

2015

ANNUAL REPORT



PENNSYLVANIA

Underground Storage Tank Indemnification Fund



March 2016

We are pleased to provide this "Annual Report on Activity of the Underground Storage Tank Indemnification Fund" which provides information on the Underground Storage Tank Indemnification Fund (USTIF) from inception through December 31, 2015.

Newly reported claims decreased during the calendar year from those reported in 2014, making it the first time in USTIF's history that claims decreased from year to year. During 2015, 147 new underground storage tank (UST) claims were presented compared to 171 claims reported in 2014 and 188 claims reported in 2013. USTIF did not receive any Tank Installer Indemnification Program (TIIP) claims in 2015. By comparison, USTIF received 4 claims in 2014 and 2 claims were reported in 2013. The claim eligibility rate continues to remain at a relatively high percentage rate with claim payments being made on 84% of all claims reported since USTIF's inception. The USTIF provides first and third party coverage as well as defense costs for eligible tank owners/operators and installers.

The annual actuarial study, prepared in 2015 by Aon Global Risk Consulting, concluded that an unfunded liability of \$129 million existed as of June 30, 2015. This amount reflects a decrease from the \$139 million unfunded liability amount reported the previous year.

Total payments for open claims made during 2015 were \$35,318,351 as compared to \$38,094,846 in 2014. The total aggregate payment from claim inception to closure for the 155 sites that closed in 2015 was \$58,554,863. In comparison, there were 189 sites closed by a payment amount of \$61,862,261 in 2014. The number of open claims at year-end was reduced from 1,186 to 1,142.

USTIF fee revenue for 2015 totaled \$59,489,152 a 2.3% increase from the amount of \$58,095,452 collected in 2014.

During 2015, USTIF allocated \$6,380,000 to the Department of Environmental Protection (DEP) for grants in pollution protection, environmental and catastrophic cleanups, and investigative and closure costs.

The members of the Board and USTIF staff are pleased to provide this report and look forward to assisting you with your future needs. Please call or e-mail us with any ideas or improvements you may have with respect to the USTIF.

Sincerely,

Underground Storage Tank Indemnification Board

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	USTIF BACKGROUND	3
III.	UNDERGROUND STORAGE TANK INDEMNIFICATION FUND PROGRAM REVIEW	4
	A. Claims Reporting and Eligibility Criteria	4
	B. Revenue Source.....	5
	C. Tank Demographics.....	6
	D. State-Wide Claim Statistics	9
	E. Claims Denial Comparison	24
	F. County and DEP Regional Statistics.....	26
IV.	VOLUNTARY HEATING OIL PROGRAM	37
V.	POLLUTION PREVENTION PROGRAM.....	38
VI.	UNDERGROUND STORAGE TANK ENVIRONMENTAL CLEANUP PROGRAM (INCLUDES HEATING OIL GRANTS)	39
VII.	TANK INSTALLER INDEMNIFICATION PROGRAM	41
VIII.	WEB SITE HIGHLIGHTS.....	43

LIST OF CHARTS

Chart 1:	Revenue by Component for Each Fiscal Year	5
Chart 2:	Distribution of Tanks by Substance	7
Chart 3:	Distribution of Tanks by DEP Region	8
Chart 4:	Claim Status	10
Chart 5:	Claims Received by Type of Facility	14
Chart 6:	Dollars Reserved/Paid by Type of Facility	15
Chart 7:	Average Claim Cost by Type of Facility	16
Chart 8:	Number of Claims by Type of Facility, by Year	17
Chart 9:	Claims Received by Type of Product	19
Chart 10:	Dollars Reserved/Paid by Type of Product	20
Chart 11:	Average Claim Cost by Type of Product	21
Chart 12:	Number of Claims by Type of Product, by Year	22
Chart 13:	Third Party Claims	23
Chart 14:	Denied Claims	25
Chart 15:	DEP Regional Statistics	27
Chart 16:	County Statistics	28

I. EXECUTIVE SUMMARY

During 2015, the Underground Storage Tank Indemnification Fund (USTIF) continued to provide exceptional service to the regulated community, as well as the citizens of the Commonwealth. The USTIF paid out in excess of \$35,000,000 for remediation costs in 2015. These payments contributed to the closure of 152 owner/operator contaminated sites and 3 TIIP claims as well as costs for ongoing remediation at 1,137 open claim sites.

At the December 2015 meeting, the Underground Storage Tank Indemnification Board (Board) received a presentation of the annual actuarial study prepared by Aon Global Risk Consulting. The study concluded that an unfunded liability of approximately \$129 million exists according to the actuarial projections. This is a decrease from the \$139 million unfunded liability included in the 2014 actuarial study.

We are pleased to report that the Environmental Cleanup Program and the Pollution Prevention Program (Pump & Plug) have made substantial grants for tank removals. The Catastrophic Release Program has also provided funds for DEP to finance clean ups for tank owners not eligible for USTIF coverage. The USTIF in 2015 allocated \$6,380,000 to DEP for these programs. Since inception, the USTIF has allocated in excess of \$92,480,000 to DEP for various grants, programs, and expenses.

In order to address the changing needs of USTIF and to serve participants, the Fund migrated to a new website. Although the current website has similar content, it will eventually have the capability of online claim reporting, fee billing reporting and banking services for payments.

Highlights of Accomplishments for 2015

- ❑ Continued the use of competitively bid contracts, including Pay-for-Performance and Fixed Price contracts. Competitive bidding resulted in the awarding of contracts at 9 sites in 2015. At year's end, USTIF was funding remediation at 202 sites under some form of fixed price contracts with a total value of \$43.5 million. Based on the difference between the highest bids received and awarded contract amounts, over \$901,000 was saved on contracts signed in the calendar year.
- ❑ Received recoveries pursued by DEP in excess of \$256,138 from the Federal Government for catastrophic losses that were cleaned up originally using funding from USTIF allocations. That money was returned to the USTIF.
- ❑ Continued the voluntary heating oil program covering 1,080 heating oil tanks.
- ❑ Collected \$342,600 during 2015 in certified company and activity fees through USTIF's Tank Installer Indemnification Program (TIIP). This program provides coverage to certified tank installers identical to the coverage USTIF provides to tank owners and operators.

- ❑ Actively pursued subrogation reimbursement on 4 claims that resulted in recoveries and refunds to USTIF in the amount of \$899,800.
- ❑ Migrated to dedicated USTIF website (ustif.pa.gov). The website will be an integral part of the new fee billing system.
- ❑ Transitioned to new claim software system known as CTS 2.0. This is based on a claim system used by many of the major insurance companies including GEICO. It has been customized to meet the needs of USTIF.
- ❑ Collaborated on a conceptual model and design for a new fee billing system that will replace a 20 year old unsupported system. New features include online banking services, online claim reporting, and enhanced auditing features. The new system is in development and undergoing parallel testing. Deployment will begin in increments starting with capacity fee billing statements.

II. USTIF BACKGROUND

.....

The release of regulated substances stored in underground storage tanks (USTs) poses a threat to the public health and safety of both the environment and the Commonwealth's citizens. A release is generally considered to be any leak, spill, or discharge from an UST system into soil or groundwater.

The U.S. Environmental Protection Agency (EPA) and the Pennsylvania Department of Environmental Protection (DEP) have issued a number of regulations governing the construction, upgrade, and operation of underground storage tanks. These regulations also establish financial responsibility requirements in the event of a release from a tank system.

The Storage Tank and Spill Prevention Act, Act 32 of 1989, 35 P.S. §§ 6021.101 *et seq.*, as amended, created the Underground Storage Tank Indemnification Fund (USTIF) to assist owners and operators in meeting the financial responsibility requirement. The USTIF makes claim payments to eligible UST owners or operators for damages caused by a release from their UST. To be eligible, the release must have occurred on or after February 1, 1994. Third party liability may occur when the release from a tank has injured another person or that person's property.

Claim payments to eligible owners or operators shall be limited to the actual costs of corrective action and third party liability. The per occurrence limit is set at \$1.5 million. Claims are subject to a deductible of \$5,000 per tank per occurrence.

The Tank Installers' Indemnification Program (TIIP) provides liability coverage for tank handling activities subject to a \$5,000 deductible and \$1.5 million limit per occurrence.

The USTIF receives policy guidance from a ten-member board, which is extremely knowledgeable on insurance and storage tank issues. The Pennsylvania Insurance Department administers the USTIF.

The USTIF can be reached at 1-800-595-9887 (PA only) or 717-787-0763, via e-mail at ra-ustif@pa.gov, or visit our web site at ustif.pa.gov.

III. UNDERGROUND STORAGE TANK INDEMNIFICATION FUND PROGRAM REVIEW

A. Claims Reporting and Eligibility Criteria

The USTIF's claim initiation process is designed to be consumer friendly. Simply telephone the Underground Storage Tank Indemnification Fund's Claim Unit at 1-800-595-9887 (in PA) or 717-787-0763 to report a claim. Information requested includes the DEP facility number, site name, owner's name (if different), contact person, and how and when the release was discovered. Other information discussed includes the extent of the release, if known, and whether any third party is affected.

The claim is then assigned to an investigator, 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 resolved.

To qualify for eligibility, a tank owner or operator must comply with Section 706 of the Storage Tank and Spill Prevention Act and USTIF's implementing regulations that establish the following eligibility criteria:

- ☐ A claimant must be the owner or operator of a tank that is the subject of a claim or release.
- ☐ The current fee as required under Section 705 has been paid.

