

Financial Requirements R315-15-10, 12 and 17



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An owner or operator of a permitted used oil facility (or group of) is financially responsible for:

- 1) Cleanup and closure costs;
- 2) General liabilities (operation of motor vehicles, worker comps and contractor liability);
- 3) Environmental pollution legal liability for bodily injury or property damage to third parties resulting from sudden or non-sudden used oil releases.

And shall:

- ▶ Present evidence satisfactory to the Director of ability to meet financial requirements.
- ▶ Present information required to demonstrate general comprehensive liability coverage with application.
- ▶ Use the financial assurance mechanisms described in R315-15-12 to demonstrate ability to meet financial requirements.

Maintaining and modifying financial coverage

- ▶ Provided to the Director as part of the permit application and approval process.
- ▶ Maintained for the duration of the permit or until released by Director.
- ▶ Changes in extent, type, or amount shall be considered a permit modification requiring notification to and approval from the Director.

Required Documents			
Business License	From local city/county and any other applicable license(s) or registration(s)		
Certificate of Existence Or Letter of Good Standing	From the state of incorporation (For Utah)		
Property Owner Information (Utah Only)	Documentation showing who owns the property (For Utah)		
	If applicant IS NOT the property owner and is leasing the property, the applicant needs to provide a letter from the property owner to the Director of the DWM&RC acknowledging that the owner is aware and approves of the proposed used oil activities at the property.		
Rail Car Loading and Unloading Plan	<input type="checkbox"/> Do you want to utilize the Rail Car Loading and Unloading Plan prepared by the Division? if NOT , please submit a Rail Loading and Unloading procedure.		
Contingency/Emergency Controls and Spill Plan	<table border="1"> <tr> <td>Utah Emergency Coordinator Contact & Title</td> <td>Telephone #</td> </tr> </table>	Utah Emergency Coordinator Contact & Title	Telephone #
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	<input type="checkbox"/> Do you want to utilize the Contingency/Emergency Controls and Spill Plan prepared by the Division? If you do not wish to use the plan developed by the Division, please submit an Emergency Controls & Spill Plan with this application in accordance with R315-15-9 and R315-15-13.4. Please submit a plan that is specific to operations in Utah.		
Financial Assurance (Please read carefully)	Used oil transfer facility, processor/re-refiner facility, and off-specification fuel burner are required to carry: 1) General liability , 2) Environmental pollution liability , and 3) Cleanup and closure default protection .		
<input type="checkbox"/>	General Liability General liability insurance, of the type and amount that reflects the size and scope of the business enterprise. <ol style="list-style-type: none"> Submit an "ACORD" certificate documenting this coverage. The following must be listed in the "Certificate Holder" box of the ACORD: Division Director Division of Waste Management and Radiation Control P.O. Box 144880 Salt Lake City, UT 84144 - 4880 		
<input type="checkbox"/>	Environmental Pollution Liability Establish a financial assurance mechanism to protect against environmental pollution liability, arising from either sudden, or sudden and non-sudden releases. Use one of the following (R315-15-12.3): <ol style="list-style-type: none"> Insurance Letter of Credit Surety Bond Trust Agreement Contact Brent Gaschler, the Division's Financial Assurance Administrator, at brgaschler@utah.gov and/or (801) 536-0034 or obtain specific requirements and required forms.		

Used Oil Facilities: Minimum amount of environmental pollution legal liability coverage for third-party damages

Individual* volumes of used oil >55 gallons and raised above grade-level (visual inspection)

Sudden Releases

\$1 million per occurrence
\$2 million annual aggregate

*Tanks, storage vessels, used oil processing equipment.

For operations in whole or part that do not qualify under the individual volumes >55 gallons

Sudden Releases

\$1 million per occurrence
\$2 million annual aggregate

Non-sudden Releases

\$3 million per occurrence
\$6 million annual aggregate

Combined Sudden and Non-sudden Releases

\$4 million per occurrence,
\$8 million annual aggregate

Used oil transporter environmental pollution legal liability coverage for third party damages

- 1) Obtain environmental pollution legal liability coverage for bodily injury and property damage to third parties covering sudden accidental releases of used oil from its vehicles and other equipment and containers used during transit, loading, and unloading in Utah,
- 2) Maintain this coverage for the duration of the permit or until released by the Director

