

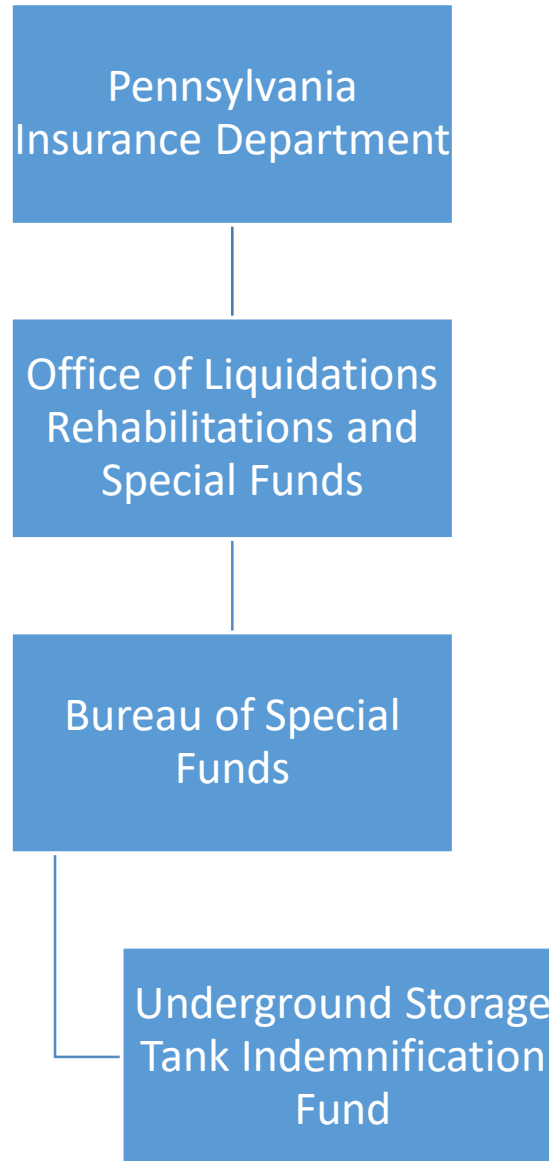
Underground Storage Tank Indemnification Fund

*Paying for a Cleaner
Commonwealth*



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USTIF Executive
Director

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USTIF Claims
Manager



This
presentation
will cover:

Background of
USTIF

USTIF
Operations

Fee Collection

Claim
Reporting

Claim
Eligibility
Review

USTIF
Amended
Regulations

Background of USTIF



Mission Statement

The mission of the Underground Storage Tank Indemnification Fund is to provide for a cleaner Commonwealth by administering a fiscally responsible program to reimburse eligible participants for reasonable and necessary expenses incurred from releases into the environment.

History of USTIF

1988- US EPA Promulgates UST Regulations

1989- The PA Storage Tank and Spill Prevention Act creates USTIF

1993- PA Financial Responsibility regulations codified

1994- USTIF began formal operations

USTIF Coverage Programs

Regulated
Underground
Storage Tanks

Heating Oil
Tanks (Opt-In)

Tank Installers

USTIF Indemnification Payments

REASONABLE AND NECESSARY CORRECTIVE ACTION COSTS
REIMBURSED



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graph TD; A[REASONABLE AND NECESSARY CORRECTIVE ACTION COSTS REIMBURSED] --> B[3RD PARTY LIABILITY COSTS COVERED]; B --> C["$5,000 DEDUCTIBLE PER TANK OR TANK HANDLING ACTIVITY"]; C --> D["$1.5 MILLION COVERAGE LIMIT PER OCCURRENCE"];
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The diagram consists of four horizontal bars arranged in a descending staircase pattern from top-left to bottom-right. Each bar contains text and is connected to the next bar by a downward-pointing arrow on its right side. The bars are colored in a gradient: the top bar is orange, the second is a darker orange, the third is a brownish-orange, and the bottom bar is grey.

