

2024 Annual Report



PENNSYLVANIA
Underground Storage Tank
Indemnification Fund



Message from Executive Director



March 2025

The members of the Underground Storage Tank Indemnification Board (Board) and the staff of the Underground Storage Tank Indemnification Fund (USTIF) are pleased to present the 30th anniversary edition of our Annual Report. The report provides information on the USTIF's operations from the program's inception on February 1, 1994, through December 31, 2024.

With this report, we reflect on three decades of service to our participants and the Commonwealth. Since the USTIF's inception, the USTIF has handled a total of 7,728 claims and made total indemnity payments of over \$1.2 billion to its participants. During that time, not only has the USTIF ensured compliance with financial responsibility requirements and helped lessen the burden of remediation expenses for its participants, we have also strived to ensure that the remediations are completed quickly and responsibly to protect the lands and waters of the Commonwealth as well as its residents, in partnership with our participants, the Department of Environmental Protection, and remediation specialists.

As part of the preparation for this annual report, we reviewed annual reports from the entire life of the program. One item of note was that the letters always end in a similar way—a statement that the USTIF staff is looking forward to serving you and asking for ideas to help the Fund work better for its participants. Throughout its history, the USTIF's focus on customer service and improvement resulted in the continuous evolution of the program, from the creation of a website in 1999, to the establishment of a competitive bidding process in 2008 to help contain costs for our participants and the launch of our online fee billing system in 2017.

So, in that spirit, we recognize 30 years of the Board and the USTIF's work and look forward to serving you both now and in the future.

Sincerely,

Benjamin A. Lorah, Esq.
Executive Director



Pennsylvania
Insurance Department

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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 a 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*, (Tank Act) created the Underground Storage Tank Indemnification Fund (USTIF) to help owners and operators meet 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, the USTIF's inception date, and meet other eligibility criteria explained in the Program Review section. A UST owner may also be eligible for coverage where third-party liability occurs due to a UST release that injures another person or that person's property.

Claim payments to eligible owners or operators shall be limited to reasonable and necessary 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 14-member Underground Storage Tank Indemnification Board (Board) that has a wealth of knowledge of both insurance and USTIF 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 email at ra-ustif@pa.gov, or on our website at ustif.pa.gov.

Highlights

- USTIF inception February 1, 1994.
- 1995 - Deductible decreases from \$10,000 to \$5,000.
- 1995 - USTIF offers Voluntary Heating Oil "Opt-In" Program.
- 2002 - Claim coverage increases from \$1 million to \$1.5 million.
- 2002 - USTIF adopts the Tank Installer Indemnification Fund Program.
- Fees remain stable for the past 20 years.
- Board holds 152 meetings.
- EPA consistently approves USTIF Operations through Annual Soundness Surveys.
- 2017 - Online fee payment and account access established. Currently supports over 3,300 users.

Mission Statement

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

USTIF and DEP

The working relationship between the USTIF and the Pennsylvania Department of Environmental Protection (DEP) began shortly after the passage of the Tank Act. The Tank Act created USTIF in response to federal mandates that each state in the nation, as well as the various Indian tribal territories, establish a method to ensure UST owners have access to sufficient resources to meet their financial responsibility in the event of a release of petroleum substances to the environment.

The first meeting of the USTIF Board took place on December 19, 1989, and laid the groundwork for the partnership between the two agencies that still exists today. The DEP and the USTIF share the common goal of efficiently addressing remediation of fuel releases from USTs in a timely and cost-effective manner. The Board was established by the Tank Act and consists of representatives from the Insurance Department, the DEP, legislative appointees, tank installation firms, and various members of industry groups associated with the delivery and sales of petroleum substances in the Commonwealth. The Board provides policy guidance to the USTIF, establishes the fee structures for the program, and approves annual monetary allocations to the DEP that support a variety of programs.

The DEP is an environmental regulatory agency with numerous divisions including the Bureau of Environmental Cleanup & Brownfields, to which the USTIF is closely aligned. The tasks performed by this Bureau include the invoicing and fee collection for registration of all regulated USTs, responsibility for compliance and enforcement actions at commercial fueling facilities, and the regulatory oversight of the numerous USTIF claim sites located across the Commonwealth.

The USTIF provides the financial mechanism for the funding needed for payment of site remediation activities as well as any third-party claims that may arise related to site contamination. The program has a dedicated fee billing and collections unit that invoices for the collection of tank capacity fees and monitors the reporting and remittance of gallon fees from the many fuel distributors operating in the Commonwealth. This unit also oversees the invoicing and collection of the Tank Installer Indemnification Program (TIIP) fees.

The DEP supplies tank ownership and registration data on a weekly basis that is used to populate the USTIF's fee billing system for the invoicing processes. In addition to the collection of program fees, the USTIF is responsible for claims processing and oversight. This involves working closely with a third-party administrator (TPA) as well as independent remediation consulting firms and hydrogeology experts retained by the TPA. The USTIF claims staff works closely with legal counsel. They monitor and participate in the competitive bidding process utilized to obtain the most effective cost structure for site remediation. As part of the partnership, DEP compliance personnel have access to the Fee Billing System in order to assist with confirming financial responsibility for facility owners to ensure required fees are remitted accordingly.

Employee Experience

The USTIF program is within the Pennsylvania Insurance Department's Bureau of Special Funds. It is overseen internally by an Executive Director and conducts its business like that of a small insurance company. The program is mandatory for all owners of registered underground storage tanks.

The USTIF team consists of a small, experienced staff of claims personnel as well as several individuals who oversee the fee invoicing and revenue collection processes. Amongst the direct staff members, there are nearly 33 years of combined service in oversight and handling of the program's various activities. Internal support is also provided by a Bureau accountant, in-house legal counsel, and several IT staff. Primarily, the internal claims staff and claims manager oversee the nearly 750 active claim sites, handle the intake of all newly reported claims, and work in conjunction with the TPA claims vendor to investigate and coordinate eligibility investigations as well as program policy and procedural matters. The claims staff also supervise and assist counsel with matters that involve first-party and third-party litigation. Based on a 5-year average, the Fund receives approximately 180 newly reported claims each year.

CHART 1: Organizational Chart



History of PA-USTIF

- USTIF inception – February 1, 1994
- Decreased deductible from \$10,000 to \$5,000 per tank per occurrence
- DEP deregulated commercial heating oil tanks and USTIF offered “opt in” coverage
- Upgrade loan program initiated providing low interest loans to close, replace, or upgrade their UST systems



- Collaborated with DEP to target older claims for closure and stalled clean up at sites
- Uniform Environmental Covenant Act in 2007 prompted analysis of cost/ impacts and established guidelines for post remedial care
- DEP revised the groundwater cleanup Short List standard under Act 2



- Implemented dedicated website providing access to account information, electronic payments, and claim reporting
- Claim payments exceed \$1 billion
- Increased USTIF Board from 9 to 14 members
- Reported claims increased roughly 20% due to Chapter 245 regulatory changes



