

Why you should meet financial responsibility (FR) requirements?

Complying with financial responsibility requirements protects you as an owner and/or operator.

- If your UST leaks, you may face high cleanup costs or lawsuits brought by third parties.
- Failure to proof of your FR mechanism may result in an enforcement action. An enforcement action may include: the Director issuing a stop use order and affixing a tag to stop operation of the UST, civil penalties of up to \$25,000 per day, and/or injunctive relief.

What do you need to submit?

There are many types of financial responsibility mechanisms for underground storage tanks. The most common FR mechanism used is *insurance*, also known as *pollution liability insurance*. Here are a few key items to consider when using UST pollution liability insurance as a FR mechanism.

- An UST owner and/or operator must submit the **Certificate of Insurance** or **Endorsement** with the **Schedule of Covered Tanks** (see sample below). *Both* the Certificate of Insurance and Tank Schedule must be submitted to be in compliance with FR requirements.

Certificate of Insurance

The Certificate of Insurance or Endorsement has the following:

- It is written with the proper language found in the federal and state regulations, either 40 CFR 280.97(b)(1) or 40 CFR 280.97(b)(2).
- It must include the Schedule of Covered Tanks.
- It has a signature of the insurance company's representative.

Certificate of Insurance			
Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Premium
	5/06/2015	5/06/2016	

Named Insured and Mailing Address: _____

Name of Insurer:
Crum & Forster Specialty Insurance Company
305 Madison Avenue
Morristown, NJ 07960

CERTIFICATE:

1. Crum & Forster Specialty Insurance Company, the "Insurer", as identified above, hereby certifies that it has issued liability insurance covering the following underground storage tank(s):

Per Attached Scheduled Locations and Scheduled Storage Tank(s) Systems

for taking corrective action and compensating third parties for bodily injury and property damage caused by accidental

termination date. Claims reported during such an extended reporting period are subject to the terms, conditions, limits, including limits of liability, and exclusions of the policy.

I hereby certify that the wording of this instrument is identical to the wording in 40 CFR 280.97 (b) (2) and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess lines insurer, in one or more states.

BY:

Signed by Company Representative

Language per 40 CFR 280.97(b)(1) or 40 CFR 280.97(b)(2)

Scott M. Kreuzer, Vice President
Authorized representative of
Crum & Forster Specialty Insurance Company
305 Madison Avenue
Morristown, NJ 07960

Schedule of Covered Tanks

The schedule provides the location of the UST system and the number of tanks at the location.

Schedule of Covered Tanks

Crum & Forster Storage Tank Application Declarations

Schedule of Locations and Storage Tanks

Effective as of May 06, 2015

Attached to and forming part of Policy

Tank#	Cap. Gal.	Contents	Position	Instal.Date	Lined Date
1	10,000	Gasoline	Under	1994	
2	10,000	Gasoline	Under	1994	
3	10,000	Gasoline	Under	1994	
4	10,000	Diesel	Under	1994	
5	500	Waste Oil	Under	1994	

Total Number of Tanks: 5
Total Number of Facilities: 1

ACORDs

Problems with ACORDs:

- No tank schedule
- Not the proper language
- No signature

An ACORD can be identified by the “ACORD” logo on the upper left hand corner of the document and the “CERTIFICATE OF LIABILITY INSURANCE” title on the top of the document.

The image shows a standard ACORD Certificate of Liability Insurance form. At the top left is the ACORD logo. The title is "CERTIFICATE OF LIABILITY INSURANCE" with a date field (MM/DD/YYYY) to the right. Below the title is a disclaimer: "THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER." An important note follows: "IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)." The bottom section contains fields for PRODUCER, CONTRACT NAME, PHONE, (A/C, No, Ext), E-MAIL, ADDRESS, INSURER(S) AFFORDING COVERAGE, and NAIC #.

Declarations

Problems with Declarations:

- An overview of the basic policy information only
- No tank schedule
- Not the proper language
- Sometimes there is no signature

This document can be identified by looking for the word “Declarations.”

The image shows a "Storage Tank Pollution Policy Declarations" form from American Safety Indemnity Company. It includes fields for POLICY NUMBER, NAMED INSURED, POLICY PERIOD, and INSURED SITE(S). A "FORM OF BUSINESS" section is marked "RECEIVED" for a Corporation on JAN 28 2014. Below this is a section for "GREAT DIVIDE INSURANCE COMPANY A North Dakota Stock Corporation TANKADVANTAGE POLLUTION LIABILITY DECLARATIONS". It contains fields for POLICY NUMBER, RENEWAL OF, and POLICY PERIOD (December 09, 2012 to December 09, 2013 at 12:01 a.m. Standard Time at your mailing address shown above). A disclaimer at the bottom states: "IN RETURN FOR THE PAYMENT OF PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY."

Exceptions:

Please note that a few Tank Schedules are entitled as “Declarations” (see example on page 1) and this document is submitted with the Certificate of Insurance or Endorsement.

Binders

Problems with Binders:

- It’s a contract of temporary insurance pending the issuance of a formal policy or proper rejection of the application by the insurer
- Premium is usually still due
- Incomplete or no tank schedule
- Not the proper language
- Sometimes there is no signature

The image shows a "Coverage Binder" from UCPM Environmental Insurance. At the top, it identifies the insured as "Humboldt Station, Inc. dba Humboldt Market" and the policy as "ECO-SITE" STORAGE TANK AND ENVIRONMENTAL LIABILITY POLICY. The UCPM logo is prominent. Contact information for UCPM is provided: 335 E Germann Rd., Suite 340, Gilbert, AZ 85297-2924, (480) 777-8911 Phone, (480) 777-8917 Fax, www.ucpm.com. The binder is dated Tuesday, May 27, 2014. A "COVERAGE BINDER" label is highlighted in red. Below, there are fields for Company, To, Binder For, and Address. A disclaimer states: "Please be advised that coverage is bound for the above referenced account, per the attached binder." The Issuing Company is identified as Hudson Specialty Ins. Co.

Please note that ADEQ does NOT accept ACORDs, Declarations, or Binders as proof of FR compliance.

FOR MORE INFORMATION:

Arizona Dept. of Environmental Quality
 WPD Financial Responsibility Program
 1110 W. Washington Street | Phoenix, AZ 85007
 (602) 771-2300 | www.azdeq.gov