Financial Assurance <small>(Please read carefully)</small>	Used oil transporters are required to carry: 1) General liability , and 2) Environmental pollution liability .
<input type="checkbox"/>	<p>General Liability</p> <p>Insurance of the type and amount that reflects the size and scope of applicant's business enterprise.</p> <ol style="list-style-type: none"> a. Submit an "ACORD" certificate documenting this coverage. b. The following must be listed in the "Certificate Holder" box of the ACORD: Division Director Division of Waste Management and Radiation Control P.O. Box 144880 Salt Lake City, UT 84144 - 4880 c. Continuation of general liability coverage must be demonstrated annually by sending an updated "ACORD" when the year's new policy number and effective date are issued. The previous year's ACORD will not be accepted.
<input type="checkbox"/>	<p>Environmental Pollution Liability</p> <p>Environmental pollution liability arising from sudden releases.</p> <ol style="list-style-type: none"> a. The insurer must be licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in the State of Utah. b. The limits of liability are \$1 million for each occurrence and \$2 million in the annual aggregate, exclusive of legal defense costs. c. Policy must contain an endorsement with the exact language of the Utah Used Oil Transporter Environmental Pollution Liability Endorsement (Form 17.6), which can be downloaded at https://deq.utah.gov/waste-management-and-radiation-control/forms-division-of-waste-management-and-radiation-control#used-oil d. Continuation of environmental pollution liability insurance must be demonstrated annually by sending a new Endorsement (Form 17.6) when the year's new pollution liability policy number and effective date are issued. The previous year's endorsement will not be accepted. e. Only hard copies with "wet signature" by the insurer will be accepted at our mailing address. <p>Note that financial assurance guidance may be requested by contacting Brent Gaschler, the Division's Financial Assurance Administrator, at brgaschler@utah.gov and/or (801) 536-0034.</p>
<small><i>The application process can proceed without the financial assurance in place. However, prior to final approval of the permit, all financial assurance documents shall be submitted and approved by the Director. Applicants are advised to begin this process as soon as possible.</i></small>	
<p>Regular Mail Director of Utah Division of Waste Management & Radiation Control P.O. Box 144880 Salt Lake City, Utah 84114-4880</p>	<p>Fed Ex & UPS... Or in Person Director of Utah Division of Waste Management & Radiation Control 195 North 1950 West Multi-Agency State Office Building, 2nd Floor Salt Lake City, Utah 84116</p>

Used Oil Transporters: Minimum amount of environmental pollution legal liability coverage for third-party damages

Sudden Releases

\$1 million per occurrence

\$2 million annual aggregate

Changes in extent, type, or amount of the liability coverage shall be considered a permit modification requiring notification to and approval from the Director.

*** Please contact Brent Gaschler with any financial assurance questions at brgaschler@utah.gov, or by phone at (385) 454-5330 ***

Used Oil Collection Center: Proof of liability insurance or other means of financial responsibility (collecting or storing)

Subject to the same liability requirements as a permitted facility unless waived by the Director, if:

- 1) The used oil storage tank or container is in good condition.
- 2) There is adequate secondary containment for the tank or container.
- 3) The storage tank or container is clearly labeled with the words "Used Oil."
- 4) DIYer log entries are complete.
- 5) Oil sorbent material is readily available on site for immediate cleanup of spills.

Used Oil Facilities

The Director shall waive an owner or operator from its existing financial responsibility mechanism as described in R315-15-10 when:

- 1) The Director approves an alternative mechanism;
- 2) The owner or operator has achieved cleanup and closure according to R315-15-11; or
- 3) The Director determines that financial responsibility is no longer applicable under R315-15.

State of Utah and Federal government used oil permittees are exempt from the requirements of R315-15-10.

Establishing financial assurance

- 1) Owners or operators of an existing or new used oil facility requiring a permit.
- 2) Sufficient to assure cleanup and closure of the facility.
- 3) One or more of the financial assurance mechanisms of R315-15-12.3.
- 4) Prior to receiving a permit from the Director.
- 5) Any increase in capacity to store or process used oil at a permitted used oil facility, requires increasing the amount or face value of the financial assurance mechanism to meet the additional capacity.
- 6) DIYer UOCCs and aggregation points are not required to post a financial assurance mechanism but are subject to the cleanup and closure requirements unless they have received a waiver in writing from the Director.