1994–1998

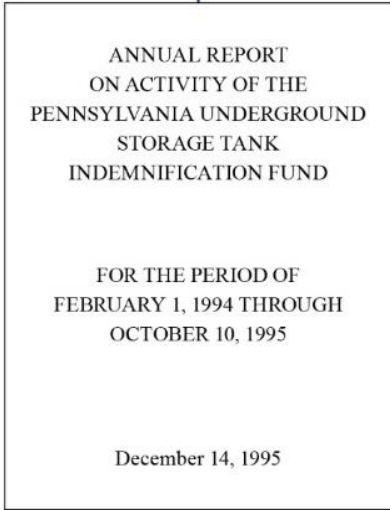
1999–2003

2004–2008

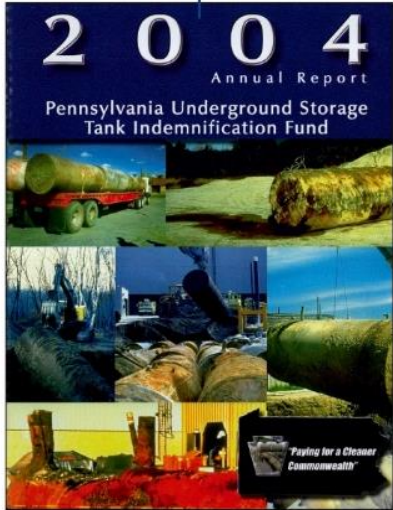
2009–2013

2014–2019

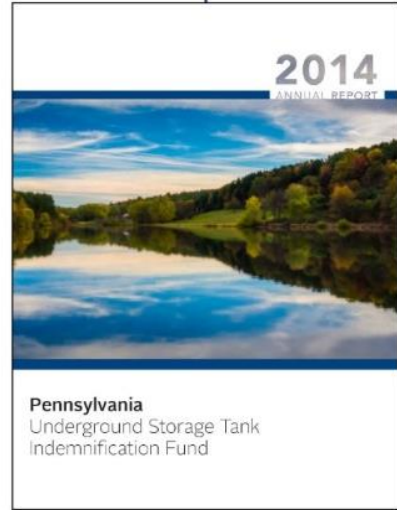
2020–2024



- Enhanced staffing in response to surging claim volume, included licensed geologist, highly experienced insurance claim representatives, and subcontractors as expert third party reviewers
- Launched the Tank Installer Indemnification Program (TIIP)
- Claim coverage increased from \$1 million to \$1.5 million in December 2001
- Competitive Bidding program launched to assist with control of remediation cost



- Reported claims exceeded 5,000 in 2009
- Implemented Paperless Document Management System
- Began utilizing USTIF website to communicate request for bids and post competitively bid pending and executed contracts
- Conducted regional seminars with DEP providing an overview of the claim process with a focus on meeting eligibility requirements
- Collaborated with Comptroller and Treasury Offices to reduce time required to issue payments to participants and consultants from 30 days to 15 days



- Transitioned to telecommuting and virtual Board meetings in 2020
- Total reported claims in 2020 surpassed 7,000
- In 2023, USTIF began amending regulatory claim eligibility requirements to provide a deadline by which USTs must be registered
- USTIF experienced the lowest annual new claim volume in 30 years, with only 144 new claims reported

Program Review

Program Fees

The USTIF is financed by fees paid by UST 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.

CHART 2: Gallon Fee

YEAR	FEE PER GALLON
2004–current	\$0.011
2003	\$0.01
4/1/2002–12/31/2002	\$0.001
2000–3/31/2002	\$0.0005
1999	\$0.001
1998	\$0.005
1996–1997	\$0.01
1994–1995	\$0.02

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.

CHART 3: Capacity Fee

YEAR	FEE PER GALLON
2004–current	\$0.0825
2003	\$0.0750
04/01/2002–12/31/2002	\$0.0200
2000–03/31/2002	\$0.0100
1999	\$0.0200
1998	\$0.1000
1994–1997	\$0.1500

TIIP Certified Company Fee and Activity Fee: The certified company must pay an annual fee of \$1,000. Activity fees are \$15 for tank removals, \$50 for installations, and \$50 for major modifications. Minor modifications are not subject to fees. Activity fees are billed monthly.

Revenue

Fee Billing System Highlights

On July 1, 2017, the USTIF replaced its former fee billing processing system with a modern, web-based, business partner-friendly system that allows participants to report and pay fees online electronically. Based on registered tank information made available by the DEP, the new fee billing system allows participants to:

- Register a secure account.
- Create and change a billing address.
- Pay capacity fees annually or monthly using a bank card or electronic check.
- Review and confirm fuel deliveries from their distributors.
- Upload throughput deliveries showing deliveries to facilities and registered tanks.
- Report a claim.
- Use online technical support.

Annual Actuarial Study

Under the provisions of the Tank Act, the Board establishes program fees “on an actuarial basis in order to provide an amount sufficient to pay outstanding and anticipated claims against the [USTIF] in a timely manner.” Therefore, each year, the USTIF employs an independent actuarial firm to perform the analysis based on the prior fiscal year. The actuaries utilize data provided by the TPA and the USTIF to project future claim payments and program liabilities. The report is formally presented at the December Board meeting. The report is used as the basis for a discussion on the program fees (gallon, capacity, and TIIP), and whether the fees should remain the same, increase, or decrease. In addition to being utilized as a tool for program fee discussions, the report is provided to the Comptroller’s Office to establish liabilities for the quarterly financial statements. The report is made available to the EPA for its annual review of soundness of the program and is provided to outside Commonwealth auditors. On December 12, 2024, the Actuarial Report was presented, and the Board voted to keep the current fee structures.

Revenue by Component

The Commonwealth’s fiscal year (FY) runs from July 1 through June 30. Chart 4 presents revenue by component since 2020.

CHART 4: Revenue by Component for Each Fiscal Year (through December 31, 2024) Revenues (in \$ millions)

REVENUE SOURCE	FY24 ¹	FY23	FY22	FY21	FY20
Capacity Fee	\$3.93	\$5.51	\$5.65	\$5.66	\$5.77
Gallon Fee	\$24.50	\$48.25	\$48.64	\$49.00	\$45.86
TIIP Fee	\$0.15	\$0.29	\$0.31	\$0.33	\$0.34
Investment Income	\$13.16	\$33.12	\$22.60	(\$49.60)	\$38.03
Miscellaneous	\$0.00	\$0.04	\$0.01	\$0.00	\$0.13
TOTALS	\$41.74	\$87.21	\$77.21	\$5.39	\$90.13

¹Data for FY 2024 are for the months July–December 2024.

Tank Demographics

In Statistics by DEP County and Region, Chart 18 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 fewer larger capacity tanks in place of numerous smaller capacity tanks. Many tanks were taken out of service as a result of economic decisions relating to the 1998 upgrade requirement.

Chart 5 presents distribution of tanks by substance.

Chart 6 presents distribution of tanks by DEP Region.

Tanks registered as “Currently In Use” (C) and tanks registered as “Exempt” and Participating (P) are included within total tank count.

CHART 5: Distribution of Tanks by Substance

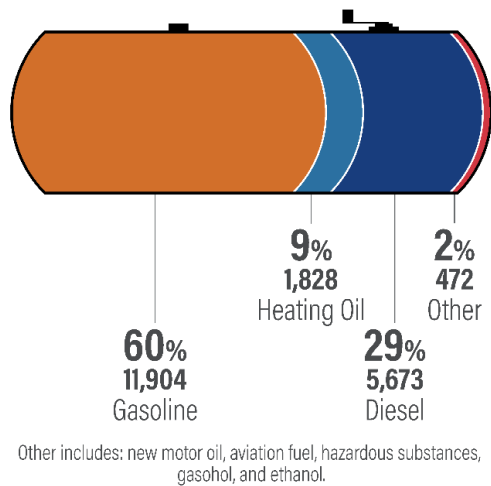
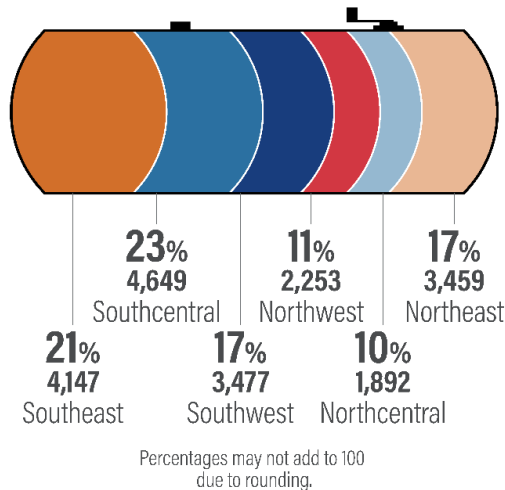


CHART 6: Distribution of Tanks by DEP Region



Executive Summary

During 2024, the USTIF continued to provide exceptional service to its participants, as well as the citizens of the Commonwealth. The USTIF paid out in excess of \$28.6 million for remediation costs in 2024. These payments contributed to the closure of 146 owner/operator contaminated sites as well as costs for ongoing remediation at 742 open claim sites.