- ☐ The tank is registered in accordance with requirements of Section 503.
- ☐ The owner or operator has obtained a permit as required under Sections 501 and 504. This requires the tank owner to conform with DEP regulations.
- ☐ The tank owner demonstrates to the satisfaction of the USTIF that the release occurred on or after the date established by the Board or February 1, 1994.
- ☐ The participant has met the notification requirements of 25 Pa. Code 977.34 (relating to reporting claims to the USTIF within 60 days after confirmation of a release).
- ☐ The claimant cooperates, as defined in 25 Pa. Code 977.32, with the USTIF in its eligibility determination process.

When the investigation is completed, eligibility status 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.

B. Revenue Source

The USTIF is financed by fees paid by underground storage tank owners or operators, distributors and tank installers. By law, the USTIF Board is required to evaluate the financial condition of the program annually.

The USTIF's fee structure and collection methodology are described in regulations, which can be found at 25 Pa. Code 977.11 to 977.24. The current fees include:

Gallon Fee: Each distributor must assess a fee of \$0.011 per gallon on regulated substance deliveries to regulated USTs.

Capacity Fee: The owner or operator of USTs storing heating oil, diesel fuel, kerosene, and used motor oil products

must pay an annual fee of \$0.0825 per gallon of tank capacity.

TIIP Certified Company Fee and Activity Fee: The certified company must pay an annual fee of \$1,000. Activity fees of \$15 for tank removals and \$50 for installations or modifications are billed monthly.

A five percent penalty may be assessed for all late payments of capacity, gallon and TIIP fees.

Revenues *(through December 31, 2015)*

The Commonwealth's fiscal year (FY) runs from July 1 through June 30. The following chart presents revenue by component since 2011.

**Chart 1: Revenue by Component for Each Fiscal Year
(through December 31, 2015)
Revenues (in \$ millions)**

Revenue Source	FY15(1)	FY14	FY13	FY12	FY11
Capacity Fee	\$2.75	\$5.94	\$6.44	\$6.17	\$6.20
Gallon Fee	\$27.48	\$51.71	\$55.57	\$54.00	\$54.17
TIIP Fee	\$0.16	\$0.35	(\$1.10)(3)	\$0.70(2)	\$0.29
Investment Income	(\$2.18)	\$6.99	\$20.03	\$10.48	\$5.19
Interest on G.F. Loan	\$0.07	\$0.13	\$0.12	\$0.15	\$0.17
Misc.	\$0.76	\$6.35	\$0.50	\$6.93	\$1.81
TOTALS	\$29.04	\$71.47	\$82.56	\$78.43	\$67.83

(1) Data for FY 2015 are for the months July – December 2015

(2) Figure is inflated as \$428,796 was deposited to TIIP account in error

(3) Negative TIIP amount for 2013 is due to accounting error correction

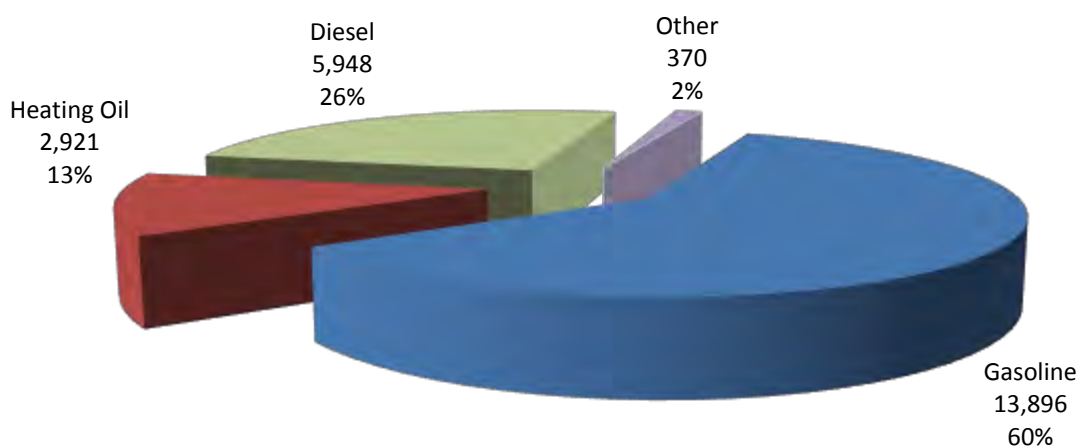
C. Tank Demographics

The charts included in this section compare USTIF information on:

- ❑ Distribution of tanks by substance; and
- ❑ Distribution of tanks by DEP region.

In Section III (p. 28 and following) of this report, active tanks by county are listed. The number of active regulated tanks has decreased since 1994 due to the deregulation of commercial heating oil tanks, normal attrition, and upgrading to larger capacity tanks in place of numerous, smaller capacity tanks. Also, many tanks were taken out of service as a result of economic decisions relating to the 1998 upgrade requirement.

Chart 2: Distribution of Tanks by Substance

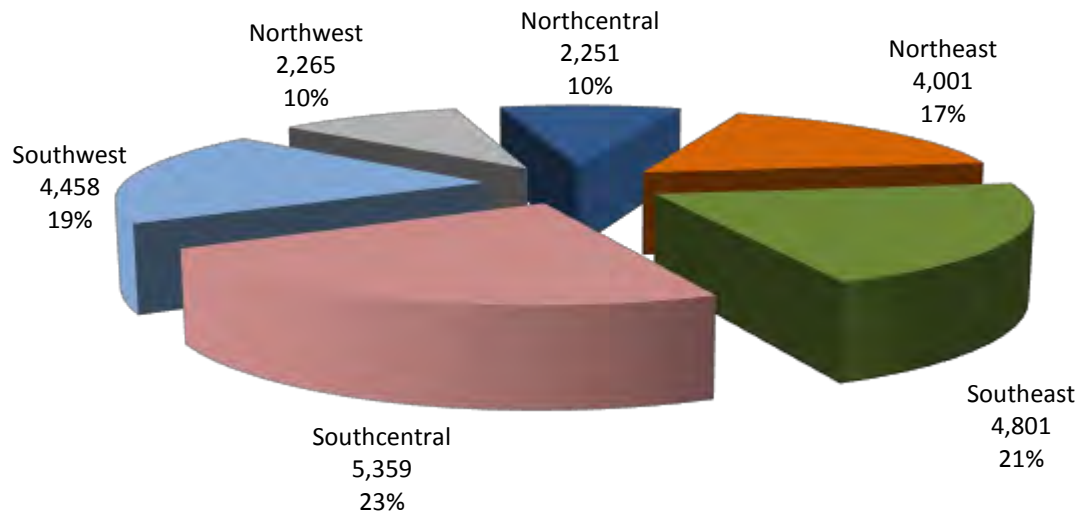


Other includes: new motor oil, aviation fuel, hazardous substances, gasohol, and ethanol.

Heating Oil includes: kerosene, heating oil, used motor oil, and unknown.

Percentage may not add to 100 due to rounding.

Chart 3: Distribution of Tanks by DEP Region



D. State-Wide Claim Statistics

The following pages present comparisons of claims by claim status, facility type, and product type.

Claim Status Comparison

This section presents an analysis of claims investigated by “Claim Status.” Claim status categories are:

1. **Closed Eligible**—Claims that have been investigated, determined to be eligible for funding, and paid.
2. **Closed Denied**—Claims that have been investigated and determined not to be eligible for funding. These claims have been closed without any payments from the USTIF.
3. **Closed Withdrawn**—Claims that have been partially investigated and, by mutual agreement between the tank owner/operator and the USTIF, have been withdrawn. In most instances, the claims are withdrawn because the covered cleanup costs do not exceed the deductible.
4. **Open Pending**—Claims that are currently being investigated. Reserves have been established on these claims. The reserves represent the current estimate of site remediation cost.
5. **Open Eligible**—Claims that have been investigated and determined to be eligible. Cleanup/remediation is in progress. The reserve figures on these files include payments and projected future costs of cleanup/remediation.
6. **Appealed**—includes claims that have been investigated and determined in whole or in part not to be eligible for funding, but the tank owner/operator filed an official appeal. These claims may be open and carry a reserve equal to the projected or known cleanup costs or they may be closed.

Chart 4 identifies the number of claims, total claim cost, and average claim cost for each claim status category. The data are presented separately by year and in aggregate for the USTIF since its inception.

Chart 4: Claim Status

2015				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	0	0	\$0	\$0
Closed Denied	3	2		
Closed Withdrawn	6	4		
Open Pending	103	70	\$12,790,000	\$124,175
Open Eligible	33	22	\$5,350,450	\$162,135
Appealed	2	1	\$250,000	\$125,000
Total	147			
Total Eligible, Pending, Appealed	138		\$18,390,450	\$133,264
2014				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	15	9	\$97,421	\$6,495
Closed Denied	24	14		
Closed Withdrawn	43	25		
Open Pending	14	8	\$1,750,000	\$125,000
Open Eligible	68	40	\$13,117,251	\$192,901
Appealed	7	4	\$1,500,000	\$214,286
Total	171			
Total Eligible, Pending, Appealed	104		\$16,464,672	\$158,314
2013				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	26	14	\$463,168	\$17,814
Closed Denied	41	22		
Closed Withdrawn	51	27		
Open Pending	0	0	\$0	\$0
Open Eligible	68	36	\$16,267,877	\$239,233
Appealed	2	1	\$0	\$0
Total	188			
Total Eligible, Pending, Appealed	96		\$16,731,046	\$174,282
Prior Years				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	3,022	54	\$506,194,877	\$167,503
Closed Denied	893	16		
Closed Withdrawn	812	15		
Open Pending	0	0	\$0	\$0
Open Eligible	843	15	\$437,000,333	\$518,387
Appealed	6	<1	\$3,000,000	\$500,000
Total	5,576			
Total Eligible, Pending, Appealed	3,871		\$946,195,210	\$244,432

Chart 4: Claim Status (continued)

Total				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	3,063	50	\$506,755,466	\$165,444
Closed Denied	961	16		
Closed Withdrawn	912	15		
Open Pending	117	2	\$14,540,000	\$124,274
Open Eligible	1,012	17	\$471,735,911	\$466,142
Appealed	17	<1	\$4,750,000	\$279,412
Total	6,082			
Total Eligible, Pending, Appealed	4,209		\$997,781,377	\$237,059

- (1) As of December 31, 2015.
- (2) Percentages may not add to 100 due to rounding.
- (3) Total dollars include both dollars paid and dollars reserved on claims.
- (4) Average claim cost is determined by dividing the total dollars paid or reserved on claims in a specific category by the total number of claims in that specific category.

