

He Thought He Was Covered:

Carlos ran a successful Texas gas station for 22 years without a single major claim. Then a pinhole of rust changed everything — and the policy he trusted most said the two words that ended his business: not covered.

\$1,208,000	22 Years	\$0
Total uninsured loss	In business before one leak	Paid by his insurance

The Business Behind the Numbers

Carlos Rivera opened Rivera's Fuel & Service in the spring of 2001 on a busy state highway outside San Antonio. He built it from a two-pump lot into a full-service station with four fueling positions, a small convenience store, and an attached bay for oil changes. By the time his youngest daughter graduated from high school, the business had put two kids through college and paid off the family home.

He also did everything right on the insurance front — or so he believed. He carried a \$1 million commercial general liability policy, a business owner's policy covering the building and inventory, and workers' compensation. He renewed every year without a gap, paid on time, and never filed a claim. When his agent asked about adding a pollution rider, Carlos declined. He had been running those tanks for over two decades without incident. He was careful. He did his leak detection checks.

What Carlos didn't know — what his agent never made clear — was that his tanks were quietly failing him all along.

The Leak Nobody Saw Coming

In the late summer of 2022, a homeowner about 200 feet behind the station called the Texas Commission on Environmental Quality (TCEQ) to report a fuel smell coming from her water well. A soil investigation followed. Then a groundwater assessment. By October, regulators had traced a petroleum hydrocarbon plume — benzene, toluene, and other fuel compounds — directly to Carlos's property.

The source: a pinhole corrosion perforation in a 24-year-old steel underground storage tank. The tank had been slowly releasing diesel at an estimated rate of two to three gallons per week. Invisible. Below the threshold of his leak detection equipment. Completely silent — for at least two years before the neighbor noticed anything.

■ CRITICAL:

Two to three gallons per week sounds small. Over two years, that is 200–300 gallons of diesel that migrated through the soil and into the groundwater. Cleanup costs are not calculated by how much leaked — they are calculated by where it went and what it contaminated.

Carlos called his insurance agent the same afternoon TCEQ notified him. He was calm. He had insurance. He would file a claim, the carrier would handle it, and by spring things would be back to normal.

The carrier's denial letter arrived in three weeks.

The Two Words That Ended a 22-Year Business

“Pollution events are excluded from coverage under this policy regardless of the cause, timing, or duration of the release.”

Carlos's commercial general liability policy contained the standard absolute pollution exclusion — the same language that appears in virtually every ISO CGL policy issued in the United States. A tank leak is, by definition, a pollution event. It does not matter that it was accidental. It does not matter that it was undetected. The exclusion is categorical, and it applied completely.

His business owner's policy fared no better. The building and contents were covered against fire, storms, and theft — not groundwater contamination originating from his own tanks. His workers' compensation policy was irrelevant. Not a single dollar of his insurance portfolio responded to his actual loss.

■ **CRITICAL:**

Standard commercial general liability (CGL) policies contain an absolute pollution exclusion. Underground storage tank leaks — including slow corrosion releases — are classified as pollution events. Your CGL policy will not pay. This is not a technicality. It is the standard language in every ISO CGL form.

The Bill That Arrived Instead

What followed was a 14-month legal and regulatory ordeal that dismantled everything Carlos had built. The final accounting:

Cost Component	Amount	Notes
On-site soil remediation	\$187,000	Excavation & disposal of contaminated soil around tank field
Groundwater monitoring & treatment	\$340,000	Multi-year monitoring required by TCEQ; ongoing at time of sale
Neighbor's well remediation & damages	\$218,000	Well abandonment, alternative water supply, property damage settlement
Third-party bodily injury claim	\$95,000	Health monitoring costs & damages from neighbor's family
TCEQ regulatory penalties	\$42,000	Late reporting, inadequate financial responsibility demonstration
Legal defense costs	\$178,000	Environmental attorney fees for TCEQ proceedings & civil litigation
Business interruption / forced closure	\$148,000	8 months lost revenue while tanks were decommissioned
Total Uninsured Loss	\$1,208,000	Paid personally — zero insurance recovery

To pay these costs, Carlos drew down the business's operating reserves, took out a second mortgage on the family home, and ultimately sold the station — at a distressed price, to a buyer who understood the contamination history — to cover the remainder. The business his family had operated for over two decades was gone. The home his family had lived in for eighteen years was mortgaged to its ceiling. His retirement savings were depleted.

