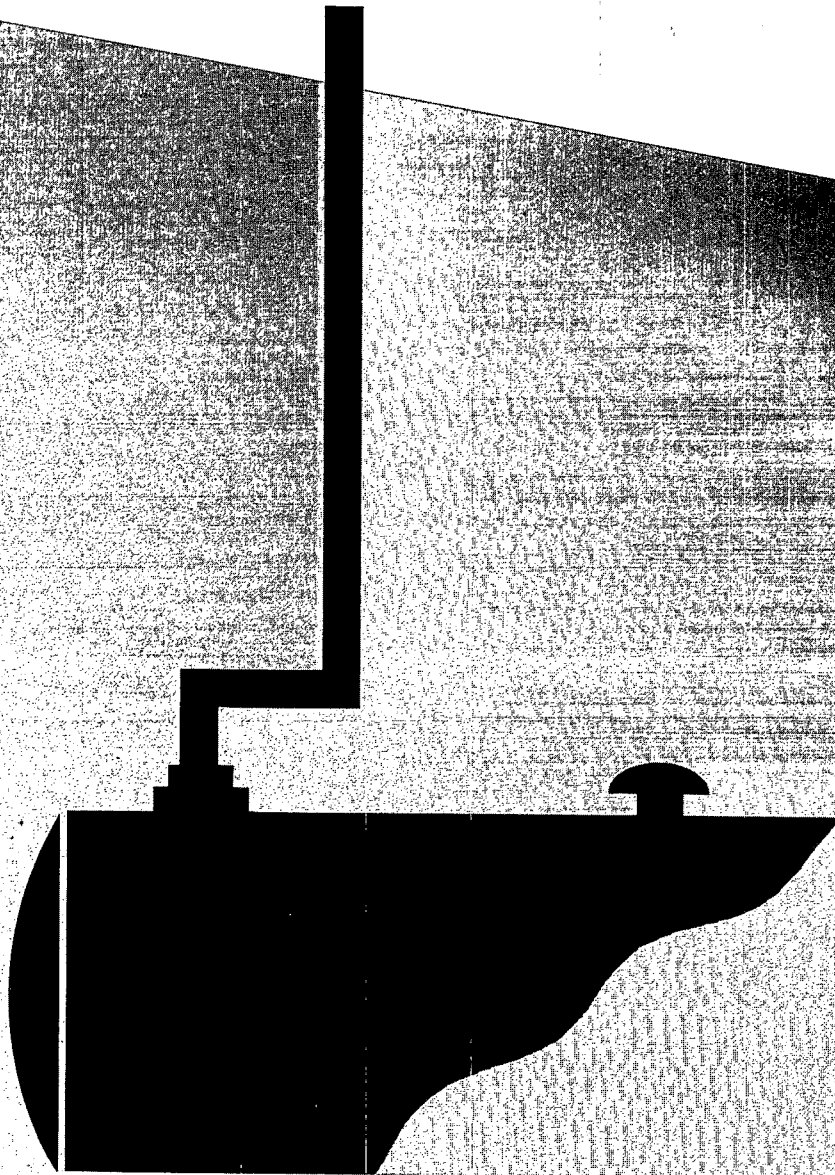




Dollars and Sense





UPDATE:

Underground Storage Tank Financial Responsibility

Financial Responsibility Compliance Dates

Subtitle I of the Resource Conservation and Recovery Act requires owners and operators of underground storage tanks (USTs) to meet certain financial responsibility requirements for cleanup and third-party damages resulting from leaks that may occur. EPA phased in the financial responsibility requirements for USTs over a two-year period because of concerns about the unavailability of financial assurance mechanisms to large portions of the regulated community. The phase-in was designed to achieve the maximum balance between the need to ensure financial capability for UST releases and the necessary time for owners and operators to obtain assurance mechanisms.

Petroleum marketers owning 1000 or more USTs and non-marketers with more than \$20 million in tangible net worth were required to comply in January 1989. Petroleum marketers owning between 100 and 999 USTs were required to comply in October 1989.

Extension of Compliance Dates for Some UST Owners

The Agency has decided to extend the compliance dates of the two remaining groups: petroleum marketers owning between 13 and 99 USTs who were required to comply April 26, 1990, and all other owners, including local governments, who were required to comply October 26, 1990.

The Agency will publish rules to extend these groups' compliance dates for one year each. Those owners and operators who had to comply by April 26, 1990, now have until April 26, 1991. Those owners and operators who had to comply by October 26, 1990, now have to comply by October 26, 1991.

Objectives of EPA

The Agency believes that extending the financial responsibility compliance dates will not adversely affect human health and the environment, as the technical requirements for USTs will remain in effect. These requirements include leak detection, tank upgrading and corrective action.

MARCH 14, 1990

United States Environmental Protection Agency, Office of Solid Waste & Emergency Response,
Office of Underground Storage Tanks
Washington, D.C. 20460

Reproduced on Recycled Paper

UPDATE: Underground Storage Tank Financial Responsibility

In extending the third and fourth compliance dates, the Agency desires to provide short-term relief to UST owners and operators to whom methods of financial assurance are not available. These compliance groups generally represent the small gas stations and convenience stores most in need of an effective financial responsibility mechanism. EPA continues to work together with Congress and the states to enable small businesses to remain economically viable while, at the same time, ensuring that mechanisms exist to pay for the cleanup of leaking tanks.

Rationale for Extensions

Information collected by the Agency from the UST insurance industry, the regulated community and the states indicates that the owners and operators in the third and fourth compliance groups need more time to comply with the financial responsibility requirements. The Agency has learned that only about two percent of the third compliance group currently have insurance, and recent contractions in the insurance market have demonstrated that the availability of insurance is likely to be further constrained.

Many owners and operators cannot obtain insurance because they cannot meet insurers' underwriting requirements. The Agency knows of eleven states that have established financial assistance programs to help owners and operators upgrade or replace their tanks. The Agency is encouraged by these efforts and is developing materials to help additional states that may wish to establish financial assistance programs. Extending the compliance dates will provide more time for funds to become available to owners and operators who cannot obtain insurance because of strict underwriting requirements.