Summary

- ❑ 6,082 claims were investigated between February 1, 1994 and December 31, 2015.
- ❑ The total dollars reserved and/or paid on all eligible, pending, and appealed claims is \$977,781,377.
- ❑ 147 claims were investigated in 2015, an average of 12.3 claims/month.
 - Of the 147 claims that were investigated in 2015, 93% were eligible or pending, 2% were denied, 1% were appealed, and 4% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2015 was \$133,264.
- ❑ 171 claims were investigated in 2014, an average of 14.3 claims/month.
 - Of the 171 claims that were investigated in 2014, 57% were eligible or pending, 14% were denied, 4% were appealed, and 25% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2014 was \$158,314.
- ❑ 188 claims were investigated in 2013, an average of 15.7 claims/month.
 - Of the 188 claims that were investigated in 2013, 50% were eligible or pending, 22% were denied, 1% were appealed, and 27% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2013 was \$174,282.
- ❑ 5,576 claims were investigated in prior years, an average of 24.6 claims/month. (2/1/94-12/31/12)
 - Of the 5,576 claims that were investigated, 69% were eligible or pending, 16% were denied, <1% were appealed, and 15% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in prior years was \$244,432.

Facility Type Claims Comparison

Since the inception of the USTIF, claims have come from a variety of facilities. In this section, six types of facilities are compared for claim volume, total dollars reserved and/or paid out, and average claim costs. The six facility types are:

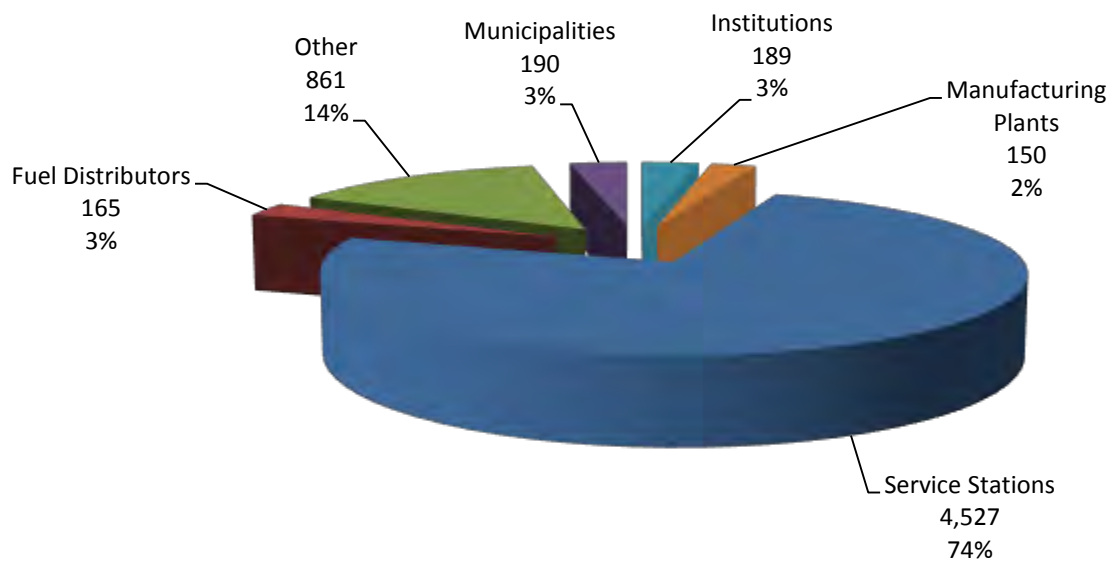
- ❑ Service Stations—includes all facilities that sell petroleum products to the general public (e.g., gas stations, truck stops, convenience stores).
- ❑ Fuel Distributors—includes wholesale petroleum dealers/bulk plant owners and operators. This category also includes dealers that distribute heating oil.
- ❑ Manufacturing Plants—includes any business that manufactures a product (e.g., bakery, steel mill, or factory).
- ❑ Institutions—includes schools, colleges, hospitals, and churches.
- ❑ Municipalities—includes any tank that is owned by a municipality (e.g., city, county, township, or borough). This category does not include school districts, which are included under “Institution.”

- ❑ Other—includes all other categories not listed in the five above. Tank owners that fall into the “other” category include, but are not limited to, farm owners, trucking companies, auto dealerships, and utilities.

Four charts compare the USTIF’s experience with these six types of facilities:

- ❑ Chart 5 presents the percentage and number of claims received for each facility type.
- ❑ Chart 6 presents a comparison of total dollars currently reserved and/or paid out for each facility type.
- ❑ Chart 7 demonstrates the “average claim cost” by facility type. Average claim cost is determined by dividing the total dollars reserved and/or paid in a specific category by the total number of claims in that category.
- ❑ Chart 8 compares claim volume by facility type by year.

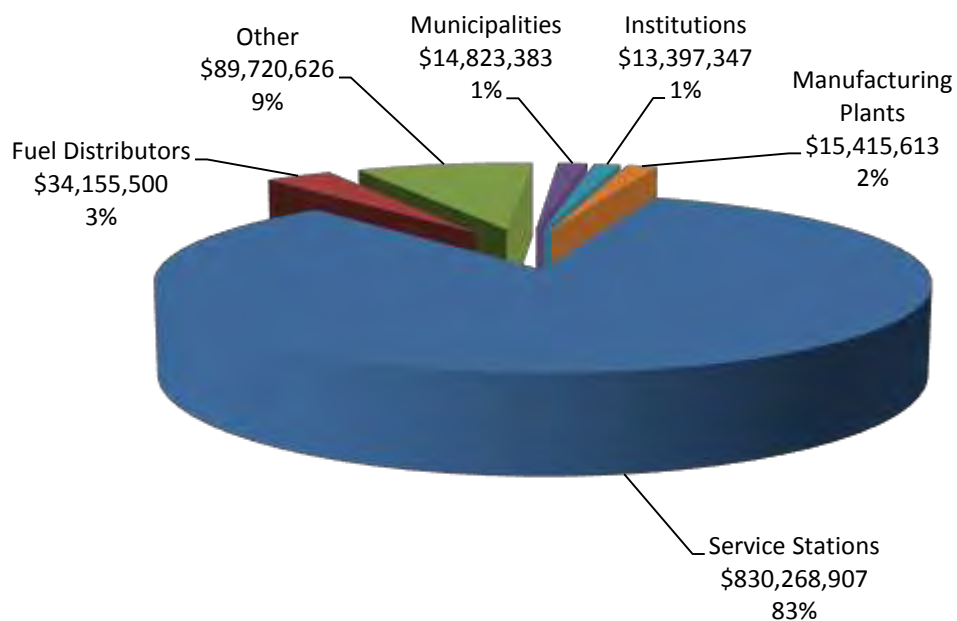
Chart 5: Claims Received by Type of Facility



Total Claims 6,082 (2-1-94 through 12-31-2015)

Percentages may not add to 100 due to rounding.

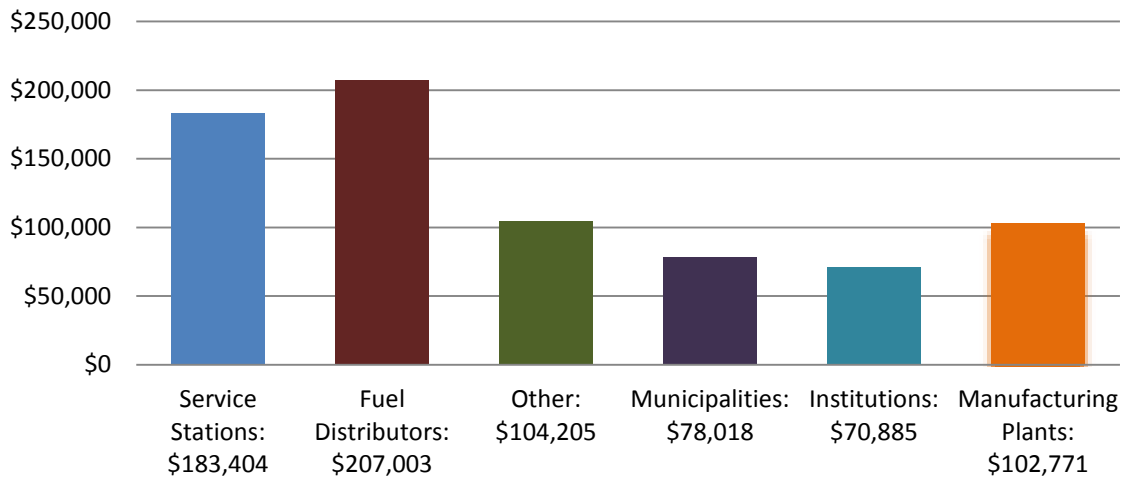
Chart 6: Dollars Reserved/Paid by Type of Facility



