

Private Insurance for USTs

The GUST Trust Fund is set up to help provide owners with financial assistance in case of a petroleum release; however, participation is optional. If you opt for private insurance, it is important to understand the policies and language that may be associated with your coverage.

The GUST Trust Fund covers facilities regardless of the age of the tank. Most UST owners and operators choose to participate in the GUST Trust Fund because of its reliability and ease of use. *To learn more about the GUST Trust Fund see the GUST Trust Fund flyer for more information.*

Many insurance policies have exclusions which would completely deny coverage if your facility is out of compliance at the time of release, leaving you vulnerable to environmental cleanup costs that can reach \$1,000,000.00. Be informed so you make the best decision for your business.

Understanding Insurance Policies:

If you are unsure about the language in your policy, contact your insurance agent for clarification.



Self-Insured Retention

A self-insured retention is the amount that must be paid by the owner before the insurance company will begin paying a claim. **SIRs are not acceptable in UST policies.** Policies must include first dollar coverage, meaning that the insurance company will cover the deductible and recoup this amount from the policy holder.



Exclusions/Endorsements

Voluntary Tank Removal/Site Investigation Exclusions

These exclusions exempt an insurance companies from paying a claim for releases discovered during tank removal or site investigation. **EPD may not approve an UST insurance policy with these terms.**

Loading/Unloading Exclusions or Endorsements

Policies may have an exclusion/endorsement for releases caused by fueling a vehicle at the dispenser or delivering fuel to an UST from a tanker truck. Both of these activities are considered part of the operation of the UST system. **Therefore, a loading/unloading exclusion is not acceptable in UST insurance policies.**

Acceptable Exclusions or Endorsements

Many exclusions are acceptable in a policy. Non-payment for claims to pay a violation fine is an example of an acceptable exclusion. Some exclusions need special consideration from the policy holder. Here are some examples:

- Making changes to a UST system without insurance company approval (tank removal, upgrades, site investigation or replacement)
- Non-compliance
- Facility management of someone other than the insured
- Tanks are Temporarily-Out-Of-Use (TOU)

Owner Requirements

It is important to be aware of the requirements a policy makes on the owner to ensure that a claim will be covered. Here are some examples of policy requirements for a claim to be approved:

- specific time frame for reporting a release
- facility compliance
- suspected release reporting

Retroactive Dates

Your UST system will not be covered for releases that occurred before the date of coverage listed on your policy. Consider including retroactive coverage dating back to the installation of your USTs or conducting a baseline assessment of your UST facility.

And/Or Language

The liabilities covered by your UST policy must include taking corrective action and compensating third parties for bodily injury and property damage caused by accidental releases. It is common to list this instead as “*taking corrective action and/or compensating third parties caused by either nonsudden accidental releases or sudden accidental releases or accidental releases.*” This ‘and/or’ and “either/or” language is not acceptable in a Certificate of Insurance.

**We are here for you. If you have questions or concerns,
please call 404.362.2687**

