

Quotations are provided upon receipt of a completed Pollution Legal Liability Application, a copy of the closure/post-closure plan documents including engineering cost estimates, and information as to whether the landfill is a RCRA facility.

## Related Exposures

Subtitle D relates only to the costs associated with closing or correcting conditions at a landfill. It does not address third party liability arising from releases of hazardous substances from the landfill. Most engineers agree that sooner or later every landfill will leak, generating what could be considered third party exposure. Subtitle D expenses can be insured in the same policy as third party liability arising from the landfill or from other, non-related exposures, such as weed spraying mentioned earlier. This approach helps maximize coverage for the premium dollar spent.

## For More Information

Contact Malissa Hays, Arthur J. Gallagher & Co. regarding costs or to ask any questions about coverage at 1-800-333-3231 or 303-773-9999. CTSI is also available to help answer your questions at 303-861-0507, or email [ctsi@ctsi.org](mailto:ctsi@ctsi.org).



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*This brochure is intended for informational purposes only and is not binding. Refer to actual policy for exact terms and coverage.*

## Environmental Exposure Insurance Program



*Administered by  
**County Technical Services, Inc.***

*CTSI proudly offers the Environmental Exposure Insurance Program to protect your county and its assets.*

## The Problem

Many counties routinely face exposure to environmental claims. Whether your county is a member of CAPP or you have private insurance, your General Liability coverage may specifically exclude, or be inadequate to cover, third-party liability and cleanup costs associated with pollution or environmental damage. The CAPP Insuring Agreements specifically exclude Pollution Liability, except for pesticide and herbicide operations.

## The CTSI Solution

As administrator of CAPP and provider of risk management services to its members, CTSI has continued to pursue potential insurance solutions, through its broker Marsh USA, Inc., for counties with environmental exposures. CTSI has successfully developed relationships with several insurers and bonding companies that have products available for individual counties, and is ready to assist counties cover exposures arising from these and other operations:

- Weed spraying
- Pest control
- Fuel storage
- Asbestos removal
- Solid waste landfills

## Types of Coverage Provided

Policies can be obtained to cover counties for:

- Bodily injury or property damage to third parties arising from leaks or releases of hazardous substances from owned or non-owned facilities;
- Excessive cleanup costs from spills on or off premises;

- Financial assurance for expenses related to closure, post-closure and corrective action at solid waste landfills in accordance with federal and state statutes.

Coverage can be customized to each county's requirements and interests. Coverage for different exposures can be combined into one contract, or in some cases, individually underwritten and insured separately.

## Solid Waste Landfills

Counties that own or operate solid waste landfills are subject to compliance with regulations contained in 6 CCR 1007-2, Solid and Hazardous Waste Sites and Facilities. These regulations are modeled after those developed for Subtitle D of the Federal Resource Conservation and Recovery Act and are generally referred to as Subtitle D.

Subtitle D requires owners and operators of municipal landfills to demonstrate the availability of adequate funds to pay the costs associated with closure or post-closure, any maintenance, and any corrective action necessary for releases from the facility.

There are a variety of acceptable mechanisms for demonstrating financial ability, including:

- Trust funds
- Letters of credit
- Insurance
- Surety bonds, proof of financial means (self-insurance)

CTSI, through its broker Marsh USA, Inc., has developed markets for both the insurance and surety bond mechanisms and is ready to assist in securing terms and conditions that meet state law. CTSI and Marsh USA, Inc. can also assist in determining a county's qualifications for this option.

## Surety Option for Subtitle D Compliance

A surety bond may be purchased to provide financial assurance under the requirements of Subtitle D. This option requires completion of a short application to include three years of financial statements, engineering contract, closure/post closure plan documents, copies of the landfill permit application, listing of all violations, bond requirements, and listing of any credit rating.

Premium charges will range from 1% to 1.25% of the bond face amount annually. Collateral requirements will range from 0% to 75% of the bond amount, depending upon risk perceived, and can be in almost any liquid form. Collateral may be built up over a maximum seven year period, with generally 10% required up front.

## Insurance Option for Subtitle D Compliance

Subtitle D financial assurance requirements may be met by a traditional insurance policy which provides coverage for closure/post-closure cost overruns, and can be combined with protection for pollution legal liability. Pricing for the coverage depends on historical use of the landfill (hazardous vs. non-hazardous materials), how long it has been in existence, and whether it is a Resource Conservation Recovery Act (RCRA) facility. Approximate minimum premium for Subtitle D coverage for an RCRA facility would be \$50,000. Minimum premium for other facilities is approximately \$10,000. Additional premium would be charged for pollution legal liability coverage.