The Agency believes that states have taken the lead by sponsoring assurance funds to help owners to comply with the requirements and to clean up releases. While 34 states have enacted legislation creating state assurance funds, only 7 have received approvals to be used as compliance mechanisms. States need additional time to have their funds approved and to make them operational. The Agency will use the additional time provided by the compliance date extensions to work actively with the states to accomplish these tasks.

Finally, the Agency is in the process of developing several additional mechanisms, including self-assurance mechanisms, that local governments can use to comply with the financial responsibility requirements. EPA hopes to finalize these mechanisms by October 1990; however, local governments may need additional time to take advantage of some of these mechanisms, because they operate on fixed budgetary cycles. Extending their compliance date by one year will provide this needed relief.

Office of Underground Storage Tanks

Environmental Fact Sheet

Additional Mechanisms For Local Government Entities Owning Or Operating Petroleum Underground Storage Tanks: Final Rule

Background

Subtitle I of the Resource Conservation and Recovery Act (RCRA) requires owners and operators of underground storage tanks (USTs) to show through insurance coverage or other acceptable financial mechanisms that they can pay for cleanups and third-party damages resulting from any leaks that may occur. In the final regulations on financial responsibility that were published on October 26, 1988, EPA stated that it would accept a variety of mechanisms as meeting this criteria. These mechanisms included a corporate test of self-insurance, a letter of credit, a surety bond, private insurance, and a guarantee. In the intervening years, the Agency has learned that many of these mechanisms (e.g., the corporate self-insurance test) are not appropriate for use by local governments. As a result of this new information, the Agency has developed this final rule to establish four alternate mechanisms that local governments may use to demonstrate compliance with the financial responsibility regulations.

Local governments that own or operate USTs were originally required to comply with the financial responsibility regulations by October 26, 1990. The Agency later extended this compliance date to one year past publication of this final rule describing additional financial responsibility mechanisms for local governments.

Action Taken Today

On February 18, 1993, EPA promulgated additional assurance mechanisms for use by local government entities that own or operate petroleum underground storage tanks. These mechanisms will help local governments comply with the UST financial responsibility requirements and add to the mechanisms previously identified in 53 FR 43322. The compliance date for local governments is February 18, 1994.

Discussion

The additional mechanisms allowed are:

Bond Rating Test - General purpose governments (e.g., cities, counties) with outstanding issues of general obligation bonds rated by Standard & Poor's or Moody's as "investment grade" will be allowed to self-insure. In addition, special districts (e.g., school districts, airport authorities) that do not have the authority to issue general obligation bonds may also self-insure if they have outstanding revenue bonds rated "investment grade." To be eligible to use the test, a local government must have \$1 million or more in currently outstanding bonds.

Worksheet Test - A financial worksheet has been developed that recognizes the unique financial structure of government entities. Local governments can use readily available financial data to complete the worksheet and calculate a score. Governments with scores at or above a selected level will be allowed to self-insure.

Governmental Guarantee - A local government will be allowed to obtain a guarantee from its state or another local government with which it can demonstrate a "substantial governmental relationship." In order to serve as guarantor, a local government must qualify using the bond rating or worksheet test.

Fund Balance Test - Local governments may self-administer an UST response fund if appropriate safeguards are met.

Rationale

Because several of the mechanisms contained in the original financial responsibility rule promulgated on October 26, 1988 do not apply to local governments (e.g., the corporate test for self-insurance), the Agency has developed a rule which addresses the unique financial characteristics of local governments, and which allows financially capable entities the opportunity to self-insure.

Contact

For additional information, contact EPA's RCRA/Superfund Hotline, Monday through Friday, 8:30 a.m. to 7:30 p.m. EST. The national toll-free number is 800 424-9346; for the hearing impaired, the number is TDD 800 553-7672.



Environmental Fact Sheet

EPA Concerned About Small Businesses: Extends Compliance Date For Underground Storage Tank Financial Responsibility

Background

Subtitle I of the Resource Conservation and Recovery Act (RCRA) requires owners and operators of underground storage tanks (USTs) to show through insurance coverage or other acceptable financial mechanisms that they can pay for cleanups and third-party damages resulting from any leaks that may occur. In final regulations published on October 26, 1988, the Environmental Protection Agency (EPA) phased in the financial responsibility requirements over a 2-year period because of concerns about the unavailability of financial assurance mechanisms to large portions of the regulated community. The phase-in (with its four distinct groups of tank owners) was designed to achieve a balance between the need to ensure the financial capability to pay for UST releases and the time necessary for owners and operators to obtain assurance mechanisms.

The phase-in set different compliance dates for the four compliance groups. Petroleum marketers owning 1000 or more USTs and non-marketers with more than \$20 million in tangible net worth were required to comply in January 1989. Petroleum marketers owning between 100 and 999 USTs were required to comply in October 1989.

In 1990, EPA revised its regulations by extending the compliance date for petroleum marketers owning between 13 and 99 USTs from April 26, 1990, to April 26, 1991. The compliance date for petroleum marketers owning between 1 and 12 USTs at more than one facility or fewer than 100 USTs at a single facility and non-marketers with less than \$20 million in net worth was extended from October 26, 1990, to October 26, 1991.

Action Taken Today

On December 16, 1991, EPA finalized an extension of the October 26, 1991 compliance date to December 31, 1993.

Discussion

The Agency is concerned about the ability of small businesses to have obtained financial assurance by October 26, 1991. In finalizing the December 31, 1993 extension, the Agency desires to provide short-term relief to UST owners and operators to whom methods of financial assurance are not currently readily available. This compliance group includes the owners and operators of the smallest gasoline and service stations who are generally most in need of an effective financial responsibility mechanism. EPA is working with the States to enable small businesses to remain economically viable while, at the same time, ensuring that mechanisms exist to pay for the cleanup of leaking tanks.

