



Financial Responsibility Requirements for Underground Storage Tanks

Petroleum underground storage tank, or UST, owners and operators are required to have the funds to pay for cleanup and other damages that may occur from a release from their USTs. This requirement is known as financial responsibility, or FR. Detailed information about the financial responsibility requirements can be found in Chapter 3 of the UST regulations (10 CSR 26-3).

Who must obtain financial responsibility?

Owners and operators of operating petroleum USTs must comply with the FR requirements. Both parties are responsible for compliance, although only one party, either owner or operator, needs to obtain financial responsibility.

Why is financial responsibility important?

Contamination, even from small UST releases, can threaten the health and safety of people and the environment. Tank owners and operators are responsible for cleaning up spills and releases from their tanks. Such cleanups can become very expensive, very quickly.

How much coverage is needed?

Financial responsibility must cover taking corrective action or compensating third party property damages or bodily injuries caused by sudden or non-sudden accidental releases. The required amount of FR is typically \$1 million per occurrence and a \$1 million annual aggregate, but there are some exceptions:

- Non-marketers with less than 10,000 gallons per month throughput need only obtain \$500,000 per occurrence.
- Owners of more than 100 USTs (nationwide) must obtain \$2 million annual aggregate coverage.

How do I demonstrate financial responsibility?

The following methods may be used, either singly or in combination, to demonstrate financial responsibility:

- Missouri's Petroleum Storage Tank Insurance Fund, or PSTIF.
- Financial test of self-insurance.
- Insurance or risk retention group coverage.
- A letter of credit.
- Trust fund.
- Surety bond.
- Guarantee.
- A standby trust fund.

The following additional methods are for use by local governments:

- Local government financial test.
- Local government bond rating test.

Copies of suggested wording and worksheets are available from the department's UST Unit or online at www.sos.mo.gov/adrules/csr/current/10csr/10c26-3.pdf.

How do I apply to the Missouri UST Insurance Fund?

If you wish to use PSTIF as your method of FR, call 800-765-2765 or 573-761-4060 for an application. PSTIF provides \$1 million per occurrence and \$2 million annual aggregate coverage with a \$10,000 deductible. Participation in the insurance fund is voluntary. Visit the PSTIF website at www.pstif.org.

For more information

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www.dnr.mo.gov/env/hwp/index.html