

# STORAGE TANK POLLUTION LIABILITY PROGRAM



## Tank Program Overview

Storage tank policies are designed to cover corrective action costs (aka cleanup costs) and third-party damages that arise as a result of pollution conditions emanating from scheduled underground storage tanks (USTs) and aboveground storage tanks (ASTs).

These policies can also be used by commercial businesses to fulfill federal and state financial responsibility requirements for storage tanks. Most states require a certificate of financial responsibility for USTs, and a tank policy satisfies this requirement.

UCPM's Storage Tank Program utilizes a suite of carriers who can offer various Storage Tank Liability coverages.

### What is Available?

- Minimum Premiums as low as \$300 per tank
- Coverage available in all 50 states
- Limits from \$500k/\$1M up to \$5M/\$5M
- Deductibles available of \$5,000, \$10,000 and \$25,000
- Coverage meets EPA financial assurance requirements
- Remediation coverage for corrective action on and offsite
- Third-Party Bodily Injury and Property Damage
- Defense Expense

### Ineligible Risks

- Underground storage tanks 30 years and older
- Aboveground storage tanks 40 years and older
- Empty or out-of-service tanks
- Storage tanks pending removal
- Facilities with on-going remediation
- Arizona storage tanks that do not have a current policy with a retroactive date

### What Fits?

- Underground Storage Tanks under 30 years
- Aboveground Storage Tanks under 40 years
- Storage Tank Contents:
  - Gasoline
  - Diesel
  - Propane
  - Aviation Gas/Jet Fuel
  - Heating Oil
  - Kerosene

### Typical Contingencies

- UCPM Producer Agreement
- Complete Application including tank schedule
- Expiring Storage Tank Policy
- Passing Testing Results, may include:
  - Automatic Tank Gauging
  - Tank Tightness Tests

## Things to Consider

**Aging Storage Tanks** A big challenge for UST owners, insurers and franchisees is the age of the tank(s). Currently in the marketplace, if your tanks are approaching thirty years old, it is time to consider complete removal or removal and replacement. Studies conducted on tank exposures resulted in older tanks having a higher probability of leaking. Premiums and deductibles on old tanks are rising dramatically, and the choices are limited for tank owners who opt to not replace older tanks.

**Cleanup Costs** As of September 2018, the Environmental Protection Agency reported that over 543,000 releases from storage tanks had been confirmed throughout the U.S. The cost to clean up a release depends on a variety of factors, including the extent of contamination and state cleanup standards. The average cleanup is estimated to cost \$130,000; however, costs to clean more extensive soil contamination may exceed \$130,000. Corrective action for leaks that affect ground-water typically cost from \$100,000 to over \$1 million, depending on the extent of contamination.

**Removal Costs** The cost of a removal is determined by many factors, some of which include: size of the UST, depth it was buried, over-ground landscaping and whether the tank has leaked. Leaks come with their own set of costs as well, as it goes beyond paying for removal; costs to clean up the remediation will also apply. If you have current coverage, please note some tank policies require the policy holder to notify the carrier in advance if they are planning to upgrade, repair, remove or replace a storage tank. This can create a coverage loophole if the insured fails to notify the carrier, and a claim could be denied.