

2018

Annual Report

PENNSYLVANIA

Underground Storage Tank
Indemnification Fund





March 2019

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, 2018. For nearly a quarter of a century, USTIF has made significant progress in providing first and third-party liability coverage for eligible tank owners/operators and tank installers. USTIF has committed more than \$1.1 billion to cover 4,600 cleanups since 1994.

The past year was also marked with amendments to the Administration of the Storage Tank and Spill Prevention Program, 25 PA. Code Chapter 245 in December 2018. Of importance to USTIF were the changes regarding facility personnel training and increased facility inspections. The proposed changes are expected to result in improvements in the operation and maintenance of underground storage tanks with the expectation of reducing the number of releases from underground storage tanks and, in turn, further protecting public health and the environment.

During 2018 there were 189 newly reported claims compared to 179 in 2017. In 2016 there were 181 reported claims. The Tank Installer Indemnification Program (TIIP) did not receive any new claims in 2018. By comparison the program received one new claim in 2017, and 4 new claims in 2016. The total number of open UST and TIIP claims at year-end was reduced from 1012 to 963 claims.

Total payments for open UST claims made during 2018 were \$30,112,367 as compared to \$33,287,724 in 2017, and \$34,196,718 in 2016. The total aggregate payment from claim inception for underground storage tank claims to closure for the 172 sites that closed in 2018 was \$50,545,453. In comparison, 194 sites closed by a payment amount of \$59,827,393 in 2017. Total payments for TIIP claims made during 2018 remained at zero and is unchanged from 2017. 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 annual actuarial study, prepared in 2018 by Aon Global Risk Consulting, concluded that an unfunded liability of \$19.6 million existed as of June 30, 2018. This amount is a decrease from the \$67 million unfunded liability amount reported the previous year.

USTIF fee revenue for 2018 totaled \$58,251,433. This amount is a 2.5% decrease over the prior year's revenue in the amount of \$59,753,242. In 2016, \$59,514,902 was collected.

At the March Board meeting, \$6,740,000 was allocated to the Department of Environmental Protection (DEP) for grants in pollution protection, environmental and catastrophic cleanups, and investigative and closure costs. An allocation in the amount of \$7,700,000 was approved by the Board at the December meeting.

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 2018 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 \$30,000,000 for remediation costs in 2018. These payments contributed to the closure of 172 owner/operator contaminated sites as well as costs for ongoing remediation at 961 open claim sites.

At the December 2018 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 \$19.6 million exists according to the actuarial projections. This is a decrease from the \$67 million unfunded liability included in the 2017 actuarial study.

Under the Storage Tank Act, the Department of Environmental Protection may request allocations for the Pollution Prevention Program (Pump & Plug), Catastrophic Releases, Environmental Cleanup Program and Investigative and Closure Programs. Since inception, the USTIF has allocated in excess of \$110,000,000 to DEP for various grants, programs, and expenses.

Highlights of Accomplishments for 2018

- ❑ USTIF continues to improve service to business stakeholders through the dedicated website, <https://ustif.pa.gov>. The website allows owners to pay fees on-line and report claims. In 2018 claim reporting was further automated by allowing environmental consultants to

report releases on behalf of tank owners and operators.

- ❑ USTIF increased efficiency by offering enrollment in ACH claim payments related to corrective action costs.
- ❑ USTIF collaborated with the DEP in identifying delinquent accounts allowing owners to maintain financial responsibility by paying fees in arrears on-line. This has resulted in fewer permit revocations.
- ❑ For the first time since its inception, USTIF can verify throughput fees for deliveries for active tanks rather than rely on a net gallon report from the distributors.
- ❑ USTIF participated in the Governor's Office of Transformation, Innovation, Management and Efficiency (GO-TIME) initiative by moving to a paperless system. Over 46,000 paper fee billing documents were removed from filing cabinets and scanned to a virtual file system.
- ❑ As part of USTIF's fiduciary responsibilities to assure the assets are not expended on costs for actions that are not the fault of the tank owner, USTIF recovered nearly \$173,000 from responsible parties, via subrogation reimbursements.
- ❑ Continued the use of fixed price contracts including competitively bid and sole source remediation agreements. Competitive bidding resulted in awarding 5 contracts in 2018. At year's end, USTIF was funding remediation at 111 sites under some form of fixed price contract with a total value of \$30.66 million. Competitive bidding resulted in a savings

of \$1.4 million. Sole source contracts resulted in awarding 4 contracts in 2018 with savings over \$290,000. Agreements were executed for sites in Allegheny, Armstrong, Chester, Clearfield, Delaware, McKean, Monroe, Venango and Washington counties.

- ❑ Continued the voluntary heating oil program covering 1,311 heating oil tanks.

- ❑ Collected \$293,024.81 during 2018 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.

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, 2018*)

The Commonwealth's fiscal year (FY) runs from July 1 through June 30. The following chart presents revenue by component since 2014.

**Chart 1: Revenue by Component for Each Fiscal Year
(through December 31, 2018)
Revenues (in \$ millions)**

Revenue Source	FY18⁽¹⁾	FY17	FY16	FY15	FY14
Capacity Fee	\$2.77	\$5.74	\$6.21	\$5.94	\$5.94
Gallon Fee	\$26.65	\$51.05	\$52.46	\$52.23	\$51.71
TIIP Fee	\$0.12	\$0.33	\$0.33	\$0.30	\$0.35
Investment Income	(\$9.14)	\$14.24	\$17.24	\$5.83	\$6.99
Interest on G.F. Loan ⁽²⁾	\$0.77	\$1.02	\$0.54	\$0.23	\$0.13
Misc.	\$0.02	\$0	\$0.02	\$0.90	\$6.35
TOTALS	\$21.19	\$72.35	\$76.80	\$65.43	\$71.47

(1) Data for FY 2019 are for the months July – December 2018

(2) To date, \$32.5 million of the principal balance has been repaid with the most recent payment occurring in 2009. An Amendment during 2015 calls for \$7.0 million payments each October 15th until both the remaining principal and interest are paid off in 2029. No payments have yet been made on the amended terms.

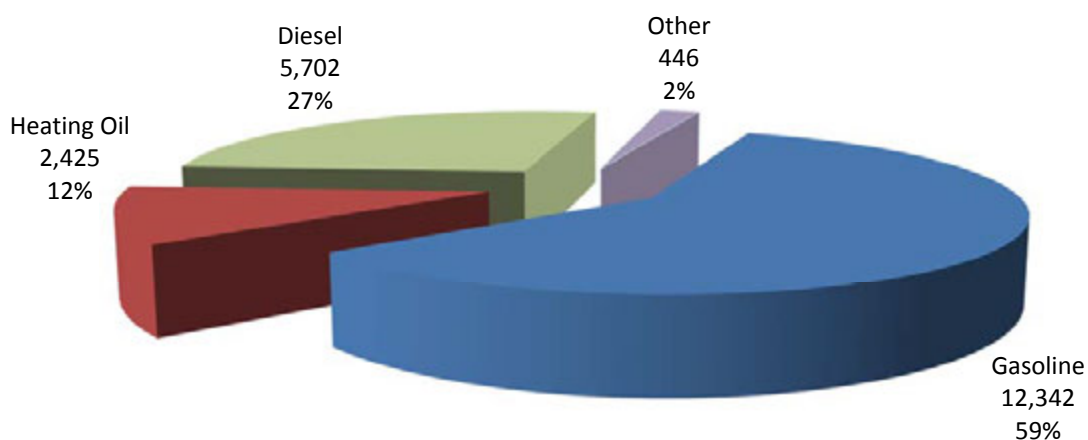
C. Tank Demographics

The charts included in this section compare USTIF information on:

- ☐ Distribution of tanks by substance;
- ☐ Tanks registered as “Currently In Use” (C);
- ☐ Tanks registered as “Exempt” and Participating (P); 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.