Financial assurance mechanism

- 1) Be legally valid, binding, and enforceable under Utah and federal law;
- 2) Be approved by the Director;
- 3) Ensure that funds will be available in a timely fashion; and
- 4) Require a written notice sent by certified mail to the Director 120 days prior to cancellation or termination.
- 5) Be updated each year to adjust for inflation (e.g., Annual Report)

Financial Assurance Information for Cleanup and Closure Cost Estimates			
A. Type of financial assurance mechanism your business is using for Cleanup and Closure Cost (Check one only): *These mechanisms <u>also</u> require a Standby Trust Agreement			
<input type="checkbox"/>	Letter of Credit *	<input type="checkbox"/>	Payment Bond *
<input type="checkbox"/>	Insurance Policy *	<input type="checkbox"/>	Trust Fund
Financial Instrument Control # (Unique identifying number document)			
Dollar amount of financial assurance provided by this financial instrument			Instrument Value ► \$
B. Closure Cost Estimate Adjustment: (Complete <u>either</u> Method 1 <u>or</u> Method 2 below then complete section C)			
Method 1: Inflation Factor Adjustment		Method 2: Recalculated Engineering Closure Cost Estimate	
\$	x 1.070	= \$ 0.00	OR Recalculated Engineering Closure Cost Estimate ► \$
Enter Last Year's Total Closure Cost Estimate	Inflation Factor	Total Closure Cost Estimate for this Year	Note: This method requires detailed information to be submitted and approved by the Director. Also, any changes in the facility or process requires a permit modification to be submitted to the Director for review and approval.
C. Financial Assurance Cost Estimate Summary			
If Instrument Value <u>from A is less than</u> Total Closure Cost Estimate <u>from B</u> the Instrument Value must be increased to equal or exceed the newly calculated Total Closure Cost Estimate. Within 60-days, submit to the Director a <u>written notice</u> from the issuer of the financial mechanism documenting this increase.			
If Instrument Value <u>from A is equal or more than</u> Total Closure Cost Estimate <u>from B</u> the Instrument Value is adequate for this year and no changes are needed.			

Types of financial assurance mechanisms

- 1) Trust Fund
 - 2) Surety Bond
 - 3) Letter of Credit
 - 4) Insurance
 - 5) A combination of the above mechanisms as approved by the Director.
- ▶ Follow the wording provided by the Director (Forms).
 - ▶ The Director may adjust (Director's assessment) the level of financial responsibility required, as necessary to protect human health and the environment.
 - ▶ Any adjustment of the level or type of coverage will be treated as a permit modification (Submitted in writing).
 - ▶ The Director may release the requirement for cleanup and closure after these activities are completed.
 - ▶ Incapacity or bankruptcy of owners or operators shall be notified to the Director by certified mail within ten days of the commencement of the bankruptcy proceeding.
 - ▶ Bankruptcy, suspension, or revocation of the authority of trustee or issuing institution, requires establishing other financial responsibility or liability coverage within 60 days after the event.

Wording of financial assurance mechanisms

- 1) Forms required by the Division for financial assurance filings are available in person or online on the Division's [Website](#).
- 2) Forms shall be signed original documents.
- 3) The wording of the forms shall be identical to the wording specified in R315-15-17.2 through R315-15-17.14.
- 4) Wording may be changed by the Director to conform to applicable financial industry changes (Submitted to Director).

Note: A PDF copy may be emailed to Brent Gaschler at brgaschler@utah.gov.

Most used financial assurance mechanism forms

- ▶ 17.5 Utah Used Oil Pollution Liability Insurance Endorsement For Cleanup And Closure
- ▶ 17.6 Utah Used Oil Transporter Pollution Liability Endorsement For Sudden Occurrence
- ▶ 17.7 Utah Used Oil Pollution Liability Endorsement For Sudden Occurrence
- ▶ 17.8 Utah Used Oil Pollution Liability Endorsement For Non-sudden Occurrence
- ▶ 17.9 Utah Used Oil Pollution Liability Endorsement For Combined Sudden And Non-sudden Occurrences

[Form 17.5, "INSURANCE ENDORSEMENT OF CLEANUP AND CLOSURE" The insurance endorsement of cleanup and closure must be worded as follows, except that instructions in brackets are to be replaced with the relevant information, deleting this statement and the brackets.]