3RD PARTY LIABILITY COSTS COVERED

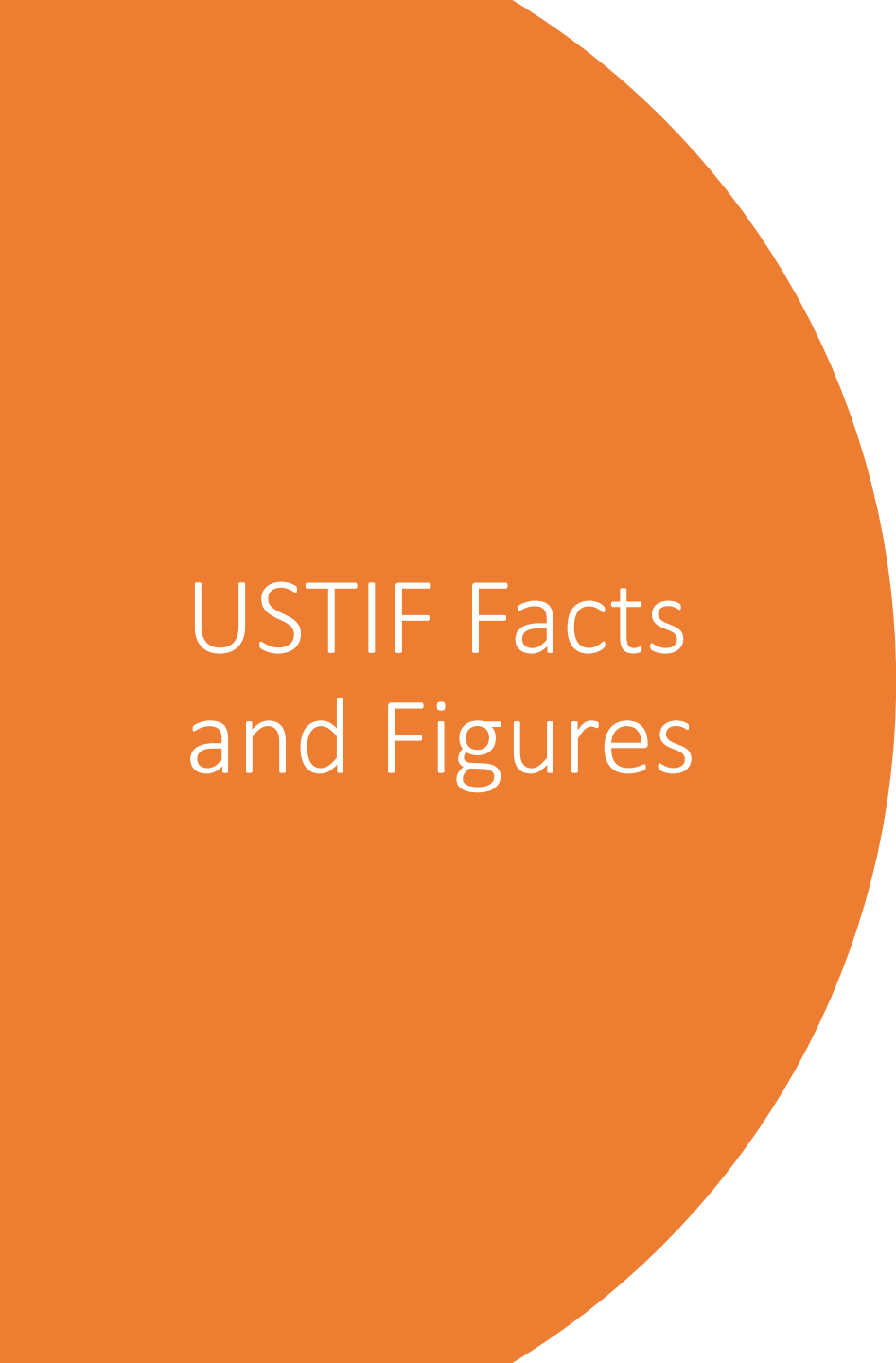
\$5,000 DEDUCTIBLE PER TANK OR TANK HANDLING ACTIVITY

\$1.5 MILLION COVERAGE LIMIT PER OCCURRENCE



Underground Storage Tank Indemnification Board

- USTIF is overseen by a 14-member board
- Board members are extremely knowledgeable on insurance and storage tank issues
- The first meeting of the USTIF Board took place on December 19, 1989.
- The Board meets quarterly each year.
- The Board annually approves fee schedule based on an actuarial study
- The Board conducts a Performance Review of USTIF every 5 years

A large orange circle is positioned on the left side of the slide, partially cut off by the edge.