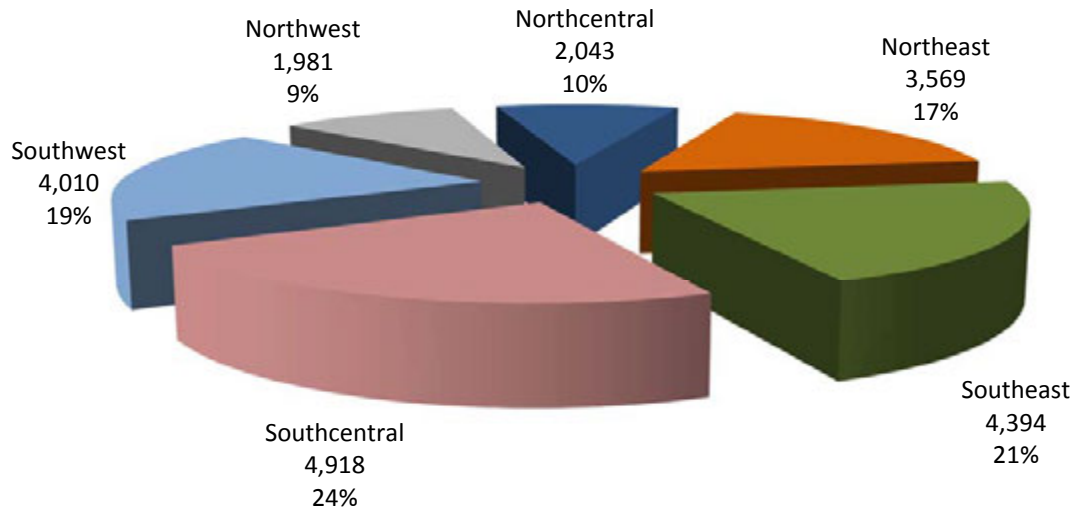
Chart 2: Distribution of Tanks by Substance



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

Heating Oil includes: kerosene, heating oil, heating oil #2, used motor oil, and unknown.

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 claim year and in aggregate for the USTIF since its inception.

Chart 4: Claim Status

2018				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	1	<1	\$15,948	\$15,948
Closed Denied	6	3		
Closed Withdrawn	17	9		
Open Pending	107	57	\$13,425,000	\$125,467
Open Eligible	54	29	\$8,395,000	\$155,463
Appealed	4	2	\$500,000	\$125,000
Total	189			
Total Eligible, Pending, Appealed	166		\$22,335,948	\$134,554
2017				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	18	10	\$286,648	\$15,925
Closed Denied	23	13		
Closed Withdrawn	31	17		
Open Pending	16	9	\$2,100,000	\$131,250
Open Eligible	89	50	\$14,570,434	\$163,713
Appealed	2	1	\$250,000	\$125,000
Total	179			
Total Eligible, Pending, Appealed	125		\$17,207,082	\$137,657
2016				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	53	29	\$1,300,322	\$24,534
Closed Denied	23	13		
Closed Withdrawn	39	22		
Open Pending	1	<1	\$125,000	\$125,000
Open Eligible	63	35	\$14,431,736	\$229,075
Appealed	2	1	\$282,500	\$141,250
Total	181			
Total Eligible, Pending, Appealed	119		\$16,139,559	\$135,627
Prior Years Since Inception				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	3,526	58	\$679,848,664	\$192,810
Closed Denied	999	16		
Closed Withdrawn	934	15		
Open Pending	0	0		
Open Eligible	621	10	\$352,973,792	\$568,396
Appealed	2	<1	\$441,491	\$220,746
Total	6,082			
Total Eligible, Pending, Appealed	4,149		\$1,033,263,948	\$249,039

Chart 4: Claim Status (continued)

Total				
Status	Number of Claims (1)	Percent (2)	Total Dollars (3)	Average Claim Cost (4)
Closed Eligible	3,598	54	\$681,451,582	\$189,397
Closed Denied	1,051	16		
Closed Withdrawn	1,021	15		
Open Pending	124	2	\$15,650,000	\$126,210
Open Eligible	827	12	\$390,370,963	\$472,033
Appealed	10	<1	\$1,473,991	\$147,399
Total	6,631			
Total Eligible, Pending, Appealed	4,559		\$1,088,946,537	\$238,856

(1) As of December 31, 2018.

(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

- ❑ 6,631 claims were investigated between February 1, 1994 and December 31, 2018.
- ❑ The total dollars reserved and/or paid on all eligible, pending, and appealed claims is \$1,088,946,537.
- ❑ 189 claims were investigated in 2018, an average of 15.8 claims/month.
 - Of the 189 claims that were investigated in 2018, 86% were eligible or pending, 3% were denied, 2% were appealed, and 9% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2018 was \$134,554.
- ❑ 179 claims were investigated in 2017, an average of 14.9 claims/month.
 - Of the 179 claims that were investigated in 2017, 69% were eligible or pending, 13% were denied, 1% were appealed, and 17% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2017 was \$137,657.
- ❑ 181 claims were investigated in 2016, an average of 15.1 claims/month.
 - Of the 181 claims that were investigated in 2016, 65% were eligible or pending, 13% were denied, 1% were appealed, and 22% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2016 was \$135,627.
- ❑ 6,082 claims were investigated in prior years, an average of 23.1 claims/month. (2/1/94 - 12/31/15)
 - Of the 6,082 claims that were investigated, 68% were eligible and 0 were 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 \$249,039.

