



Financial Assurance Program Listening Sessions

The Washington State Pollution Liability Insurance Agency (PLIA) is developing rules for the recently authorized [State Financial Assurance Program, Chapter 70A.545 RCW](#). As part of PLIA's outreach efforts, we are hosting public listening sessions to gather feedback we can use to help us develop rules for the program.

The following is a summary of comments received from listening sessions held on September 19 and October 24, 2023.

Listening Sessions Comments Summary

Participants in the sessions expressed hope that:

- The program will open up more options and funds for smaller businesses in the more rural areas.
- Premiums will be lower and the annual fee will not be \$25,000.
- PLIA will focus on preventing releases before they occur and that preventative maintenance will be incentivized (especially for small operations with limited funding), along with compliance and punctuality.
- Funding may be provided before a release occurs to maintain infrastructure and prevent releases.
- Review and response times for requests will be reduced and cases will be closed quickly.
- PLIA maintains a good ratio of staff to workload to ensure timely responses.
- PLIA considers partnering with private insurers with existing expertise.
- Additional actuarial assessments are completed before starting rulemaking.
- PLIA maintains consistency with the Department of Ecology's underground storage tank (UST) inspections.
- PLIA will continue to ask for feedback during the program.
- PLIA will continue to make efforts to educate property owners about the importance of preventative measures for their tanks.
- Program coverage will cover or replace older tanks that are not insurable on the open market.
- PLIA will maintain the soundness of the fund and complete rigorous accounting and estimation of losses.
- Tanks in temporary closure might be covered.
- PLIA will provide opinion letters for cleanups completed under this program.
- Outreach efforts will be made to make gas station owners aware of the Financial Assurance Program and targeted towards owners who would not otherwise be able to find insurance.
- Outreach materials will be issued in multiple languages to accommodate business owners with English as a second language.
- The \$2 million coverage limit applies to each tank on a multiple-tank site.



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Listening Sessions Comments Summary

Participants in the sessions expressed hope that:

- PLIA will consider putting together terms and conditions that are standard for private insurance policies as the agency puts together its coverage plans.
- PLIA provides more information on how PLIA may clean up leaks from tanks not registered in the program.

Participants in the sessions expressed concerns that:

- Stations with existing contamination will overwhelm the program.
- Station owners exiting the fuel market in the future will trigger a surge of funding requests, and if PLIA is unable to respond, may result in a number of abandoned stations.
- There exists increased risk when providing assurance for older tanks that are past their useful life.
- Participants will not be able to carry over their previous retroactive date.
- Costs of tank replacements will be high.
- A reduction in gas sales will reduce station owners' ability to pay for cleanup.
- Other state funds will be used to pay for cleanups beyond PLIA's funding.
- Stations may have out-of-date monitoring systems.
- There may only be a limited number of consultants working under this program.
- If program pricing makes the private market uncompetitive, PLIA will end up as the sole insurer in the state.
- If fees are too high, participation in the program may cost more than self-funded cleanups.

If you have any questions about the State Financial Assurance Program, please contact us by email at: rules@plia.wa.gov.