

Financial Responsibility for Underground Storage Tanks: Insurance and Risk Retention Group Coverage

BUREAU OF WEIGHTS AND MEASURES

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RESOURCES

Wis. Admin. Code ATCP 93 http://docs.legis.wisconsin .gov/code/admin_code/at cp/090/93

Financial Responsibility—What is Required

Wisconsin Administrative Code section ATCP 93.705 requires owners/operators of petroleum storage tank systems to prove they are capable of covering any financial expenses or liability incurred as a result of accidental releases from the operation of their tank(s).

Per-Occurrence Coverage Required (Wis. Admin. Code § ATCP 93.705(1))

- Petroleum underground storage tank systems located at petroleum marketing facilities, or that throughput an average of more than 10,000 gallons of petroleum per month (based on annual throughput for the previous calendar year): \$1 million
- All other petroleum storage tank systems: \$500,000

Total Annual Coverage Required (Wis. Admin. Code § ATCP 93.705(2))

- 1 to 100 petroleum underground storage tanks: \$1 million
- 101 or more: \$2 million

Options for Establishing Financial Responsibility

- Financial test of self-insurance
- Guarantee
- Surety bond
- Letter of credit
- Trust fund
- Standby trust fund
- Local government bond rating test
- Local government financial test
- Local government guarantee
- Local government fund
- Insurance and risk retention group coverage

Insurance and Risk Retention Group Coverage

To use insurance and risk retention group coverage, an owner or operator must obtain liability insurance from a qualified insurer or risk retention group. This may be in the form of a separate insurance policy or an endorsement to a current insurance policy. Each insurance policy must be issued by an insurer or a risk retention group that 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.

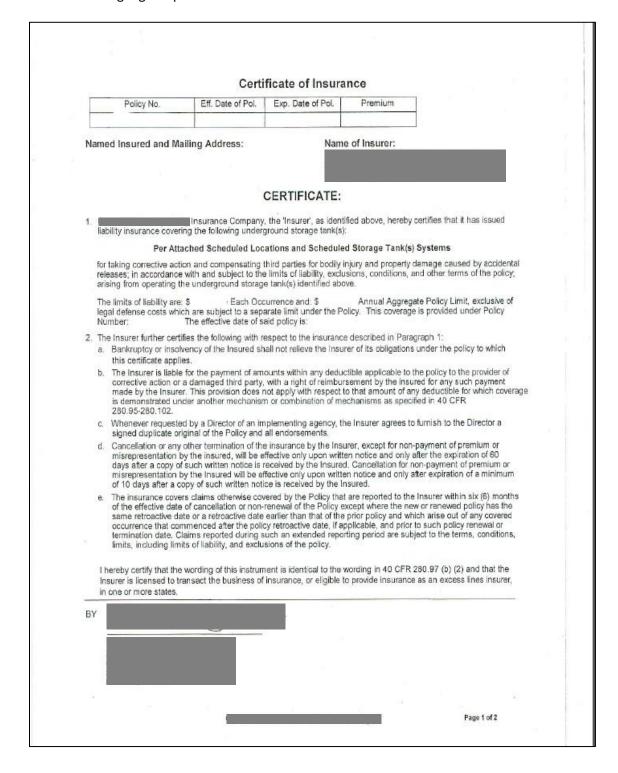
Federal law requires the following special provisions to be included in the insurance policy.

■ The amended endorsement or certificate of insurance must contain the exact language provided in 40 CFR 280.97(b)(1) or 40 CFR 280.97(b)(2). This provides "First Dollar" coverage that ensures disputes between the insurer and the insured over who is responsible for paying the amounts within the deductible limits will not interfere with prompt corrective actions or with third-party compensation.

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- The legal defense costs must be excluded from the required amount of liability coverage.
- An extended reporting period must be provided for claims made to the policy.

Examples of a certificate of insurance and site schedule are provided below. The language in this document reflects the language required in 40 CFR 280.97 and cannot be altered or revised.



 Fotal Number of Tanks:	
9	

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