THE MATH IS NOT CLOSE

22 years of proper UST insurance: approximately \$55,000–\$132,000 total in premiums. One uninsured corrosion leak: \$1,208,000. The question was never whether UST insurance was affordable. The question was whether Carlos's business could survive without it. It could not.

The Coverage Gap: What He Had vs. What He Needed

This is not a story about bad luck. It is a story about a coverage gap so common and so consistently misunderstood that the EPA built an entire federal financial responsibility regulation around it:

What Carlos Had	What He Needed
Standard CGL + BOP	UST Pollution Liability Policy
<ul style="list-style-type: none"> ✗ Third-party injury (non-pollution only) ✗ Property damage (non-pollution only) ✗ Building & contents (fire/storm/theft) ✗ Business income (fire/storm causes only) ✗ Workers' compensation 	<ul style="list-style-type: none"> ✓ Corrective action & cleanup costs ✓ Third-party bodily injury (pollution) ✓ Third-party property damage (pollution) ✓ Legal & regulatory defense costs ✓ Non-Sudden Gradual / corrosion coverage

The Corrosion Problem: Why 'Sudden & Accidental' Isn't Enough

Even tank owners who do purchase a UST policy can remain underinsured — because of a coverage distinction that is rarely explained clearly. Most people picture a tank insurance claim as a dramatic event: a pipe bursts, fuel pours across the concrete, an alarm sounds. That is a **sudden and accidental release** — and most policies respond to it readily.

Carlos's situation was categorically different. Two to three gallons per week from a corrosion pinhole, undetected for two years, is a **gradual release**. Many lower-cost UST policies on the market only cover sudden and accidental events. Gradual and corrosion-driven losses — the most common and expensive real-world scenario — are carved out entirely. The premium is cheaper specifically because the most likely claim is excluded.

■ CRITICAL:

A policy that only covers Sudden & Accidental releases will NOT respond to a corrosion leak. Corrosion is gradual by definition. For any tank over 10–15 years old, Non-Sudden Gradual Pollution coverage is not optional — it is the only coverage that responds to your most probable loss.

“It wasn't the cost. I just didn't know.”

Five Lessons Every Tank Owner Should Take From This

1

Your CGL policy will not cover a tank leak.

This is not a technicality. The absolute pollution exclusion applies to every standard CGL policy in the US. Do not assume otherwise. Verify in writing before a claim occurs.

2

Corrosion is the most common — and most expensive — UST loss.

Pinhole perforations in aging steel tanks release product slowly and invisibly, often for months or years before detection. By the time a corrosion leak is discovered, the contamination plume may already be in the groundwater under neighboring properties.

3

Sudden & Accidental coverage is not enough for older tanks.

If your tank is more than 10–15 years old, you need Non-Sudden and Gradual Pollution coverage specifically. A policy without it cannot respond to your most likely claim.

4

Federal law requires you to demonstrate financial responsibility.

Under 40 CFR Part 280, UST owners must carry at minimum \$1M per occurrence. Non-compliance adds regulatory penalties on top of civil liability — as Carlos discovered.

5

A specialist matters more than a low premium.

General agents often lack access to the surplus lines markets where hard-to-place tank risks are properly insured. The cheapest policy and the right policy are frequently not the same policy.

IS YOUR CURRENT UST COVERAGE ACTUALLY PROTECTING YOU?

If you own or operate storage tanks and have not had a specific conversation with your broker about Non-Sudden and Gradual Pollution coverage, retroactive date limitations, and how your policy defines discovery of a release — you may be in exactly the same position Carlos was in. Properly insured on paper. Completely exposed in practice.

Get a Proper UST Insurance Review

We'll review your current coverage, identify gaps, and tell you exactly what you need — and what it costs. No pressure. No obligation. Hard-to-place tanks welcome.