Total Dollars Reserved/Paid = \$997,781,377 (2-1-94 through 12-31-2015)

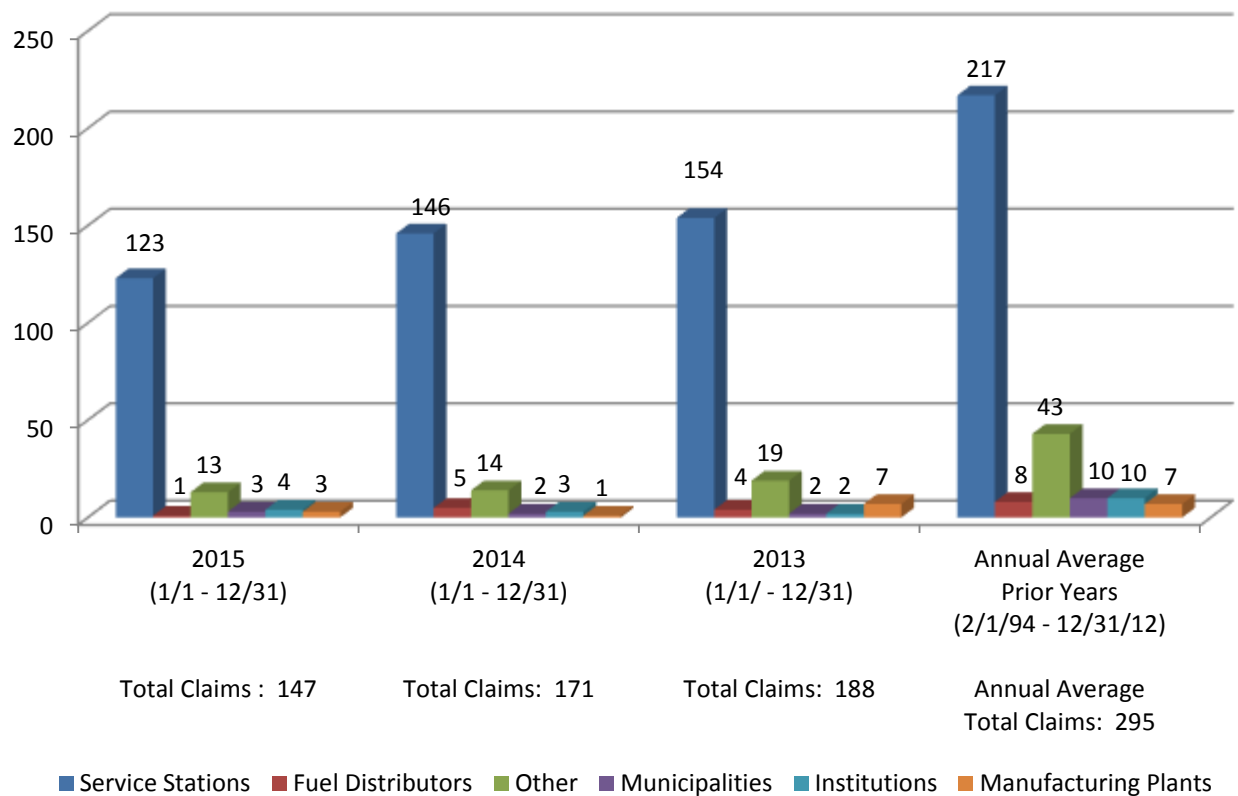
Percentages may not add to 100 due to rounding.

Chart 7: Average Claim Cost by Type of Facility



Average claim cost is determined by dividing the total dollars paid/reserved on claims in the specific category by the total number of claims in that category.

Chart 8: Number of Claims by Type of Facility, by Year



Product Type Comparison

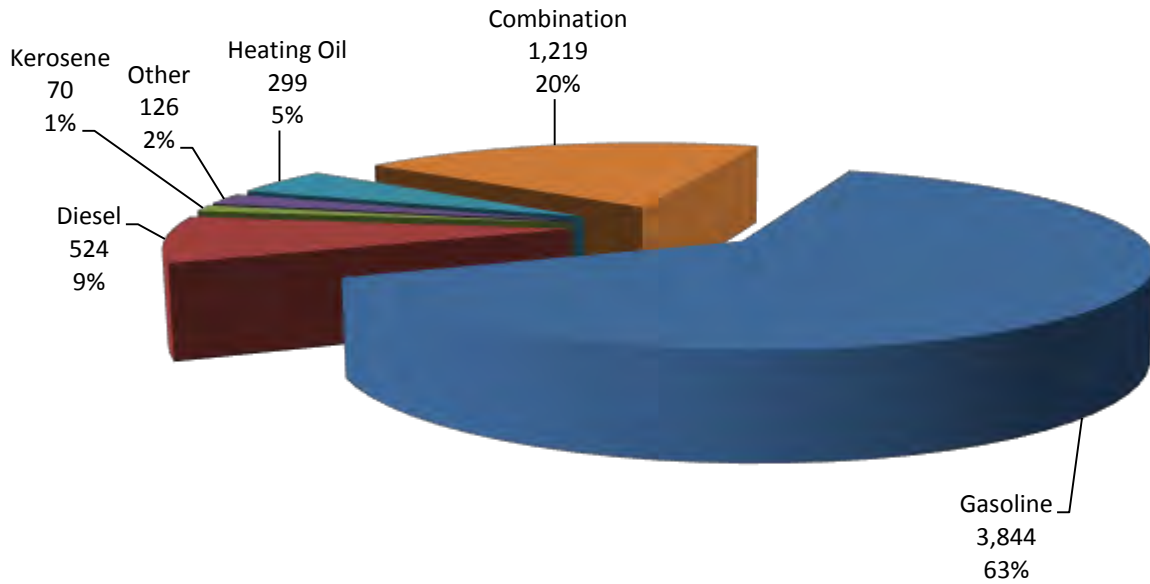
This section compares claim volume, total dollars reserved and/or paid out, and average claim costs by product type. The product types used for this comparison are:

- ☐ Gasoline;
- ☐ Diesel Fuel;
- ☐ Kerosene;
- ☐ Heating Oil (used for onsite consumption);
- ☐ Others (includes aviation fuel, jet fuel, hazardous substances, etc.); and
- ☐ Combination - any combination of the above.

Four charts compare the USTIF's experience with these six product categories.

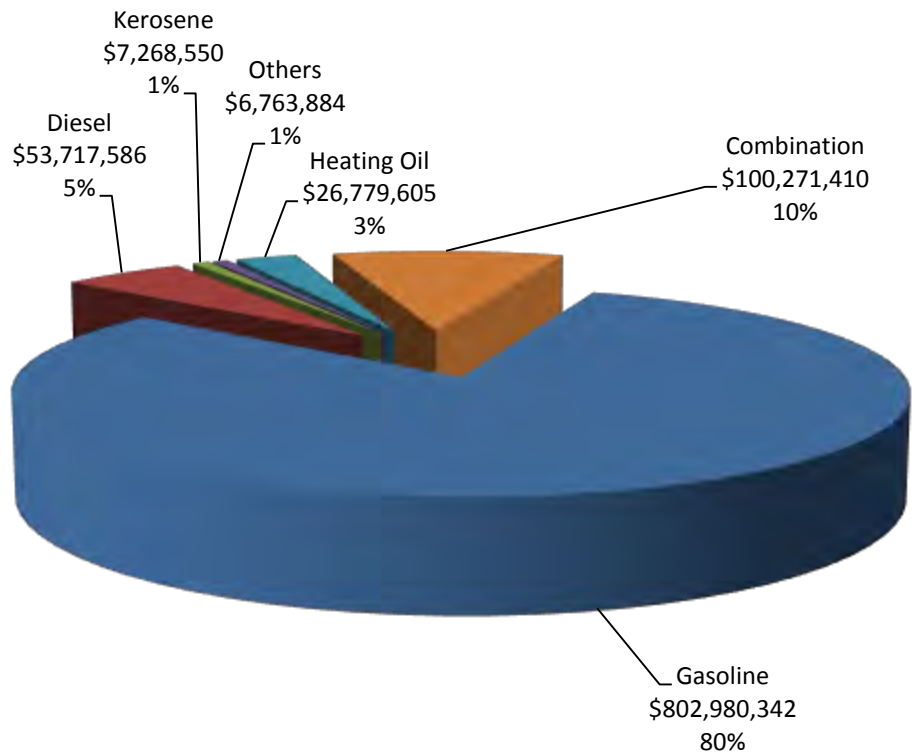
- ☐ Chart 9 presents the percentage and number of claims received for each product type.
- ☐ Chart 10 presents the total dollars reserved and/or paid out for each product type to the total reserved and/or paid out on all claims.
- ☐ Chart 11 compares the "average claim cost" by product type. Average claim cost is determined by dividing the total number of dollars reserved and/or paid in a specific category by the total number of claims in that category.
- ☐ Chart 12 compares the number of claims by type of product, by year.

