INSURANCE CLAIMS 101: AN OVERVIEW

Tom Schruben, Emily Khuong

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The Basics

1. Welcome and Plan for the Session
2. What is Insurance?
3. Defining key terms
4. Knowledge Check
5. Case Studies
6. Questions and Wrap-up

Goals for the Workshop

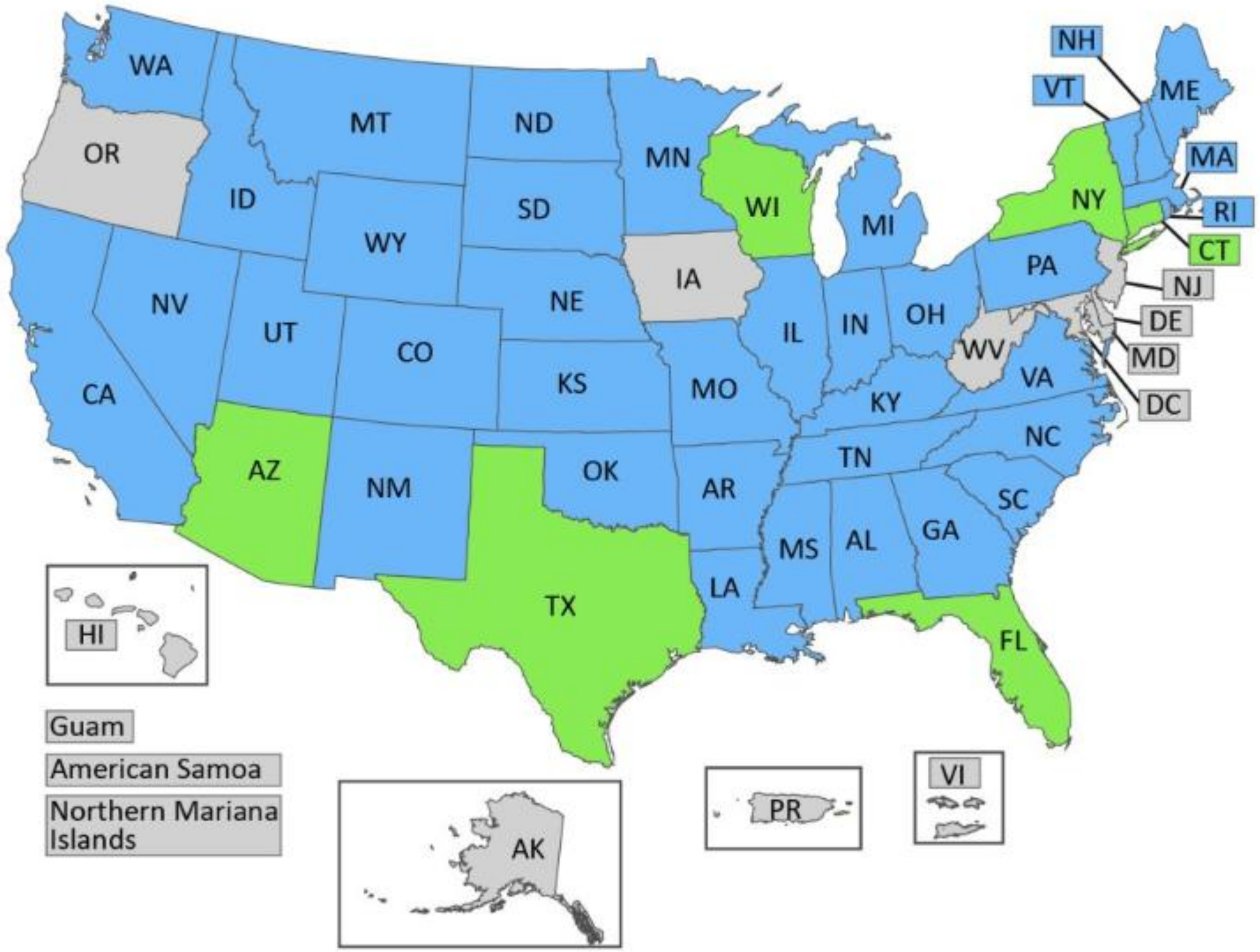
Participants will be able to…

1) Define key insurance terms related to insurance claims
2) Understand the basic components of an insurance policy and claims process

The Basics

State Funds by Type

Map of State Financial Assurance Funds (2025)



Active Fund Pays for New and Past Releases
(36 states)

Phased Out Fund Pays for Releases Prior to Phase Out
(6 states)

No EPA Approved State Fund
(8 states, DC, and 5 territories)

What is Insurance?

