

MISSOURI PST INSURANCE FUND

Using a Surety Bond to Meet the Fund Deductible Requirement

Sample Surety Bond

Date bond executed:

Period of coverage:

Principal: *[legal name and business address of owner or operator]*

Type of organization: *[insert "individual", "joint venture", "partnership", or "corporation"]*

State of incorporation (if applicable):

Surety(ies): *[name(s) and business address(es)]*

Scope of Coverage: The coverage guaranteed by the bond is for taking corrective action and/or compensating third parties for bodily injury and property damage caused by accidental releases arising from operating the storage tank(s) at the following locations: *[List the facility identification number of each facility, the number of tanks and the name(s) and address(es) of the facility(ies) where the tanks are located].*

Penal sums of bond:

Per occurrence \$10,000

Surety's bond number:

Know All Persons by These Presents, that we, the Principal and Surety(ies), hereto are firmly bound to the Missouri Petroleum Storage Tank Insurance Fund (PSTIF), in the above penal sums for the payment of which we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sums jointly and severally only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sums only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sums.

Now, therefore, the conditions of the obligation are such that if the Principal shall faithfully take corrective action, in accordance with 10 CSR 100-5, and 10 CSR 20-10.060 through 10 CSR 20-10.068 or 10 CSR 20-15.010 through 10 CSR 20-15.030, and/or compensate injured third parties for bodily injury and property damage caused by accidental releases arising from operating the tank(s) identified above, or if the Principal shall provide alternate financial assurance, as specified in 10 CSR 20-11.090 through 10 CSR 20-11.111, within one hundred twenty (120) days after the date the notice of cancellation is received by the Principal and the PSTIF from the Surety(ies), then this obligation shall be null and void; otherwise it is to remain in full force and effect.

Such obligation does not apply to any of the following:

- (A) Any obligation of *[insert owner/operator]* under Workers' Compensation, disability benefits or unemployment compensation law or other similar law;
- (B) Bodily injury to an employee of *[insert owner/operator]* arising from, and in the course of, employment by *[insert owner/operator]*;
- (C) Bodily injury or property damage arising from the ownership, maintenance, use of entrustment to others of any aircraft, motor vehicle or watercraft;
- (D) Property damage to any property owned, rented, loaned to, in the care, custody, or control of or occupied by *[insert owner/operator]* that is not the direct result of a release from a petroleum storage tank;
- (E) Bodily injury or property damage for which *[insert owner/operator]* is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than a contract or agreement entered into to meet the requirements of 10 CSR 20-11.093.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by the PSTIF that the Principal has failed to take corrective action, in accordance with 10 CSR 100-5, and 10 CSR 20-10.060 through 10 CSR 20-10.068 or 10 CSR 20-15.010 through 10 CSR 20-15.030, and/or compensate injured third parties as guaranteed by this bond, the Surety(ies) shall either perform corrective action in accordance with applicable regulations, and/or pay third-party liability compensation, or shall place funds in an amount up to the annual aggregate penal sum into the PSTIF as directed by the PSTIF.

Upon notification by the PSTIF that the Principal has failed to provide alternate financial assurance within sixty (60) days after the date the notice of cancellation is received by the Principal from the Surety(ies), and that the PSTIF has determined or suspects that a release has occurred, the Surety(ies) shall place funds in an amount not exceeding the annual aggregate penal sum into the PSTIF as directed by the PSTIF.

The Surety(ies) hereby waive(s) notification of amendments of applicable laws, statutes and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payment hereunder, unless and until such payment or payments shall amount in the annual aggregate to the penal sum shown on the face of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said annual aggregate penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and the PSTIF, provided, however, that the cancellation shall not occur during the one hundred twenty (120) days beginning on the date of receipt of the notice of cancellation by the Principal as evidenced by the return receipt.

The Principal may terminate this bond by sending written notice by certified mail to the Surety(ies) and the PSTIF.

In Witness Whereof, the Principal and Surety(ies) have executed this Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) on the date this bond was executed.

PRINCIPAL

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate Seal]

CORPORATE SURETY(IES)

[Name and Address]

State of Incorporation:

Liability Limit: \$

[Signature(s)]

[Name(s) and Title(s)]

[Corporate Seal]

[For every co-surety, provide signature(s), corporate seal and other information in the same manner as for the Surety above]

Bond Premium: \$