
Environment Committee

HB 2872

Brief Description: Concerning pollution liability insurance for heating oil tanks.

Sponsors: Representatives Peterson, Young and Ortiz-Self.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Establishes an aggregate limit of \$11 million per calendar year for pollution liability direct insurance provided by the Pollution Liability Insurance Agency.

Hearing Date: 1/29/18

Staff: Robert Hatfield (786-7117).

Background:

Pollution Liability Insurance Agency.

The Pollution Liability Insurance Agency (PLIA) provides a government funding model to help owners and operators meet their financial responsibility and environmental cleanup requirements for underground storage tanks (USTs). Funding for the PLIA comes from reinsurance premiums, which are deposited into the Pollution Liability Insurance Program Trust Account, and from heating oil dealer fees and fees for advice and technical assistance, which are deposited into the Heating Oil Pollution Liability Trust Account.

The PLIA provides multiple services related to heating oil tanks and other petroleum storage tank systems, including coordination of direct insurance coverage of up to \$60,000 per occurrence for cleanup of contamination from heating oil tanks. The direct insurance program is funded by the fees paid by heating oil dealer fees. Heating oil is defined as diesel, kerosene or stove oil. Direct insurance coverage is currently provided by Colony Insurance Company.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

An annual aggregate limit of pollution liability direct insurance coverage for cleanup of contamination from heating oil tanks is established at \$11 million per calendar year.

Appropriation: None.

Fiscal Note: Requested on January 23, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.