At the December 2024 meeting, the Underground Storage Tank Indemnification Board received a presentation of the annual actuarial study prepared by Aon Global Risk Consulting. The study concluded that the program had assets above its actuarial projected liabilities of \$199.6 million as compared to \$142 million in 2023.

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 \$178,429,298 to DEP for various grants, programs, and expenses as of December 31, 2024.



Highlights of Accomplishments for 2024

The USTIF continued the use of fixed price contracts including competitive bidding and sole source remediation agreements. Competitive bidding and sole source contracts resulted in awarding five contracts in 2024. Seven contracts were closed in 2024, three sole sourced and four competitively bid. At year's end, the USTIF was funding remediation at 62 sites under some form of fixed price contract with a total value of \$24.1 million. Competitive bidding resulted in an estimated savings of \$40,886.

USTIF facilitated participant remediation agreements for sites in Fayette, Fulton, Luzerne, Lycoming, and Westmoreland counties.

USTIF continued the voluntary heating oil program covering almost 700 heating oil tanks.

USTIF collected \$305,605.85 during 2024 in certified company and activity fees through USTIF's TIIP. This program provides coverage to certified tank installers identical to the coverage the USTIF provides to tank owners and operators.

As of December 4, 2024, over 98% of facilities paid their capacity fee balances in full.

As part of USTIF's fiduciary responsibilities to ensure the assets are not expended on costs for actions that are not the fault of the tank owner, USTIF recovered \$112,000 from responsible parties via subrogation reimbursements.

The USTIF continued the process to amend its eligibility regulation found in 25 Pa. Code Ch. 977 as approved by the Board, Office of General Counsel as well as the Office of the Attorney General. While most of the changes incorporate language reflecting Pennsylvania Commonwealth and Supreme Court decisions, the amended language also would require that a claimant register their tank on or before 60 days of when the release giving rise to the claim is discovered.

PA-USTIF by the Numbers

Mission Statement

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

USTIF Established 30 Years Ago

USTIF Funded and Operated Programs:

Underground Storage Tank Claims

Voluntary Heating Oil

Tank Installer Indemnification Program (TIIP)

USTIF Funded Assistance for Department of Environmental Protection (DEP) Programs:

Pollution Prevention

Underground Storage Tank (UST) Environmental Cleanup Program, includes Heating Oil Grants

Investigation, Closure, Compliance, and Enforcement Costs

Underground Storage Tank Claim Data

Reported:

7,728

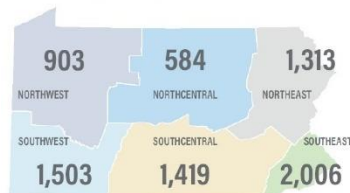
Paid:

\$1,240,034,003

Average Cost to Closure:

\$233,045

Claims by Region:



2024 Claims Data

- Average Time to Eligibility Determination: **4 months**
- Average Time to Close: **6 years**

TIIP Data

Reported:

41

Paid:

\$391,305

Average Cost to Closure:

\$48,913

Revenue

2024 Revenue:

\$55,881,501.33

- Fees Remain Stable for 20 Years (Since 2004)
- Balance Sufficient to Meet All Obligations

2024 DEP Data

Number of Active Tanks:

19,877

USTIF Allocations to DEP:

\$178,429,298

Tanks by Region:



Website and Outreach Efforts

- Over 4,000 Participants Utilizing Online Payment System
- Requested input on regulatory changes through website and public meetings
- TIIP & UST Participation Letters developed for participants
- TIIP Annual Conference Presentation
- Heating Oil Tank (HOT) Participation Letters sent to Municipal and Educational Agencies



For additional information on PA-USTIF contact us:

Online at: <https://ustif.pa.gov>

Phone: 717.783.8093 | Toll Free 800.595.9887

Email: ra-ustif@pa.gov

UST Claims

Claims Reporting and Eligibility Criteria

The USTIF's claim initiation process is designed to be consumer friendly. To report a claim, participants simply telephone the USTIF's Claim Unit at 1-800-595-9887 (in PA) or 717-787-0763 or go online to <https://ustif.pa.gov/claims> and follow the instructions under "How do I make 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.

Highlights

- Number of eligible, pending, and appealed claims total 5,321 since 1994.
- Number of contracts for corrective action total 664 since 2001.
- Payments for contracts total \$106,505,667 since 2001.

The claim is assigned to a Claim Representative, who contacts the tank owner or operator within one business day to begin the formal claim investigation process. Copies of release detection items are requested, a recorded statement is taken, and other pertinent issues are investigated.

To qualify for eligibility, a tank owner or operator must comply with Section 706 of the Tank 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—February 1, 1994.
- The participant met the notification requirement by 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 complete, an eligibility determination is sent in writing to the UST 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.

Statewide 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:

- **Closed Eligible** — Claims that have been investigated and determined to be eligible for funding.
- **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.
- **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.
- **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.
- **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.
- **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.

Chart 7 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 7: Claim Status

STATUS	NUMBER OF CLAIMS ¹	PERCENT ²	TOTAL DOLLARS ³	AVERAGE CLAIM COST ⁴
2024				
Closed Eligible	5	3%	\$44,733	\$8,955
Closed Denied	3	2%		
Closed Withdrawn	7	5%		
Open Pending	87	60%	\$10,975,000	\$126,149
Open Eligible	42	29%	\$6,207,158	\$147,789
Appealed	0			
Total	144			
Total Eligible, Pending & Appealed	134		\$17,226,931	\$128,559
2023				
Closed Eligible	33	20%	\$496,896	\$15,057
Closed Denied	12	7%		
Closed Withdrawn	27	16%		
Open Pending	9	5%	\$1,125,000	\$125,000
Open Eligible	85	51%	\$14,802,065	\$174,142

STATUS	NUMBER OF CLAIMS ¹	PERCENT ²	TOTAL DOLLARS ³	AVERAGE CLAIM COST ⁴
Appealed	2	1%	\$250,000	\$125,000
Total	168			
Total Eligible, Pending & Appealed	129		\$16,673,961	\$129,256
2022				
Closed Eligible	75	39%	\$1,953,044	\$26,041
Closed Denied	17	9%		
Closed Withdrawn	34	18%		
Open Pending	4	2%	\$500,000	\$125,000
Open Eligible	63	32%	\$16,543,000	\$262,587
Appealed	1	<1%	\$125,000	\$125,000
Total	194			
Total Eligible, Pending & Appealed	143		\$19,121,044	\$133,714
Prior Years Since Inception (2/1/1994-2021)				
Closed Eligible	4,466	62%	\$921,859,611	\$206,417
Closed Denied	1,118	15%		
Closed Withdrawn	1,189	16%		
Open Pending	2	<1%	\$250,000	\$125,000
Open Eligible	447	6%	\$264,902,455	\$592,623
Appealed	0			
Total	7,222			
Total Eligible, Pending & Appealed	4,915		\$1,187,012,066	\$241,508
Totals				
Closed Eligible	4,579	59%	\$924,354,324	\$201,868
Closed Denied	1,150	15%		
Closed Withdrawn	1,257	16%		
Open Pending	102	1%	\$12,850,000	\$125,980
Open Eligible	637	8%	\$302,454,678	\$474,811
Appealed	3	<1%	\$375,000	\$125,000
Total	7,728			
Total Eligible, Pending & Appealed	5,321		\$1,240,034,003	\$233,045

¹ As of December 31, 2024.

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

- 7,728 claims were investigated between February 1, 1994 and December 31, 2024.
 - The total dollars reserved and/or paid on all eligible, pending, and appealed claims is \$1,240,034,003.
- 144 claims were investigated in 2024, an average of 12 claims/month.
 - Of the 144 claims that were investigated in 2024, 93% were eligible or pending, 2% were denied, 0% were appealed, and 5% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2024 was \$128,559.
- 168 claims were investigated in 2023, an average of 14 claims/month.
 - Of the 168 claims that were investigated in 2023, 76% were eligible or pending, 7% were denied, 1% were appealed, and 16% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2023 was \$129,256.
- 194 claims were investigated in 2022, an average of 16.2 claims/month.
 - Of the 194 claims that were investigated in 2022, 73% were eligible or pending, 9% were denied, 1% were appealed, and 18% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in 2022 was \$133,714.
- 7,222 claims were investigated in prior years, an average of 21.6 claims/month. (2/1/94–12/31/21)
 - Of the 7,222 claims that were investigated, 68% were eligible or pending, 15% were denied, 0% were appealed, and 16% were withdrawn.
 - The average cost per eligible, pending, or appealed claim reported in prior years was \$241,508.

