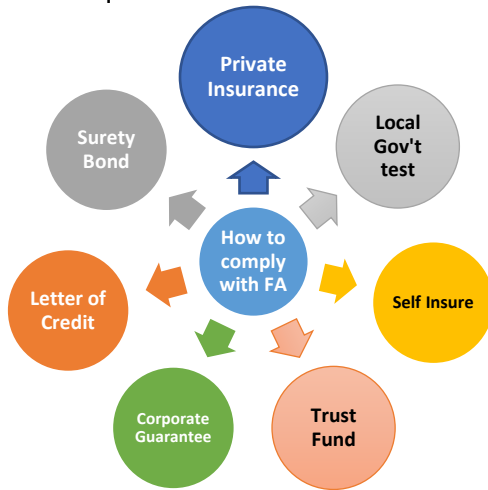


According to Federal and State UST regulations (40 CFR Part 280 and N.J.A.C. 7:14B, respectively) if you own or operate a regulated underground storage tank (UST) you must demonstrate that you have the financial resources to clean up a discharge from your tank and to pay compensation to third parties for damage to their property or for personal injury. A UST financial assurance mechanism must remain in place for each UST until proper closure and issuance of a Response Action Outcome (RAO) by a New Jersey Licensed Site Remediation Professional (LSRP).

WHERE DO I START?

The UST Regulations allow you to choose from a variety of mechanisms to comply with the financial assurance requirements.



The most frequently chosen mechanism is Private UST Financial Responsibility (FR) Insurance. This brochure will provide some basic information that will help in the selection and evaluation of an FR insurance policy. For information regarding other mechanisms, you can reach us at 609-292-2943.

UNDERSTANDING YOUR INSURANCE POLICY

While all policies must meet certain basic requirements to comply with the applicable Federal or State regulations, there are differences in the policies offered. All policies must provide coverage in specified amounts for cleaning up a release and paying for property damage and bodily injury, and the policy must provide a separate limit for defense.

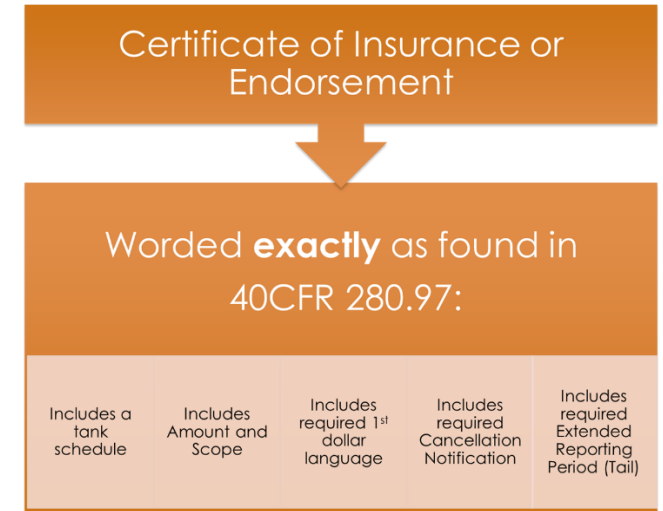
The table below represents the required amounts of FR for groups of federally regulated UST owners and operators.

Group of UST Owners and Operators	Per Occurrence Coverage A	Aggregate Coverage
Group 1: Petroleum producers, refiners, or marketers	\$1 million	\$1 million for 100 or fewer tanks or \$2 million for more than 100 tanks
Group 2: Nonmarketers	\$500,000 if throughput is 10,000 gallons monthly or less or \$1 million if throughput is more than 10,000 gallons monthly	

Note: See attached addendum for definitions of state and federally regulated USTs and required FR for State-Only regulated USTs per N.J.A.C. 7:14B.

UNDERSTANDING YOUR OPTIONS

To make sure your insurance policy meets the basic financial responsibility requirements, your policy must include a Certificate of Insurance or Endorsement as per 40 CFR 280.97.



After meeting these basic requirements, you will be asked questions by your insurance agent or broker regarding your tank system that will allow you to make choices on what type of policy you want to purchase. Differences in policy terms such as deductibles will affect what premium you pay and most importantly what costs the insurer will and will not pay.

Items considered by insurers include:

- Tank System Status & Components
 - Tank – Type, Age, Material, Product
 - Piping – Material, Age, Distance
 - Containment
- Compliance Records
 - History of prior releases
 - Inspection records
 - Tank system testing data

QUESTIONS TO ASK YOUR BROKER

- Is the insurer eligible to provide insurance in New Jersey?
- Is the signed Certificate of Insurance or Endorsement worded exactly as specified in 40 CFR 280.97?
- Does this insurance provide the proper amount of coverage as specified in 40 CFR 280.93?
- Does this policy list all the tanks at each facility and are the tanks correctly identified in the Schedule of Covered Tanks?
- Does this UST Insurance or Endorsement policy include Self-Insured Retention, Voluntary tank removal and/or Site Investigation exclusion, and/or Loading and Unloading exclusion language? If Yes, these policies don't meet the federal financial responsibility (FR) requirements as described in 40 CFR 280 Subpart H.
- Does this policy include a 6-month Extended Reporting Period and does your retroactive date (date the coverage begins) give you adequate coverage? Only releases that occur after the retroactive date in the insurance policy are covered.
- What are your reporting requirements to the insurer under the policy? Generally, if you need to notify the state you need to notify the insurer.

Note: If the owner and operator of an UST are separate entities, only one party is required to demonstrate compliance with the financial responsibility requirements. However, both parties may be fined if financial responsibility requirements are not met.



INSURANCE POLICY DETAILS

Read your policy carefully and discuss it with your insurance agent or broker to make sure you fully understand what you are purchasing and what your responsibilities are should you have a leak from your UST.

- Declarations Page: Coverage Summary (Insured name, Address, Locations, Limits, Deductibles, Term, etc.) The Insured must be an UST owner or operator or listed as an additional insured.
- Insuring Agreement: Coverages that are intended to be paid.
- Exclusions: What is not covered. Describes specific circumstances in which no coverage will be provided.
- Limits of Insurance: How incident limits apply (relative to the aggregate, the deductible, defense costs, etc.)
- Policy Conditions: Insured's duties in event of a claim, cancellation, other insurance, state funds, warranties.
- Extended Reporting Period: A minimum 6-month time-period during which the insured can report a release that occurred during the time the policy was in effect, but after the policy end date.
- Insurance Coverage: Certificate of Insurance or Endorsement if your UST insurance coverage is an expansion of a policy you already have.
- Schedule of Covered Storage Tanks Endorsement: List of tanks covered under the policy.

Disclaimer

This brochure provides information to promote compliance but isn't a substitute for federal and state financial responsibility requirements. For regulatory requirements regarding UST systems, refer to the federal regulation governing UST systems at 40 CFR part 280 and N.J.A.C 7:14B.

For additional UST FR resources go to:

<https://www.epa.gov/ust/resources-ust-owners-and-operators>

Private Tank Insurance

A Guide for New Jersey
Underground Storage Tank
Owners & Operators
January 2021



State of New Jersey
New Jersey Department of Environmental Protection
Bureau of Case Assignment and Initial Notice
UST Registration & Billing Unit
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609-292-2943
srpustregistration@dep.nj.gov
More NJ UST Information:
<https://www.nj.gov/dep/srp/bust/>



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