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:

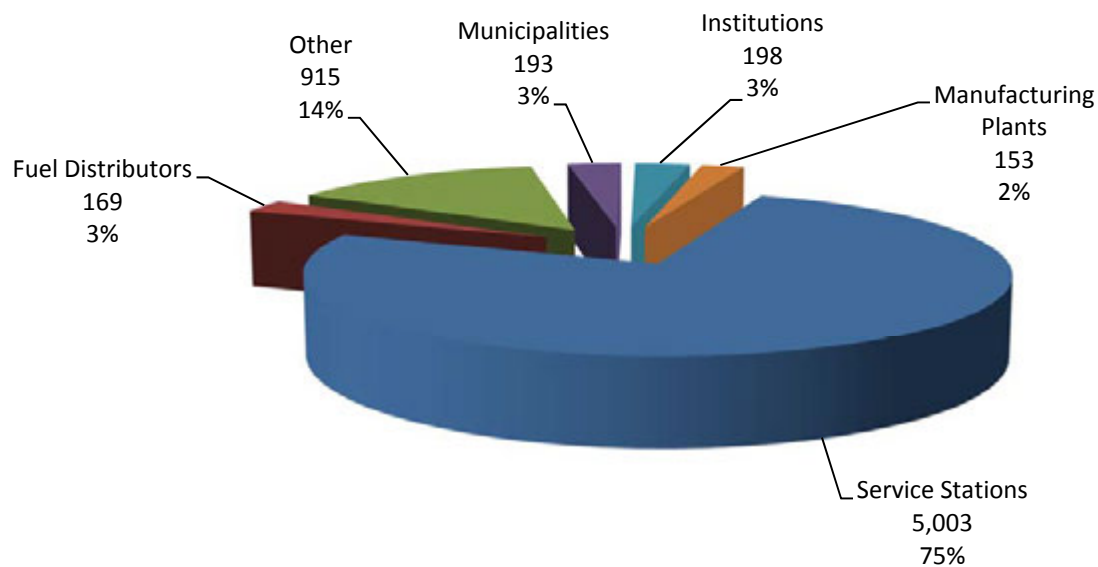
- ❑ Service Stations includes all facilities that sell petroleum products to the general public (e.g., gas stations, truck stops, convenience stores).
- ❑ Fuel Distributors includes wholesale petroleum dealers/bulk plant owners and operators. This category also includes dealers that distribute heating 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:

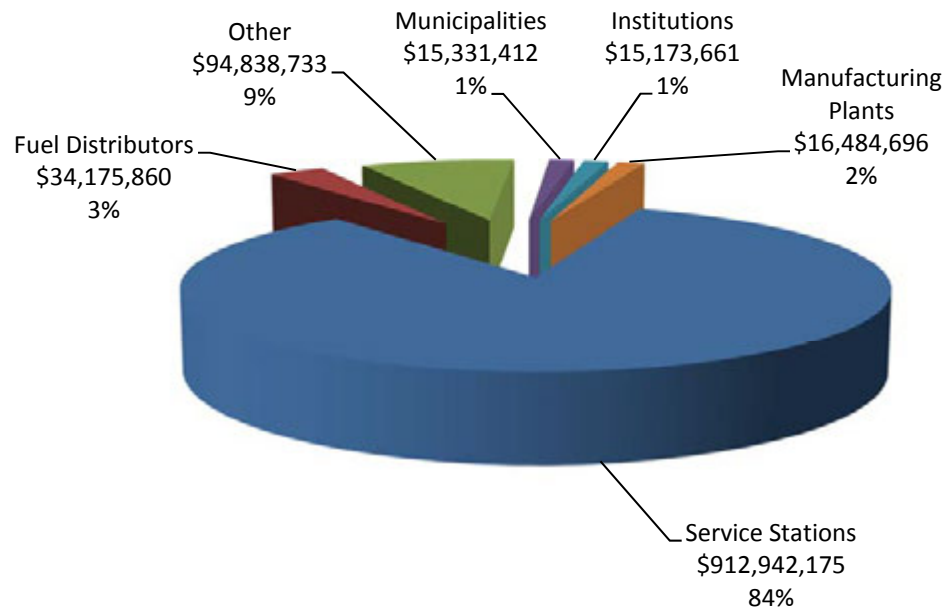
- ❑ Chart 5 presents the percentage and number of claims received for each facility type.
- ❑ Chart 6 presents a comparison of total dollars currently reserved and/or paid out for each facility type.
- ❑ Chart 7 demonstrates the “average claim cost” by facility type. Average claim cost is determined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



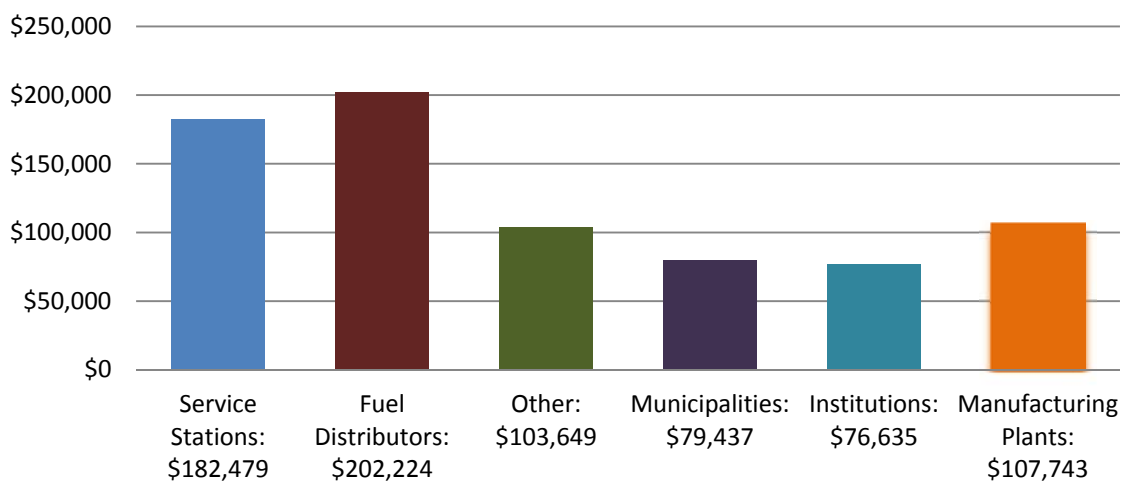
Total Claims 6,631 (2-1-94 through 12-31-18)