Facility Type Claims Comparison

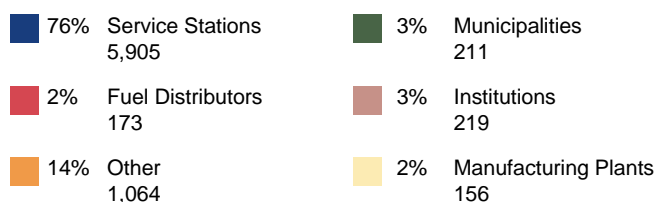
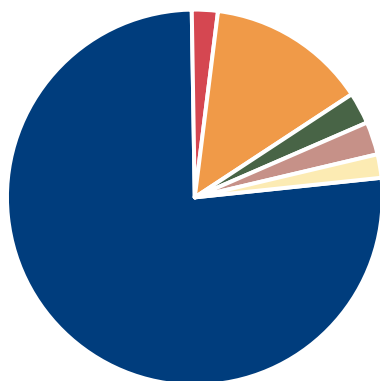
Since the inception of the USTIF, claims have come from a variety of facilities. In this section, six types of facilities are compared for claim volume, total dollars reserved and/or paid out, and average claim costs. The six facility types are:

- **Service Stations** includes all facilities that sell petroleum products to the general public (e.g., gas stations, truck stops, and 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 “Institutions.”
- **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:

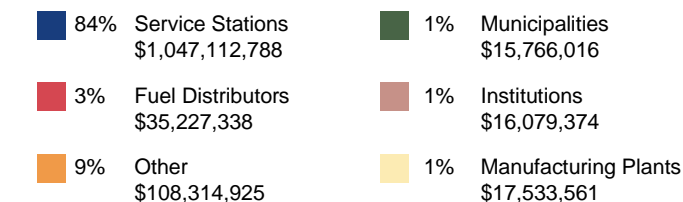
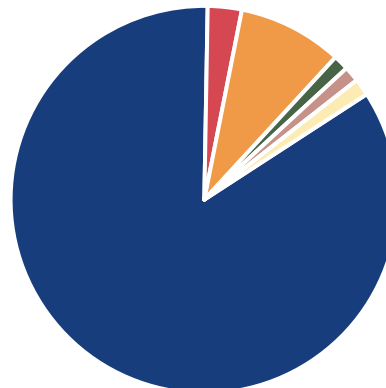
- Chart 8 presents the percentage and number of claims received for each facility type.
- Chart 9 presents a comparison of total dollars currently reserved and/or paid out for each facility type.
- Chart 10 demonstrates the average claim cost by facility type. Average claim cost is determined by dividing the total dollars reserved and/or paid in a specific category by the total number of claims in that category.
- Chart 11 compares claim volume by facility type, by year.

CHART 8: Claims Received by Type of Facility



Total Claims 7,728 (2/1/94 through 12/31/24)

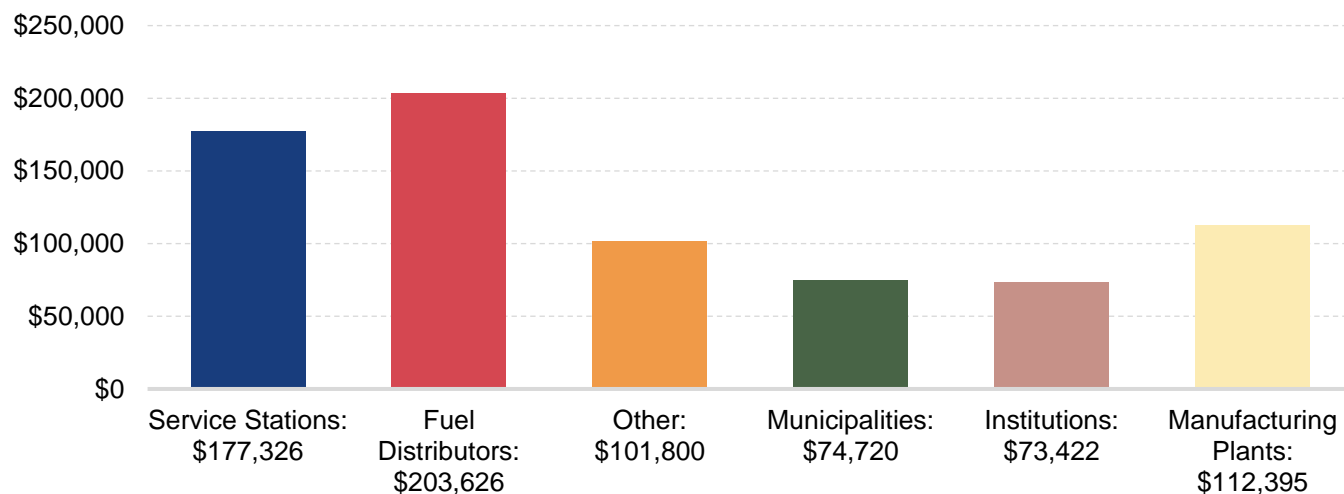
CHART 9: Dollars Reserved/Paid by Type of Facility



Total Dollars Reserved/Paid = \$1,240,034,003
(2/1/94 through 12/31/24)

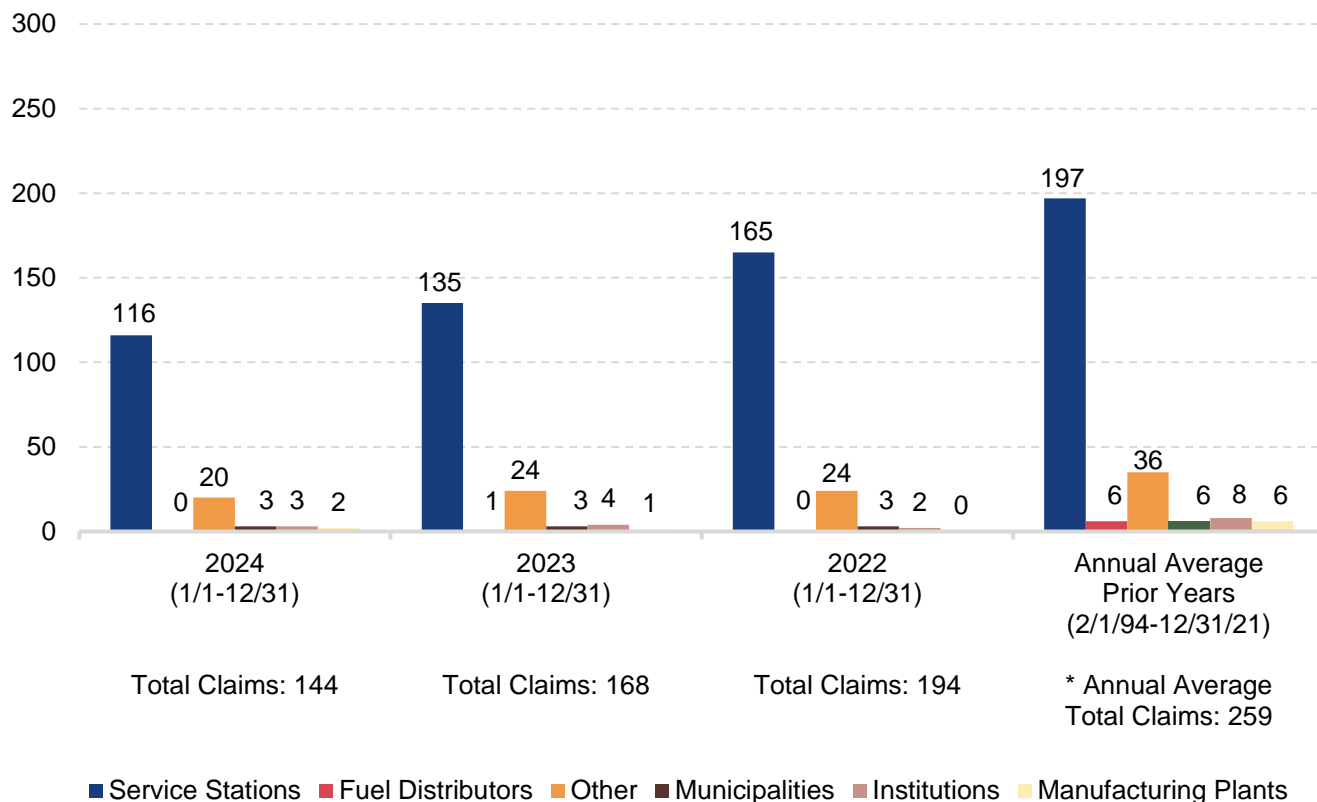
Percentages may not add to 100 due to rounding.