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The story of 'Carlos Rivera' is a composite based on real claim patterns common to storage tank operators in Texas and other states. Names and identifying details have been changed. This document is for informational purposes only and does not constitute legal or insurance advice. Crescenta Valley Insurance | CA Lic. No. CA0G58010 | NPN: 13684036

THE UST OWNER'S COMPLETE INSURANCE

Underground Storage Tank Financial Responsibility:
What Every Tank Owner Must Know Before It's Too Late

Published by Crescenta Valley Insurance (CVI) | 2025 Edition

532,000+	\$1M+	9 States
Confirmed UST leaks since 1988 (EPA)	Average groundwater cleanup cost	Where CVI specializes in UST coverage

Standard general liability insurance does NOT cover storage tank leaks. This guide explains exactly what federal and state law requires, what your policy likely won't cover, and how to protect your business before a single drop hits the groundwater.

WHAT'S INSIDE:

- ✓ Federal EPA financial responsibility requirements (40 CFR Part 280)
- ✓ State-by-state coverage rules: CA, TX, OK, AK, WY, NV, NM, ND, PA
- ✓ What UST insurance actually covers — and what it doesn't
- ✓ Hard-to-place situations: aging tanks, contaminated sites, prior declines
- ✓ How to get covered when other agents say no
- ✓ CVI's 5-step process for placing difficult UST risks

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SECTION 1 | WHY STANDARD INSURANCE FAILS TANK OWNERS

The Policy Gap That Has Bankrupted Thousands of Business Owners

If you own or operate underground or aboveground storage tanks, there is one fact more important than any other in this guide: **your general commercial liability (CGL) insurance does not cover pollution releases from storage tanks.** It never has. The standard ISO CGL policy contains an absolute pollution exclusion — and tank leaks are, by definition, a pollution event.

CRITICAL: Standard CGL policies exclude pollution events. A tank leak — even a slow, undetected one — is classified as pollution under your policy. Without separate UST/AST coverage, you are uninsured.

This gap has destroyed businesses that were otherwise well-run and fully insured in every other respect. Consider what a single groundwater contamination event actually costs:

Cost Component	Typical Range	Notes
On-site soil remediation	\$130,000 – \$500,000	Higher for deeper contamination
Groundwater cleanup	\$500,000 – \$3M+	Can take 5–10 years
Third-party property damage	\$50,000 – \$500,000	Neighboring property owners
Third-party bodily injury	\$100,000 – \$1M+	Contaminated water wells
Regulatory fines & penalties	\$10,000 – \$250,000	State & federal violations
Legal defense costs	\$50,000 – \$300,000	Not covered by state funds
Total Potential Exposure	\$840,000 – \$5M+	Per incident

Source: EPA, industry claims data. Ranges reflect typical small-to-medium commercial sites.

The Bottom Line:

A single uninsured tank release can exceed the total value of the business it destroys. The question is not whether UST/AST insurance is affordable — it's whether your business can survive without it.

SECTION 2 | UNDERSTANDING EPA FINANCIAL RESPONSIBILITY REQUIREMENTS

Federal Law Requires You to Prove You Can Pay

Under 40 CFR Part 280, Subpart H — the EPA's Underground Storage Tank Financial Responsibility regulation — owners and operators of regulated USTs are legally required to demonstrate they have the financial resources to cover cleanup costs and third-party damages from a release. This is not optional. Non-compliance can result in delivery prohibition, civil penalties, and personal liability.

Federal Minimum Coverage Requirements

Tank Owner Category	Per-Occurrence Minimum	Annual Aggregate Minimum
Petroleum marketers with 1–100 tanks (gas stations, C-stores, fuel dealers)	\$1,000,000	\$1,000,000
Petroleum marketers with 100+ tanks	\$1,000,000	\$2,000,000
Non-petroleum-marketers (fleets, farms, manufacturers, schools)	\$500,000	\$1,000,000

Note: These are federal minimums. Many states require higher limits. Real-world cleanup costs routinely exceed these amounts.

Acceptable Mechanisms for Demonstrating Financial Responsibility

The EPA allows several methods to satisfy financial responsibility requirements. Insurance is by far the most common and practical for small-to-mid-size operators:

Insurance (Most Common): Private pollution liability / UST insurance policy meeting EPA endorsement standards. Works for virtually all tank sizes and ages when placed correctly.

State Assurance Fund: 36 states operate funds that can partially substitute for private insurance. However, most state funds do NOT cover legal defense costs and may have limited per-incident caps. California's fund was eliminated for new financial responsibility demonstrations in 2025.

