

462 - Wa Pollution Liab Insurance Program

A001 Heating Oil Tank Liability Insurance

The Heating Oil Pollution Liability Insurance Program provides pollution liability coverage and technical assistance to owners of heating oil tanks. There is no direct cost to owners for the pollution liability insurance. The program is funded by fees paid by heating oil dealers, as well as special taxes on petroleum products. (Pollution Liability Insurance Program Trust Account-State; Heating Oil Pollution Liability Trust Account-Nonappropriated)

| | FY 2006 | FY 2007 | Biennial Total |
|-------|-----------|-----------|----------------|
| FTE's | 3.5 | 3.5 | 3.5 |
| GFS | \$0 | \$0 | \$0 |
| Other | \$566,000 | \$577,000 | \$1,143,000 |
| Total | \$566,000 | \$577,000 | \$1,143,000 |

*FTE is second year only

Statewide Result Area: Improve the quality of Washington’s natural resources

Statewide Strategy: Establish safeguards and standards to protect natural resources

Expected Results

| Number of tanks insured under oil heat program. | | | | |
|---|---------|--------|--------|----------|
| Biennium | Period | Target | Actual | Variance |
| 2005-07 | 8th Qtr | 63,200 | 63,003 | (197) |
| | 4th Qtr | 62,700 | 62,928 | 228 |
| 2003-05 | 8th Qtr | 62,200 | 62,554 | 354 |
| | 4th Qtr | 61,000 | 61,732 | 732 |
| 2001-03 | 8th Qtr | 63,276 | 59,718 | (3,558) |
| | 4th Qtr | 62,035 | 58,267 | (3,768) |

A002 Pollution Liability Reinsurance

The Washington Pollution Liability Insurance Program makes pollution liability insurance available and affordable to the owners and operators of regulated petroleum underground storage tanks by serving as the reinsurer of private-sector insurance policies. Availability of reinsurance allows tank owners and operators to comply with the financial responsibility regulations of the federal Environmental Protection Agency and the Washington State Department of Ecology. This program is funded entirely by special taxes on petroleum products. (Pollution Liability Insurance Program Trust Account-State)

Appropriation Period: 2005-07 Activity Version: 81 - 2007 Enacted Supplemental Budget

| | FY 2006 | FY 2007 | Biennial Total |
|--------------|------------------|------------------|------------------|
| FTE's | 3.5 | 3.5 | 3.5 |
| GFS | \$0 | \$0 | \$0 |
| Other | \$423,000 | \$441,000 | \$864,000 |
| Total | \$423,000 | \$441,000 | \$864,000 |

*FTE is second year only

Statewide Result Area: Improve the quality of Washington’s natural resources

Statewide Strategy: Establish safeguards and standards to protect natural resources

Expected Results

As a result of PLIA providing reinsurance services to the commercial insurance industry, small business owners and operators of petroleum storage tanks are able to purchase pollution liability insurance at affordable rates. Direct savings to this sector of Washington's economy total \$20,000,000 per year in insurance premiums. Washington homeowners are also directly protected from pollution liability through the oil heat program.

| Average pollution liability insurance policy premium per underground storage tank site. | | | | |
|---|---------|---------|---------|----------|
| Biennium | Period | Target | Actual | Variance |
| 2005-07 | 8th Qtr | \$1,410 | \$1,309 | \$(101) |
| | 4th Qtr | \$1,384 | \$1,340 | \$(44) |
| 2003-05 | 8th Qtr | \$1,358 | \$1,213 | \$(145) |
| | 4th Qtr | \$1,335 | \$1,323 | \$(12) |
| 2001-03 | 8th Qtr | \$1,298 | \$1,307 | \$9 |
| | 4th Qtr | \$1,298 | \$1,298 | \$0 |

Grand Total

| | FY 2006 | FY 2007 | Biennial Total |
|--------------|------------------|--------------------|--------------------|
| FTE's | 7.0 | 7.0 | 7.0 |
| GFS | \$0 | \$0 | \$0 |
| Other | \$989,000 | \$1,018,000 | \$2,007,000 |
| Total | \$989,000 | \$1,018,000 | \$2,007,000 |

*FTE is second year only