

Private Tank Insurance

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January 2021 Private Tank Insurance Guide

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



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Bureau of Case Assignment and Initial Notice
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More NJ UST Information:
<https://www.nj.gov/dep/srp/bust/>

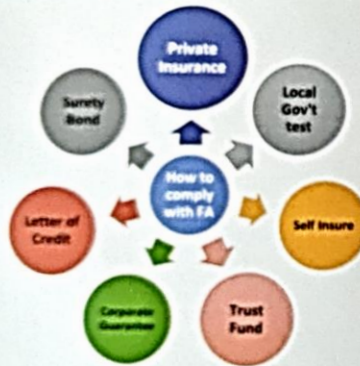


Twitter: [@NewJerseyDEP](https://twitter.com/NewJerseyDEP)
NJDEP: www.nj.gov/dep/

1
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.

2 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.

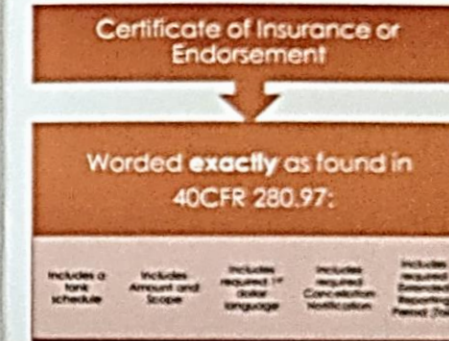
The table below represents the required amounts of FR for groups of federally regulated UST owners and operators.

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: An expanded table including New Jersey FR requirements for regulated State-Only USTs pursuant to N.J.A.C. 7:14B-15.2 can be found at:
www.nj.gov/dep/srp/bust/finresp/ustfr_table.pdf

3 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.



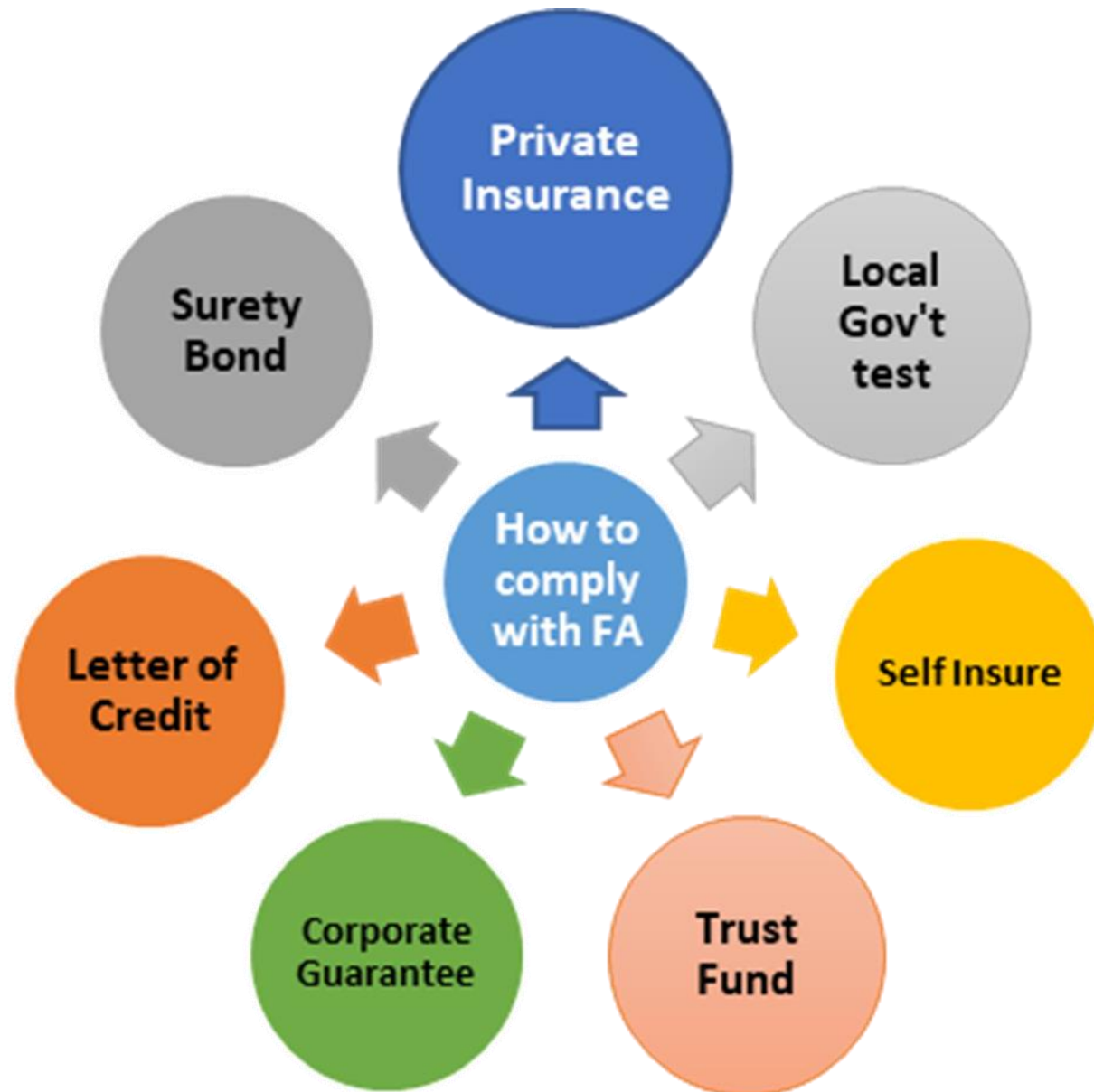
After meeting these basic requirements, you will be asked questions by your insurance agent or broker regarding your tank system that will allow you to make choices on what type of policy you want to purchase. Differences in policy terms such as deductibles will affect what premium you pay and most importantly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

