



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

June 18, 2012

OFFICE OF
SOLID WASTE AND
EMERGENCY RESPONSE

MEMORANDUM

SUBJECT: Changes in the Insurance Industry: Suggestion to carefully check your UST insurance policy

FROM: Carolyn Hoskinson, Director 
Office of Underground Storage Tanks

TO: UST Industry Associations
State UST/LUST/Fund Program Contacts

UST insurance has played and continues to play an important role in ensuring that UST owners and operators have a means to provide for corrective actions or third-party damages in the event of an accidental release from their UST systems. To ensure they are buying and retaining appropriate coverage for their UST systems, owners and operators should understand and be attentive to the underlying language, terms, and conditions of their policies. I invite you to share this memo with others who are interested in the use of UST insurance.

The particular development that sparked my desire to send this reminder was that the U.S. Environmental Protection Agency (EPA) recently learned that Zurich American Insurance Company (Zurich) will no longer issue new UST insurance policies and will not renew existing UST insurance policies. Because Zurich has been one of the major national UST insurance providers over the years, EPA is aware that many UST owners and operators across the United States have used Zurich's UST insurance policies to provide coverage against corrective actions and third-party damages. If you are one of them, and you are now converting to a new policy, now would be a great time to read it carefully and ensure you have the coverage that you need.

But I'm addressing this memo to all owners and operators, and those states who oversee them, because it is essential for everyone to carefully discuss their policies with their insurance agents or brokers to make sure owners fully understand the coverage they are purchasing and what their responsibilities are under their policies, should they have a release from their UST systems. You don't want to find out *after* a release that you bought a policy that isn't going to cover you.

To my state colleagues; remember that when you're inspecting your facilities, and confirming that they are meeting their FR obligations, it is important to ensure that not only do they have a policy, but that it meets the specific federal and state requirements.

I highly recommend to all the *Guide to Tank Insurance*, published by the Association of State and Territorial Solid Waste Management Officials (ASTSWMO). This document presents useful examples of UST insurance policy language that could impact the extent of coverage under the policy. To access this document, see:

[www.astswmo.org/Files/Policies and Publications/Tanks/2011.10 Guide to Tank Insurance FINAL.pdf](http://www.astswmo.org/Files/Policies_and_Publications/Tanks/2011.10_Guide_to_Tank_Insurance_FINAL.pdf)

Another resource that may be of use to UST owners and operators is EPA's *List Of Known Insurance Providers For Underground Storage Tank Owners And Operators* (www.epa.gov/swrust1/pubs/inslist.htm). This document contains information on insurance companies, brokers, and agents offering UST insurance.

If you have any questions about federal requirements for UST insurance, please contact Cho-Yi Kwan (kwan.choyi@epa.gov or 703-347-8908) of my staff.

cc: ASTSWMO
EPA Regional UST Program Managers
EPA OUST Regional Liaisons