Self-Insurance: Requires demonstrating a net worth of at least 10x the required per-occurrence amount. Available to large corporations only; not practical for most operators.

Financial Test / Guarantee: Requires audited financial statements showing specific net worth and coverage ratios. Complex and rarely used by small businesses.

Trust Fund / Letter of Credit: Irrevocable financial instruments held at a federally insured institution. Ties up significant capital; not recommended as primary mechanism.

■ **CRITICAL:** State funds are not a complete solution. Most do not cover legal defense costs, and several states (including California) have eliminated or restricted fund eligibility. Private insurance remains the most reliable and complete mechanism.

SECTION 3 | YOUR STATE'S SPECIFIC RULES: A 9-STATE GUIDE

State-by-State UST Insurance Requirements

CVI is licensed in nine states, each with its own regulatory framework layered on top of the federal baseline. Here is what tank owners in each state need to know.

California (CA)

#1 Priority State

\$1M per occurrence / \$1M annual aggregate for petroleum marketers. The state Underground Storage Tank Cleanup Fund (USTCF) was eliminated as an acceptable financial responsibility mechanism for new demonstrations in 2025. Private insurance is now the primary required mechanism. Tank owners must work with admitted or approved surplus lines carriers. Older tanks (20+ years) face strict underwriting scrutiny from CA-admitted carriers.

Texas (TX)

High Volume, Active Regulatory Environment

\$1M per occurrence / \$1M annual aggregate. Texas has one of the highest concentrations of active UST sites in the country. The Texas Commission on Environmental Quality (TCEQ) regulates USTs. Texas does maintain a state reimbursement fund (LPST Fund), but it reimburses after cleanup — it does not replace insurance requirements. Third-party claims and legal defense must still be covered by private insurance.

Oklahoma (OK)

High Oil Country Tank Density

\$500,000 per occurrence / \$1M aggregate for most operators. The Oklahoma Corporation Commission oversees UST compliance. Oklahoma's tank population skews toward agricultural, fleet, and oil field support operations — many of which carry non-petroleum products requiring specialized coverage beyond standard UST policies.

Pennsylvania (PA)

State Fund + Private Insurance Required

\$1M per occurrence / \$1M aggregate. Pennsylvania operates the Underground Storage Tank Indemnification Fund (USTIF), which covers cleanup costs for registered, compliant tanks. However, USTIF does not cover third-party bodily injury claims or legal defense costs — private insurance must cover these gaps. A dual-coverage strategy is essential.

Nevada (NV)

Desert Geology Complicates Cleanup Costs

\$1M per occurrence / \$1M aggregate. Nevada's geology — particularly in arid southern regions — can accelerate the spread of contamination, making cleanup significantly more expensive. Nevada does not operate a robust state assurance fund, making private insurance critical. Tanks on tribal lands have additional compliance layers.

New Mexico (NM)

Agricultural & Petroleum Storage Concentration

\$1M per occurrence / \$1M aggregate. The NM Environment Department (NMED) oversees UST regulation. Agricultural fuel tanks are common and frequently older, requiring surplus lines placement. New Mexico's Corrective Action Fund provides limited reimbursement but does not replace insurance requirements.

Alaska (AK)

Remote Sites, Extreme Costs

\$1M per occurrence / \$1M aggregate. Alaska presents some of the most challenging UST risks in the country — remote site access, permafrost complications, and extreme seasonal conditions can multiply cleanup costs by 3–5x compared to lower-48 averages. Tank owners in rural areas often find standard markets unavailable; surplus lines placement through specialists like CVI is frequently the only option.

Wyoming (WY)

Energy Sector & Agricultural Crossover

\$500,000 per occurrence / \$1M aggregate. Wyoming's UST population is heavily weighted toward energy sector operations and agricultural storage. The Wyoming Department of Environmental Quality (WDEQ) regulates UST compliance. Wyoming does not operate a state assurance fund, making private insurance the primary financial responsibility mechanism.

North Dakota (ND)

Bakken Activity Drives Tank Density

\$500,000 per occurrence / \$1M aggregate. North Dakota's Bakken shale boom created a dense population of fuel storage tanks at drilling sites, man camps, and distribution facilities. The ND Department of Environmental Quality oversees compliance. Many Bakken-area tanks are less than 15 years old but face aggressive underwriting due to the high-activity environment and contamination risk.

