

FINAL BILL REPORT

SHB 2590

C 16 L 00

Synopsis as Enacted

Brief Description: Extending the expiration date on certain pollution liability insurance programs.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benson and Hatfield; by request of Pollution Liability Insurance Agency).

House Committee on Financial Institutions & Insurance
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background:

In 1989 the Legislature created the Pollution Liability Insurance Agency (PLIA) in response to the Environmental Protection Agency requirements that owners and operators of petroleum underground storage tanks demonstrate financial responsibility for the cleanup of contamination resulting from spills or releases of petroleum.

The PLIA underground storage tank program provides reinsurance to commercial insurance companies, which in turn provide pollution liability insurance to underground storage tank owners in Washington. This reinsurance program is meant to improve the availability and affordability of pollution liability insurance for owners and operators of underground storage tanks by selling reinsurance at a price significantly below the private market price for similar insurance. The discount is passed to owners and operators of underground storage tanks through reduced insurance premiums and increased availability of insurance.

In 1995 the Legislature directed the PLIA to develop and administer a program that provides pollution liability insurance for heating oil tanks. This program currently provides insurance coverage for the cost of cleanup of contamination resulting from leaks of active heating oil tanks. The program does not provide insurance for abandoned or inactive heating oil tanks. The insurance policy provides coverage of \$60,000 per occurrence for each site per year. Generally, the insurance policy covers the owner of the tank for cleanup, property damage, and bodily injury.

In 1997 the Legislature directed the PLIA to implement a program that provides advice and technical assistance to owners and operators of active and abandoned heating oil tanks. This technical assistance program includes a public information

program to provide information regarding liability, technical, and environmental issues associated with heating oil tanks.

All of the PLIA's programs expire on June 1, 2001.

Summary of Bill:

The Pollution Liability Insurance Agency (PLIA) and its programs are extended until June 1, 2007.

Votes on Final Passage:

House 97 0

Senate 46 0

Effective: June 8, 2000