The Agency believes that this extension of the compliance date for financial responsibility will not adversely affect human health and the environment, since the technical requirements for USTs will remain in effect. These requirements include, for example, detecting leaks and upgrading tanks.

This extension is part of a broader effort EPA is undertaking to reduce the costs and impacts of underground storage tank regulations on small businesses, while ensuring human health and the environment are protected.

Rationale For Proposing An Extension

The Agency collected information from the UST Insurance Industry, the regulated community, and the States which indicates that many owners and operators in this compliance group need more time to comply with the financial responsibility requirements.

To date, 27 States have received EPA approval to use State assurance funds as financial responsibility compliance mechanisms. Upon submission of a fund for EPA review, owners and operators in that State are considered to be in compliance with the Federal financial responsibility requirements unless and until EPA disapproves the fund. Several States, however, need additional time to develop and submit their funds for EPA review. EPA will use the additional time to actively work with the States to accomplish this.

This extension to December 31, 1993 will also place the final compliance date for financial responsibility after the final compliance date for EPA's leak detection requirements. By regulation, all tanks (regulated under subtitle I of RCRA) must be tested by December 23, 1993. Tanks that meet the leak detection requirements are more likely to meet insurers' underwriting criteria.

Additionally, an extension will provide time for EPA to explore how or whether to adopt some variation to Option 2 (considered in the proposed rule). Such an approach may give certain subgroups an additional extension of the federal financial responsibility requirements.

Contact

For additional information, contact EPA's RCRA Hotline, Monday through Friday, 8:30 a.m. to 7:30 p.m. EST. The national toll-free number is 800-424-9346; for the hearing impaired, the number is TDD 800-553-7672. In Washington, D.C., the number is 703-920-9810.

DOLLARS AND SENSE

A Summary of the Financial Responsibility Regulations for Underground Storage Tank Systems

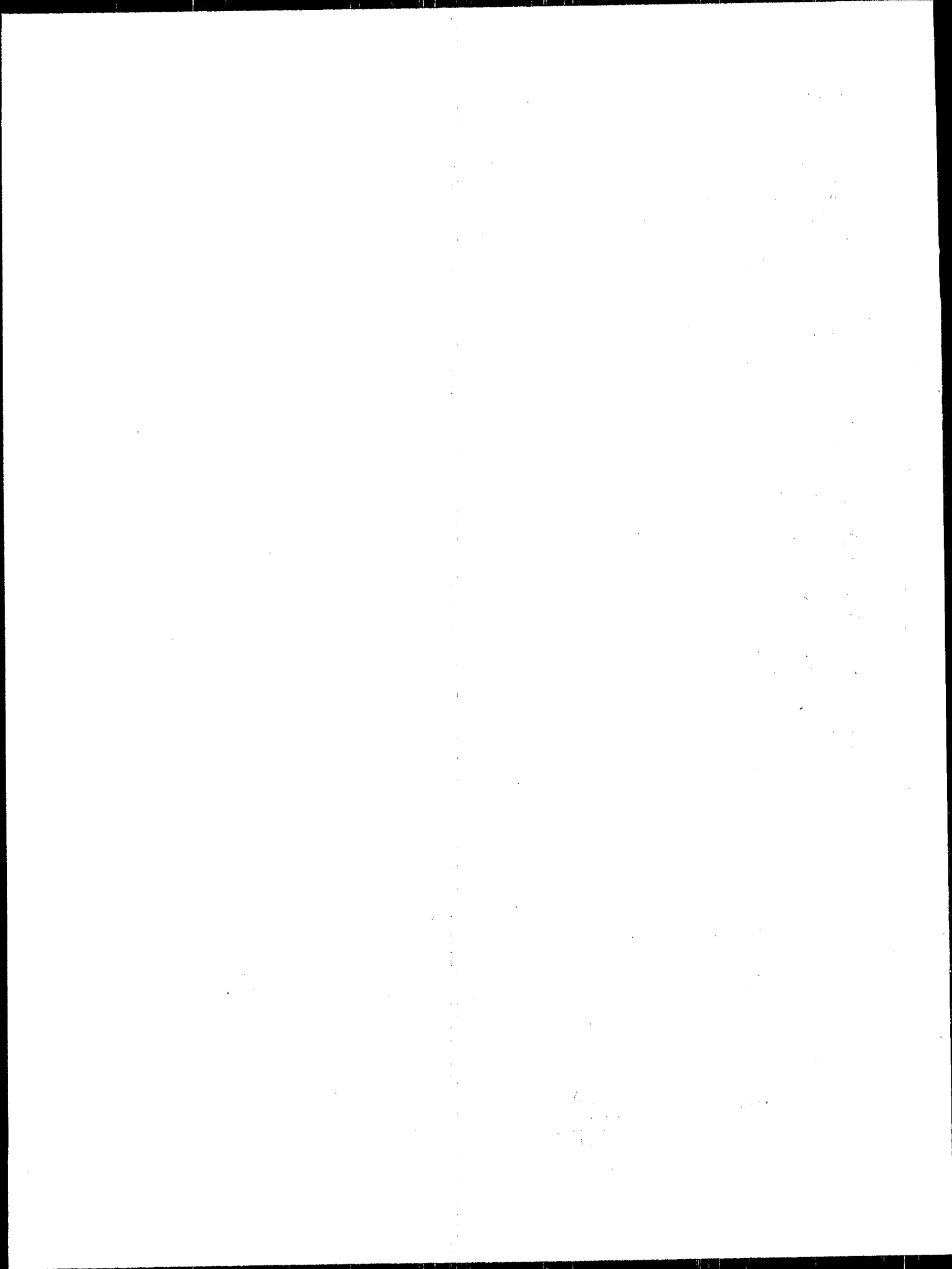
**U.S. Environmental Protection Agency
Office of Underground Storage Tanks**

December 1988

This document was prepared for the U.S. Environmental Protection
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WHAT ARE THESE REGULATIONS ALL ABOUT?

