



DIRECTIVE NUMBER: 9477.06(84)

TITLE: Environmental Impairment Liability (EIL) Insurance

APPROVAL DATE: 11-28-84

EFFECTIVE DATE: 11-28-84

ORIGINATING OFFICE: Office of Solid Waste

☒ **FINAL**

☐ **DRAFT**

STATUS:

[]	A- Pending OMB approval
[]	B- Pending AA-OSWER approval
[]	C- For review &/or comment
[]	D- In development or circulating

REFERENCE (other documents): headquarters

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Key Words: Insurance

Regulations: 40 CFR 264.147(b), 265.147(b)

Subject: Environmental Impairment Liability (EIL) Insurance

Addressee: Regional Division Directors, Regions I-X

Originator: John H. Skinner, Director, Office of Solid Waste

Source Doc: #9477.06(84)

Date: 11-28-84

Summary:

Owners and operators of surface impoundments, landfills, and land treatment facilities are required to have insurance to meet the liability coverage requirement for non-sudden accidental occurrences under §264.147(b) and §265.147(b) if they are not using the financial test.

Insurance requirements were phased in over a three-year period. By January 1985, all owners or operators will be required to have insurance coverage.

28 NOV 1984

(WH-562) A:U./sds/S-242/11/26/84

MEMORANDUM

SUBJECT: Availability of Environmental Impairment Liability
(EIL) Insurance

FROM: John H. Skinner, Director
Office of Solid Waste (WH-562)

TO: Regional Division Directors
Regions I-X

There has been some question raised in the Regions about the availability of Environmental Impairment Liability (EIL) insurance. EIL insurance is necessary for owners and operators of surface impoundments, landfills, and land treatment facilities to meet the liability coverage requirement for nonsudden accidental occurrences under §§ 264.147(b) and 265.147(b), if they are not using the financial test. Owners and operators with annual sales or revenues of less than \$5 million will become subject to this requirement in January 1985.

It is my understanding that this type of insurance is available, although there is a waiting list. Attached is a list of companies which offer EIL insurance and the limits of coverage they provide. The Agency has been advised that at this time only two companies on the list, Shand Morahan and American International Group, are taking new customers. The rest of the companies are offering policies only in limited circumstances.

Attachment

We are aware that this option is not specifically addressed in §§ 264.147 or 265.147 of the regulations. The required wording for the endorsement and the certificate of insurance (§§ 264.151(i)(1) and 264.151(j)(1)), however, states that:

The coverage applies at [list EPA Identification Number, name, and address for each facility] for [insert "sudden accidental occurrences," "nonsudden accidental occurrences," or "sudden and nonsudden accidental occurrences"] (emphasis added).

If you have further questions, please feel to contact me at (202) 382-4761.

Sincerely,

George A. Garland
Chief, Financial Responsibility
and Assessment Branch