SECTION 4 | WHAT UST INSURANCE ACTUALLY COVERS

Understanding Your Policy: Coverage, Conditions & Exclusions

A properly structured UST insurance policy is fundamentally different from general liability. Understanding exactly what it covers — and what it doesn't — is essential before a claim occurs.

What Is Covered

- ✓ **Corrective Action / Cleanup Costs:** Covers investigation, remediation, and monitoring costs for covered releases from your scheduled tanks, on-site and potentially off-site.
- ✓ **Third-Party Bodily Injury:** Covers claims from neighbors, employees, or others who suffer health impacts from contamination caused by your tanks.
- ✓ **Third-Party Property Damage:** Covers damage to neighboring properties, contaminated water wells, and natural resource damages caused by releases.
- ✓ **Legal Defense Costs:** Covers defense costs for covered claims — this is a critical gap in state assurance funds.
- ✓ **Regulatory Defense Costs:** Some policies cover costs of responding to regulatory agency actions related to covered releases.

Common Exclusions to Watch For

- ✗ **Known Pre-Existing Contamination:** Releases that were known before policy inception are typically excluded. Full site assessment before binding is critical.
- ✗ **Non-Scheduled Tanks:** Only tanks specifically listed on the policy declarations are covered. Unscheduled tanks have zero coverage.
- ✗ **Intentional Acts:** Deliberate disposal or release of regulated substances is excluded.
- ✗ **Products Stored in Tanks:** The value of the product itself (fuel, chemicals) is not covered — only third-party and cleanup costs.
- ✗ **Non-Regulated Substances:** Some substances may fall outside the policy's definition of regulated materials. Confirm coverage for your specific stored product.
- ✗ **Tanks Beyond Coverage Age:** Many standard markets decline tanks older than 30 years. Surplus lines placement may be required — and must be specifically arranged.

Sudden & Accidental vs. Gradual Pollution Coverage

Two distinct coverage triggers exist in the market, and they are not interchangeable:

Coverage Type	What It Covers	Best For
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Sudden & Accidental	Pollution events that begin abruptly and within a defined operational period (typically 30 days); lower-risk profile	Active operations period (typically 30 days); lower-risk profile
Non-Sudden (Gradual) Pollution	Pollution events that occur over an extended, incident-free period with leaks seeping joints, fraying pipes	Older tanks, sites with leaks seeping joints, fraying pipes

The Leak Type That Causes the Most Losses — And Gets Denied the Most

Most tank owners picture an insurance claim as a dramatic event: a truck backs into a tank, a pipe ruptures, fuel spills visibly across a parking lot. That image is accurate for one category of loss — but it is responsible for a minority of actual UST claims. The far more common — and far more financially devastating — loss scenario is the one nobody sees coming: **slow corrosion leaks and small, long-running seeps that go undetected for months or years.**

Understanding the Three Leak Profiles

Leak Type	How It Happens	Typical Detection	Coverage Trigger	Average Cleanup Cost
Catastrophic / Accidental Release	Structural failure, vehicle impact, overflow, delivery hose spills, cracked pipe, ruptured tank	Immediate, visible spills, odor, dripping	Sudden & Accidental coverage	\$50,000 to \$300,000 (surface-level, faster remediation)
Small Chronic Leak (Fitting / Joint Seep)	Loose connections, degraded gaskets, tank-to-pipe leaks, infirmity	Weeks to months in fittings, ground-level odor	Gradual / Non-Sudden coverage	\$20,000 to \$80,000 (subsurface migration before detection)
Corrosion-Driven Leak	Tank wall or piping pinholes from electrochemical corrosion	Months to years of corrosion, ground-level odor	Corrosion / Non-Sudden coverage	\$100,000 to \$5M+ (extensive remediation)

Row shading: white = accidental; light teal = chronic seep; light red = corrosion — the highest-cost scenario.