Chart 9: Claims Received by Type of Product



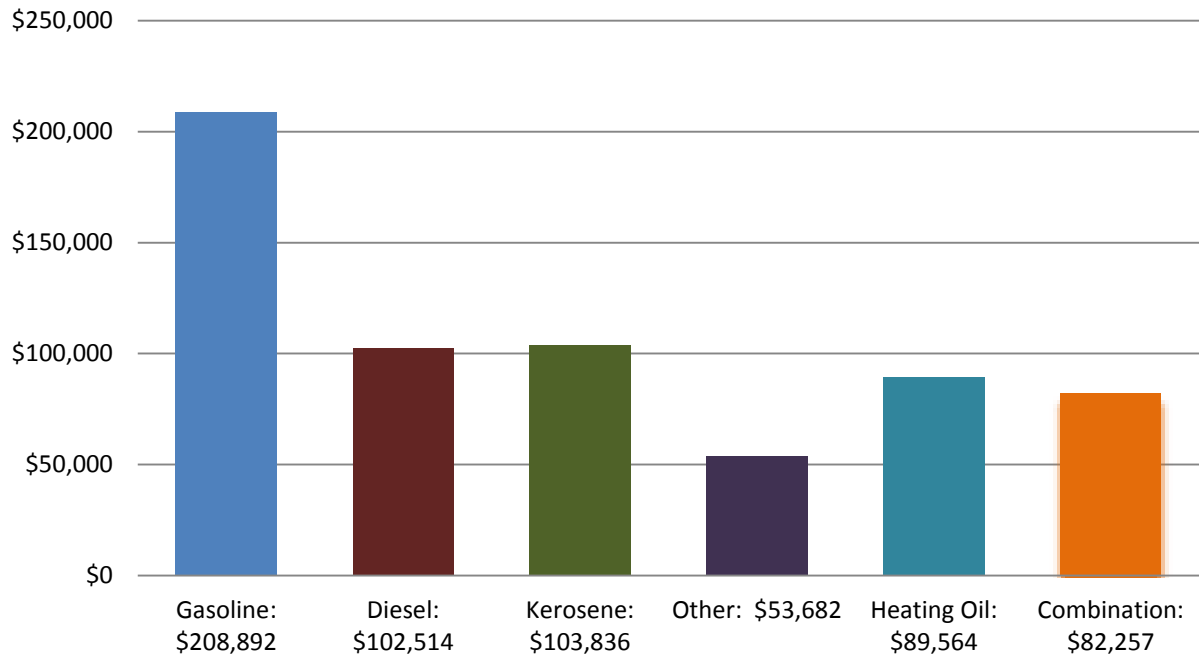
Total Claims: 6,082 (2-1-94 through 12-31-15)

Chart 10: Dollars Reserved/Paid by Type of Product



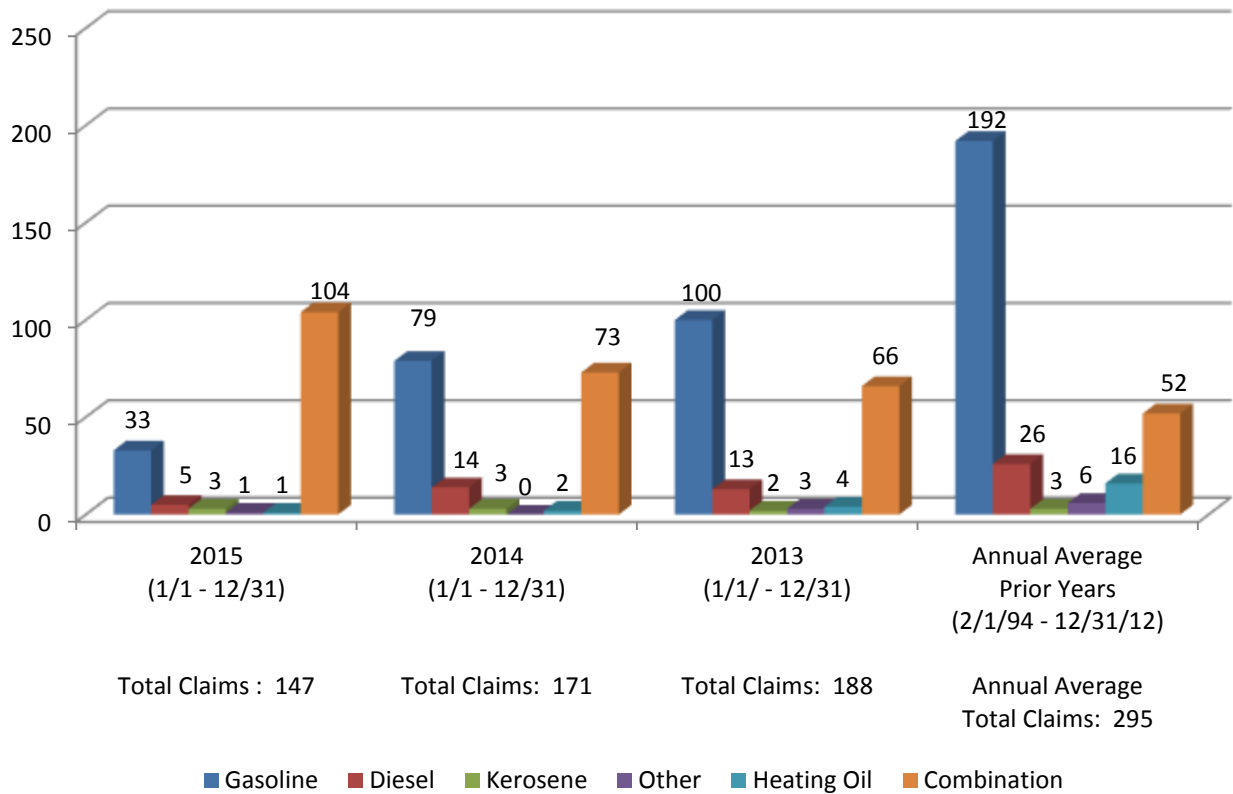
Dollars Reserved/Paid = \$997,781,377 (2-1-94 through 12-31-15)

Chart 11: Average Claim Cost by Type of Product



Average claim cost is determined by dividing the total dollars paid/reserved on claims in the specific category by the total number of claims in that category.

Chart 12: Number of Claims by Type of Product, by Year



Third Party Claims Comparison

On occasion, contamination (vapor and/or liquid) from a release migrates off site onto neighboring properties. When this migration occurs, there is the potential for damages to an innocent third party.

Damages can result from such things as bodily injury, sickness, loss of revenue,

direct damage to tangible property, and loss of use and/or decrease in value of real estate.

Chart 13 compares third party claim volume, total dollars reserved and/or paid out, and average claim costs by year since the inception date of the USTIF (February 1, 1994).

Chart 13: Third Party Claims

	2015 (147 claims filed)	2014 (171 claims filed)	2013 (188 claims filed)	Prior Years (5,576 claims filed)	TOTALS (6,082 claims filed)
Number of third party claims filed	3	3	6	229	241
Percent of total claims filed	2%	<1%	3%	4%	4%
Total reserved and/or paid out	\$450	\$150,000	\$1,365,000	\$11,252,870	\$12,768,320
Average third party claim cost	\$150	\$50,000	\$227,500	\$49,139	\$52,981

E. Claims Denial Comparison

Claim eligibility is predicated on the tank owner or operator adhering to the requirements of the Pennsylvania Storage Tank and Spill Prevention Act, 35 P.S. §§ 6021.101 *et. seq.* Section 706 of the Act, and the implementing regulations. The specific eligibility requirements are:

- ☐ A claimant must be the owner or operator of a tank that is the subject of a claim or release.
- ☐ The current fee as required under Section 705 has been paid.
- ☐ The tank is registered in accordance with requirements of Section 503.
- ☐ The owner or operator has obtained a permit as required under Sections 501 and 504. This requires the tank owner to conform with DEP regulations.
- ☐ The tank owner demonstrates to the satisfaction of the USTIF that the release occurred on or after the date established by the Board or February 1, 1994.
- ☐ The participant has met the notification requirements of 25 Pa. Code 977.34 (relating to reporting claims to the USTIF within 60 days after confirmation of a release).
- ☐ The claimant cooperates, as defined in 25 Pa. Code 977.32, with the USTIF in its eligibility determination process.

Although the USTIF requires that either the owner or operator file the claim, claims have on occasion been filed by agents, such as consultants or attorneys, designated by the owner or operator. In such cases, the authority of the agent to act on the owner's

or operator's behalf is always verified. Reimbursements, although sometimes channeled through the owner's or operator's agent, are always made to the party that has incurred the cleanup expenses, or, if authorized by the tank owner, directly to the service provider.

Under no circumstances is coverage afforded where the fees are paid after the discovery of contamination.

The requirement that all tanks be registered has been in force since 1989. The USTIF's requirement that all tanks be registered is part of the USTIF's overall requirement that USTs be operated in accordance with all applicable laws and regulations.

Owners or operators installing, removing, modifying, and operating USTs must obtain appropriate permits from the State Police Fire Marshall and other agencies.

The USTIF only covers releases occurring on or after February 1, 1994. Where a release began before the eligible period and continued into the eligible period, or a prior ineligible release is mingled with an eligible one, pro-ration of benefits is developed.

Effective Date. Contamination occurring prior to the effective date of the USTIF (February 1, 1994) is prevalent in many of the claims reported in 1994. Eligibility was denied on 73 (43%) of the 170 claims assigned in 1994, because the loss occurred before February 1, 1994.

Chart 14 compares the number of claims denied in prior years, 2013, 2014, and 2015 by reason for denial. It compares the number of claims denied to the number of claims investigated in prior years, 2013, 2014, and 2015.

