

Coverage for Temporarily Closed Tanks

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Temporary closure is the process of maintaining regulatory compliance while the underground storage tank (UST) system is temporarily out-of-service. This process also allows an owner to keep future operational options open while the critical decisions are made on the future of that tank or the facility.

According to the Iowa Administrative Code [567-135.15(1)], underground storage tanks must be placed in *temporary closure* if they are out-of-service for more than 3 months. To file for temporary closure, tank owners/operators must submit a Notification of Temporary Closure to the DNR. If a tank system is insured with PMMIC, PMMIC also requires a copy of the notice. When an UST system is temporarily closed, owners/operators must continue operation and maintenance of corrosion protection (applies to any metal components underground) as well as financial responsibility. PMMIC offers coverage for temporarily closed tanks. Leak detection must be maintained during temporary closure if the tank is not emptied to less than 1" from the bottom, and this must be adequately documented. Tanks in temporary closure must have vent lines open and functioning. All lines, pumps, accesses and ancillary equipment must be properly secured and capped. Tanks may be temporarily closed for up to 12 months before DNR requires additional action and a possible site assessment for contamination. The DNR will allow conditional extensions to the temporary closure with an approved application and a site assessment.

Temporary closure is generally followed by a sale of the property or permanent tank closure; however it can also be utilized on seasonal facility closures such as a marina. This process can be a useful tool if it is conducted in accordance with state and federal regulations. Please note that if your tanks are insured with PMMIC, you must notify PMMIC when you place your tanks into temporary closure if you want coverage on the tank while it is temporarily closed.

Whenever a facility is sold or changes ownership, the DNR and PMMIC, if you have PMMIC insurance, must be notified immediately. The DNR uses the *Underground Storage Tank Registration Form #148* form to process all ownership changes. PMMIC should also get a copy of that form in addition to any other policy application forms that are required. REMINDER: PMMIC no longer allows policy assignments (transfers) from one owner to another. The new owner must submit an application for coverage. This was effective June 1, 2009 for all policies. Proper notice prior to a sale or exchange will allow the facility to remain continuously insured with PMMIC.

If an owner decides to permanently close a tank, there are specific regulatory requirements that must be addressed. The tank owner must notify the DNR at least 30 days prior to removing or permanently closing an UST. Permanently closing an UST involves complete removal of the system or filling the tank in place in accordance with regulatory guidelines. The *Underground Storage Tank Closure Report* (removed or filled-in-place) must be submitted to the DNR within 45 days after the tank or piping removal. If the permanently closed tanks were insured with PMMIC, the closure information should also be sent to PMMIC. Any unearned premium will be refunded to the named insured.

PMMIC offers coverage for tanks in temporary closure, and will continue to provide coverage for tanks on properties that are in the process of being sold, that have been sold, or have been

foreclosed on by a financial institution, while the tanks are in temporary closure. These policies will have the option to purchase the retroactive date of the previous insured.

Limitations on PMMIC's temporarily closed tank underwriting policy include:

- An endorsement that requires the tanks to be empty while in temporary closure pursuant to 567 IAC 135.15(1);
- Requirement that product cannot be placed in to the tank system until:
 - A manned entry tank integrity inspection has been completed prior to the installation of a corrosion protection system (if the tank is a steel tank),
 - Insured submits results of a passing UST system precision tightness test at the 0.1 gallon-per-hour leak rate in paragraphs 135.5(4) "e" and 135.5(5) "b.",
 - PMMIC and the DNR must be properly notified 30 days in advance that the tank system will be placed back in service;
 - Compliance with DNR's return to service requirements are documented; and
 - Written approval is obtained from PMMIC and the DNR to place the tank system back into service.
- Coverage is not provided for a release of any product that is placed in the tank system while in temporary closure.

It is very important to remember that the appropriate procedures and forms must be used when you temporarily close an UST system as well as when you return it to service. These documents and more information can be obtained from <http://www.pmmicinsurance.com/en/forms.cfm>.