

Do Loss Control Inspections Work?

By Brian Pottebaum, Loss Control Inspector Supervisor, PMMIC

The USEPA requires an on-site compliance inspection every three years. The state of Iowa requires an on-site compliance inspection every two years. As a PMMIC insured customer, you know that we conduct an on-site loss control inspection at every insured site, every year. Do these inspections really do any good?

Consider the following. The ultimate goal of these inspections is to eliminate petroleum releases to the environment. A minor, undetected leak will eventually become a release that requires corrective action. An overfill of a tank system with inadequate spill containment will result in a release. Leaks that go undetected because of inadequate leak detection systems become releases. Metal tank components that are not adequately cathodically protected will degrade and eventually leak. The average cost of corrective action of a release in Iowa is approximately \$80,000. If just four releases are eliminated per year, the inspection program pays for itself just in reduced corrective action costs for PMMIC.

Here are the findings from our 2010 inspections.

- 24% of inspected facilities had significant compliance issues that required correction within 60 days. All were corrected.
- 6% of inspected facilities had inadequate spill containment. All were corrected.
- 2.5% of inspected facilities had inadequate corrosion protection. All were corrected.
- 1.7% of inspected facilities had component issues that were capable of causing catastrophic failure of the tank system. All were corrected.
- 4.5% of inspected facilities did not have an adequate leak detection system. All were corrected.
- 6% of inspected facilities had ongoing uncontained leaks at the time of inspection. All were corrected.

If just 1% of our facilities have a release in a year, PMMIC's corrective action costs increase by approximately \$1.5 million. You can decide if the inspections do any good.