

Don't Wait Too Long to File a Claim

A few folks seem to have forgotten one of the cardinal rules of our business: You have to file a claim while you're insured.

In a couple of instances, tank owners/operators insured their tanks with us for years. Then, when they decided to close their store, they let their insurance lapse. Some months or years later, they then approached us to make a claim for cleanup benefits. NOT!

PSTIF insurance policies are "claims made" policies. We cover you for the risks associated with a leak, while you're insured. But, just like your homeowners or car insurance policy, you can't let your coverage lapse and expect your protection to last indefinitely into the future!

A Solution – Buy an Extended Reporting Period

Insured AST owners can extend their liability protection when they sell a site, or when they take the tanks out of use, by purchasing an "extended reporting period" from PSTIF.

At its meeting on June 25, the PSTIF Advisory Committee voted to recommend regulatory changes to the Board of Trustees which will provide this same opportunity for UST owners.

This option is particularly advantageous for a tank owner who sells an operating facility to another person. If the buyer fails to maintain

his insurance coverage, and someone alleges that a leak has occurred, the first owner still has liability protection. Without the "extended reporting period," he cannot make a claim after he sells the site.

There have been some convenience stores sold in Missouri recently where an insured owner transferred his PSTIF policy to a new owner. The new owner only operated the tanks for a few weeks or months, then closed the store. Under current practices, if the second owner fails to maintain insurance coverage, no one can make a claim and there are no PSTIF benefits available. We want to rectify this situation and allow the first owner to continue his liability protection, if he so desires.

It is expected that the Board will act on the Advisory Committee's recommendation at its July 23 meeting.

Correction – Riveted Tanks

A reader brought to our attention that the article in January's newsletter about riveted tanks conflicted with information from the Department of Agriculture's Division of Weights and Measures. We checked – and the reader was right!

The Division of Weights and Measures is not requiring riveted tanks to be replaced until January 1, 2005 – not 2004, as we stated. Therefore, PSTIF will continue to insure riveted aboveground tanks

until January 1, 2005.

(Thanks, Doug!)

Risk Based Decision Making

"If you want to be protective of human health and the environment, you have to use risk-based decision-making. Nationally, even internationally, there is no other accepted method available."

Those were the words of Dr. Atul Salhotra, nationally-recognized expert and facilitator for Missouri's efforts to implement RBDM, at a recent staff training session. Some folks have the mistaken idea that a "non-RBDM cleanup" is somehow safer, or more "clean," than a "RBDM cleanup." Nothing could be further from the truth. As Dr. Salhotra made clear, the only appropriate way to design a cleanup is to design it to address the risks posed by the contaminants.

MDNR and PSTIF continue to work together to improve Missouri's cleanup regulations and guidance documents so they are more "risk-based" and better able to protect the public health and environment.

Six tank sites where PSTIF is paying for cleanup were recently analyzed by Dr. Salhotra. In all six cases, the consultant concluded that some additional pieces of information were required in order to properly assess the risk posed by the contaminants and determine whether a cleanup is necessary and, if so, how much. In other words, we have learned that our standard "site characterization" does not pro-

vide all the pertinent information.

DNR and PSTIF staff are coordinating to try and make sure that site characterization projects undertaken this summer and fall do not leave these "data gaps." Owners and their consultants may be asked to collect additional data, beyond that referenced in the current Site Characterization Guidance Document.

Plans call for issuance of a new guidance document for tank sites which will provide information on how to delineate the extent and severity of contaminants at a site; what data about the soil, groundwater, and geology of the site is pertinent; how to assess risks posed by the contaminants; and how to design a plan for addressing those risks.

The plans also include complete training sessions for consultants, contractors, and other interested persons. The schedule anticipates these training sessions will be held in October/November 2003.

Various changes to existing UST and AST regulations will also be necessary, and will be proposed for public review and comment in early 2004.

Legislative Report

In short, none of the bills summarized in the March 2003 issue of *Latest Leaks* passed. And all of the appropriations from PSTIF requested by the Board of Trustees were approved by the legislature and signed by the Governor.

For more details, call or email us!

Audit

KPMG Kansas City presented its audit of PSTIF for FY01 and FY02 to the Board of Trustees at their May 28 meeting. The audit contained a "clean opinion" on the Board's financial statements. A copy is available on our web site, www.pstif.org.

ASTM Standard In Development

The American Society of Testing and Materials, ASTM, is developing a new standard: "A Guide for Investigation and Causes of Failures of USTs." Anyone interested in participating on the committee to write the standard is encouraged to contact Tom Schruben at environmentalguy@aol.com.

Check out our web site:
www.pstif.org

Latest Leaks is a newsletter of the Missouri Petroleum Storage Tank Insurance Fund.

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