Chart 14: Denied Claims

	2015 (147 claims filed)	2014 (171 claims filed)	2013 (188 claims filed)	Prior Years (5,576 claims filed)	TOTAL (6,082 claims filed)
Fees Not Paid*	1 (25%)	7 (23%)	10 (23%)	72 (8%)	90 (9%)
Not registered with DEP*	0 (0%)	0 (0%)	1 (2%)	13 (1%)	14 (1%)
Pre-USTIF Contamination*	0 (0%)	1 (3%)	0 (0%)	384 (43%)	385 (39%)
Combination*	3 (75%)	11 (37%)	12 (28%)	140 (16%)	166 (17%)
Claimant not Owner/ Operator*	0 (0%)	0 (0%)	0 (0%)	5 (1%)	5 (1%)
Not Reported w/in 60 Days*	0 (0%)	0 (0%)	2 (5%)	93 (10%)	95 (10%)
Lack of Cooperation*	0 (0%)	1 (3%)	3 (7%)	90 (10%)	94 (10%)
New Release Not Demonstrated*	0 (0%)	10 (33%)	15 (35%)	102 (11%)	127 (13%)
TOTAL DENIED+	4 (3%)	30 (18%)	43 (23%)	899 (16%)	976 (16%)

Note: Prior year's claims are for February 1, 1994 - December 31, 2012. 2013, 2014 and 2015 claims are for the full calendar year. Included in "denied claims" are those claims that were originally denied and closed and subsequently appealed and reopened. Not all claims shown as appealed in Chart 4 were denied prior to appeal.

* Percent of claims denied. Percentages may not add to 100 due to rounding.

+ Percent of claims filed. For eligible claims comparisons, see Chart 4, pages 10 and 11.

F. County and DEP Regional Statistics

Charts 15 and 16, which follow, list information by DEP Region and county. The information listed includes:

- ☐ Total Claims;
- ☐ Eligible Claims;
- ☐ Pending Claims;
- ☐ Denied Claims;
- ☐ Withdrawn Claims;
- ☐ Appealed Claims; and
- ☐ Paid/Reserved Dollars.

The data presented in Chart 15 indicate the claim activity in each of the six DEP regions and the dollar amount spent or reserved on those claims.

The data presented in Chart 16 indicate the claim activity on a county level.

The statewide average dollars that have been paid or reserved for eligible, pending, and appealed claims is \$237,059. The average by DEP Region is shown below:

- Region 1 (Southeast).....\$203,095
- Region 2 (Northeast)\$236,828
- Region 3 (Southcentral).....\$230,367
- Region 4 (Northcentral)\$267,929
- Region 5 (Southwest).....\$242,413
- Region 6 (Northwest)\$294,700

Chart 15: DEP Regional Statistics

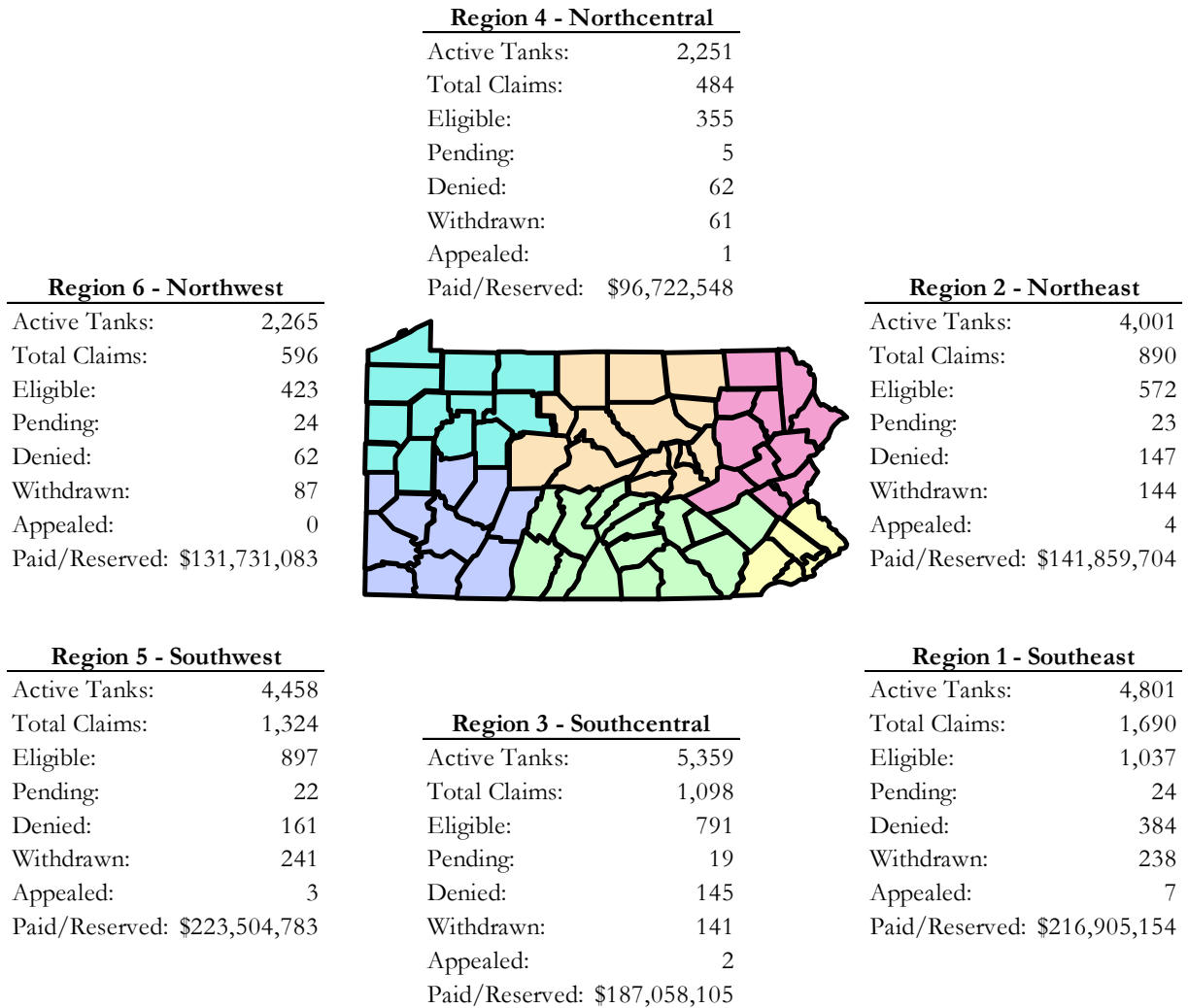













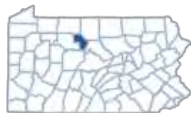



Chart 16: County Statistics

	<u>Adams</u> (213) * Total Claims: 54 Eligible: 40 Pending: 0 Denied: 7 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$8,570,209		<u>Bedford</u> (216) Total Claims: 33 Eligible: 23 Pending: 0 Denied: 3 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$8,187,097
	<u>Allegheny</u> (1,735) Total Claims: 573 Eligible: 367 Pending: 7 Denied: 82 Withdrawn: 116 Appealed: 1 Paid/Reserved: \$67,267,420		<u>Berks</u> (762) Total Claims: 150 Eligible: 108 Pending: 2 Denied: 19 Withdrawn: 21 Appealed: 0 Paid/Reserved: \$31,155,476
	<u>Armstrong</u> (189) Total Claims: 44 Eligible: 26 Pending: 0 Denied: 9 Withdrawn: 9 Appealed: 0 Paid/Reserved: \$8,305,852		<u>Blair</u> (268) Total Claims: 82 Eligible: 59 Pending: 1 Denied: 9 Withdrawn: 13 Appealed: 0 Paid/Reserved: \$15,756,412
	<u>Beaver</u> (281) Total Claims: 100 Eligible: 71 Pending: 3 Denied: 12 Withdrawn: 14 Appealed: 0 Paid/Reserved: \$16,457,203		<u>Bradford</u> (227) Total Claims: 36 Eligible: 28 Pending: 1 Denied: 6 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$5,749,359









*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Bucks</u>	<u>(878)</u>		<u>Carbon</u>	<u>(164)</u>
	Total Claims:	346		Total Claims:	30
	Eligible:	223		Eligible:	20
	Pending:	4		Pending:	2
	Denied:	81		Denied:	6
	Withdrawn:	38		Withdrawn:	2
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$50,978,501		Paid/Reserved:	\$5,016,224
	<u>Butler</u>	<u>(422)</u>		<u>Centre</u>	<u>(278)</u>
	Total Claims:	81		Total Claims:	60
	Eligible:	64		Eligible:	49
	Pending:	2		Pending:	0
	Denied:	7		Denied:	5
	Withdrawn:	8		Withdrawn:	6
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$20,480,867		Paid/Reserved:	\$11,721,718
	<u>Cambria</u>	<u>(328)</u>		<u>Chester</u>	<u>(689)</u>
	Total Claims:	57		Total Claims:	235
	Eligible:	39		Eligible:	139
	Pending:	4		Pending:	1
	Denied:	6		Denied:	58
	Withdrawn:	8		Withdrawn:	35
	Appealed:	0		Appealed:	2
	Paid/Reserved:	\$15,301,331		Paid/Reserved:	\$37,946,586
	<u>Cameron</u>	<u>(22)</u>		<u>Clarion</u>	<u>(114)</u>
	Total Claims:	8		Total Claims:	35
	Eligible:	5		Eligible:	19
	Pending:	1		Pending:	3
	Denied:	2		Denied:	6
	Withdrawn:	0		Withdrawn:	7
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$1,766,816		Paid/Reserved:	\$7,879,574