CHART 10: 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 from 2/1/94 to 12/31/24.

CHART 11: Number of Claims by Type of Facility, by Year



* Annual average claims have 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:

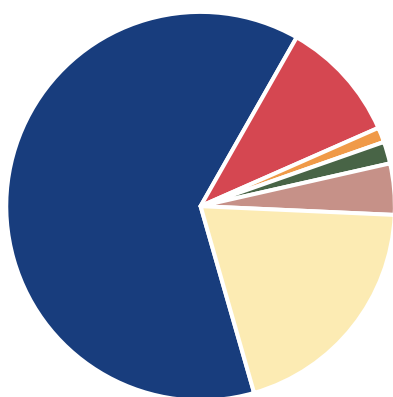
- Gasoline
- Diesel Fuel
- Kerosene
- Heating Oil (used for onsite consumption)
- Other – includes aviation fuel, jet fuel, hazardous substances, etc.
- Combination – any combination of the above



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

- Chart 12 presents the percentage and number of claims received for each product type.
- Chart 13 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 14 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 15 compares the number of claims by type of product, by year.

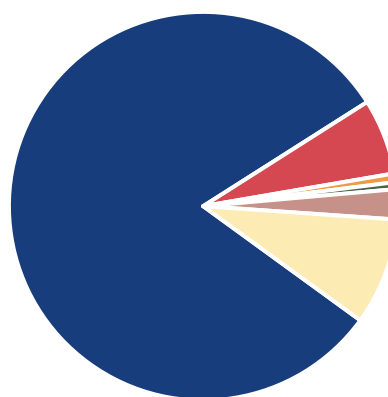
CHART 12: Claims Received by Type of Product



63%	Gasoline	4,844	2%	Other	141
10%	Diesel	785	4%	Heating Oil	329
1%	Kerosene	96	20%	Combination	1,533

Total Claims 7,728 (2/1/94 through 12/31/24)

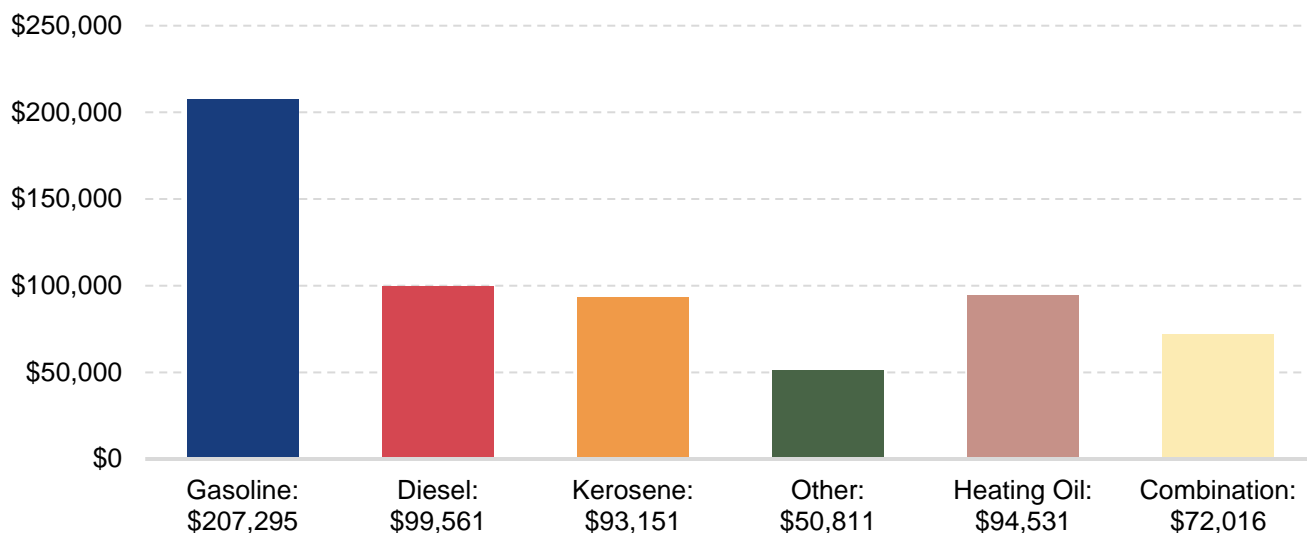
CHART 13: Dollars Reserved/Paid by Type of Product



81%	Gasoline	\$1,004,342,782	1%	Other	\$7,164,288
6%	Diesel	\$78,155,632	3%	Heating Oil	\$31,100,775
1%	Kerosene	\$8,942,526	9%	Combination	\$110,328,000

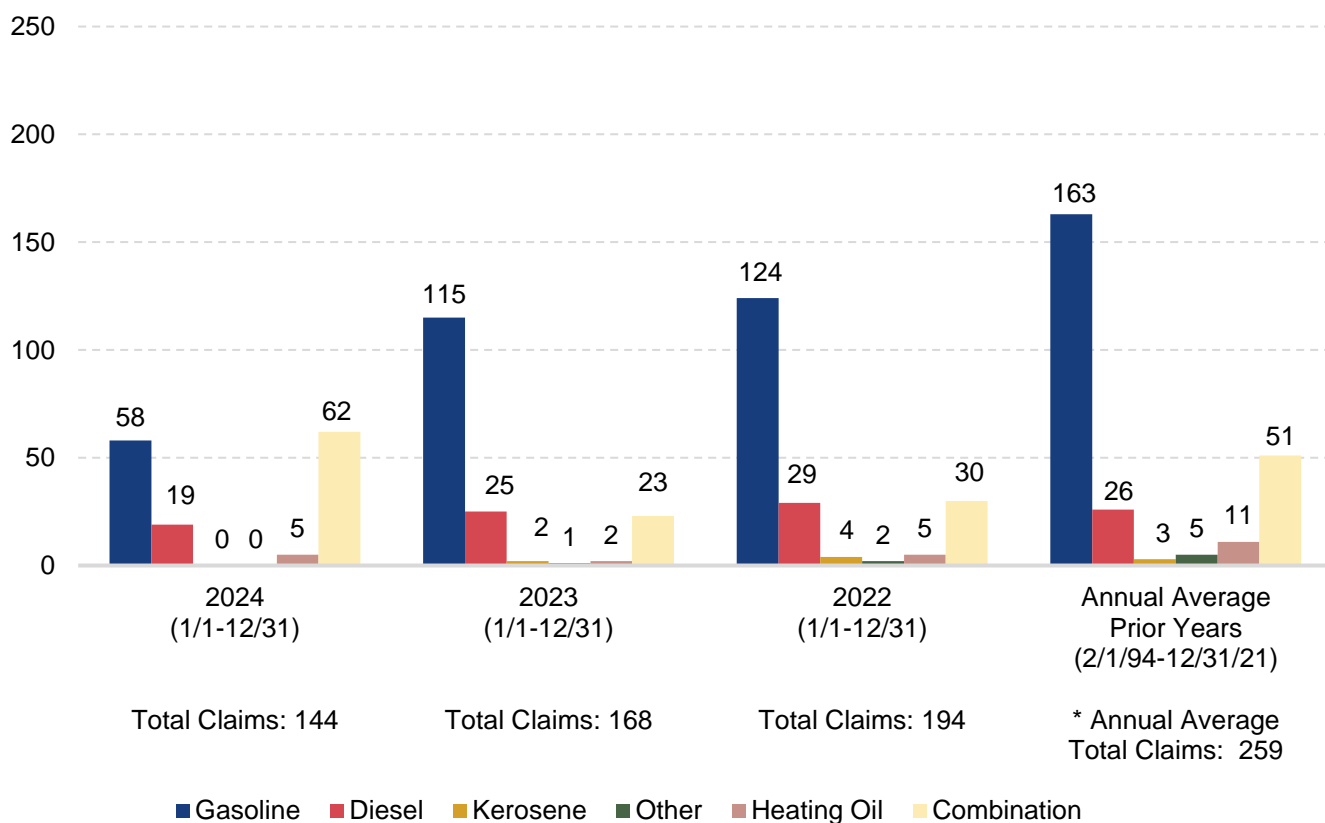
Total Dollars Reserved/Paid = \$1,240,034,003 (2/1/94 through 12/31/24)
 Percentages may not add to 100 due to rounding.