The U.S. Environmental Protection Agency (EPA) has published final regulations concerning financial responsibilities if you own or operate underground storage tank systems containing petroleum. (EPA plans to develop similar regulations for tanks containing hazardous substances in the future.) Although the full regulations appear in the Federal Register (October 26, 1988), this brochure provides a brief summary and answers some important questions about your financial responsibilities.

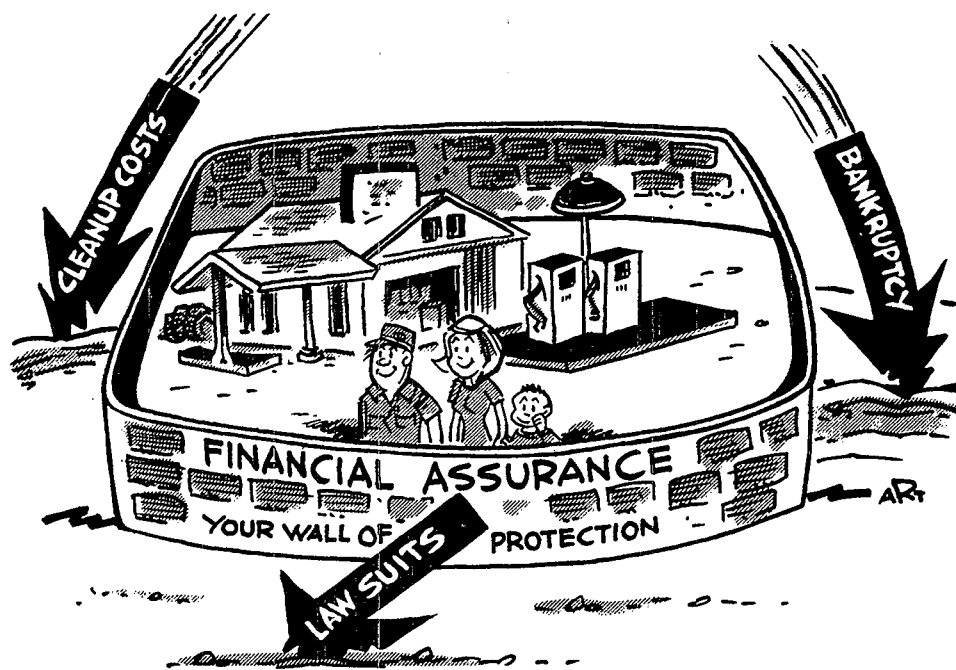
Why Has EPA Written These New Regulations?

Several million underground storage tank systems (USTs) in the United States contain petroleum. Tens of thousands of these USTs, including their piping, are currently leaking. Many more are expected to leak in the future. Leaking USTs can cause fires or explosions that threaten human safety. In addition, leaking USTs can contaminate nearby ground water. Because many of us depend on ground water for the water we drink, Federal legislation seeks to safeguard our nation's groundwater resources.

Congress responded in 1984 to the problem of leaking USTs by adding Subtitle I to the Resource Conservation and Recovery Act. Subtitle I requires EPA to develop regulations to protect human health and the environment from leaking USTs and specifically mandates requirements for financial responsibility.

What Is "Financial Responsibility" And Why Is It Necessary For You?

Financial responsibility means that if you own or operate an UST, you must ensure, either through insurance or other means explained below, that there will be money to help pay for the costs of third-party liability and corrective action caused by a leak from your tank. These costs could include cleaning up leaked petroleum, correcting environmental damage, supplying drinking water, and compensating people for personal injury or property damage. Financial responsibility also protects you. If your UST leaks, you may be faced with high cleanup costs or with lawsuits brought by third parties. Having financial responsibility means that money will be available to meet these costs.



What Kinds Of Tanks Are Covered By The Rule?

Financial responsibility must be shown for all USTs containing petroleum products. USTs are defined by law to be tank systems with at least 10 percent of their volume below the surface of the ground. The term "tank systems" also includes the piping connected to the tank.

What Kinds Of Tanks Are Not Covered?

Some tank systems have been exempted or deferred from the financial responsibility rule:

- ◆ USTs containing hazardous wastes already regulated under RCRA.
- ◆ UST systems containing electrical equipment and hydraulic lifts.
- ◆ Wastewater treatment USTs that are regulated by the Clean Water Act.
- ◆ USTs with a capacity of less than 110 gallons, and tanks holding a minimal concentration of regulated substances.
- ◆ USTs that serve as emergency back up, hold regulated substances for only a short time, and are expeditiously emptied after use.
- ◆ Field-constructed tanks.
- ◆ USTs containing radioactive materials and USTs used as backup diesel tanks at nuclear facilities.
- ◆ Airport hydrant fueling systems.
- ◆ Farm or residential tanks with capacity of 1,100 gallons or less storing motor fuel which is not for resale.
- ◆ Tanks for storing heating oil which is used on-site.
- ◆ Septic tanks.
- ◆ Certain pipeline systems, such as those regulated under the Natural Gas Pipeline Safety Act of 1968.
- ◆ Surface impoundments, pits, ponds, or lagoons.
- ◆ Storm or waste water collection systems.
- ◆ Flow-through process tanks.
- ◆ Liquid trap and other lines used in oil or gas production.
- ◆ Storage tanks on or above the floor of an underground area, such as a basement or tunnel.

WHO IS AFFECTED BY THESE REGULATIONS?

Do You Have To Show Financial Responsibility?

Either the owner or the operator of the tank must show financial responsibility, but not both if the owner and operator are different individuals or firms. It is the responsibility of the owner and operator to decide which of them will show financial responsibility.

Federal and State governments and their agencies that own USTs are not required to document financial responsibility. Local governments, however, must comply with the new rule.

If you owned or operated a tank that was properly closed before the date for compliance that applies to you, then the financial responsibility requirements will not apply to your closed tank.

What Do You Have To Do?

The new financial responsibility regulations require you to show that you have one of the following:

- ◆ at least \$1 million to cover the costs of a leak or spill from your underground storage tank if you are a **PETROLEUM MARKETER** (page 43334 of the Federal Register of October 26, 1988); or
- ◆ at least \$500,000 if you are **NOT A MARKETER** (page 43330 of the Federal Register of October 26, 1988).

