ease to accept claims. Setting a sunset date may be viewed as a particularly timely, workable option since all owners and operators presumably will have upgraded or replaced tanks and, in the process, should have discovered the bulk of historical contamination as well. As a result, owners and operators should have clean sites and upgraded tanks and should be able to insure their sites for a reasonable price.

Table 1 — 1997 estimate in EPA report —

UST SYSTEM (3 tanks per site)	Company A	PREMIUM Company B	Company C
Fiberglass reinforced tank; double wall piping; suction pump system; automated monitor& inventory	$1,350 ($5,000 deductible)	$825 ($5,000 deductible)	$1,320 $10,000 deductible)
STI-P3 steel tank (installed 1991); cathodic protection; single wall piping; suction pump system; automated monitor & inventory	$1,500 ($5,000 deductible)	$1,250 ($5,000 deductible)	$1,320 $10,000 deductible)
Single wall steel tank (installed 1985); cathodic protection; single wall piping; pressurized system; stat. inventory reconciliation; no overfill or spill prevention	$3,500 ($10,000 deductible)	$1,500 ($5,000 deductible)	$2,563 $10,000 deductible)
Single wall steel tank (installed 1975); no cathodic protection; single wall piping; pressurized system; manual inventory; no overfill or spill prevention	Decline Coverage	$3,800 ($5,000 deductible)	$5,610 $10,000 deductible)

Conclusion

Congress passed legislation establishing the underground storage tank program more than 10 years ago. Since then, more than 317,000 releases from regulated tanks have been identified, and cleanups have been initiated at more than 250,000 sites. In the vast majority of cases, state funds are paying for these cleanups. State funds are providing more than $1 billion annually to pay for cleanups and are expected to continue to do so in coming years. Clearly, without state fund resources, considerably less progress would have been made in cleaning up sites.

While they have made substantial progress in UST cleanups, however, some states are concluding that the time is right for making the transition from their state funds to private insurance or other mechanisms. These states reason that such a transition will be especially appropriate over the next few years, as the preponderance of historic contamination is discovered and tanks are upgraded to meet the 1998 deadline. In the next chapter, we review the experiences of several states involved in the transition process. The case studies which follow may be valuable to other states as they determine whether to make a change in their fund programs and how such a change might occur.

- estimate from 2003 legislative audit -

INS. COSTS

We contacted four private insurance companies offering UST insurance. Our discussions with these insurance companies showed recent trends toward expansion of coverage at a lower price, the opposite of the situation ten years ago. In addition to discussing general market trends and the products the insurance companies offered, we also asked the companies to provide an estimation of the premium charged for three typical facilities. Technical information for the three typical facilities was based on profiles developed by the department's regulatory staff. It was assumed all the facilities were inspected and are in full compliance with applicable federal/state regulations. For each facility, we requested a deductible of $5,000 and the liability limits required by Montana law. The results of this review are shown in Table 3.

Table 3

Estimated Annual Premium Costs for Private Insurance

	Company A	Company B	Company C	Company D
New Facility 3 double-wall tanks	$691	$675	$500-$675	$500
Old Facility 3 single-wall tanks	$1,824	$1,200	$650-$1,020	$1,375
School District 1 single-wall tank	$385	$900*	$500	$500*

* Insurer's minimum site premium.

Source: Compiled by the Legislative Audit Division from information provided by insurance companies.