

**CLASS I HAZARDOUS SELF-INSURANCE CHECKLIST
(Financial Test & Corporate Guarantee)**

File ID:

Facility / Instrument Information

Operator Name:
 Facility Name:
 Facility #:
 Corporate Guarantee: Yes No
 Demonstrating Company:
 Type of Company: Public Private
 Instrument Number:
 Permit Type: Individual Area
 Permit ID:

Outstanding Issues / Follow up

Coverage

Coverage Type: Single Multiple
 Cost Estimate: Required Not Required
 Well Class(es): I Non-Hazardous I Hazardous III IV V

Number of Wells (# | Date):

Cost Est. (Value | Date):

Total Liability:

	Year 0		Year 1		Year 2		Year 3	
Number of Wells (# Date):								
Cost Est. (Value Date):								
Total Liability:								

Number of wells and cost estimate should reflect the UIC wells and associate plugging costs guaranteed by this demonstration. Whereas total liabilities should equal the sum of the cost estimate and all other liabilities, including CERCLA and RCRA, currently met using self insurance nationwide

Financial Criteria: Financial Ratio or Bond Rating Test

To qualify for self-insurance, the demonstrating company must pass part (A) AND part (B) or (C) below.	Year 0		Year 1		Year 2		Year 3	
	Pass	Fail	Pass	Fail	Pass	Fail	Pass	Fail

Annual Submissions - Required for both tests

	Year 0	Year 1	Year 2	Year 3
Letter from CFO:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audited Financial Statements:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auditor's Special Report:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A) Coverage Criteria - Specified for both tests

	Year 0	Year 1	Year 2	Year 3
Tangible Net Worth ≥ \$10M <u>and</u> 6X total liability (see Coverage section):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic Assets ≥ 90% of total assets <u>or</u> 6X total liability:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B) Financial Ratio Test - Must pass Net Working Capital criterion and meet two of the following three ratios

	Year 0	Year 1	Year 2	Year 3
Net Working Capital = 6X total liability:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debt-Equity Ratio < 2.0:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cash Return on Liabilities Ratio >0.1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asset-Liabilities Ratio > 1.5:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C) Bond Rating Test - Must meet minimum bond ratings (Moody's: Aaa, Aa, A, Baa or S&P: AAA, AA, A, BBB)

	Year 0	Year 1	Year 2	Year 3
Bond Rating:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Year 0	Year 1	Year 2	Year 3
Auditor Date of Submission:				
Bond Rating (Value Date):				

S&P: www.standardandpoors.com

Moody's: www.moodys.com/

Notes:

Instrument Provisions (Does the demonstration meet the following provisions?)

CFO Letter consistent with Federal requirements (Class I Hazardous 40 CFR 144.70(f)): Yes No
 Corporate guarantee consistent with Federal requirements (Class I Hazardous 40 CFR 144.70(g)): Yes No

The owner or operator must follow the Federal requirements specified under 40 CFR 144.63(f):

Annual submissions of financial information and auditor's report - 90 days after close of fiscal year; Notice by demonstrating company of failure to meet financial criteria - 90 days after close of fiscal year; Failure to meet financial criteria, alternative demonstration - 120 days after close of fiscal year; Notice of disallowance by Program Director, alternative demonstration - 30 days after notification; Cancellation by corporate guarantee - 120 days after receipt of cancellation notice; Alternative demonstration - 90 days after receipt of cancellation from corporate guarantee.

Accompanying Documentation (Does the file contain...?)

Copy of Independent Cost Estimate
 Corporate Guarantee
 Schedule of Covered Wells (names/locations/depths)