You may show that you have this coverage by using insurance or any of the other methods of coverage explained in this brochure. The amount of financial responsibility that you must show does not limit your total liability for damages caused by a leak from your tank system.

When Must You Comply With The Financial Responsibility Requirements?

The rule takes effect 90 days after its publication in the Federal Register (i.e., January 24, 1989). The date when you will have to show financial responsibility, however, depends on the compliance category that you fall into, as shown below:

- ◆ If you fall into one of the following groups, you must show financial responsibility on the same day that the rule becomes effective on January 24, 1989: 1) petroleum marketing firms that own 1,000 or more USTs; and 2) any other UST owners that report a tangible net worth of \$20 million or more to the SEC, Dun and Bradstreet, the Energy Information Administration, or the Rural Electrification Administration.
- ◆ If you are a petroleum marketing firm that owns 100 to 999 USTs, you must show financial responsibility by October 26, 1989.
- ◆ If you are a petroleum marketing firm that owns 13 to 99 USTs at more than one site, you must show financial responsibility by April 26, 1990.
- ◆ If you fall into one of the following groups, you must show financial responsibility by October 26, 1990: 1) petroleum marketing firms owning 1 to 12 USTs or those having fewer than 100 USTs at one site; 2) all other UST owners with a tangible net worth of less than \$20 million; and 3) local governments.

What Happens If You Install A New UST Before Your Scheduled Compliance Date?

The regulations require that you show financial responsibility for a new UST when you notify EPA that you have installed the tank. If you install a new UST before the date when you must first show financial responsibility as described above, then you must only show financial responsibility for the new tank by that compliance date. You may ignore the line on the new tank notification form concerning financial responsibility.

What Amount Of Money Are You Responsible For?

The amount of money for which you must show financial responsibility depends on the type of business you operate, the amount of throughput of your tank, and the number of tanks you have:

- ◆ If your tank is used in petroleum production, refining or marketing (for example, service stations and truck stops), then you must be able to show that you have \$1 million of "per occurrence" coverage. "Per occurrence" means the amount of money that must be available to pay the costs of one occurrence.
- ◆ You must also have coverage for an annual aggregate amount. The annual aggregate amount is the total amount of financial responsibility that you must have to cover all leaks that might occur in one year. The amount of aggregate coverage that you must have depends on the number of tanks that you own or operate. The annual aggregate limits are:
 - 1 to 100 tanks, \$1 million annual aggregate; or
 - 101 or more tanks, \$2 million annual aggregate.

For example, if you own or operate three service stations with a total of 18 tanks, then you must have financial responsibility in the amount of \$1 million per occurrence and \$1 million annual aggregate. If you own or operate 50 service stations with a total of 200 tanks, you must have financial responsibility in the amount of \$1 million per occurrence and \$2 million annual aggregate.

- ◆ If your tanks are located at a facility not engaged in petroleum production, refining or marketing, and your facility has a monthly throughput of more than 10,000 gallons, then you must show that you have \$1 million of "per occurrence" coverage. If the facility has a monthly throughput of 10,000 gallons or less, then you must show that you \$500,000 of "per occurrence" coverage and \$1 million or \$2 million of annual aggregate coverage depending on the number of tanks you own or operate, as discussed above.

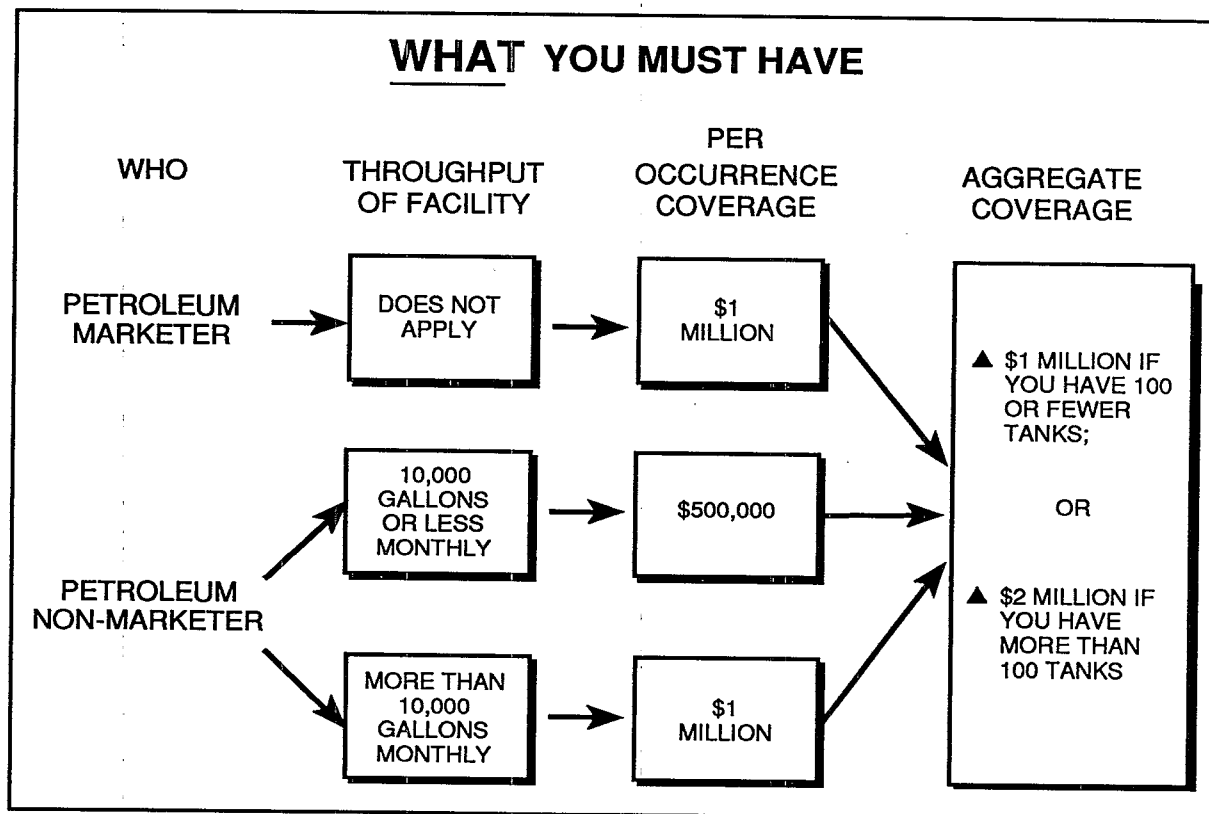
For example, if you are an automobile dealer with four small tanks with a total monthly throughput of 10,000 gallons, then you would only need to have financial responsibility in the amount of \$500,000 per occurrence and \$1 million annual aggregate. If you have 30 dealerships with a total of 110 tanks, you would need to have financial responsibility in the amount of \$500,000 per occurrence, but you would need \$2 million annual aggregate.