Chart 6: Dollars Reserved/Paid by Type of Facility



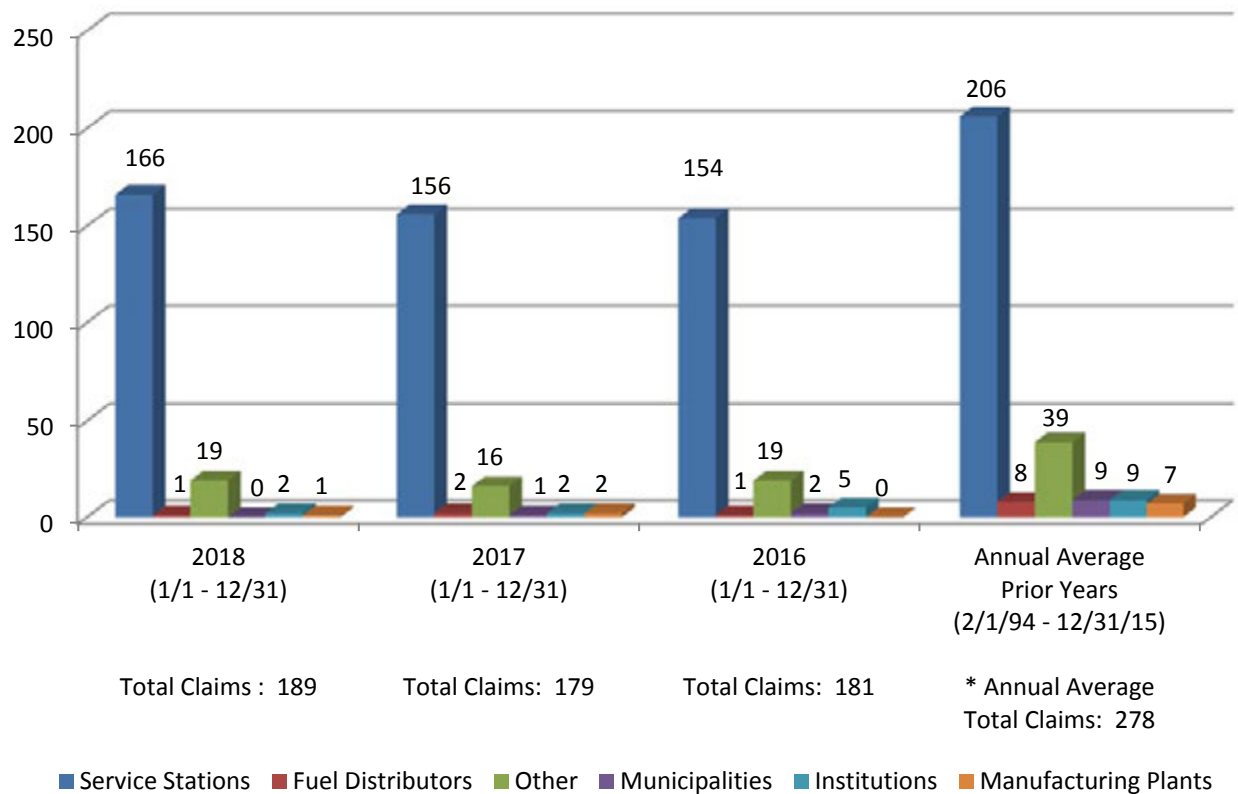
Total Dollars Reserved/Paid = \$1,088,946,537 (2-1-94 through 12-31-18)

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



* Annual average has been decreasing. The highest number of claims occurred in 1995, 1997, 1998, and 1999.

Product Type Comparison

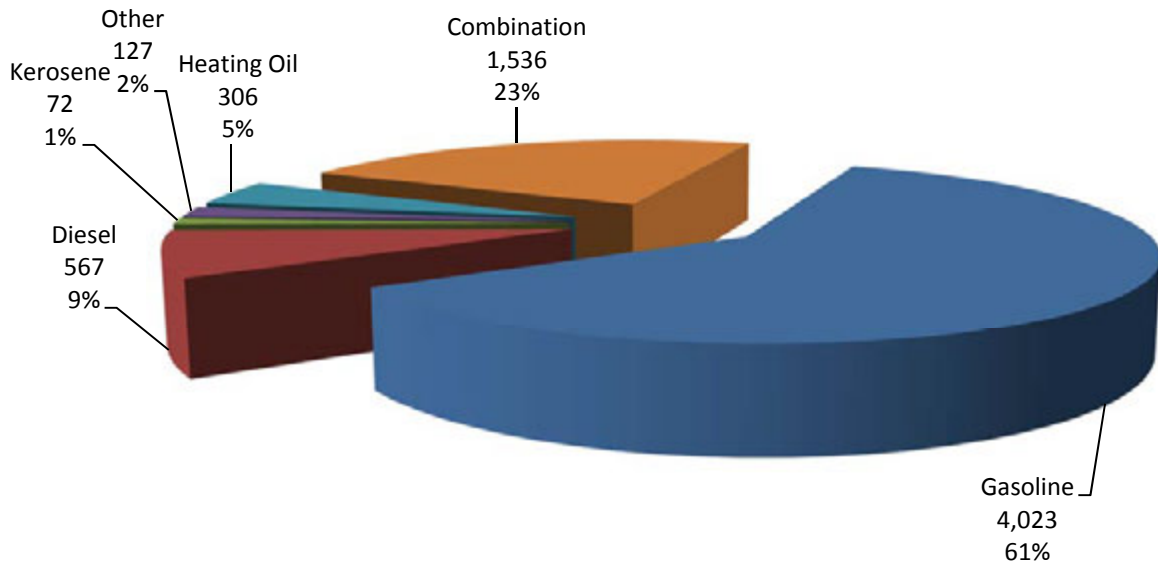
This section compares claim volume, total dollars reserved and/or paid out, and average claim costs by product type. The product types used for this comparison are:

- ☐ 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.

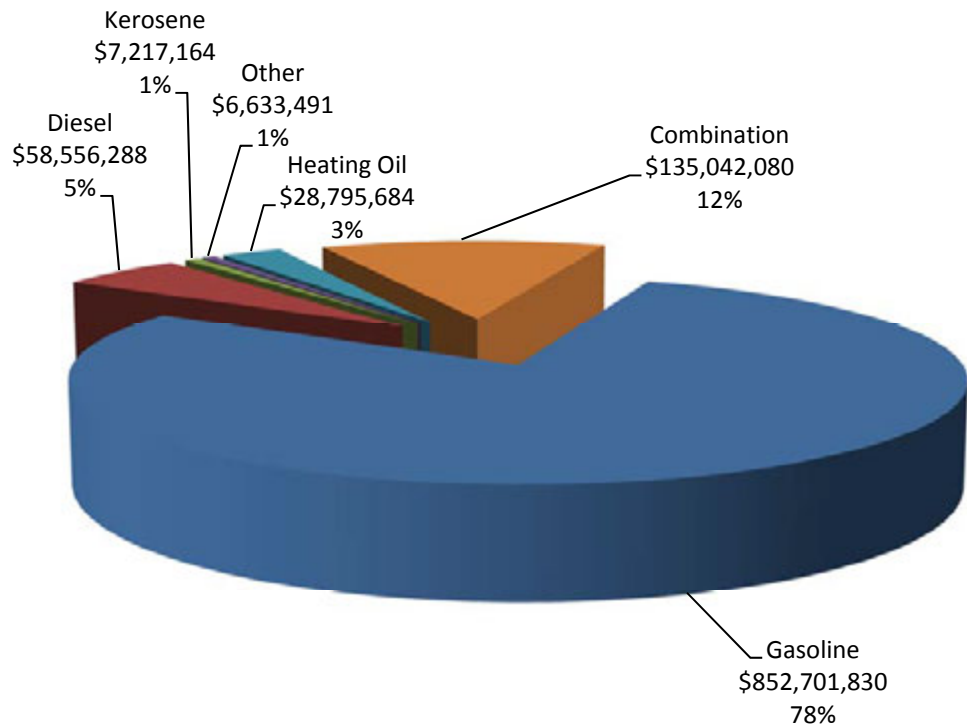
Chart 9: Claims Received by Type of Product



Total Claims: 6,631 (2-1-94 through 12-31-18)