CHART 14: 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 from 2/1/94 to 12/31/24.

CHART 15: Number of Claims by Type of Product, by Year



*Annual average claims have 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 16 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 16: Third-Party Claims

	2024 (144 CLAIMS FILED)	2023 (168 CLAIMS FILED)	2022 (194 CLAIMS FILED)	PRIOR YEARS SINCE INCEPTION (7,222 CLAIMS FILED)	TOTALS (7,728 CLAIMS FILED)
Number of third-party claims filed	2	2	2	230	236
Percent of total claims filed	1%	1%	1%	3%	3%
Total reserved and/or paid out	\$30,000	\$90,000	\$25,000	\$10,990,700	\$11,135,700
Average third-party claim cost	\$15,000	\$45,000	\$12,500	\$47,786	\$47,185

Claims Denial Comparison

Claim eligibility is predicated on the tank owner or operator adhering to the requirements of Section 706 of the Tank Act and the implementing regulations. See eligibility requirements under Program Overview, Claims Reporting, and Eligibility Criteria.

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 USTIF fees are unpaid at the time of release discovery.

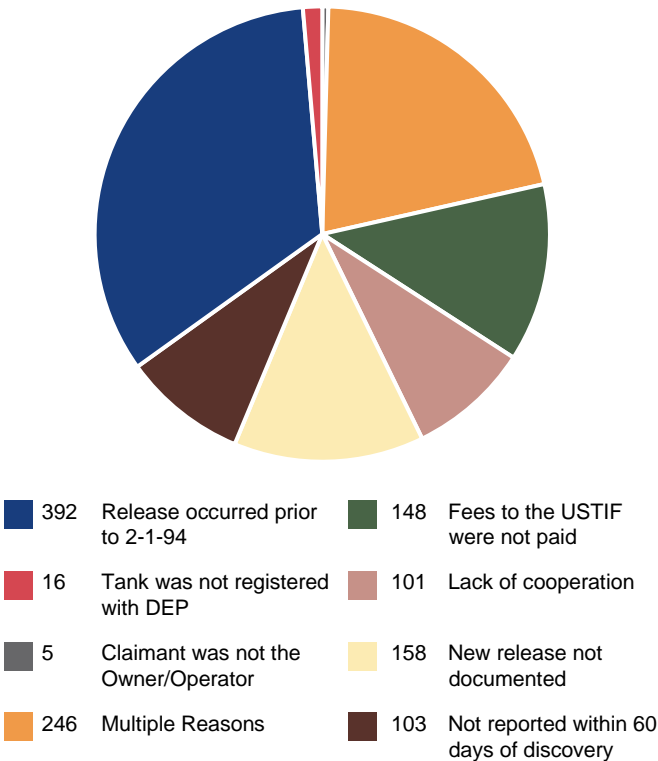
In accordance with the requirement of Section 503 of the Tank Act, all tanks must be registered and operated in accordance with all applicable laws and regulations.

Owners or operators installing, removing, modifying, and operating USTs must obtain appropriate permits from the State Police Fire Marshal 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, proration of benefits is applied.

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 17: Claims Denied by Eligibility Requirement



Total Claims 7,728

Total Denied 1,169

Statistics by DEP County and Region

Chart 18 provides information by DEP Region and county. The information listed includes:

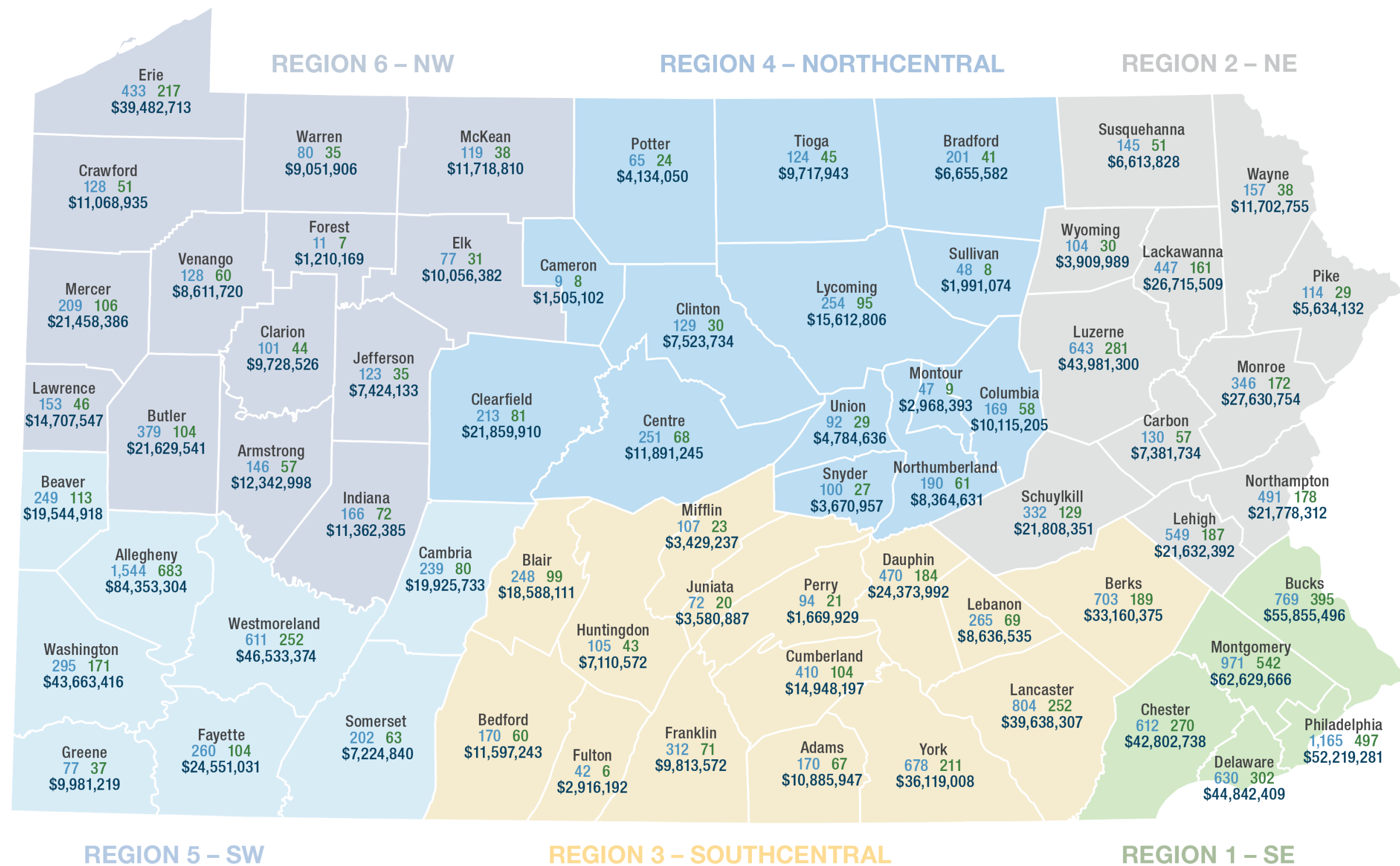
- Total active tanks
- Total claims
- Paid/reserved dollars

The data presented in Chart 18 provides claim activity on a county level.