Items considered by insurers include:

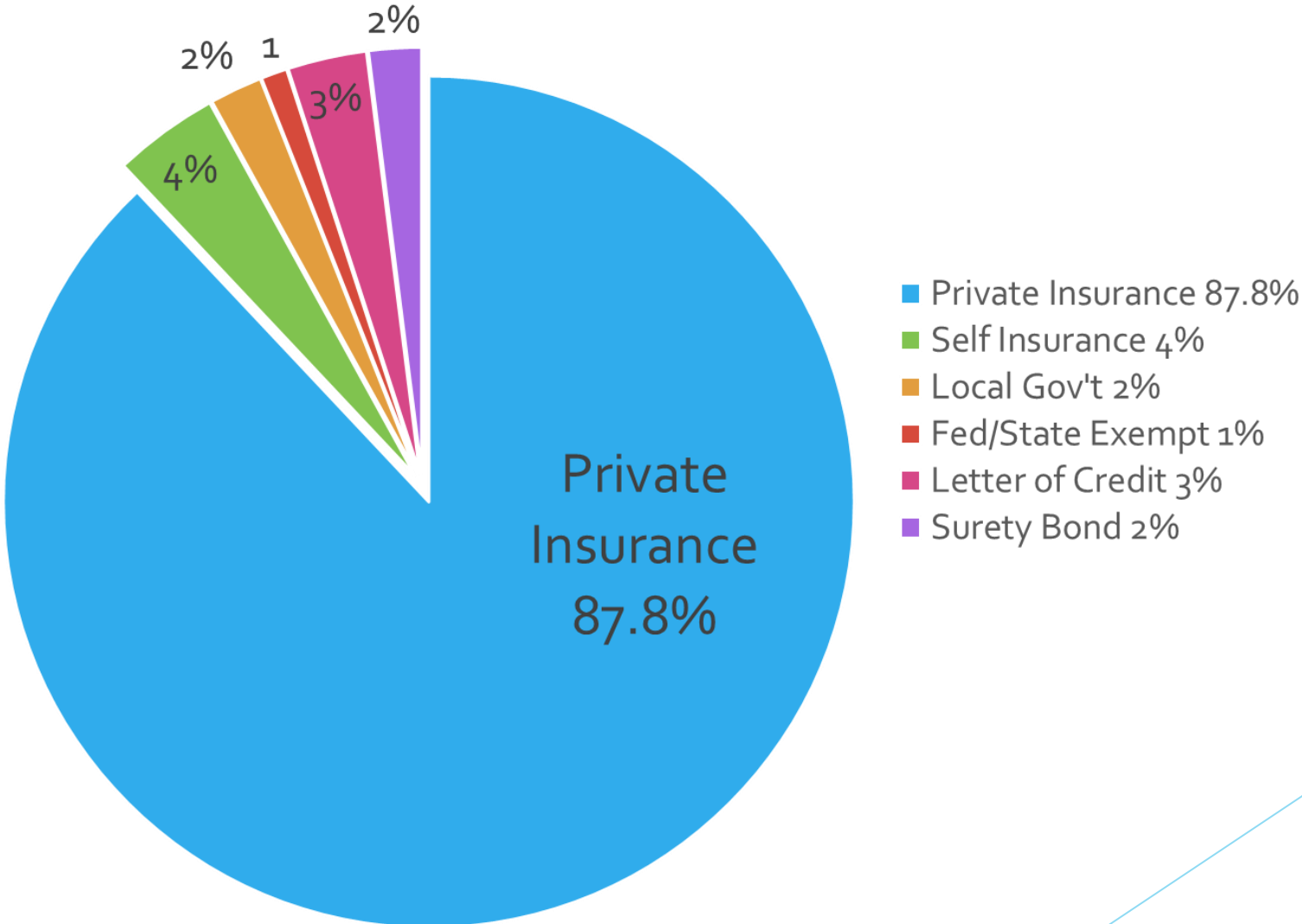
- Tank System Status & Components
 - Tank – Type, Age, Material, Product
 - Piping – Material, Age, Distance
 - Containment
- Compliance Records
 - History of prior releases
 - Inspection records
 - Tank system testing data







New Jersey UST Financial Assurance Mechanisms



Focus & Goals:

1. Review policies to meet the Federal/State Financial Assurance requirements.
2. Communicate any deficiencies with insurance carriers (set up plan for corrective action) and UST O/Os.
3. Coordinate with Department of Banking and Insurance if needed.
4. Bring Federal UST-OUST into the discussion to alert them to any “national issues.”
5. Provide public forums with UST O/O and supply literature about UST pollution insurance.