The chart on page 5 displays these financial responsibility requirements.

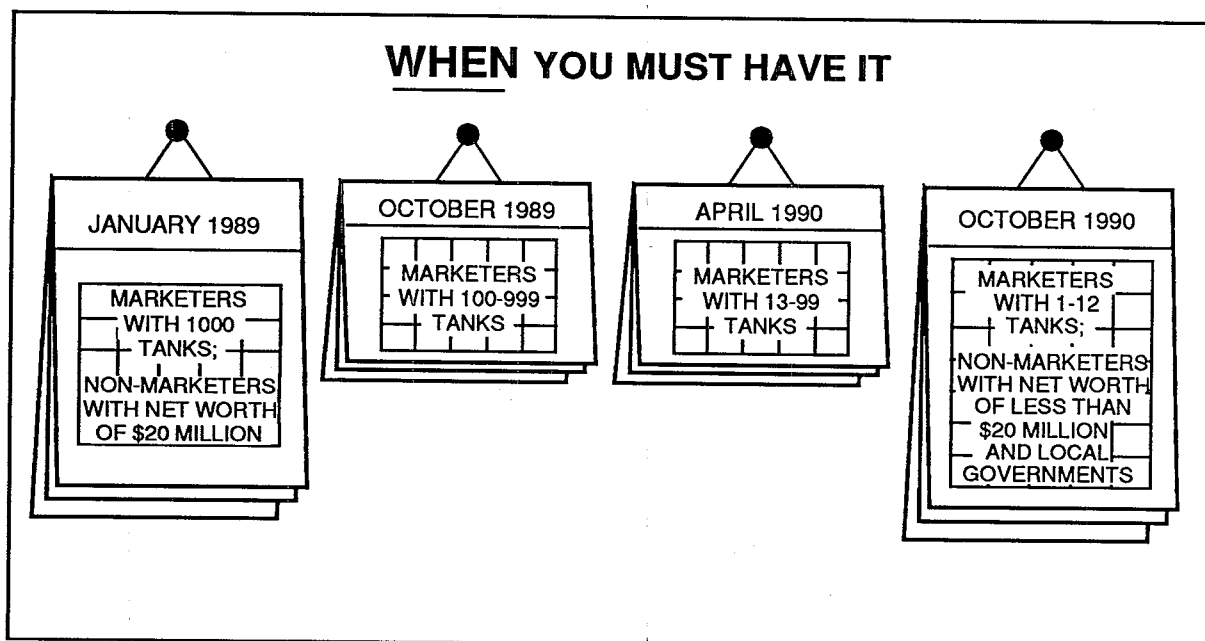


IMPORTANT REQUIREMENTS AND MINIMUM DEADLINES FOR YOUR FINANCIAL RESPONSIBILITY

WHAT YOU MUST HAVE



WHEN YOU MUST HAVE IT

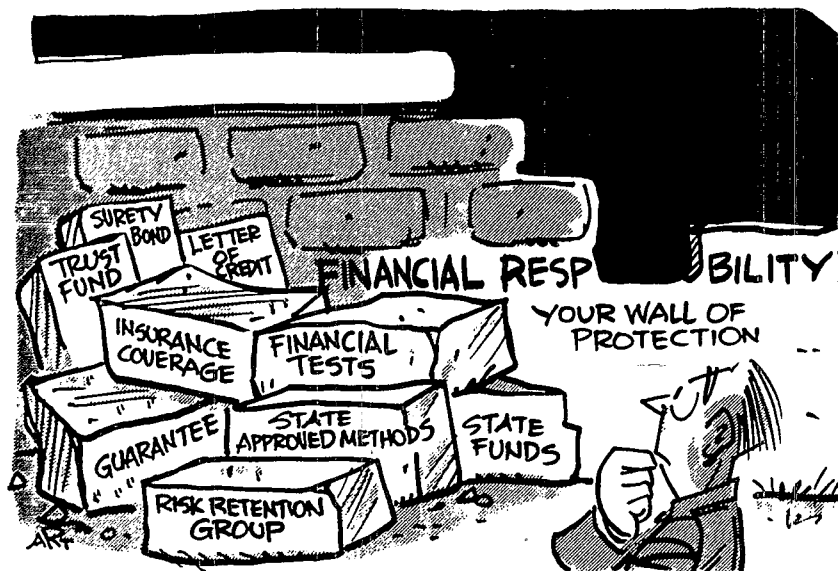


HOW DO YOU COMPLY WITH THE FINANCIAL RESPONSIBILITY REQUIREMENTS?

How Can You Show Financial Responsibility For Your USTs?