The statewide average dollars that have been paid or reserved for eligible, pending, and appealed claims over the life of the Fund is \$233,045. The average paid per claim by DEP Region over the life of the Fund is shown below:

Region 1 (Southeast)	\$206,020
Region 2 (Northeast)	\$219,414
Region 3 (Southcentral)	\$224,671
Region 4 (Northcentral)	\$252,381
Region 5 (Southwest)	\$242,904
Region 6 (Northwest)	\$287,223





KEY

Total Tanks

Total Claims

Paid/Reserved

Voluntary Heating Oil Program

The USTIF began offering a Voluntary Heating Oil Tank Program in 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. Heating oil tanks entered into the program are required to pay the capacity fee as annually set by the Board. This program indemnifies owners or operators for any releases from their tanks. Participants in the

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

- Complete and submit an application.
- Provide the 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.

Participants in the Voluntary Heating Oil Tank Opt-In Program can cancel by providing the USTIF with advance written notice.

To obtain a Voluntary Heating Oil Tank Program application or for more information call 717-787-0763, the Environmental Cleanup Program in a local DEP Regional office or visit our website at ustif.pa.gov.

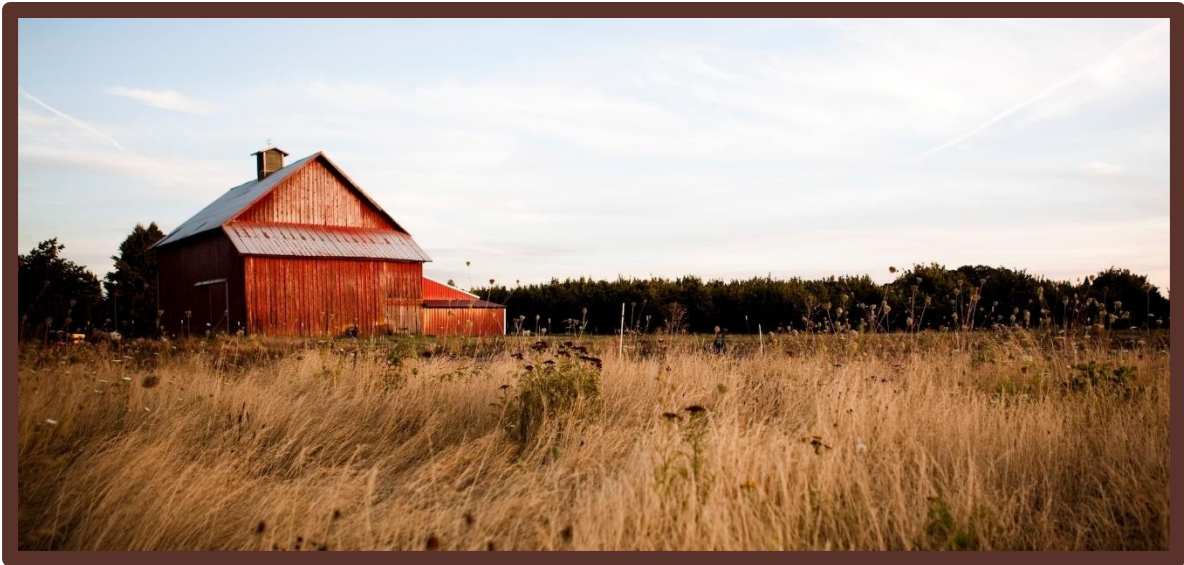
Claim information for heating oil tanks is included in Charts 12 to 15.

Highlights

- USTIF offers Voluntary Heating Oil Program in 1995.
- Participants with 3,000-gallon or greater heating oil tanks may opt into the program.
- Capacity fees apply to heating oil program.

Voluntary Heating Oil Tank (HOT) Application Status

Applications received for 2024:	3
Total exempt and participating HOTs:	693



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 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 USTs in Pennsylvania that have not been upgraded to comply with technical requirements of federal and state regulations. This program encourages small tank owners to remove the environmental threat that unused and unsafe tanks pose to the Commonwealth. The Pollution Prevention Grant Program provides reimbursement up to \$2,500 per tank for eligible activities. The 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, 2024, one grant was approved for a total payment of \$10,000. Since the Pollution Prevention Program began, 1,157 grants have been approved with payments totaling \$5,955,620 as of June 30, 2024.

It will remain the responsibility of the UST owner to permanently close the tanks following the 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.

The Pollution Prevention Reimbursement Grant Package (aka, "Pump & Plug Program") must be submitted through the Department of Community and Economic Development (DCED) Electronic Single Application (ESA) website. The link to the online application can be found at <https://www.esa.dced.state.pa.us/Login.aspx>

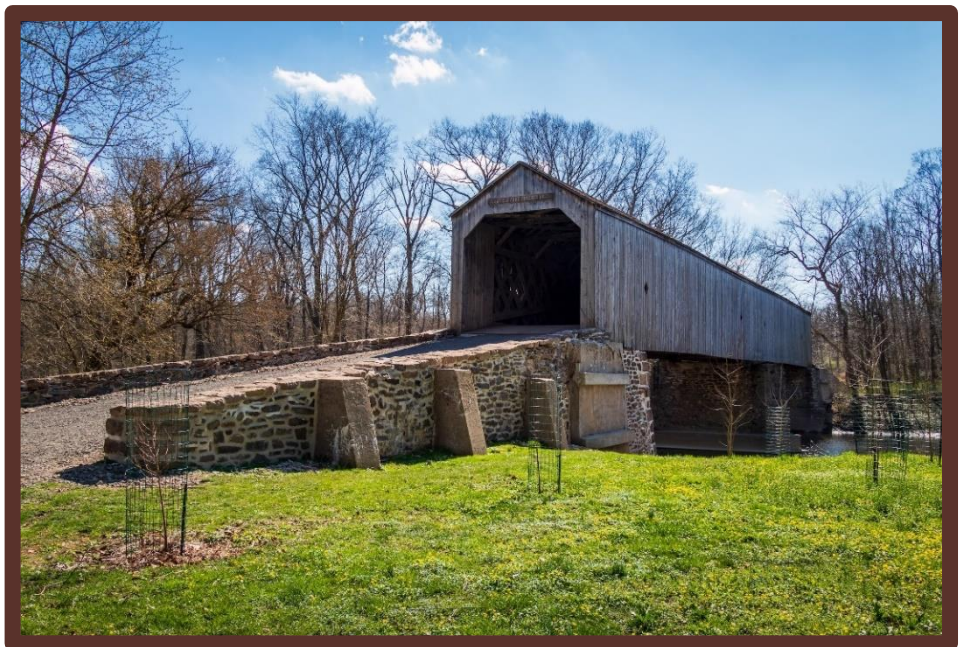
Customer Service Number: 1-800-428-2657 (in PA only) or 717-772-5599

Website: <https://www.pa.gov/agencies/dep/programs-and-services/land/storage-tanks/financial-assistance.html>

Email: tanks@pa.gov

Highlights

- Program is also known as the Pump & Plug Program.
- Board allocates up to \$350,000 annually to program.
- Total amount paid: \$5,955,620.



Underground Storage Tank Program Allocations

Environmental Cleanup Program (Includes Heating Oil Grants)

The Board may authorize a base allocation up to \$5.5 million annually from the USTIF for the Underground Storage Tank Environmental Cleanup Program if the allocation does not impede the USTIF's ability to pay claims. The monies are used to conduct site investigations and remedial action activities at state-lead and special project sites. The Act also provides for grants to heating oil tank owners who are required to take corrective action.

An annual maximum of \$2 million 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 Tank Act.

Highlights

- State-Lead/Special Projects: \$35 million since 2011.
- Heating Oil Program: \$7.68 million since 2012.
- Catastrophic Release Projects: \$13.06 million since 1998.
- Investigation and Closure Costs: almost \$75 million since 2007.

