

CLASS VI SELF-INSURANCE CHECKLIST

File ID: _____

Facility / Instrument Information	
Operator Name:	
Facility Name:	
Facility #:	
Corporate Guarantee:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Demonstrating Company:	
Type of Company:	<input type="checkbox"/> Public <input type="checkbox"/> Private
Instrument Number:	
Permit Type:	<input type="checkbox"/> Individual <input type="checkbox"/> Area
Permit ID:	

Outstanding Issues / Follow up

Coverage: Single or Multiple Wells	
Coverage Type:	<input type="checkbox"/> Single <input type="checkbox"/> Multiple
Cost Estimate:	<input type="checkbox"/> Required <input type="checkbox"/> Not Required
Well Class(es):	<input type="checkbox"/> I Non-Hazardous <input type="checkbox"/> III <input type="checkbox"/> IV <input type="checkbox"/> V <input type="checkbox"/> VI

	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 - Should be submitted for both tests

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

A) Coverage Criteria - Specified for both tests

Net Working Capital = 6X total liability (see Total Liability in Coverage section)	<input type="checkbox"/>						
Tangible Net Worth ≥ \$100M (recommended) and 6X total liability:	<input type="checkbox"/>						
Domestic Assets = 90% of total assets or 6X total liability:	<input type="checkbox"/>						

B) Financial Ratio Test - Meet all five ratios

Debt-Equity Ratio < 2.0:	<input type="checkbox"/>						
Asset-Liabilities Ratio > 1.5:	<input type="checkbox"/>						
Cash Return on Liabilities Ratio > 0.1:	<input type="checkbox"/>						
Liquidity > - 0.10:	<input type="checkbox"/>						
Net Profit > 0:	<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)

Bond Rating:	<input type="checkbox"/>						
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	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 recommendations (Appendix B of Class VI FR Guidance): Yes No

Corporate guarantee consistent with Federal recommendations (Appendix B of Class VI FR Guidance): Yes No

The owner or operator should follow the Federal recommendations specified in the Class VI FR Guidance:

(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 - 10 days after close of fiscal year or after becoming aware of new financial situation; Failure to meet financial criteria, alternative demonstration - 60 days after close of fiscal year or after becoming aware of new financial situation; 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...?)

<input type="checkbox"/> Copy of Independent Cost Estimate	<input type="checkbox"/>
<input type="checkbox"/> Corporate Guarantee	<input type="checkbox"/>
<input type="checkbox"/> Schedule of Covered Wells (names/locations/depths)	<input type="checkbox"/>

