Financial Responsibility

Steps to take to establish the Underground Storage Tank Cleanup Fund as a financial assurance mechanism.

If an owner or operator chooses to use the Underground Storage Tank Cleanup Fund (Fund) as their means of demonstrating financial responsibility for a facility, the steps outlined below must be followed. **Until an owner or operator receives notice of approval from the Michigan Underground Storage Tank Authority (MUSTA), they must maintain their current financial responsibility mechanism.**

1. Submit a **Claim Deductible Buy-Down Application** and appropriate fees to MUSTA, if desired. *This option is only available to owners and operators or their affiliates who own seven or fewer refined petroleum underground storage tanks.*

2. Submit a **Documentation of Financial Responsibility Submittal Form** and proof of financial responsibility for the appropriate deductible amount to MUSTA. The owner or operator must utilize one of the following mechanisms to show proof of financial responsibility for the deductible amount:

   - Financial test of self-insurance
   - Guarantee
   - Insurance and risk retention group coverage
   - Surety bond
   - Letter of credit
   - Trust fund
   - Standby trust fund
   - Other methods for local units of government (local government bond rating test, local government financial test, local government guarantee, local government fund).

The financial responsibility requirements are cited in Rule 61, Section 280.90, of the Michigan Underground Storage Tank Rules (MUSTR), 2008 AACS, R 29.2161 et seq. For local units of government allowable mechanisms see MUSTR Sections 280.95 through 280.103 and Sections 280.104 through 280.107

The information in step #2 may be provided at the same time as step #3 below.

3. Submit a **Request for Determination of Eligibility** to MUSTA.

4. Upon approval of a Request for Determination, MUSTA will send the owner or operator a letter describing the approval, the conditions for maintaining eligibility for a claim, and the amount of coverage provided by the Fund. The Department of Licensing and Regulatory Affairs, Bureau of Fire Services, Storage Tank Division (LARA) will be copied on this approval letter and will keep it as your proof of financial responsibility. The owner or operator should maintain their copy of the letter as well.

If for any reason the owner or operator becomes ineligible for funding, LARA will be notified as to the change in their status and the owner or operator will be required to secure another financial responsibility mechanism to maintain compliance with MUSTR. If you have questions regarding these steps, please contact Bob Reisner at 517-284-5141 or email reisnerr@michigan.gov

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