



I HAVE UST INSURANCE AND A SUSPECTED RELEASE, NOW WHAT?

Patrick Rounds

PMMIC Tank Insurance



WHY IS MY CLAIM DENIED?



INSURANCE IS A CONTRACT



SIX REQUIREMENTS OF A CONTRACT

- Offer
- Acceptance
- Awareness
- Consideration
- Capacity
- Legality

COMMUNICATION



Meeting of the minds refers to mutual assent by all parties to the formation of a contract. For a meeting of the minds to occur, the parties must agree to the same terms, conditions, and subject matter.





REASONS FOR DENIALS

- Release not from a listed UST system.
- Release did not occur during policy term.
- Release was not reported during policy term.
- UST system was not in compliance at time of release.
- New vs old release.

**IN 2024, 53% OF REPORTED
RELEASES WERE FROM AN
UNKNOWN SOURCE**



What we have here is a failure to communicate.





SOLUTIONS



DENIAL: NOT FROM A LISTED UST

*Pre-binding, on-site inspection confirms UST system components and verifies the application is correct.

Verify your application is correct:

❖ Truth, whole truth, nothing but the truth.

Perform continuous leak detection and conduct daily inventory records.

Utilize **ASTM E2733** Standard Guide for Investigating the Source and Cause of Releases from UST systems



DENIAL: DID NOT OCCUR DURING POLICY TERM

*On-site inspection assists with identification of existing or previous release. If unsure, subsurface testing is recommended.

Perform continuous leak detection and conduct daily inventory records.

Properly evaluate all suspected releases immediately.
Don't lose your retroactive date!



DENIAL: NOT REPORTED DURING POLICY TERM

Leak detection records, testing, and inspections should be reviewed annually so that suspected releases are investigated and reported.

Tell your insurer about all releases and suspected releases immediately.

- We assist with release determination and reporting.
- We send written notices of ERP when a policy is cancelled.



DENIAL: NOT IN COMPLIANCE

Be in compliance.

Verify compliance annually.

Maintain compliance documentation.

Do not rely on state inspection.



SEPARATING NEW FROM OLD

Happens often at tank closure

Use forensics:

- analyze the chemical composition of the product
- identify the product, additives
- utilize known degradation rates
- release occurred when it first started

FORENSICS

Table 2. Oxygenates (mg/kg)

	1	2	3	4
Ethanol	<41	2,300	<71	14
Methyl tert-butyl ether (MTBE)	0.37	1.3	2.8	0.68
tert-Butanol (TBA)	<33	<120	<57	<3.7
Diisopropyl ether (DIPE)	<0.16	<0.60	<0.28	<0.019
Ethyl-tert-butyl ether (ETBE)	<0.16	<0.60	<0.28	<0.019
tert-Amyl methyl ether (TAME)	<0.16	<0.60	<0.28	<0.019

Table 1. Estimate of Selected VOCs in Soil Samples as Percent of VOC Burden
Table 2. Oxygenates (mg/kg)



	1	2	3	4	Typical Undegraded Regular Gasoline (%m/m)			
					Low	High	Average	Median
n-Butane	<0.0071	0.03	0.01	0.04	0.11	1.4	0.38	0.27
Isopentane	0.07	0.28	0.12	2.5	3.6	8.6	6.2	6.3
n-Pentane	0.05	0.16	0.08	0.80	1.4	4.2	3.2	3.3
Benzene	0.11	0.27	0.27	0.80	0.37	1.0	0.65	0.63
3-Methylhexane	0.34	1.0	0.81	1.4	1.1	2.0	1.6	1.6
Isooctane	2.4	5.9	4.0	8.0	0.60	6.0	3.1	2.9
n-Heptane	0.27	0.76	0.62	0.64	1.1	1.9	1.5	1.5
Methylcyclohexane	0.30	0.63	0.41	0.62	0.35	2.1	1.1	1.1
Toluene+2,3,3- Trimethylpentane	3.6	8.5	7.5	7.0	3.3	14	6.0	5.2
n-Octane	0.51	0.76	0.63	0.36	0.85	1.4	1.1	1.1
Ethylbenzene	1.3	1.4	1.4	1.5	0.72	2.3	1.2	0.99
m,p-Xylene	5.3	5.3	6.3	6.7	2.4	5.9	3.8	3.4
o-Xylene	2.1	2.1	2.4	2.6	0.92	2.3	1.5	1.4
Isopropylbenzene	0.15	0.14	0.14	0.11	0.07	1.1	0.21	0.12
n-Propylbenzene	0.57	0.50	0.46	0.39	0.19	0.59	0.37	0.34
1,3,5-Trimethylbenzene	1.3	0.96	0.95	0.78	0.40	0.72	0.56	0.53
1,2,4-Trimethylbenzene	4.3	2.9	3.4	2.6	1.2	2.5	1.9	1.9
sec-Butylbenzene	0.06	0.04	0.04	0.03	0.063	0.11	0.091	0.090
n-Butylbenzene	0.16	0.12	0.11	0.06	0.062	0.17	0.10	0.086
Naphthalene	0.62	0.36	0.37	0.13	0.15	0.46	0.24	0.22
Total VOC Burden (ppm)	9,200	31,000	22,000	310				

	1	2	3	4
Ethanol	<41	2,300	<71	14
Methyl tert-butyl ether (MTBE)	0.37	1.3	2.8	0.68
tert-Butanol (TBA)	<33	<120	<57	<3.7
Diisopropyl ether (DIPE)	<0.16	<0.60	<0.28	<0.019
Ethyl-tert-butyl ether (ETBE)	<0.16	<0.60	<0.28	<0.019
tert-Amyl methyl ether (TAME)	<0.16	<0.60	<0.28	<0.019