Why Corrosion Leaks Are the Silent Killer

Corrosion is the leading physical cause of UST failures in the United States. Bare steel tanks — which represent a significant portion of tanks installed before 1990 — are subject to electrochemical corrosion from soil conditions, stray electrical currents, moisture, and microbial activity. The result is pinhole perforations in the tank wall or piping that release product at a rate that may be as small as a few gallons per month — far below what standard leak detection systems are calibrated to catch.

By the time a corrosion-driven leak is discovered, the plume of contamination may have migrated hundreds of feet from the tank — reaching groundwater aquifers, neighboring properties, and private water wells. The cleanup cost is no longer calculated in thousands of dollars; it is calculated in years and millions.

■ **CRITICAL:** A policy that only covers Sudden & Accidental releases will NOT respond to corrosion leaks. Corrosion is gradual by definition. If your policy lacks Non-Sudden (Gradual) coverage, your most likely real-world loss scenario is uninsured.

The Coverage Question You Must Ask Your Broker

Before binding any UST policy, confirm the answers to these three questions in writing:

Q: Does this policy include Non-Sudden and Gradual pollution coverage?

Why it matters: If the answer is 'no' or 'only sudden and accidental,' the policy will not respond to corrosion or slow-seep losses — statistically the most likely loss you will ever have.

Q: Is there a retroactive date limitation?

Why it matters: Many policies include a retroactive date, meaning releases that began before that date are excluded even if discovered during the policy period. For aging tanks with corrosion risk, this exclusion can effectively eliminate coverage for the exact scenario you most need to insure.

Q: How does the policy define 'discovery' of a release?

Why it matters: Some policies trigger coverage based on when a release is first discovered; others on when it first began. For slow corrosion leaks, the start date may predate the policy by years. The definition matters enormously for claim payment.

CVI's Standard Practice:

For any tank over 15 years old, CVI specifically structures submissions to include Non-Sudden and Gradual pollution coverage. We verify retroactive dates, confirm discovery definitions, and ensure corrosion-related losses are not excluded before we recommend a policy to a client. This is not a courtesy — it is the minimum standard for responsible UST placement.

SECTION 5 | HARD-TO-PLACE SITUATIONS: AGING TANKS & PRIOR DECLINES

When Standard Markets Say No — What to Do Next

The hardest truth in UST insurance is that the tank owners who most need coverage are often the ones standard markets decline. Here are the most common hard-to-place scenarios and how CVI approaches them.

Tanks Over 20–30 Years Old — The Corrosion Underwriting Problem

Standard admitted markets typically cap tank age at 20–30 years, and for good reason: corrosion risk increases substantially as tanks age. Bare steel tanks installed before EPA mandated corrosion protection in 1988 are considered high-probability loss scenarios by underwriters — not because of what might happen, but because of what statistically does happen. When a standard carrier declines an aging tank, they are pricing in the near-certainty of a slow corrosion leak that will ultimately cost more than the premium collected. CVI has access to surplus lines markets that specialize in aging tank risks and can often place Non-Sudden Gradual coverage for these accounts where retail agents cannot — provided the tank is in compliance, properly registered, and carries current documentation of cathodic protection systems, secondary containment, and leak detection maintenance history. Tanks with documented fiberglass lining upgrades or double-wall retrofits are significantly more placeable than bare-steel single-wall tanks, even at the same age.

Prior Claims or Known Releases — Often Corrosion-Driven

A history of releases — even fully remediated ones — triggers automatic declination from most standard markets. The majority of prior-claim situations CVI encounters involve corrosion-driven slow leaks that went undetected for extended periods before groundwater testing or a neighbor complaint surfaced the problem. Surplus lines carriers assess these on a case-by-case basis, weighing the remediation status, regulatory closure documentation, and current compliance posture. A regulatory 'No Further Action' (NFA) letter is critical to obtaining coverage post-remediation. For sites with ongoing or incomplete remediation, a specialized Environmental Impairment Liability policy — not standard UST insurance — is typically the appropriate coverage structure.

Sites with Confirmed or Suspected Contamination

Active contamination sites — where cleanup is ongoing — require specialized environmental liability coverage, not standard UST insurance. These are among the most complex placements in the market and require carriers with deep environmental underwriting capability. CVI works with program markets that understand ongoing remediation scenarios.