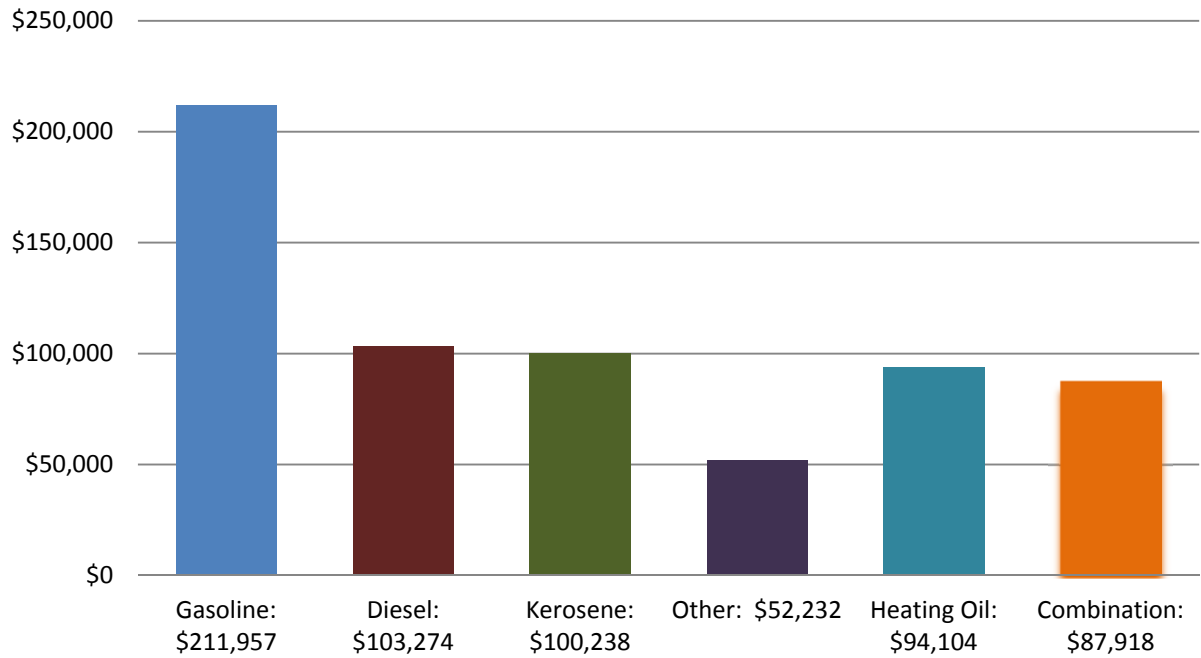
Percentages may not add to 100 due to rounding.

Chart 10: Dollars Reserved/Paid by Type of Product



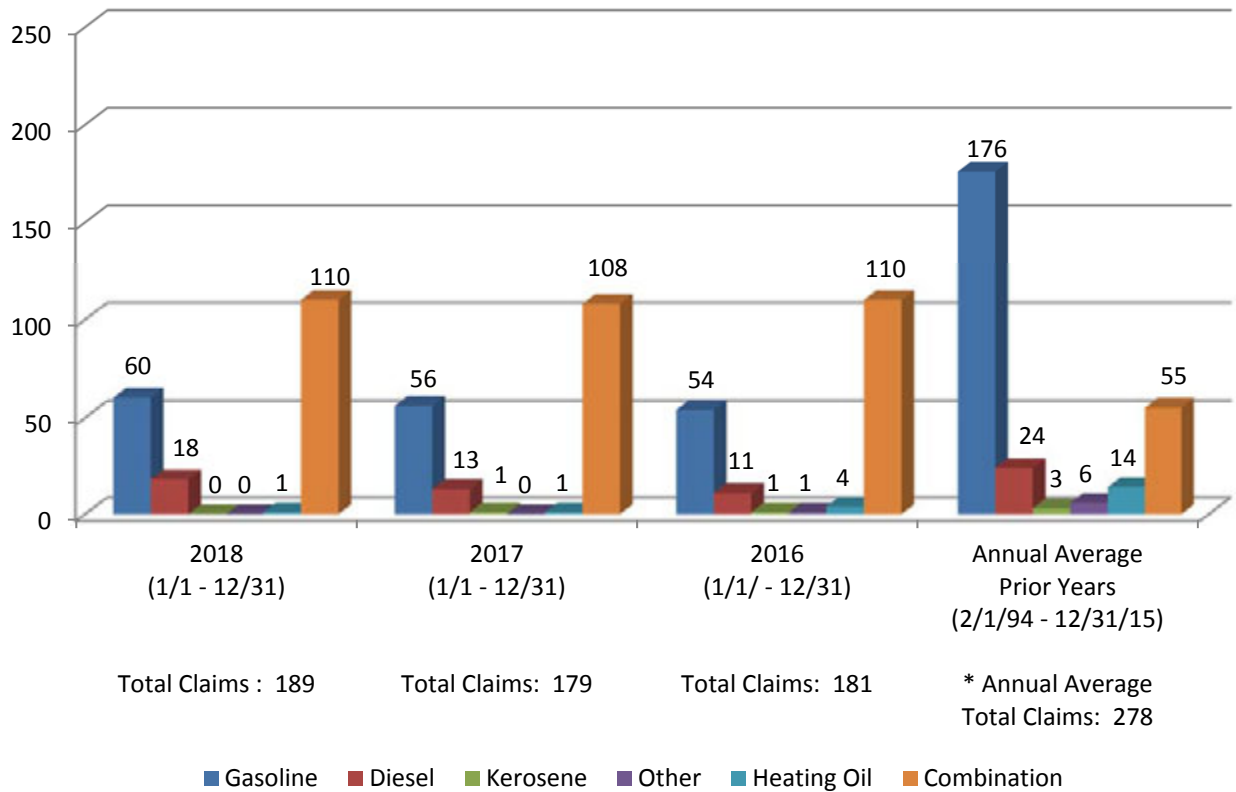
Dollars Reserved/Paid = \$1,088,946,537 (2-1-94 through 12-31-18)

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



* Annual average has been decreasing. The highest number of claims occurred in 1995, 1997, 1998, and 1999.

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

	2018 (189 claims filed)	2017 (179 claims filed)	2016 (181 claims filed)	Prior Years Since Inception (6,082 claims filed)	TOTALS (6,631 claims filed)
Number of third party claims filed	0	1	3	235	239
Percent of total claims filed		1%	2%	4%	4%
Total reserved and/or paid out	\$0.00	\$90,000	\$115,450	\$11,257,566	\$11,463,016
Average third party claim cost	\$0.00	\$90,000	\$38,483	\$47,905	\$47,962

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 unpaid at the time of release discovery.

In accordance with the requirement of Section 503 that has been in force since 1989, all tanks must be registered and 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, 2016, 2017, and 2018 by reason for denial. It compares the number of claims denied to the number of claims investigated in prior years, 2016, 2017, and 2018.