USTIF Facts and Figures

Payments average approximately
\$43 million annually

Since 1994, over 7,500 claims have
been presented and investigated

Total benefits paid to date
surpasses \$1.3 billion

Current number of outstanding
claims is 789

USTIF's Partnership with DEP



INVESTIGATION, CLOSURE,
COMPLIANCE, AND
ENFORCEMENT COSTS



POLLUTION PREVENTION
PROGRAM



ENVIRONMENTAL
CLEANUP PROGRAM



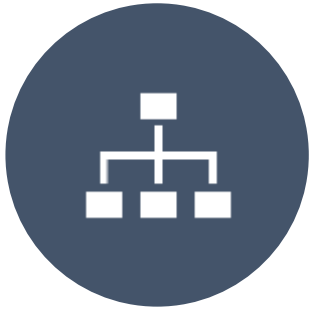
DATA SHARING



ENFORCEMENT

USTIF Operations

Administrative and Financial Operations



ADMINISTRATION



FEE COLLECTION



INVESTMENTS



AUDITS

Claims Handling

USTIF Oversight

ICF

Third Party Reviewers

ICF- USTIF's Third Party Administrator



Under contract with USTIF for claims administration and data management services



Investigates all claims reported to USTIF and serves as the primary contact with the tank owner or operator and their consultant



Engages Third Party Reviewers as necessary



Works in cooperation with USTIF staff



Processes invoices for reasonable and necessary costs

Fee Collection



USTIF Fees

Fees set by Board based on annual actuarial study

Fees have remained stable for the past 17 years

Annual statements are issued each December, including list of registered tanks

Participants have the option to pay capacity and TIIP fees in full or make monthly payments

Throughput fees are generally collected by distributors on behalf of tank owners

2024 USTIF Fees

UST Fee	Rate
Gallon Fee	\$0.011 per gallon
Capacity Fee	\$0.0825 per gallon
Tank Fee	\$0.00

TIIP Fee	Amount
Annual Fee	\$1,000.00
Tank Removal Fee	\$15.00
Major Modification Fee	\$50.00
Tank Installation Fee	\$50.00

USTIF Fee Billing System

- The FBS was established in 2017-currently supports over 4,000 users.
- The DEP supplies tank ownership and registration data on a weekly basis that is used to populate USTIF's fee billing system for the invoicing processes.
- DEP compliance personnel have access to the Fee Billing System in order to assist with confirming financial responsibility for facility owners to ensure required fees are remitted accordingly.
- USTIF participants may make payments directly through the FBS.