You can demonstrate financial responsibility for your USTs in several ways:

- ◆ Show that your firm can meet the costs of potential releases. If your firm has a tangible net worth of at least \$10 million, you can prove your financial responsibility by passing one of these two financial tests described on page 15.
- ◆ Show that someone else is responsible for cleanup and damage costs. You may arrange to have someone else be responsible for paying the costs of leaks from your USTs. This may be done in a number of ways (all are described in detail in the rule):
 1. Obtain insurance coverage from an insurer or a risk retention group (page 8); or
 2. Obtain a guarantee for the amount you are responsible for from a corporate parent, grandparent, sibling, or from another firm with whom you have a substantial business relationship. The provider of the guarantee has to pass one of the financial tests described on page 15; or
 3. Obtain a **surety bond** for the amount you are responsible for; or
 4. Obtain a **letter of credit** for the amount you are responsible for.
- ◆ Use **State funds**. If your State has established a State fund that will pay for the cleanup costs of a leak from your tank systems, then you may not need additional coverage to show you can pay for the same costs (page 7). You need to check to see if the State fund covers your tanks. You may also still need to show financial responsibility for the costs of compensating those injured by leaks, unless the State fund would also pay for those costs.
- ◆ Use **State approved methods**. You may also use any method of coverage approved by your State.
- ◆ Set up a **trust fund**. You may set up a fully-funded trust fund to cover your financial responsibility requirement.



Can You Use A Combination Of Methods To Show Financial Responsibility?

You may also use a combination of methods to show financial responsibility. The methods you choose must cover all the costs that you are responsible for (both third-party liability and corrective action) and add up to the amount of coverage you are required to show. If the methods you choose cover different costs (for example, the insurance policy covers damages to other people and property and the guarantee covers cleanup costs), then each method must provide the total amount of responsibility that you must demonstrate.

What About State Funds?

Some States have established programs to pay for cleanup costs from petroleum leaks. These State funds often may be used by owners and operators of USTs to demonstrate financial responsibility. In most States, however, funds will pay only part of cleanup costs. In addition, few States will pay for third-party damages caused by petroleum leaks.

You should contact your State environmental agency to determine if the State has a fund that you may use to show financial responsibility. Find out what the State will pay for and what amount of financial responsibility you must obtain. In several States, for example, you must demonstrate financial responsibility for the first \$100,000 of cleanup costs before the State will demonstrate financial responsibility for the remaining costs. Most State funds will not pay more than \$1 million per occurrence.

If you don't know how to reach your State Coordinator, call EPA's Hotline for the phone number of your State Coordinator (1-800-424-9346)

What Happens If Your Coverage Is Cancelled?

If your method of financial responsibility is cancelled, you must find another mechanism to replace it within 60 days after you receive the notice of cancellation. If you cannot get another mechanism in that time, then you must notify the implementing Agency or the State.

Your coverage or insurance contract must specify that the provider of coverage or insurance may only cancel your coverage by sending you a notice by certified mail. For guarantees, surety bonds, or letters of credit, cancellation can only occur 120 days after you receive the notice. Insurance policy coverage can be cancelled 60 days after you receive the notice.

Can You Get Private Insurance Coverage For Your USTs?

Private insurance coverage for USTs is still limited, but there are several major insurers who offer policies. Insurers are often selective in the tanks they will cover. If you want to purchase insurance, you may be required to meet certain conditions for coverage. For example, your insurer may ask you to test your tank for tightness, or he may require certain improvements in your tank system, such as liners, cathodic corrosion protection, and leak detection. Some insurers simply will not provide coverage for certain types of tanks, like tanks that are more than 20 years old.

You may also be able to get insurance coverage through a risk retention group. A risk retention group is an insurance company formed by businesses or individuals with similar risks to provide insurance coverage for those risks. To join a risk retention group, you will probably be asked to make a one-time payment -- called a capital contribution -- and thereafter pay annual premiums as with any other insurance policy.

If you are interested in purchasing insurance through either a private insurer or a risk retention group to show financial responsibility for your USTs, you should contact your insurance agent. You may want to take with you the sample Endorsement or Certificate of Insurance that appear on pages 11 and 12. These documents are examples of policies that meet EPA financial responsibility requirements. If you belong to a trade association, it may also be able to provide you with information about insurers and risk retention groups that cover USTs.



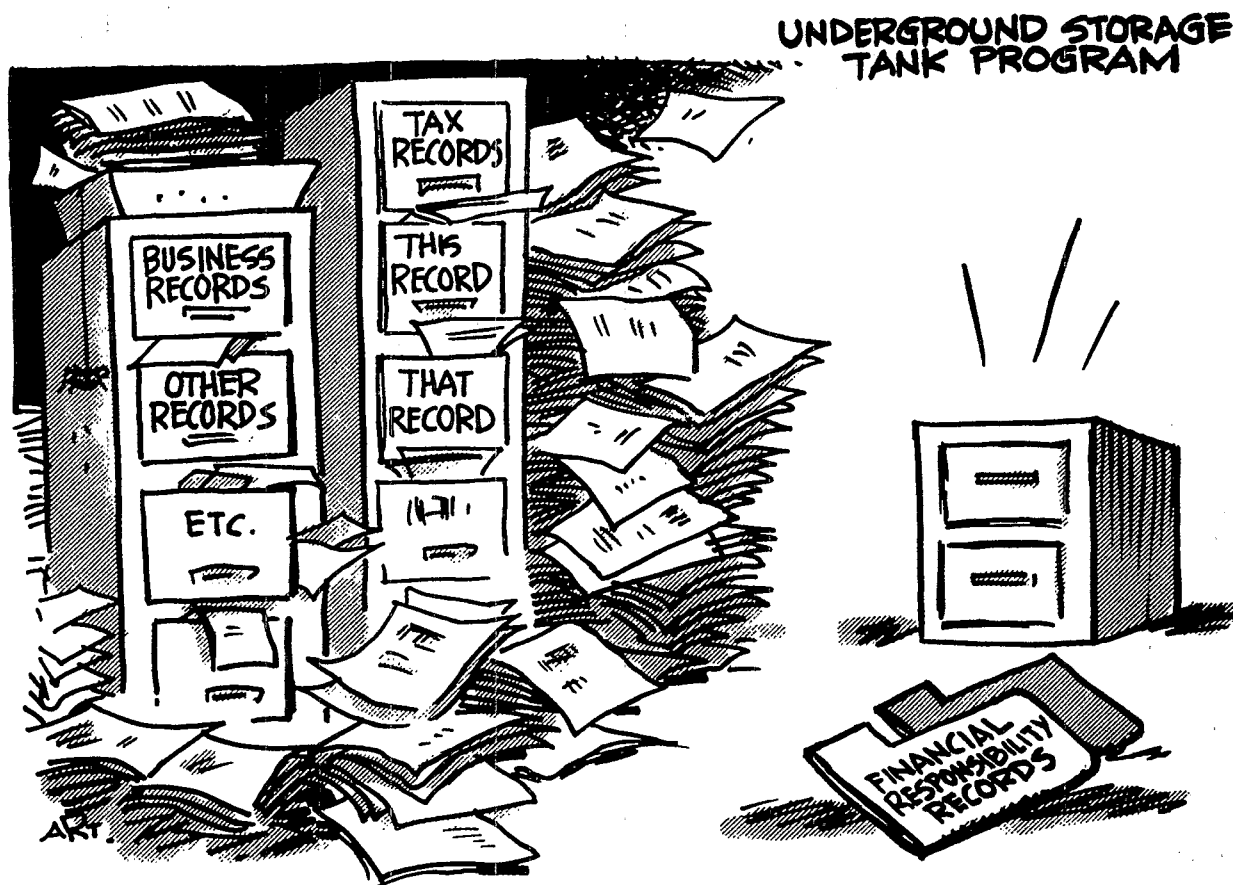
WHAT RECORDS MUST YOU KEEP OR FILE WITH THE IMPLEMENTING AGENCY?