Chart 14: Denied Claims

	2018 (189 claims filed)	2017 (179 claims filed)	2016 (181 claims filed)	Prior Years Since Inception (6,082 claims filed)	TOTAL (6,631 claims filed)
Fees Not Paid*	1 (10%)	10 (40%)	6 (22%)	98 (10%)	115 (11%)
Not registered with DEP*	2 (20%)	2 (8%)	0 (0%)	14 (1%)	18 (2%)
Pre-USTIF Contamination*	0 (0%)	2 (8%)	0 (0%)	385 (38%)	387 (36%)
Combination*	5 (50%)	4 (16%)	18 (67%)	181 (18%)	208 (19%)
Claimant not Owner/ Operator*	0 (0%)	0 (0%)	0 (0%)	5 (<1%)	5 (<1%)
Not Reported w/in 60 Days*	0 (0%)	0 (0%)	1 (4%)	96 (10%)	97 (9%)
Lack of Cooperation*	0 (0%)	1 (4%)	1 (4%)	95 (9%)	97 (9%)
New Release Not Demonstrated*	2 (20%)	6 (24%)	1 (4%)	135 (13%)	144 (13%)
TOTAL DENIED+	10 (5%)	25 (14%)	27 (15%)	1,009 (17%)	1071 (16%)

Note: Prior year's claims are for February 1, 1994 - December 31, 2015. 2016, 2017 and 2018 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 \$238,856. The average by DEP Region is shown below:

- Region 1 (Southeast)\$207,604
- Region 2 (Northeast)\$235,295
- Region 3 (Southcentral).....\$227,425
- Region 4 (Northcentral)\$268,745
- Region 5 (Southwest).....\$245,930
- Region 6 (Northwest)\$297,552

Chart 15: DEP Regional Statistics

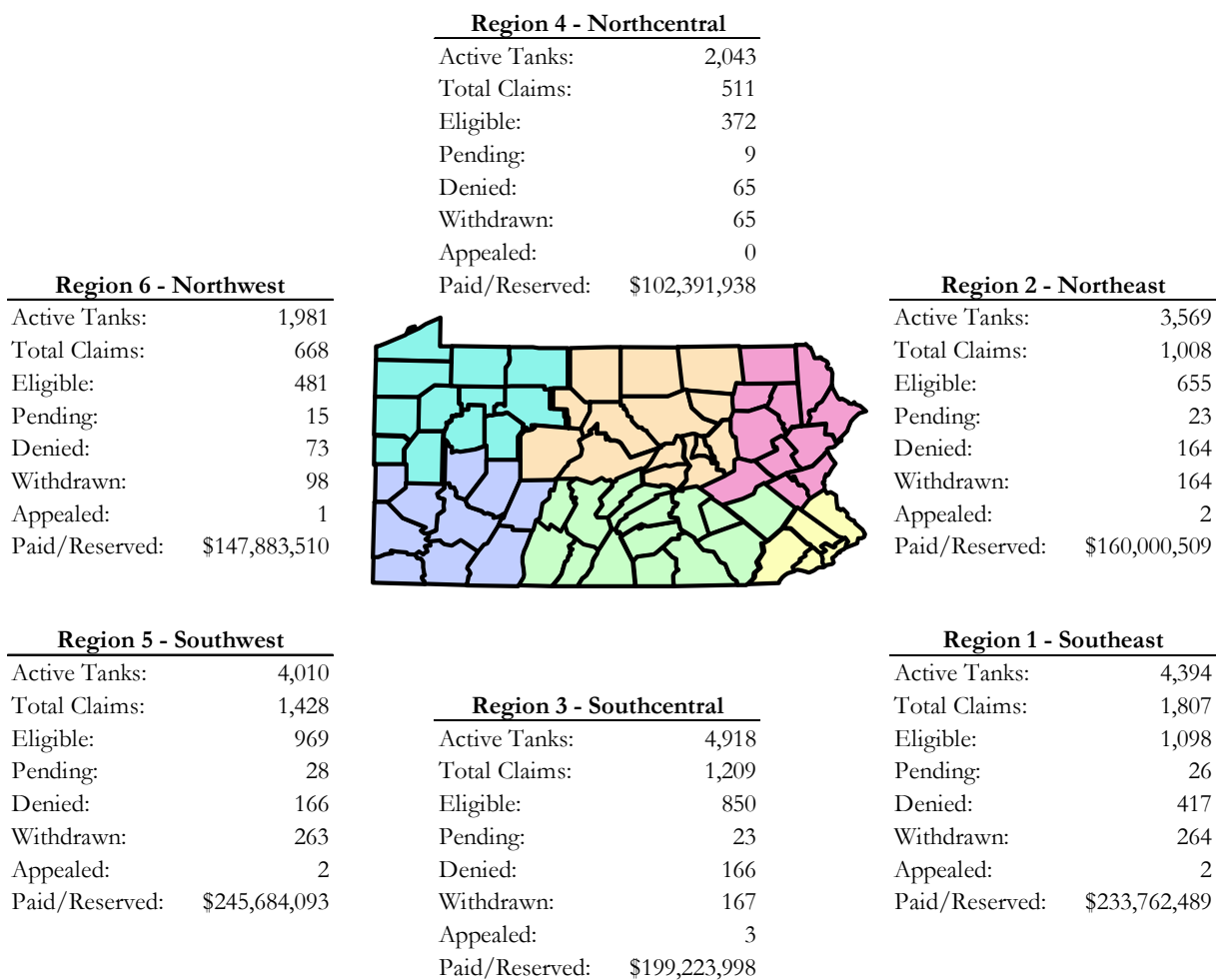













Chart 16: County Statistics

	<u>Adams</u>	(182) *		<u>Bedford</u>	(168)
	Total Claims:	61		Total Claims:	44
	Eligible:	41		Eligible:	30
	Pending:	4		Pending:	2
	Denied:	7		Denied:	4
	Withdrawn:	8		Withdrawn:	8
	Appealed:	1		Appealed:	0
	Paid/Reserved:	\$9,932,897		Paid/Reserved:	\$9,745,460
	<u>Allegheny</u>	(1,624)		<u>Berks</u>	(714)
	Total Claims:	614		Total Claims:	163
	Eligible:	393		Eligible:	114
	Pending:	11		Pending:	2
	Denied:	84		Denied:	20
	Withdrawn:	124		Withdrawn:	27
	Appealed:	2		Appealed:	0
	Paid/Reserved:	\$74,005,433		Paid/Reserved:	\$31,645,536
	<u>Armstrong</u>	(169)		<u>Blair</u>	(259)
	Total Claims:	48		Total Claims:	88
	Eligible:	29		Eligible:	62
	Pending:	0		Pending:	1
	Denied:	9		Denied:	11
	Withdrawn:	10		Withdrawn:	14
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$10,440,095		Paid/Reserved:	\$16,007,252
	<u>Beaver</u>	(261)		<u>Bradford</u>	(215)
	Total Claims:	104		Total Claims:	37
	Eligible:	73		Eligible:	29
	Pending:	1		Pending:	0
	Denied:	13		Denied:	7
	Withdrawn:	17		Withdrawn:	1
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$17,113,877		Paid/Reserved:	\$7,003,546









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

Chart 16: County Statistics (cont'd)