The Heating Oil Grant allocation under the Cleanup Program allows up to a maximum of \$750,000 annually for owners incurring costs of corrective action for underground storage tanks storing a capacity of 3,000 gallons or less used for storing heating oil. In order to qualify for the program, the heating oil release must have occurred after January 30, 1998. Typical environmental cleanup costs eligible for reimbursement include excavating, emptying, cleaning, removing, transporting, and disposing of a leaking storage tank; excavating contaminated soil; transporting and disposing of wastes; and restoring disturbed or contaminated areas. Costs for removal of non-leaking tanks and release from storage tanks located in underground areas such as basements or cellars are not eligible for reimbursement. Payments are limited to actual cost of corrective action of \$5,000. The amount allowed shall be subject to a \$1,000 deductible.

UST Pollution Prevention Program

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 that have not been upgraded to comply with federal and state regulations. The Board may allocate up to \$350,000 annually from the USTIF for the Underground Storage Tank Pollution Prevention Program.

USTIF Reimbursement of DEP's Investigation, Closure, Compliance & Enforcement Costs

The DEP may also request that the Board reimburse up to \$7 million annually for DEP's costs related to investigating, determining responsibility, overseeing remediation and third-party response, and closing cases of spills and leaks related to USTs. That allocation is used for inspecting, determining compliance, and taking enforcement actions against owners of storage tanks.

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, 2024, work was performed at 15 state-lead sites and 1 special project release site. The total amount expended was over \$2.8 million. Since program inception in the fiscal year ending June 30, 2011, over \$35 million has been expended on 377 projects.



- **Heating Oil Program:** For the fiscal year ending June 30, 2024, 124 grants were approved for a total payment of \$500,628. Since the Heating Oil Program began in the fiscal year ending June 30, 2012, 2,838 grants have been approved. Grant money paid since inception totals \$7,683,249.
- **Catastrophic Release Projects:** Money was not expended for the fiscal year ending June 30, 2024. From 1998 through 2013, over \$13.06 million was expended.
- **Investigation and Closure Costs:** For the fiscal year ending 2024, the DEP requested an allocation of \$7 million. Since the Investigation and Closure Costs allocation began in the fiscal year ending June 30, 2007, the Board has allocated almost \$75 million.

For information concerning the Environmental Cleanup Program, please contact the DEP at:

Department of Environmental Protection
Site Remediation Division
P.O. Box 8471
Harrisburg, PA 17105-8471
or by calling 717-787-0886

Tank Installer Indemnification Program

The purpose of the Tank Installer Indemnification Program (TIIP) is to indemnify certified companies/tank installers after a release occurs due to negligence arising from the improper or faulty installations, modifications, and removals of USTs on or after January 1, 2002. This program was added to the Tank Act by Act 100 passed in December of 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 new TIIP claims in 2024 and no claims were closed during the year. At the year's end, there were two open claims with case reserves totaling \$1,425,000.

Certified Company Fee: \$1,000 annually

Activity Fee (for each tank system activity performed):

- Tank Removal: \$15
- Major Modification: \$50
- Tank Installation: \$50
- Minor Modification: \$ 0

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 Tank 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 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 email at ra-ustif@pa.gov, or visit our website at ustif.pa.gov.

Highlights

- Tank Installer Indemnification Program launches in 2002.
- TIIP fees remain constant since Program inception.
- 41 TIIP claims reported since 2002.
- TIIP claim payments total \$391,305 since 2002.

Program Updates

In December 2024, the Board approved a draft rulemaking to bring clarity to the eligibility requirements based on case law developments since the last amendment to the eligibility requirements were made in 2001.

The approval followed a yearlong informal review period. In January of 2024, the USTIF emailed a copy of the draft Annex to trade associations representing USTIF participants who must comply with the eligibility requirements to receive remediation indemnification payments as well as the Storage Tank Advisory Committee (STAC) of the DEP. In addition, the exposure draft was posted as a banner on the USTIF website. The contents of the proposed regulation were also discussed at Board meetings and STAC meetings throughout the year.

In its current form, the proposed regulation includes the following changes:

- Adds a definition for “UST facility” in § 977.4 as this term has been added to § 977.31.
- Amends § 977.31(1) to clarify that the eligibility requirements apply to both USTs and HOTs.
- Amends § 977.31(2) to clarify what fees need to be paid to be eligible for reimbursement and the timing of payment of those fees to incorporate appellate court decisions.

- Amends § 977.31(3) to require the registration and annual registration fees required under §§ 245.41 and 245.42 (related to tank registration requirements and tank registration fees) for USTs located at the UST facility where the release occurred are current and paid on or before 60 days from when the release giving rise to the claim is discovered.

This allows tank owners or operators to come into compliance with payment of the required fees for a period after a release is discovered and gives them a definite time as to when the fees need to be brought current.

- Amends § 977.31(4) to clarify when a participant must receive the appropriate permit or certification for the UST. As currently written, the regulation did not specify when the permit or certification must be obtained. However, the proposed amendment clarifies that the permit or certification must be received before the release is discovered.
- Amends § 977.31(5) and (7) stylistically and did not make any substantive changes.

The proposed rulemaking was published in the Pennsylvania Bulletin requesting public comment. The Board will review and respond to the comments as it completes the regulatory process. Please check the USTIF website for updates throughout the year.



On the Web

The USTIF homepage (www.ustif.pa.gov) is the gateway for finding useful information regarding Billing, Tank Programs, Claims, Competitive Bidding Opportunities for Cleanups, and Alerts. The website is divided into three areas for various business partners, including distributors, tank owners, and Tank Installers.

Distributors

Distributors play an important role by collecting and remitting gallon fees for UST owners storing regulated substances. The types of regulated substances for which UST owners are required to pay gallon fees, commonly referred to as throughput fees, include gasoline, new motor oil, hazardous substance, other substance, gasohol, aviation fuel, mixture, and farm diesel.¹

Distributors must use the website to report actual delivery data in a specified format, either manually or electronically. The goal is to reduce calculation errors, provide transparency, and most importantly, allow a throughput payment history for tank owners and operators in the event the information is needed to demonstrate financial responsibility.

Tank Owners

Participants in the USTIF program include an owner or operator of a UST and an owner or operator of an underground (unregulated) commercial heating oil tank. Access is currently restricted to tank owners who are authorized to report a claim, review gallon fees reported by the distributor, and pay capacity fees. An owner or operator storing regulated substances including diesel, unregulated heating oil, used motor oil, kerosene, and unknown substances based on the tank registration maintained by the DEP are assessed a capacity fee. This is an annual fee that is billed in December. Tank owners or operators may elect to pay the full amount of the capacity fee shown on the December statement by December 31 or a monthly payment of 1/12 of the total capacity fee. Payments are accepted electronically using a bank card or electronic check.

Tank Installers

Certified companies that are authorized by the DEP to perform tank installations, major modifications, or removals of USTs and heating oil tanks are required to pay the certified company fee and the required activity fee to USTIF. The annual fee is billed in December. The certified company may elect to pay the full amount of the fee shown on the December statement by December 31 or a monthly payment of 1/12 of the total certified company fee. Certified companies are assessed an activity fee for certain tank handling activities. Prior to the commencement of the activity, the tank installer completes an activity fee form, supplied by the DEP.

Highlights

- Website stores DEP data to invoice tank owners and tank installers.
- Website stores facility, tank history, monthly invoices, transactions, claims, and contact information.
- Owners may view account, fees, and payment history, including distributor gallon fee reports.
- Participants may report a claim.
- Website accepts bank cards and electronic checks.
- There are approximately 4,000 registered users.
- Dedicated Bids Section provides participants with information on current bidding opportunities, pending contracts, and executed contracts.
- With permission, environmental consultants may submit a claim through the homepage.
- The exposure draft of USTIF eligibility regulations was posted prominently on the website.

¹Act 32 of 1989 known as the Storage Tank Spill & Prevention Act, underground-farm or residential tanks with a capacity of more than 1,100 gallons used for non-commercial purposes are subject to USTIF fees.

PENNSYLVANIA UNDERGROUND STORAGE TANK INDEMNIFICATION FUND

Phone (717) 783-8093

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

Fax (717) 705-0140