SUMMARY

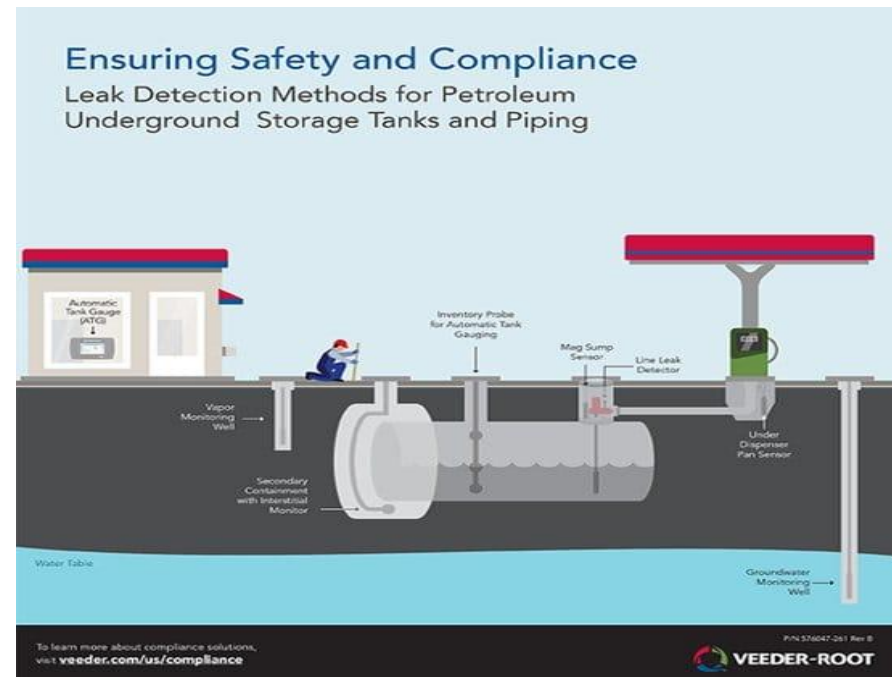
- Submit complete and accurate application
- Maintain all installation and operational documentation
- Use best practices and proper UST management
- Do not rely on agent to complete application
- Do not rely on state inspection to verify operational compliance
- Leak detection and inventory reconciliation everyday
- Suspected or confirmed release—report to insurer
- And, don't be late...



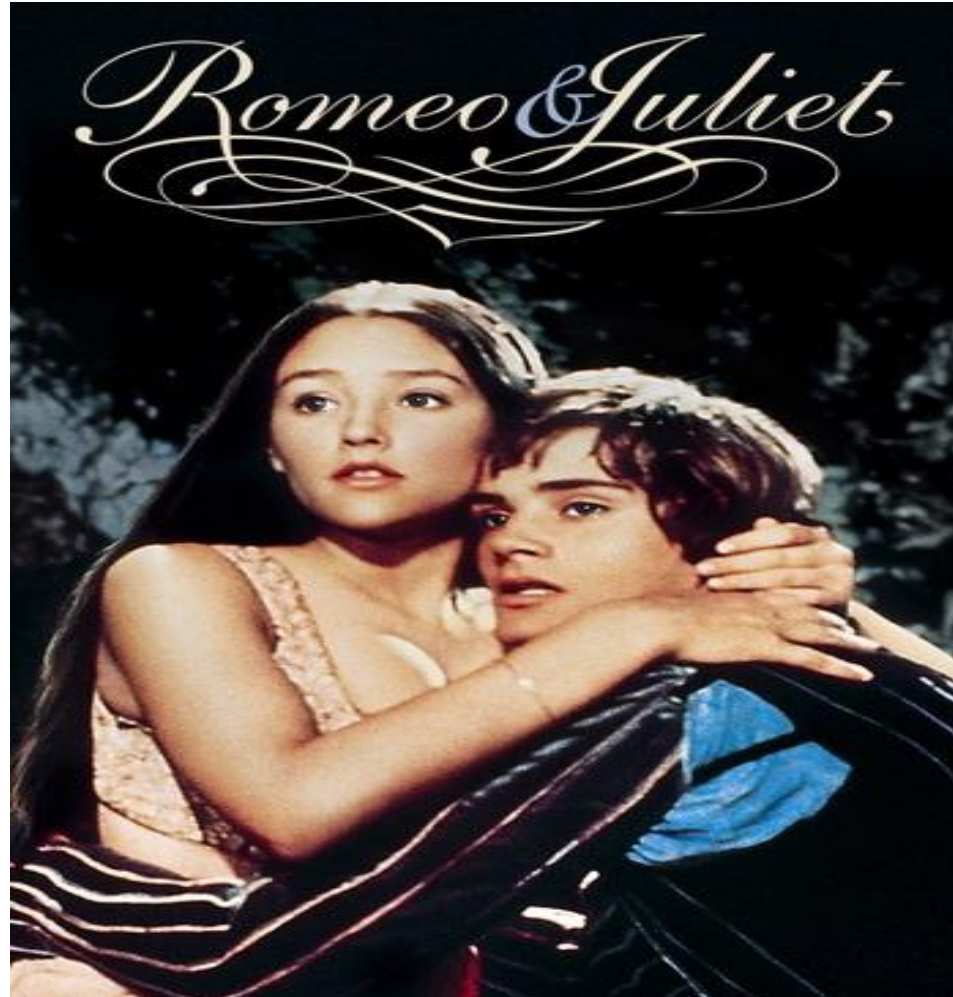
Too LATE



Groundwater monitoring or vapor monitoring for leak detection.



Friar John's note to Romeo...



Adding a tank system to the insurance policy after a release has occurred.

Photo courtesy of

<https://www.enviroequipment.com>





COMMUNICATION



PATRICK ROUNDS PMMIC TANK INSURANCE