UTAH USED OIL POLLUTION INSURANCE ENDORSEMENT FOR CLEANUP AND CLOSURE

1. The INSURER certifies that the POLICY [policy number] to which the endorsement is attached provides financial assurance for cleanup and closure for the facilities identified herein. The Insurer further warrants that such policy conforms in all respects with the requirements of Utah Administrative Code R315-15, the "RULES" as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency. This coverage applies solely to Pollution Conditions arising during the course of used oil operations of the facilities covered: Facilities Covered: [List for each facility: The EPA Identification Number, name, address, and the amount of insurance for cleanup and closure (these amounts for all facilities covered must total the face amount shown below).]

Face Amount: [insert here] Policy Number: [insert here] Effective Date: [insert here].

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the POLICY; provided, however, that any provisions of the POLICY inconsistent with subsections (a) through (h) of this Paragraph 2 as they apply to the RULES are hereby amended to conform with subsections (a) through (h):

(a) Bankruptcy or insolvency of the INSURED shall not relieve the INSURER of its obligations under the POLICY to which this endorsement is attached.

(b) The INSURER is liable for the payment of amounts within any deductible, retention, self-insured retention (SIR), or reserve applicable to the POLICY, with a right of reimbursement by the INSURED to the INSURER for any such payment made by the INSURER. This provision does not apply with respect to that amount of any deductible, retention, self-insured retention (SIR), or reserve for which coverage is demonstrated as specified in Section R315-15-12.

(c) Whenever requested by the Director of the Division of Waste Management and Radiation Control (the DIRECTOR) of the State of Utah, the INSURER agrees to furnish to the DIRECTOR a signed duplicate original of the POLICY and all endorsements.

(d) Cancellation of this endorsement, whether by the INSURER, the INSURED, a parent corporation providing insurance coverage for its subsidiary, or by a firm having an insurable interest in and obtaining liability insurance on behalf of the owner or operator of the used oil management facility, will be effective only upon written notice and only after the expiration of 120 days after a copy of such

[Form 17.6, "USED OIL TRANSPORTER POLLUTION LIABILITY ENDORSEMENT FOR SUDDEN OCCURRENCE" The used oil transporter pollution liability endorsement for sudden occurrence must be worded as follows, except that instructions in brackets are to be replaced with the relevant information, deleting this statement and the brackets.]

**UTAH USED OIL TRANSPORTER POLLUTION LIABILITY ENDORSEMENT
FOR SUDDEN OCCURRENCE**

1. The INSURER certifies that the POLICY [policy number] to which the endorsement is attached provides legal liability insurance for third-party Claims for Bodily Injury, Property Damage, and Clean-Up Costs due to Pollution Conditions that arise during the course of transit, loading and unloading of used oil to or from facility(ies) in the state of Utah in accordance with the INSURED's obligation to demonstrate responsibility under Utah Administrative Code (UAC) R315-15-10, the "RULES". This coverage applies solely to Pollution Conditions arising during the course of transit, loading and unloading, to or from facility(ies) in the state of Utah, of used oil in the state of Utah by [company name, EPA ID number] for sudden accidental occurrences. The limits of liability are 1,000,000 US dollars each occurrence and 2,000,000 US dollars annual aggregate limits of the INSURER's liability, exclusive of legal defense costs.

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the POLICY; provided, however, that any provisions of the POLICY inconsistent with subsections (a) through (h) of this Paragraph 2 as they apply to the RULES are hereby amended to conform with subsections (a) through (h):

(a) Bankruptcy or insolvency of the INSURED shall not relieve the INSURER of its obligations under the POLICY to which this endorsement is attached.

(b) The INSURER is liable for the payment of amounts within any deductible, retention, self-insured retention (SIR), or reserve applicable to the POLICY, with a right of reimbursement by the INSURED to the INSURER for any such payment made by the INSURER. This provision does not apply with respect to that amount of any deductible, retention, self-insured retention (SIR), or reserve for which coverage is demonstrated as specified in Section R315-15-12.

(c) Whenever requested by the Director of the Division of Waste Management and Radiation Control (the DIRECTOR) of the State of Utah, the INSURER agrees to furnish to the DIRECTOR a signed duplicate original of the POLICY and all endorsements.