Non-Standard Products (Non-Petroleum)

Tanks storing hazardous chemicals, solvents, or industrial fluids require broader pollution liability coverage than standard UST policies provide. Many standard UST programs are petroleum-specific. Environmental Impairment Liability (EIL) or Pollution Legal Liability (PLL) policies may be needed instead of or in addition to a UST policy.

Tanks at High-Value or Sensitive Locations

Tanks near water supplies, schools, hospitals, or in dense urban areas face significantly tighter underwriting. Carriers price these risks higher or decline entirely due to the catastrophic potential of a release. Comprehensive documentation of tank construction, secondary containment, and monitoring systems is essential to placing these risks.

Multiple Locations / Complex Schedules

Fleet operators, convenience store chains, and agricultural cooperatives often have tanks at dozens of locations across multiple states. A blanket policy approach must be coordinated across state-specific compliance requirements. CVI structures these programs to ensure no location falls through the cracks.

CVI's Approach to Hard-to-Place UST Risks:

We specialize in exactly these situations. Through our surplus lines access and relationships with program markets, CVI can often place risks that standard agents decline. If you've been told no — call us before you give up. 818-974-8117.

SECTION 6 | ABOVE-GROUND VS. UNDERGROUND: KEY DIFFERENCES

AST vs. UST: They Are Not the Same Risk

Many tank owners assume that above-ground storage tanks (ASTs) carry less regulatory and insurance complexity than underground tanks. In practice, the differences are significant — and the assumption that ASTs are covered under standard policies is just as dangerous.

Factor	Underground Storage Tank (UST)	Above-Ground Storage Tank (AST)
EPA Financial Responsibility Required	Yes — 40 CFR Part 280	For petroleum ASTs > 1,320 gal (SPCC Rule applies)
Primary Regulatory Program	EPA UST Program (state-implemented)	EPA SPCC / Tier II Reporting (state-specific rules vary)
Standard Market Availability	Limited; surplus lines often required for older tanks	Somewhat broader but still specialty coverage required
Detection Challenges	Leaks invisible until groundwater impact detected	Visible leaks more likely but spills still pose liability
Cleanup Cost Profile	High; groundwater remediation can take 5–10 years	Moderate; primarily soil remediation
CGL Policy Coverage	Excluded — absolute pollution exclusion applies	Excluded — absolute pollution exclusion applies
Recommended Coverage	UST Pollution Liability + Corrective Action	AST Environmental Impairment Liability (EIL) / PLL

■
CRITICAL:
The absolute pollution exclusion in standard CGL policies applies equally to ASTs and USTs. Above-ground does not mean covered under your existing policy.

SECTION 7 | HOW TO CHOOSE A SPECIALTY BROKER

Not All Agents Are Equipped for UST Placements

Placing UST insurance is a specialty skill. Many commercial insurance agents — even experienced ones — have limited access to the surplus lines markets where most difficult UST risks are placed. Here is what to look for when selecting a broker for your tank coverage:

- **Surplus Lines Access:** Standard markets often cannot place aging, complex, or multi-location tank risks. Your broker must have direct relationships with surplus lines carriers and E&S; markets that specialize in environmental risks.
- **Multi-State Licensing:** If your tanks span multiple states, your broker must be licensed in each state where coverage is placed. Compliance requirements vary significantly by state.
- **Environmental Coverage Expertise:** UST insurance intersects with pollution liability, environmental impairment liability, and corrective action coverage. A generalist agent may not understand the nuances between these coverage types.
- **Underwriting Relationships:** In hard-to-place situations, broker relationships with specific underwriters matter. A broker who regularly places UST risks has established credibility that helps get difficult accounts quoted.
- **Claims Advocacy Experience:** When a tank releases, you need a broker who understands the claims process — including regulatory reporting timelines, carrier notice requirements, and how to coordinate between insurance and state fund reimbursements.

SECTION 8 | CVI'S 5-STEP UST PLACEMENT PROCESS

How We Get Your Tanks Covered

1**Step 1: Risk Assessment & Documentation Review**

We start by reviewing your tank inventory, ages, product types, leak detection records, compliance status, and any prior release or claim history. Complete documentation upfront enables faster and more favorable underwriting results.

2**Step 2: Market Selection**

Based on your risk profile, we identify the appropriate markets — admitted carriers for clean, newer risks; surplus lines specialists for aging tanks, prior claims, or complex multi-location schedules. We do not force every account into the same market.