	Bucks	(766)		Carbon	(138)
	Total Claims:	367		Total Claims:	39
	Eligible:	232		Eligible:	25
	Pending:	4		Pending:	3
	Denied:	86		Denied:	6
	Withdrawn:	44		Withdrawn:	4
	Appealed:	1		Appealed:	1
	Paid/Reserved:	\$52,917,087		Paid/Reserved:	\$5,900,859
	Butler	(368)		Centre	(261)
	Total Claims:	90		Total Claims:	65
	Eligible:	67		Eligible:	50
	Pending:	4		Pending:	3
	Denied:	7		Denied:	5
	Withdrawn:	12		Withdrawn:	7
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$20,917,726		Paid/Reserved:	\$11,926,230
	Cambria	(294)		Chester	(643)
	Total Claims:	66		Total Claims:	248
	Eligible:	49		Eligible:	145
	Pending:	2		Pending:	4
	Denied:	7		Denied:	62
	Withdrawn:	8		Withdrawn:	37
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$17,187,741		Paid/Reserved:	\$40,869,158
	Cameron	(15)		Clarion	(102)
	Total Claims:	8		Total Claims:	40
	Eligible:	6		Eligible:	25
	Pending:	0		Pending:	0
	Denied:	2		Denied:	6
	Withdrawn:	0		Withdrawn:	9
	Appealed:	0		Appealed:	0
	Paid/Reserved:	\$1,505,102		Paid/Reserved:	\$8,473,118









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

Chart 16: County Statistics (cont'd)

	Clearfield (234) <hr/> Total Claims: 69 Eligible: 53 Pending: 0 Denied: 8 Withdrawn: 8 Appealed: 0 Paid/Reserved: \$20,118,279		Cumberland (453) <hr/> Total Claims: 84 Eligible: 55 Pending: 0 Denied: 10 Withdrawn: 19 Appealed: 0 Paid/Reserved: \$12,208,914
	Clinton (128) <hr/> Total Claims: 26 Eligible: 22 Pending: 0 Denied: 3 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$7,212,384		Dauphin (512) <hr/> Total Claims: 155 Eligible: 104 Pending: 3 Denied: 29 Withdrawn: 18 Appealed: 1 Paid/Reserved: \$22,583,176
	Columbia (168) <hr/> Total Claims: 50 Eligible: 38 Pending: 0 Denied: 6 Withdrawn: 6 Appealed: 0 Paid/Reserved: \$9,477,905		Delaware (699) <hr/> Total Claims: 271 Eligible: 177 Pending: 8 Denied: 49 Withdrawn: 36 Appealed: 1 Paid/Reserved: \$39,020,500
	Crawford (130) <hr/> Total Claims: 46 Eligible: 35 Pending: 2 Denied: 2 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$10,308,900		Elk (82) <hr/> Total Claims: 27 Eligible: 20 Pending: 1 Denied: 4 Withdrawn: 2 Appealed: 0 Paid/Reserved: \$9,189,838








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

Chart 16: County Statistics (cont'd)

	Erie (441) <hr/> Total Claims: 179 Eligible: 128 Pending: 2 Denied: 23 Withdrawn: 26 Appealed: 0 Paid/Reserved: \$32,183,066		Fulton (50) <hr/> Total Claims: 5 Eligible: 3 Pending: 0 Denied: 2 Withdrawn: 0 Appealed: 0 Paid/Reserved: \$1,205,199
	Fayette (273) <hr/> Total Claims: 90 Eligible: 66 Pending: 2 Denied: 7 Withdrawn: 15 Appealed: 0 Paid/Reserved: \$21,740,943		Greene (81) <hr/> Total Claims: 31 Eligible: 23 Pending: 0 Denied: 4 Withdrawn: 4 Appealed: 0 Paid/Reserved: \$8,913,422
	Forest (17) <hr/> Total Claims: 7 Eligible: 2 Pending: 0 Denied: 4 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$1,210,169		Huntingdon (109) <hr/> Total Claims: 41 Eligible: 28 Pending: 1 Denied: 6 Withdrawn: 6 Appealed: 0 Paid/Reserved: \$6,232,127
	Franklin (332) <hr/> Total Claims: 61 Eligible: 42 Pending: 3 Denied: 9 Withdrawn: 7 Appealed: 0 Paid/Reserved: \$8,452,079		Indiana (178) <hr/> Total Claims: 63 Eligible: 44 Pending: 1 Denied: 7 Withdrawn: 11 Appealed: 0 Paid/Reserved: \$9,153,416









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

Chart 16: County Statistics (cont'd)

	<u>Jefferson</u> (123) Total Claims: 29 Eligible: 23 Pending: 1 Denied: 1 Withdrawn: 4 Appealed: 0 Paid/Reserved: \$7,377,143		<u>Lawrence</u> (161) Total Claims: 42 Eligible: 31 Pending: 0 Denied: 7 Withdrawn: 4 Appealed: 0 Paid/Reserved: \$13,724,275
	<u>Juniata</u> (78) Total Claims: 17 Eligible: 11 Pending: 0 Denied: 1 Withdrawn: 5 Appealed: 0 Paid/Reserved: \$2,818,779		<u>Lebanon</u> (289) Total Claims: 54 Eligible: 42 Pending: 0 Denied: 4 Withdrawn: 8 Appealed: 0 Paid/Reserved: \$7,823,528
	<u>Lackawanna</u> (453) Total Claims: 128 Eligible: 77 Pending: 3 Denied: 23 Withdrawn: 25 Appealed: 0 Paid/Reserved: \$20,274,002		<u>Lehigh</u> (580) Total Claims: 160 Eligible: 93 Pending: 3 Denied: 24 Withdrawn: 40 Appealed: 0 Paid/Reserved: \$17,421,789
	<u>Lancaster</u> (855) Total Claims: 224 Eligible: 164 Pending: 3 Denied: 31 Withdrawn: 25 Appealed: 1 Paid/Reserved: \$36,897,023		<u>Luzerne</u> (692) Total Claims: 193 Eligible: 136 Pending: 5 Denied: 36 Withdrawn: 16 Appealed: 0 Paid/Reserved: \$33,164,846







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

Chart 16: County Statistics (cont'd)

	Lycoming (262) <hr/> Total Claims: 88 Eligible: 49 Pending: 4 Denied: 13 Withdrawn: 22 Appealed: 0 Paid/Reserved: \$14,652,558		Monroe (348) <hr/> Total Claims: 130 Eligible: 83 Pending: 2 Denied: 18 Withdrawn: 27 Appealed: 0 Paid/Reserved: \$22,303,959
	McKean (132) <hr/> Total Claims: 34 Eligible: 22 Pending: 1 Denied: 3 Withdrawn: 8 Appealed: 0 Paid/Reserved: \$10,715,192		Montgomery (999) <hr/> Total Claims: 490 Eligible: 284 Pending: 6 Denied: 119 Withdrawn: 81 Appealed: 0 Paid/Reserved: \$57,375,466
	Mercer (216) <hr/> Total Claims: 92 Eligible: 71 Pending: 0 Denied: 10 Withdrawn: 11 Appealed: 0 Paid/Reserved: \$18,979,763		Montour (48) <hr/> Total Claims: 9 Eligible: 5 Pending: 0 Denied: 3 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$2,731,393
	Mifflin (120) <hr/> Total Claims: 19 Eligible: 14 Pending: 0 Denied: 3 Withdrawn: 2 Appealed: 0 Paid/Reserved: \$3,293,728		Northampton (489) <hr/> Total Claims: 130 Eligible: 90 Pending: 4 Denied: 18 Withdrawn: 18 Appealed: 0 Paid/Reserved: \$17,251,392