Claim Reporting



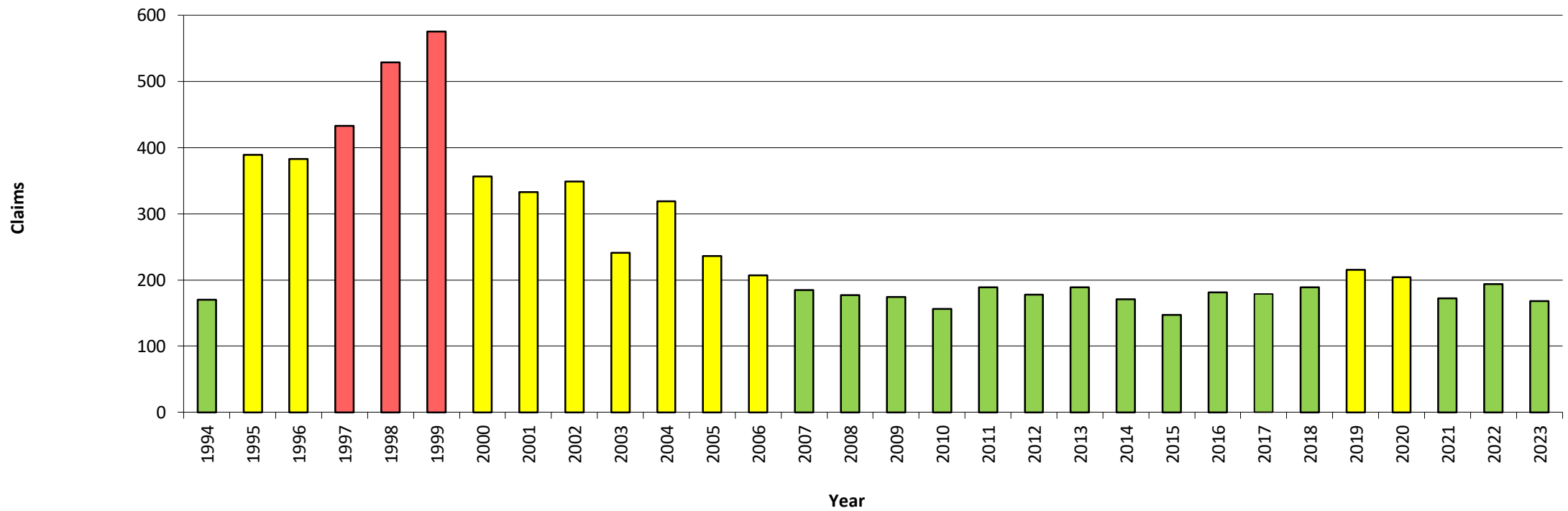
Claim Reporting and Assignment

- All claims must be reported directly to USTIF
- USTIF intakes the newly reported claim and assigns to ICF
- Eligibility investigation begins



Claim Eligibility Review

Total USTIF Claims by Year



Claim Eligibility Requirements

Claimant is the owner, operator or installer of the tank

All current capacity and throughput fees are paid (Section 705 fees)

The UST has been properly registered (Section 503)

The participant has obtained the necessary permits or certifications

The release must have occurred on or after February 1, 1994

The participant cooperates as defined in USTIF regulations

The participant has met the 60-day reporting requirement

Eligibility Review

The claim is assigned to a Claim Representative who contacts the tank owner or operator within one business day to begin the formal claim investigation process.



Copies of release detection items are requested, a recorded statement is taken, and other pertinent issues are investigated



When the investigation is complete, an eligibility determination is sent in writing to the tank owner or operator.

For an eligible claim, information regarding claim payment procedures is provided.

For denied claims, the tank owner or operator is provided with information concerning appeal procedures.

Reasons why claims are denied:

Fees not paid

Not registered with DEP

Pre-USTIF Contamination

Claimant not Owner/Operator

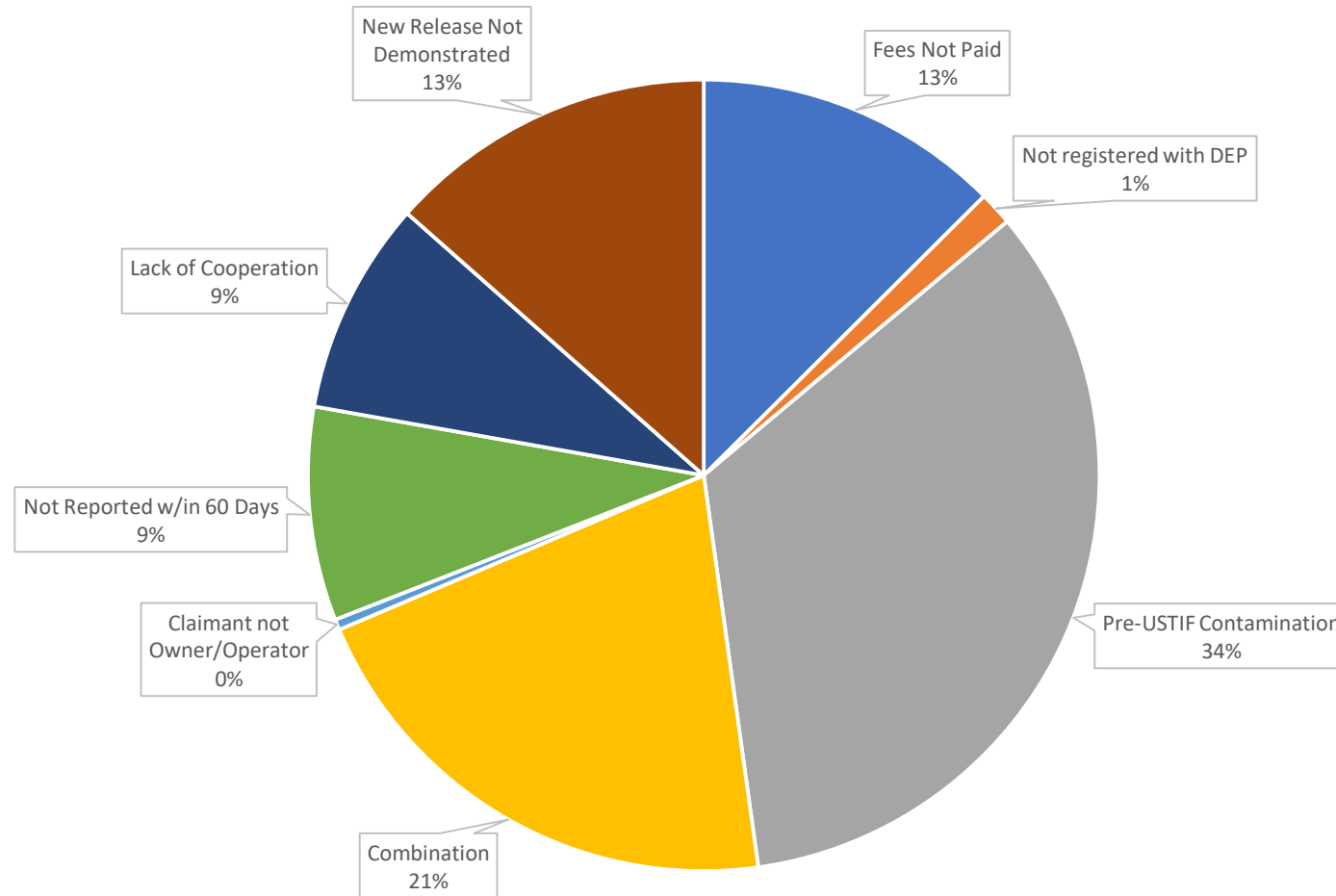
Not reported within 60 Days

Lack of Cooperation

New Release not demonstrated

Multiple reasons

Claim Denials by Percentage



Pre-1994 contamination mixed with recent releases

Releases from abandoned tanks as well as registered tanks

Data anomalies (e.g., lead and MTBE)

USTIF Eligibility Regulations

USTIF Regulatory Amendments



Amended to incorporate
Commonwealth Court and
Pennsylvania Supreme Court
decisions



One change is to require that USTs
be registered with DEP within 60
days of a confirmed release



Regulation will be circulated for
both formal and informal comment

ANNEX A
INSURANCE DEPARTMENT

25 PA. CODE CH. 977

CHAPTER 977. UNDERGROUND STORAGE TANK INDEMNIFICATION FUND

SUBCHAPTER A. GENERAL PROVISIONS

§ 977.4. Definitions.

Site – For purposes of § 977.31 (relating to eligibility requirements), the term means the property which includes the storage tank facility.

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SUBCHAPTER C. COVERAGE AND CLAIM PROCEDURES

§ 977.31. Eligibility requirements.

To be eligible for Fund coverage, the participant shall, under section 706 of the [act] Act (35 P.S. § 6021.706) (relating to eligibility of claimants), meet the following requirements:

- (1) The claimant is the owner, operator or certified tank installer of the [tank] UST which is the subject of the claim.
- (2) [The current fee] All fees required under [section 705 of the act (35 P.S. § 6021.705) has been paid.] Subchapter B for all USTs located at the site where the release occurred are paid prior to the time that the release giving rise to the claim is discovered.
- (3) [A UST] Registration and annual registration fees required under 25 Pa. Code § 245.41-42 (relating to registration and annual registration fees) for USTs located at the site where the release occurred are current and paid [has been registered in accordance with the requirements of section 503 of the act (35 P.S. § 6021.503).] on or before 60 days of when the release giving rise to the claim is confirmed.
- (4) The participant [has obtained] received the appropriate permit or certification, if required under sections 108, 501 and 504 of the [act] Act (35 P.S. §§ 6021.108 (relating to interim certification of installers and inspectors), 6021.501 (relating to UST requirements), and 6021.504).] (relating to permits and plans) prior to the time that the release giving rise to the claim is discovered.

(5) The release that is the subject of the claim occurred after February 1, 1994, the date established by the Board for payment of the fee required by section 705(d) of the [act] Act (35 P.S. § 6021.705(d)) (relating to fees).

(6) The participant cooperates, as defined in § 977.32 (relating to participant cooperation), with the Fund in its eligibility determination process, claims investigation, the defense of any suit, the pursuit of a subrogation action and other matters as requested.

(7) The participant [has] met the notification requirements of § 977.34 (relating to claims reporting).

(8) If the claimant is a certified company, the company conducted a tank-handling activity on a UST or a HOT from which the release occurred.

Conclusion



Today we
reviewed:

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Questions

Contact USTIF

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