3**Step 3: Submission & Underwriting**

We prepare a complete, professionally underwritten submission that presents your risk accurately and favorably. A well-prepared submission reduces turnaround time and improves the quality of quotes received.

4**Step 4: Coverage Comparison & Recommendation**

We present coverage options with a clear explanation of what each policy covers, where the gaps are, and our recommendation for your specific situation. No one-size-fits-all solutions.

5**Step 5: Compliance Documentation**

Once bound, we provide the EPA-compliant Certificate of Insurance or Endorsement required for financial responsibility demonstration, along with guidance on state-specific filing requirements.

SECTION 9 | QUICK REFERENCE: FEDERAL MINIMUMS AT A GLANCE

UST Insurance Quick Reference Card

Keep this section handy for compliance reviews, contract negotiations, and agent conversations.

State	Per-Occurrence Min.	Annual Aggregate	State Fund Available?	Key Regulatory Agency
California	\$1,000,000	\$1,000,000	Limited (USTCF — new FR use eliminated in 2025)	State Water Resources Control Board
Texas	\$1,000,000	\$1,000,000	Yes (LPST Fund — reimbursement only)	TCEQ
Oklahoma	\$500,000	\$1,000,000	Limited	Oklahoma Corporation Commission
Pennsylvania	\$1,000,000	\$1,000,000	Yes (USTIF — cleanup only, not 3rd party)	PA DEP
Nevada	\$1,000,000	\$1,000,000	No robust fund	Nevada Division of Environmental Protection
New Mexico	\$1,000,000	\$1,000,000	Limited (Corrective Action Fund)	NM Environment Department
Alaska	\$1,000,000	\$1,000,000	No — private insurance critical	AK DEC
Wyoming	\$500,000	\$1,000,000	No fund	WDEQ
North Dakota	\$500,000	\$1,000,000	Limited	ND DEQ

Sources: EPA 40 CFR Part 280; state environmental agencies. Confirm current requirements with your broker.

Pre-Renewal Compliance Checklist

- All tanks properly registered with state regulatory agency
- Current operating permits in effect at all tank locations
- Leak detection system operational and records up to date
- Tank age and construction materials documented
- Financial responsibility mechanism current and EPA-compliant certificate on file
- All scheduled tanks verified on current insurance policy declarations
- Any changes in product stored reported to broker and carrier
- Prior release history and remediation documentation on file
- State fund eligibility confirmed (if using as supplemental mechanism)
- Certificate of insurance provided to regulatory agency if required

SECTION 10 | ABOUT CRESCENTA VALLEY INSURANCE

Specialists in Hard-to-Place Commercial Risks

Crescenta Valley Insurance (CVI) is a commercial specialty brokerage focused exclusively on the high-risk, hard-to-place industries that standard agents routinely decline. We are not a generalist agency — we are specialists who have built our practice around the complex, the technical, and the difficult.

Why Tank Owners Work With CVI

- ✓ Surplus lines access for aging, declined, and complex UST/AST risks
- ✓ Licensed in 9 states: CA, TX, OK, AK, WY, NV, NM, ND, PA
- ✓ Deep familiarity with EPA financial responsibility documentation requirements
- ✓ Experience placing multi-location tank schedules across multiple states
- ✓ Access to admitted and non-admitted markets for both UST and AST risks
- ✓ Environmental Impairment Liability (EIL) and Pollution Legal Liability (PLL) expertise
- ✓ 15+ years of commercial specialty insurance experience
- ✓ Direct broker access — no call centers, no handoffs

Ready to Get Your Tanks Properly Covered?

Whether you have a single tank at a small business or a multi-state fleet of storage facilities, CVI can structure coverage that meets EPA requirements and actually protects your business.

Call or Text: 818-974-8117

Email: steve@cvins.com

Web: fcisgroup.com

Licensed: CA | TX | OK | AK | WY | NV | NM | ND | PA

This white paper is provided for informational purposes only and does not constitute legal or insurance advice. Coverage terms, state requirements, and regulatory rules are subject to change. Consult with a licensed insurance professional for guidance specific to your situation. Crescenta Valley Insurance | CA Lic. No. CA0G58010 | NPN: 13684036