*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Clearfield</u>	<u>(269)</u>		<u>Cumberland</u>	<u>(486)</u>
	Total Claims:	65		Total Claims:	81
	Eligible:	49		Eligible:	54
	Pending:	1		Pending:	2
	Denied:	8		Denied:	9
	Withdrawn:	7		Withdrawn:	16
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$19,296,673		Paid/Reserved:	\$11,920,571
	<u>Clinton</u>	<u>(132)</u>		<u>Dauphin</u>	<u>(549)</u>
	Total Claims:	23		Total Claims:	132
	Eligible:	19		Eligible:	94
	Pending:	0		Pending:	0
	Denied:	3		Denied:	25
	Withdrawn:	1		Withdrawn:	13
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$6,816,787		Paid/Reserved:	\$21,051,542
	<u>Columbia</u>	<u>(182)</u>		<u>Delaware</u>	<u>(749)</u>
	Total Claims:	48		Total Claims:	249
	Eligible:	36		Eligible:	167
	Pending:	1		Pending:	6
	Denied:	5		Denied:	42
	Withdrawn:	6		Withdrawn:	32
	Appealed:	0		Appealed:	2
	Paid/Reserved:	\$9,243,319		Paid/Reserved:	\$33,889,825
	<u>Crawford</u>	<u>(156)</u>		<u>Elk</u>	<u>(97)</u>
	Total Claims:	41		Total Claims:	23
	Eligible:	30		Eligible:	19
	Pending:	2		Pending:	0
	Denied:	2		Denied:	2
	Withdrawn:	7		Withdrawn:	2
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$8,993,074		Paid/Reserved:	\$8,231,795

*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)



Erie	(495)
Total Claims:	166
Eligible:	114
Pending:	6
Denied:	20
Withdrawn:	26
Appealed:	0
Paid/Reserved:	\$29,496,148



Fulton	(61)
Total Claims:	5
Eligible:	3
Pending:	0
Denied:	2
Withdrawn:	0
Appealed:	0
Paid/Reserved:	\$1,111,000



Fayette	(316)
Total Claims:	86
Eligible:	64
Pending:	0
Denied:	7
Withdrawn:	15
Appealed:	0
Paid/Reserved:	\$19,534,724



Greene	(89)
Total Claims:	30
Eligible:	22
Pending:	0
Denied:	4
Withdrawn:	4
Appealed:	0
Paid/Reserved:	\$7,967,633



Forest	(17)
Total Claims:	7
Eligible:	2
Pending:	0
Denied:	4
Withdrawn:	1
Appealed:	0
Paid/Reserved:	\$1,310,000



Huntingdon	(122)
Total Claims:	37
Eligible:	27
Pending:	1
Denied:	5
Withdrawn:	4
Appealed:	0
Paid/Reserved:	\$5,322,161











Franklin	(367)
Total Claims:	51
Eligible:	35
Pending:	2
Denied:	8
Withdrawn:	6
Appealed:	0
Paid/Reserved:	\$7,272,852



Indiana	(222)
Total Claims:	55
Eligible:	35
Pending:	3
Denied:	7
Withdrawn:	10
Appealed:	0
Paid/Reserved:	\$7,573,755









*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Jefferson</u> (134) Total Claims: 28 Eligible: 23 Pending: 0 Denied: 1 Withdrawn: 4 Appealed: 0 Paid/Reserved: \$6,536,661		<u>Lawrence</u> (182) Total Claims: 32 Eligible: 23 Pending: 2 Denied: 4 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$11,094,079
	<u>Juniata</u> (75) Total Claims: 17 Eligible: 10 Pending: 1 Denied: 1 Withdrawn: 5 Appealed: 0 Paid/Reserved: \$2,706,673		<u>Lebanon</u> (315) Total Claims: 49 Eligible: 39 Pending: 0 Denied: 3 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$7,566,171
	<u>Lackawanna</u> (507) Total Claims: 112 Eligible: 69 Pending: 3 Denied: 20 Withdrawn: 19 Appealed: 1 Paid/Reserved: \$18,039,501		<u>Lehigh</u> (617) Total Claims: 152 Eligible: 86 Pending: 3 Denied: 23 Withdrawn: 40 Appealed: 0 Paid/Reserved: \$16,028,915
	<u>Lancaster</u> (899) Total Claims: 213 Eligible: 157 Pending: 6 Denied: 27 Withdrawn: 23 Appealed: 0 Paid/Reserved: \$36,389,136		<u>Luzerne</u> (803) Total Claims: 169 Eligible: 118 Pending: 5 Denied: 29 Withdrawn: 16 Appealed: 1 Paid/Reserved: \$29,135,108









*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Lycoming</u>	(291)		<u>Monroe</u>	(395)
	Total Claims:	84		Total Claims:	113
	Eligible:	49		Eligible:	69
	Pending:	0		Pending:	5
	Denied:	13		Denied:	16
	Withdrawn:	22		Withdrawn:	22
	Appealed:	0		Appealed:	1
	Paid/Reserved:	\$13,379,208		Paid/Reserved:	\$20,017,850
	<u>McKean</u>	(158)		<u>Montgomery</u>	(1,120)
	Total Claims:	30		Total Claims:	452
	Eligible:	19		Eligible:	263
	Pending:	1		Pending:	10
	Denied:	2		Denied:	106
	Withdrawn:	8		Withdrawn:	71
	Appealed:	0		Appealed:	2
	Paid/Reserved:	\$7,212,420		Paid/Reserved:	\$54,220,862
	<u>Mercer</u>	(256)		<u>Montour</u>	(61)
	Total Claims:	82		Total Claims:	9
	Eligible:	62		Eligible:	5
	Pending:	4		Pending:	0
	Denied:	8		Denied:	3
	Withdrawn:	8		Withdrawn:	1
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$17,622,086		Paid/Reserved:	\$2,326,022
	<u>Mifflin</u>	(133)		<u>Northampton</u>	(528)
	Total Claims:	18		Total Claims:	115
	Eligible:	12		Eligible:	83
	Pending:	1		Pending:	1
	Denied:	2		Denied:	15
	Withdrawn:	2		Withdrawn:	15
	Appealed:	1		Appealed:	1
	Paid/Reserved:	\$2,732,540		Paid/Reserved:	\$15,571,309









*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Northumberland</u>	<u>(249)</u>		<u>Potter</u>	<u>(100)</u>
	Total Claims:	51		Total Claims:	19
	Eligible:	36		Eligible:	15
	Pending:	0		Pending:	0
	Denied:	6		Denied:	3
	Withdrawn:	9		Withdrawn:	1
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$7,271,759		Paid/Reserved:	\$3,548,501
	<u>Perry</u>	<u>(128)</u>		<u>Schuylkill</u>	<u>(394)</u>
	Total Claims:	15		Total Claims:	103
	Eligible:	11		Eligible:	69
	Pending:	1		Pending:	1
	Denied:	0		Denied:	18
	Withdrawn:	3		Withdrawn:	15
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$921,275		Paid/Reserved:	\$16,126,943
	<u>Philadelphia</u>	<u>(1,365)</u>		<u>Snyder</u>	<u>(122)</u>
	Total Claims:	408		Total Claims:	19
	Eligible:	245		Eligible:	15
	Pending:	3		Pending:	1
	Denied:	97		Denied:	2
	Withdrawn:	62		Withdrawn:	1
	Appealed:	1		Appealed:	0
	Paid/Reserved:	\$39,869,381		Paid/Reserved:	\$2,445,404
	<u>Pike</u>	<u>(134)</u>		<u>Somerset</u>	<u>(257)</u>
	Total Claims:	20		Total Claims:	44
	Eligible:	13		Eligible:	22
	Pending:	0		Pending:	3
	Denied:	6		Denied:	6
	Withdrawn:	1		Withdrawn:	11
	Appealed:	0		Appealed:	2
	Paid/Reserved:	\$3,848,007		Paid/Reserved:	\$3,457,298

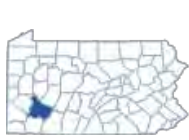
*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)

	<u>Sullivan</u> (47) Total Claims: 6 Eligible: 4 Pending: 0 Denied: 0 Withdrawn: 1 Appealed: 1 Paid/Reserved: \$812,925		<u>Venango</u> (128) Total Claims: 42 Eligible: 26 Pending: 4 Denied: 5 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$5,323,184
	<u>Susquehanna</u> (182) Total Claims: 32 Eligible: 20 Pending: 1 Denied: 8 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$4,857,957		<u>Warren</u> (106) Total Claims: 29 Eligible: 22 Pending: 0 Denied: 1 Withdrawn: 6 Appealed: 0 Paid/Reserved: \$7,551,195
	<u>Tioga</u> (163) Total Claims: 34 Eligible: 28 Pending: 0 Denied: 4 Withdrawn: 2 Appealed: 0 Paid/Reserved: \$8,438,689		<u>Washington</u> (352) Total Claims: 139 Eligible: 106 Pending: 0 Denied: 12 Withdrawn: 21 Appealed: 0 Paid/Reserved: \$38,290,994
	<u>Union</u> (108) Total Claims: 22 Eligible: 17 Pending: 0 Denied: 2 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$3,905,368		<u>Wayne</u> (174) Total Claims: 25 Eligible: 16 Pending: 1 Denied: 3 Withdrawn: 5 Appealed: 0 Paid/Reserved: \$11,053,845

*Parenthetical identifies the number of active underground storage tanks in each county.

Chart 16: County Statistics (cont'd)



<u>Westmoreland</u>	<u>(689)</u>
Total Claims:	196
Eligible:	145
Pending:	2
Denied:	16
Withdrawn:	33
Appealed:	0
Paid/Reserved:	\$39,348,572



<u>Wyoming</u>	<u>(103)</u>
Total Claims:	19
Eligible:	9
Pending:	1
Denied:	3
Withdrawn:	6
Appealed:	0
Paid/Reserved:	\$2,164,047



<u>York</u>	<u>(765)</u>
Total Claims:	161
Eligible:	119
Pending:	2
Denied:	25
Withdrawn:	14
Appealed:	1
Paid/Reserved:	\$26,394,990

IV. VOLUNTARY HEATING OIL PROGRAM

A Voluntary Heating Oil Tank Program has been offered by USTIF since 1995. This program offers coverage to owners or operators of underground heating oil tanks with a capacity of 3,000 gallons or greater used for storing heating oil products for use on the premises. This program indemnifies owners or operators for any releases from their tanks.