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

Chart 16: County Statistics (cont'd)

	Northumberland (219) Total Claims: 52 Eligible: 37 Pending: 0 Denied: 6 Withdrawn: 9 Appealed: 0 Paid/Reserved: \$7,365,971		Potter (80) Total Claims: 21 Eligible: 17 Pending: 0 Denied: 3 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$3,904,429
	Perry (110) Total Claims: 15 Eligible: 12 Pending: 0 Denied: 0 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$847,747		Schuylkill (344) Total Claims: 110 Eligible: 75 Pending: 0 Denied: 18 Withdrawn: 17 Appealed: 0 Paid/Reserved: \$18,609,576
	Philadelphia (1,287) Total Claims: 431 Eligible: 260 Pending: 4 Denied: 101 Withdrawn: 66 Appealed: 0 Paid/Reserved: \$43,580,278		Snyder (117) Total Claims: 20 Eligible: 17 Pending: 0 Denied: 2 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$2,563,185
	Pike (110) Total Claims: 23 Eligible: 16 Pending: 0 Denied: 6 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$4,570,900		Somerset (222) Total Claims: 52 Eligible: 30 Pending: 3 Denied: 6 Withdrawn: 13 Appealed: 0 Paid/Reserved: \$5,088,878




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

Chart 16: County Statistics (cont'd)

	Sullivan (55) <hr/> Total Claims: 6 Eligible: 4 Pending: 0 Denied: 1 Withdrawn: 1 Appealed: 0 Paid/Reserved: \$1,048,838		Venango (120) <hr/> Total Claims: 50 Eligible: 33 Pending: 3 Denied: 5 Withdrawn: 8 Appealed: 1 Paid/Reserved: \$6,831,935
	Susquehanna (156) <hr/> Total Claims: 41 Eligible: 29 Pending: 1 Denied: 8 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$5,646,632		Warren (89) <hr/> Total Claims: 32 Eligible: 24 Pending: 1 Denied: 1 Withdrawn: 6 Appealed: 0 Paid/Reserved: \$7,972,385
	Tioga (140) <hr/> Total Claims: 37 Eligible: 28 Pending: 1 Denied: 4 Withdrawn: 4 Appealed: 0 Paid/Reserved: \$8,854,052		Washington (295) <hr/> Total Claims: 147 Eligible: 110 Pending: 1 Denied: 12 Withdrawn: 24 Appealed: 0 Paid/Reserved: \$39,855,119
	Union (101) <hr/> Total Claims: 23 Eligible: 17 Pending: 1 Denied: 2 Withdrawn: 3 Appealed: 0 Paid/Reserved: \$4,028,066		Wayne (165) <hr/> Total Claims: 30 Eligible: 20 Pending: 1 Denied: 3 Withdrawn: 6 Appealed: 0 Paid/Reserved: \$11,743,020

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

Chart 16: County Statistics (cont'd)

	<u>Westmoreland</u>	<u>(613)</u>
	Total Claims:	213
	Eligible:	152
	Pending:	7
	Denied:	17
	Withdrawn:	37
	Appealed:	0
	Paid/Reserved:	\$42,185,169
	<u>Wyoming</u>	<u>(94)</u>
	Total Claims:	24
	Eligible:	11
	Pending:	1
	Denied:	4
	Withdrawn:	7
	Appealed:	1
	Paid/Reserved:	\$3,113,535
	<u>York</u>	<u>(687)</u>
	Total Claims:	178
	Eligible:	128
	Pending:	4
	Denied:	29
	Withdrawn:	17
	Appealed:	0
	Paid/Reserved:	\$29,530,552

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

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 call 717-787-0763, the Environmental Cleanup Program in a local DEP regional office 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 (HOT) Application Status

- ☐ Applications received for 2018: 2
- ☐ Total participating heating oil tanks:
 - HOT Currently in Use: 941
 - HOT #2 Currently in Use: 36
 - HOT Participating/Exempt: 334
 - Total: 1,311



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 \$350,000 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, 2018, 3 grants were approved for a total payment of

\$13,378.11. For the nineteen fiscal years since program inception, 1,131 grants have been approved. Total monies paid are \$5,809,209.90 as of June 30, 2018.

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
www.dep.pa.gov

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

The board is authorized to allocate up to \$5.5 million annually from the Underground Storage Tank Indemnification Fund for the Underground Storage Tank Environmental Cleanup Program if the allocation doesn't impede the fund's ability to pay claims. The monies are used for taking corrective actions at underground storage tank facilities that require cleanup but are not eligible for a claims payment by USTIF.

No more than \$2 million of the annual allocation for the Cleanup Program may be used for special environmental cleanup projects to assist owners of underground storage tanks who do not qualify for financial assistance under the Act.

There is an additional allocation under the Cleanup Program allowing no more than \$750,000 annually for costs of corrective action to assist owners of underground storage tanks with a capacity of 3000 gallons or less used for storing heating oil. Payments are limited to actual cost of corrective action of \$5000. The amount allowed shall be subject to a \$1,000 deductible.

The board is also authorized to allocate funds annually to the Underground Storage Tank Pollution Prevention Program for reimbursing eligible owners for the costs of removing regulated substances from and sealing the fill pipes of underground storage tanks which have not been upgraded to comply with federal and state regulations. have been approved. Total grant monies paid out are \$6,886,412.

The board may allocate up to \$350,000 annually from the Underground Storage Tank Indemnification Fund for the Underground Storage Tank Pollution Prevention Program.

DEP may also request the board to reimburse the department up to \$7 million annually for its costs related to investigating, determining responsibility, overseeing remediation and third-party response and closing cases of spills and leaks related to underground storage tanks. It is also used for inspecting, determining compliance and taking enforcement actions against owners of storage tanks.

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, 2018, work was performed at 28 state-lead and 1 special project release sites. The total amount expended was approximately \$2.19 million. Since program inception, over \$41 million has been expended on 361 projects.¹
- ❑ **Heating Oil Program:** For the fiscal year ending June 30, 2018, 188 grants were approved for a total payment \$750,000. For the eighteen fiscal years since program inception, 1,895 grants

¹ Due to an accounting error in 2017, there was a total of 30 state-lead and 1 special project release sites totaling \$3.34 million.

❑ **Catastrophic Release Projects:** Money was not expended for the fiscal year ending June 30, 2018. Since the program inception over \$13.06 million was expended at 3 sites.

❑ **Investigation and Closure Costs:** For the fiscal year ending 2018, DEP requested reimbursement in the amount of \$3,445,590 from the fund.

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 717-787-0886.

VIII. 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.

USTIF did not receive any newly reported claims in 2018. 1 newly reported claim under this program. One claim was closed during the year without any payments. At year's end, there were 2 open claims with case reserves totaling \$250,000

- ☐ 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.

IX. WEB SITE HIGHLIGHTS

The USTIF dedicated website 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.

The dedicated website is fully functional for business partners to report claims and remit fees on-line.

Please visit our website at ustif.pa.gov or through the Pennsylvania Insurance Department 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