(d) Cancellation of this endorsement, whether by the INSURER, the INSURED, a parent corporation providing insurance coverage for its subsidiary, or by a firm having an insurable interest in and obtaining liability insurance on behalf of the owner or operator of the used oil management facility, will be effective only upon written notice and only after the expiration of 120 days after a copy of such written notice is received by the DIRECTOR for transit, loading and unloading of used oil to or from facility(ies) which are located in Utah.

[Form 17.9, "USED OIL POLLUTION LIABILITY ENDORSEMENT FOR COMBINED SUDDEN AND NON-SUDDEN OCCURRENCE" The used oil pollution liability endorsement combined for sudden and non-sudden occurrence must be worded as follows, except that instructions in brackets are to be replaced with the relevant information, deleting this statement and the brackets.]

**UTAH USED OIL POLLUTION LIABILITY ENDORSEMENT COMBINED
SUDDEN AND NON-SUDDEN OCCURRENCE**

1. The INSURER certifies that the POLICY [policy number] to which the endorsement is attached provides liability insurance covering environmental pollution legal liability for bodily injury and property damage in accordance with the INSURED's obligation to demonstrate responsibility under Utah Code Annotated 19-6-706 and Utah Administrative Code (UAC) R315-15-10, the "RULES". This coverage applies at [list EPA Identification Number, name, and address for each facility] for combined sudden and non-sudden accidental occurrences. The limits of liability for combined sudden and non-sudden are 4,000,000 US dollars each occurrence and 8,000,000 US dollars annual aggregate limits of the INSURER's liability, exclusive of legal defense costs.

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the POLICY; provided, however, that any provisions of the POLICY inconsistent with subsections (a) through (h) of this Paragraph 2 as they apply to the RULES are hereby amended to conform with subsections (a) through (h):

(a) Bankruptcy or insolvency of the INSURED shall not relieve the INSURER of its obligations under the POLICY to which this endorsement is attached.

(b) The INSURER is liable for the payment of amounts within any deductible, retention, self-insured retention (SIR), or reserve applicable to the POLICY, with a right of reimbursement by the INSURED for any such payment made by the INSURER. This provision does not apply with respect to that amount of any deductible, retention, self-insured retention (SIR), or reserve for which coverage is demonstrated as specified in Section R315-15-12.

(c) Whenever requested by the Director of the Division of Waste Management and Radiation Control (the DIRECTOR) of the State of Utah, the INSURER agrees to furnish to the DIRECTOR a signed duplicate original of the POLICY and all endorsements.

(d) Cancellation of this endorsement, whether by the INSURER, the INSURED, a parent corporation providing insurance coverage for its subsidiary, or by a firm having an insurable interest in and obtaining liability insurance on behalf of the owner or operator of the used oil management facility, will be effective only upon written notice and only after the expiration of 120 days after a copy of such written notice is received by the DIRECTOR for those facility(ies) which are located in Utah.

(e) Any other termination of this endorsement will be effective only upon written notice and only after the expiration of 120 days after a copy of such written notice is received by the DIRECTOR for those facility(ies) which are located in Utah.

Other financial assurance mechanism forms

- ▶ **17.2** Trust Agreements
- ▶ **17.3** Surety Bond Guaranteeing Payment Into A Standby Trust Agreement Trust Fund
- ▶ **17.4** Irrevocable Standby Letter Of Credit With Standby Trust Agreement
- ▶ **17.10** Letter Of Credit For Third-party Damages From Environmental Pollution Liability With Optional Standby Trust Agreement To Be Used By Transfer/Processor/Re-refiner/Off-specification Burner Facility
- ▶ **17.11** Payment Bond For Third-party Damages From Environmental Pollution Liability To Be Used By Transfer/Processor/Re-refiner/Off-specification Burner Facility
- ▶ **17.12** Trust Agreement For Third-party Damages From Environmental Pollution Liability To Be Used By Transfer/Processor/Re-refiner/Off-specification Burner Facility
- ▶ **17.13** Standby Trust Agreement Associated With Third-party Damages From Environmental Pollution Liability Requiring A Standby Trust Agreement To Be Used By Transfer/Processor/Re-refiner/Off-specification Burner Facility
- ▶ **17.14** Standby Trust Agreement, Other Than Liability, For Transfer/Processor/Re-refiner/Off-specification Burner Facility

Questions?



Visit Used Oil Program [Website](#)

Or

Call DWMRC Used Oil Section (801) 536-0200