Key Terms

Insurance

Meeting of the Minds / Contract of Adhesion

Application

Declarations Page

Insuring Agreement

Exclusion

Endorsement

Certificate of Insurance

Six requirements of a contract

Offer

Acceptance

Awareness

Consideration

Capacity

Legality

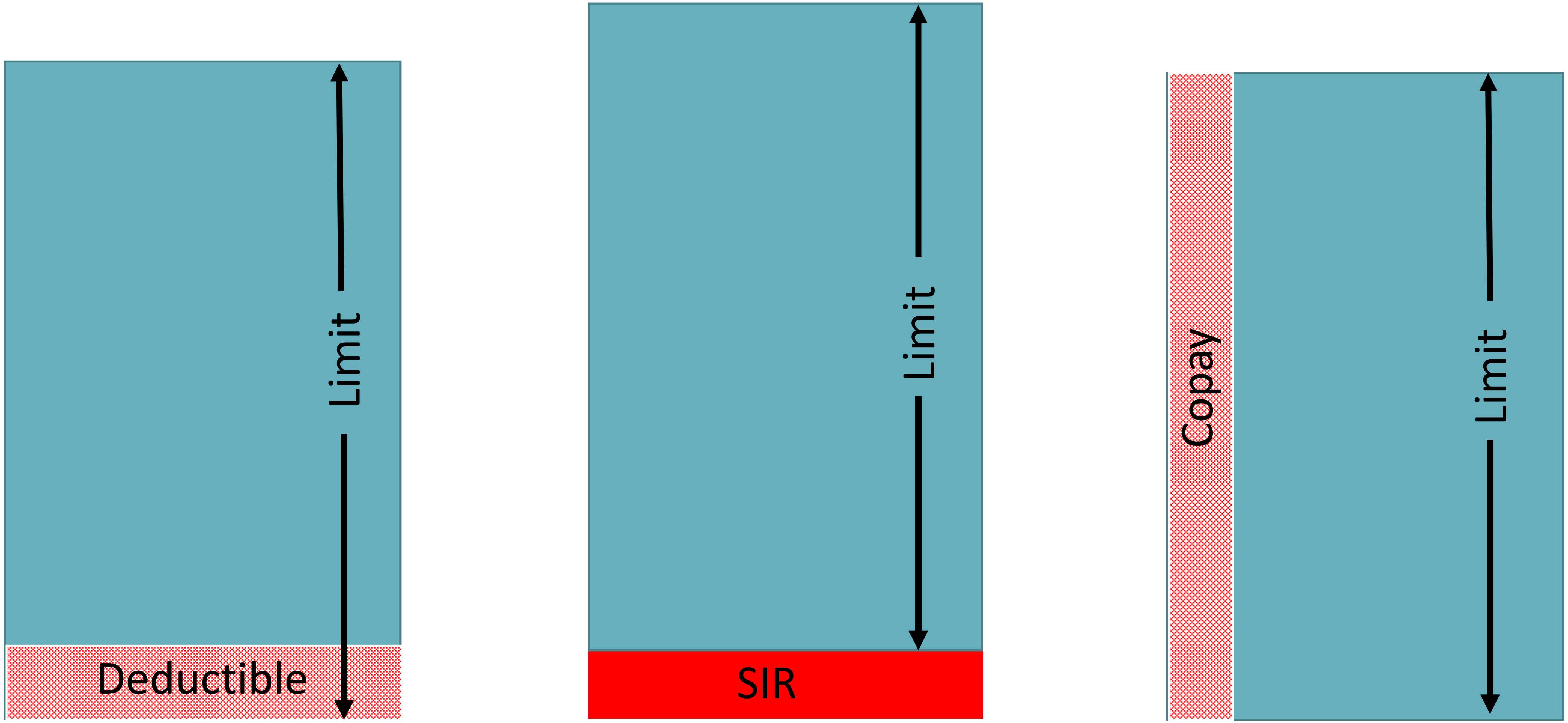
Application

Filled out by the insured

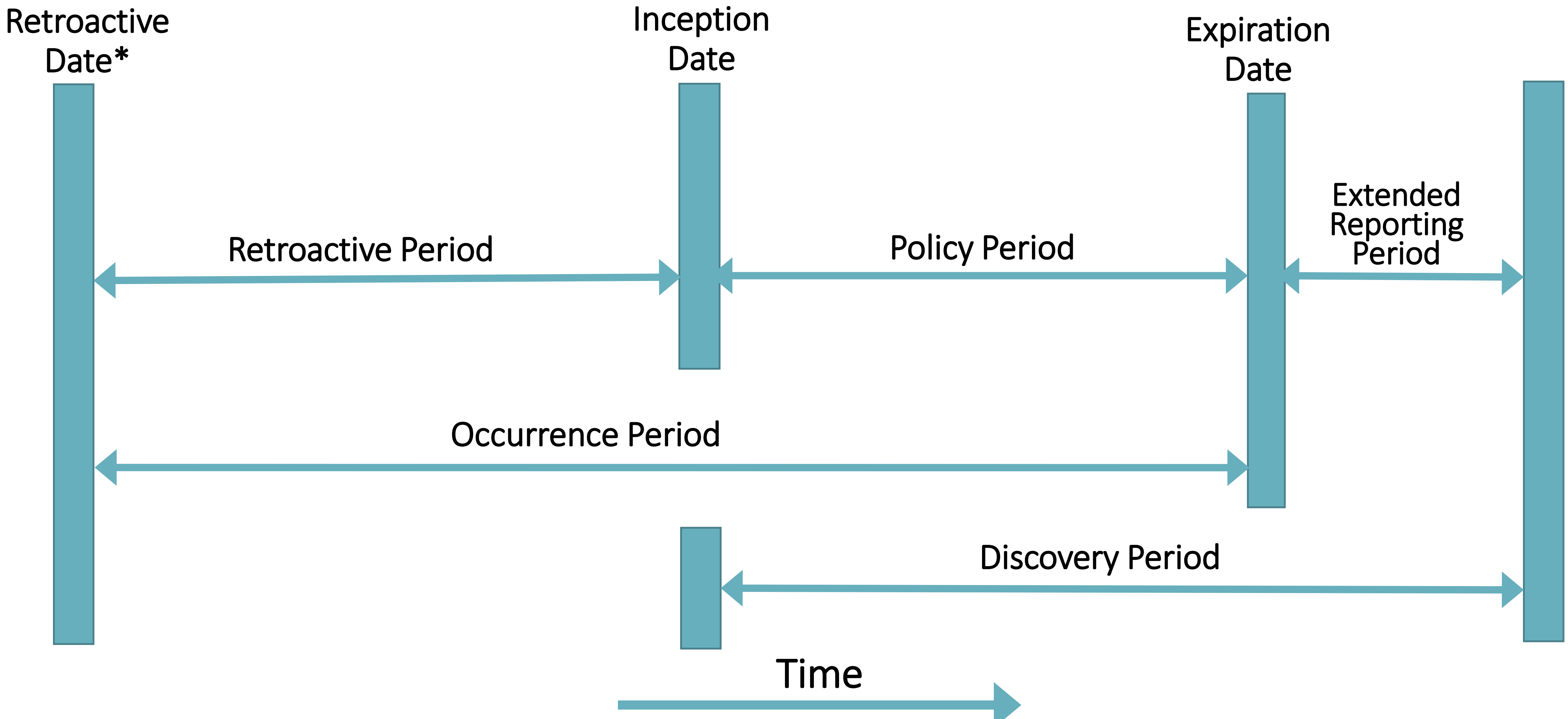
The foundation of the insurance contract

1st step in reviewing a claim

Deductible, Self Insured Retention, Copay



Claims Made Insurance



*The Retroactive Date can be the Policy Inception Date, in which case there is no Retroactive Period

When an Insured Makes a Claim

Insured must prove each element of the claim

Insurer accepts, denies, or reserves rights

Insured’s options if the insurer denies the claim

Insurer may investigate the claim and compare site info to application and declarations page

Insured conducts emergency or immediate response actions

Insured submits remediation plan

Insurer reviews, and accepts or rejects plan based on customary practice

Insurer reimburses or pays on behalf of reasonable costs

INSURING AGREEMENT

2. **Insuring Agreement – Coverage B – Government Mandated "Clean-up Costs" Liability**

a. We will pay for "clean-up costs" that the "insured" becomes legally obligated to pay arising out of a "pollution incident" to which this insurance applies. We may, at our discretion, investigate any "pollution incident" and settle any government-mandated "clean-up costs" that may result. But the amount we will pay for such government-mandated "clean-up costs" is limited as described in **SECTION IV - LIMITS OF INSURANCE.**

b. This insurance applies to government-mandated "clean-up costs" arising out of a "pollution incident" only if:

(1) The government-mandated "clean-up costs" result from a "pollution incident" that commences on or after the Retroactive Date shown in the Declarations, from a "storage tank system", at an "insured site", in the "coverage territory"; and

(2) The "insured's" obligation to pay government-mandated "clean-up costs", resulting from the "pollution incident", is asserted in writing by and under the statutory authority of the applicable federal, state, or local regulatory agency; and

(3) Notice asserting such obligation must be first received by us in writing, during the policy period, or any Extended Reporting Period we provide under **SECTION VII – EXTENDED REPORTING PERIODS.**

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Questions

THANK YOU

Tom Schruben & Emily Khuong, EPA OUST

Schruben.Thomas@epa.gov;
Khuong.Emily@epa.gov