To obtain coverage from USTIF, owners or operators shall comply with the following requirements:

- ☐ Complete and submit an application.
- ☐ Provide USTIF with a copy of a successful tank tightness test, completed within the past 30 days.
- ☐ Submit a \$50 fee deposit. The fee deposit will be credited to the owner's or operator's account if the application is approved.

Fees are subject to the current Capacity Fee as established by the Underground Storage Tank Indemnification Board.

Coverage can be canceled by providing USTIF with advance written notice.

To obtain a Heating Oil Tank application or for more information on the Program, call 1-800-595-9887 (in PA) or 717-787-0763, or visit our web site at ustif.pa.gov.

Claim information for heating oil tanks is included in Section III (see Charts 9 to 12).

Voluntary Heating Oil Tank Application Status

- ☐ Applications received for 2015: 8
- ☐ Total participating heating oil tanks: 1,080



V. POLLUTION PREVENTION PROGRAM

The Pollution Prevention Grant Program assists storage tank owners with pumping out and disposing of regulated products from tanks, cleaning the inside of tanks, and grouting the fill pipes of those tanks (if the tanks will be put into temporary closure) so that the tanks are rendered unusable.

Under the Pollution Prevention Grant Program, the Underground Storage Tank Indemnification Board is authorized to allocate up to \$1 million per year to be used by the DEP in reimbursing owners and operators with six or fewer regulated underground storage tanks in Pennsylvania that have not been upgraded to comply with technical requirements of federal and state regulations. The Underground Storage Tank Indemnification Board has granted the DEP authority to implement this program.

The Pollution Prevention Grant Program provides reimbursement up to \$2,500 per tank for eligible activities. DEP may withhold reimbursement until DEP registration fees, USTIF fees, fines or penalties are paid; or until outstanding violations are resolved.

For the state fiscal year ending June 30, 2015, 14 grants were approved for a total

payment of \$64,205. For the seventeen fiscal years since program inception, 1,111 grants have been approved. Total monies paid are \$5,696,122 as of June 30, 2015.

It will remain the responsibility of the underground storage tank owner to permanently close the tanks following DEP's closure requirements. Grant money is not available under the Pollution Prevention Grant Program for removing tanks, closing tanks in place, performing site assessments, or conducting remediation activities.

Tank owners and other interested parties who would like to obtain more information about the Pollution Prevention Grant Program may contact the DEP at:

Department of Environmental Protection
Bureau of Environmental Cleanup and
Brownfields
Division of Storage Tanks
P.O. Box 8762
Harrisburg, PA 17105-8762

1-800-428-2657 (in PA only) or
717-772-5599
dep.pa.gov

VI. UNDERGROUND STORAGE TANK ENVIRONMENTAL CLEANUP PROGRAM (INCLUDES HEATING OIL GRANTS)

.....

The Underground Storage Tank Environmental Cleanup Program provides monies to the DEP for the purpose of taking corrective actions at UST facilities that require cleanup but are not eligible for USTIF claims payment. Under this program the Underground Storage Tank Indemnification Board may allocate up to \$5.5 million annually from the Underground Storage Tank Indemnification Fund to the Program as long as that allocation does not impede the Board's ability to pay claims.

Under the enabling legislation there are two special allocations that DEP must consider when prioritizing the use of the monies granted under this program. The first allocation requires that no more than \$2 million may be used for special environmental cleanups to assist owners of UST's who do not qualify for financial assistance under Land Recycling and Environmental Remediation Standards Act or other applicable State or Federal programs. Special environmental clean-up projects are limited to eligible owners of UST's whose sites have not been remediated due to financial hardship, and for those owners whose retail gasoline facility or commercial distribution center is no longer in business. The second allocation, which must not exceed \$500,000, may be used to assist residential and commercial owners of underground heating oil tanks with the costs of corrective action for releases from eligible tanks. Eligible tanks include those with a capacity of 3,000 gallons or less that are used for storing heating oil for use on the premises. Payments are limited to a total of \$4,000. However, a \$1,000 deductible must be paid first by the owner.

The Storage Tank and Spill Prevention Act 32 was amended on December 13, 2001, authorizing the Board to allocate an additional \$5.5 million annually to DEP for cleanup of catastrophic releases exceeding \$3 million in remediation costs.

The results of these programs have provided a cleaner environment by funding remediation and assisting impacted parties as outlined below:

- ❑ **State-Lead/Special Projects:** For the fiscal year ending June 30, 2015, work was performed at 34 state-lead and 1 special projects release sites. The total amount expended was approximately \$2.76 million. Since program inception, over \$33.57 million has been expended on 268 projects.
- ❑ **Heating Oil Program:** For the fiscal year ending June 30, 2015, 123 grants were approved for a total payment in excess of \$500,000. For the sixteen fiscal years since program inception, 1,445 grants have been approved. Total grant monies paid out are \$5,636,573.
- ❑ **Catastrophic Release Projects:** For the fiscal year ending June 30, 2015, there was activity for 3 catastrophic release sites. The total amount expended was \$111,850. Since the program inception over \$13.06 million has been expended at these three sites.

The Department of Environmental Protection, in cooperation with the National Pollution Funds Center, has received reimbursement of USTIF expenses from two catastrophic release projects. The total amount received as of June 30, 2015, was \$4,817,343.

In the event that an owner receiving payment under the Environmental Cleanup Program is later found to be eligible for the Underground Storage Tank Indemnification

Fund, then monies expended will be considered payments under the USTIF. For information concerning the Environmental Cleanup Program, please contact the DEP at:

Department of Environmental Protection
Division of Remediation Services
P.O. Box 8471
Harrisburg, PA 17105-8471
or by calling 717-783-9475.

VII. TANK INSTALLER INDEMNIFICATION PROGRAM

.....

The purpose of Tank Installers' Indemnification Program (TIIP) is to indemnify certified companies/tank installers after a release occurs due to negligence as a result of improper or faulty installations, modifications and removals of underground storage tanks on or after January 1, 2002. This program was created in The Storage Tank and Spill Prevention Act (Act 32) passed July, 1989, as amended by Act 13 passed February 3, 1998, as amended by Act 100 passed December 2000.

This program is financed through fees paid by certified tank installer companies. There are two types of fees: an annual company fee and an activity fee for each removal, major modification and installation performed under their direction.

In 2015, USTIF did not receive any claims under this program. Three claims were closed during the year with payments totaling \$208,640. At year's end, there were 5 open claims with case reserves totaling \$620,000.

- ☐ Certified Company Fee: \$1,000 annually
- ☐ Activity Fee (for each tank system activity performed)
 - Tank Removal: \$15
 - Major Modification: \$50
 - Tank Installation: \$50

The TIIP coverage limit is based on the number of installations, major modifications and removals performed by a certified company within a calendar year as shown below:

☐ 100 or fewer installations – \$1.5 million per tank per occurrence and \$1.5 million annual aggregate.

☐ 101 or more installations – \$1.5 million per tank per occurrence and \$3 million annual aggregate.

☐ TIIP reserves the right to settle or defend claims under this program

The TIIP, like the USTIF, has certain eligibility requirements set by the Act. The requirements and implementing regulations include:

☐ Claims must be reported within 60 days from the date of discovery.

☐ The claimant is a certified tank installer who is employed by a certified company and performed the work that gave rise to a claim for a certified company.

☐ The USTIF's fees are paid.

☐ The tank is registered with DEP unless it is a heating oil tank that opted into the program.

☐ The certified tank installer has obtained permits, if required.

☐ The facts indicate that a tank installer was negligent in some tank handling activity resulting in a release after the effective date of coverage.

☐ The participant cooperates with the USTIF in its eligibility determination process.

The Certified Company is responsible for the first \$5,000 per occurrence.

For questions regarding this program, please contact us at 1-800-595-9887 (in PA only) or 717-787-0763 or by e-mail at ra-ustif@pa.gov or visit our web site at ustif.pa.gov.

VIII. WEB SITE HIGHLIGHTS

.....

On September 18, 2015, USTIF migrated to a dedicated website. This is the first of two phases. The current phase resembles the Pennsylvania Insurance Department website. It continues to provide descriptions of all programs within the USTIF. You will find background information on each segment of the USTIF and the various programs it sponsors. In addition, you will find the most frequently asked questions about the program areas as well as contact information for the different program areas.

The site contains valuable information on a wide range of topics including billing, bulletins regarding current information, the Voluntary Heating Oil Program, Competitive Bidding, program statistics, and financial information.

Easily accessible on the website home page is a listing of sites that are participating in the competitive bidding process and information pertaining to the site so that consultants may interact with the USTIF if they wish to bid on the remediation activities.

Phase II will eventually integrate with Claims and the Fee Billing System. It will have the functionality for participants and distributors to view historical data, make fee payments and report a claim.

Please visit our website at ustif.pa.gov or through the Pennsylvania Department of Insurance web site at www.insurance.pa.gov.

PENNSYLVANIA UNDERGROUND STORAGE TANK INDEMNIFICATION FUND

Phone (717) 783-8093

Toll Free (In PA Only) (800) 595-9887

Fax (717) 705-0140