

**7045.0608 FINANCIAL REQUIREMENTS.**

Subpart 1. **Scope.** The requirements of parts 7045.0610, 7045.0612, and 7045.0620 to 7045.0624 apply to owners and operators of hazardous waste facilities except as provided otherwise in this part or in part 7045.0552.

The requirements of parts 7045.0614 to 7045.0618 apply only to owners and operators of disposal facilities; tank systems that are required under part 7045.0628, subpart 9, to meet the requirements for landfills; and containment buildings that are required under Code of Federal Regulations, title 40, section 265.1102, as incorporated in part 7045.0649, to meet the requirements for landfills.

The state and the federal government are exempt from the requirements of parts 7045.0608 to 7045.0624.

Subp. 2. **Definitions.** Definitions are as follows:

A. When used in parts 7045.0608 to 7045.0624, the following terms have the meanings given.

(1) "Closure plan" means the plan for closure prepared in accordance with part 7045.0594.

(2) "Current closure cost estimate" means the most recent of the estimates prepared in accordance with part 7045.0610, subparts 1, 2, and 3.

(3) "Current plugging and abandonment cost estimate for class I underground injection control (UIC) facilities" means the most recent of the estimates prepared in accordance with Code of Federal Regulations, title 40, section 144.62(a), (b), and (c), as amended.

(4) "Current postclosure cost estimate" means the most recent of the estimates prepared in accordance with part 7045.0614, subparts 1, 2, and 3.

(5) "Parent corporation" means a corporation which directly owns at least 50 percent of the voting stock of the corporation which is the facility owner or operator; the latter corporation is deemed a "subsidiary" of the parent corporation.

(6) "Postclosure plan" means the plan for postclosure care prepared in accordance with parts 7045.0600 to 7045.0606.

B. The following terms are used in the specifications for the financial tests for closure, postclosure care, and liability coverage. The following definitions are intended to assist in the understanding of these parts and are not intended to limit the meanings of terms in a way that conflicts with generally accepted accounting practices:

(1) "Assets" means all existing and all probable future economic benefits obtained or controlled by a particular entity.

(2) "Current assets" means cash or other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business.

(3) "Current liabilities" means obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets or the creation of other current liabilities.

(4) "Independently audited" refers to an audit performed by an independent certified public accountant in accordance with generally accepted auditing standards.

(5) "Liabilities" means probable future sacrifices of economic benefits arising from present obligations to transfer assets or provide services to other entities in the future as a result of past transactions or events.

(6) "Net working capital" means current assets minus current liabilities.

(7) "Net worth" means total assets minus total liabilities and is equivalent to owner's equity.

(8) "Tangible net worth" means the tangible assets that remain after deducting liabilities; these assets do not include intangibles such as goodwill and rights to patents or royalties.

C. In the liability insurance requirements, the terms "bodily injury" and "property damage" have the meanings given them by applicable state law. However, these terms do not include liabilities which, consistent with standard industry practice, are excluded from coverage in liability policies for bodily injury and property damage. The agency intends the meanings of other terms used in the liability insurance requirements to be consistent with common meanings within the insurance industry. The definitions given in subitems (1) to (4) of several of the terms are intended to assist in the understanding of these parts and are not intended to limit their meanings in a way that conflicts with general insurance industry usage:

(1) "Accidental occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured.

(2) "Legal defense costs" means expenses that an insurer incurs in defending against claims of third parties brought under the terms and conditions of an insurance policy.

(3) "Nonsudden accidental occurrence" means an occurrence which takes place over time and involves continuous or repeated exposure.

(4) "Sudden accidental occurrence" means an occurrence which is not continuous or repeated in nature.

**Statutory Authority:** *MS s 116.07*

**History:** *9 SR 115; 11 SR 2415; 13 SR 259; 20 SR 715; 33 SR 2042*

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