You must keep records of the type of coverage you have at your tank site or your place of business. In addition, you must maintain a certification of financial responsibility (see page 10). You must keep both of these records until your tanks are properly closed.

You only need to report and/or file copies of these records with EPA in the following cases:

- ◆ You install a new tank system.
- ◆ You have confirmed that a tank system is leaking.

- ◆ You receive notice that a method of coverage you have will be cancelled or will not provide sufficient coverage, and you are unable to get other coverage.
- ◆ EPA or a State agency requests your records.



SAMPLES OF FINANCIAL RESPONSIBILITY FORMS

CERTIFICATION OF FINANCIAL RESPONSIBILITY

[Owner or operator] hereby certifies that it is in compliance with the requirements of Subpart H of 40 CFR Part 280.

The financial assurance mechanism[s] used to demonstrate financial responsibility under Subpart H of 40 CFR Part 280 is [are] as follows:

[For each mechanism, list the type of mechanism, name of issuer, mechanism number (if applicable), amount of coverage, effective period of coverage and whether the mechanism covers "taking corrective action" and/or "compensating third parties for bodily injury and property damage caused by" either "sudden accidental releases" or "non-sudden accidental releases" or "accidental releases."]

[Signature of owner or operator]

[Name of owner or operator]

[Title]

[Date]

[Signature of witness or notary]

[Name of witness or notary]

[Date]

The owner or operator must update this certification whenever the financial insurance mechanism(s) used to demonstrate financial responsibility change(s).

ENDORSEMENT

Name: _____ [name of each covered location]

Address: _____ [address of each covered location]

Policy Number: _____

Period of Coverage: _____ [current policy period]

Name of [Insurer or Risk Retention Group]: _____

Address of [Insurer or Risk Retention Group]: _____

Name of Insured: _____

Address of Insured: _____

Endorsement:

1. This endorsement certifies that the policy to which the endorsement is attached provides liability insurance covering the following underground storage tanks:

[List the number of tanks at each facility and the name(s) and address(es) of the facility(ies) where the tanks are located. If more than one instrument is used to assure different tanks at any one facility, for each tank covered by this instrument, list the tank identification number provided in the notification submitted pursuant to 40 CFR 280.22, or the corresponding state requirement, and the name and address of the facility.]

for [insert: "taking corrective action" and/or "compensating third parties for bodily injury and property damage caused by either sudden accidental releases" or "non-sudden accidental releases" or "accidental releases"; if coverage is different for different tanks or locations, indicate the type of coverage applicable to each tank or location] arising from operating the underground storage tank(s) identified above.

The limits of liability are [insert the dollar amount of the "each occurrence" and "annual aggregate" limits of the Insurer's or Group's liability; if the amount of coverage is different for different types of coverage or for different underground storage tanks or locations, indicate the amount of coverage for each type of coverage and/or for each underground storage tank or location], exclusive of legal defense costs. This coverage is provided under [policy number]. The effective date of said policy is [date].

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the policy; provided, however, that any provisions inconsistent with subsections (a) through (e) of this Paragraph 2 are hereby amended to conform with subsections (a) through (e):

a. Bankruptcy or insolvency of the insured shall not relieve the ["Insurer" or "Group"] of its obligations under the policy to which this

endorsement is attached.

b. The ["Insurer" or "Group"] is liable for the payment of amounts within any deductible applicable to the policy to the provider of corrective action or a damaged third-party, with a right of reimbursement by the insured for any such payment made by the ["Insurer" or "Group"]. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated under another mechanism or combination of mechanisms as specified in 40 CFR 280.95-280.102.

c. Whenever requested by [a Director of an implementing agency], the ["Insurer" or "Group"] agrees to furnish to [the Director] a signed duplicate original of the policy and all endorsements.

d. Cancellation or any other termination of the insurance by the ["Insurer" or "Group"] will be effective only upon written notice and only after the expiration of 60 days after a copy of such written notice is received.

[Insert for claims-made policies:

e. The insurance covers claims for any occurrence that commenced during the term of the policy that is discovered and reported to the ["Insurer" or "Group"] within six months of the effective date of the cancellation or termination of the policy].

I hereby certify that the wording of this instrument is identical to the wording in 40 CFR 280.97(b)(1) and that the ["Insurer" or "Group"] is ["licensed to transact the business of insurance or eligible to provide insurance as an excess or surplus lines insurer in one or more states".]

[Signature of authorized representative of Insurer or Risk Retention Group]

[Name of person signing]

[Title of person signing], Authorized

