



State of Washington
POLLUTION LIABILITY INSURANCE AGENCY
300 Desmond Drive SE • PO Box 40930 • Olympia, Washington 98504-0930
(360) 407-0520 • (800) 822-3905 • FAX (360) 407-0509
www.plia.wa.gov

June 17, 2013

David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, Washington 98504-3113

SUBJECT: CONTINGENCY PLAN FOR STATE AGENCY OPERATIONS

Dear Mr. Schumacher:

The following information describes the Pollution Liability Insurance Agency's (PLIA) services for consideration toward state-wide contingency planning as of July 1, 2013.

1. *Services funded by appropriations in the enacted transportation budget (ESSB 5024)*

Not applicable.

2. *Services that do not require an appropriation, e.g., from non-appropriated funds*

- **Heating Oil Pollution Liability Insurance Program:** Home and business owners are responsible for cleanup of contamination if their heating oil tanks leak. The agency's Heating Oil Pollution Liability Insurance Program offers up to \$60,000 in coverage to cleanup contamination not covered by other insurance on a registered owner's or a neighboring property. PLIA currently insures more than 57,000 heating oil tanks and has \$1,436,519 of reserves in place for 302 open claims. The costs for administering heating oil claims and claim payments do not require an appropriation (RCW 70.149.070 and 70.148.020). Heating oil claims processing would require three FTEs.
- **Commercial Underground Storage Tank (UST) Reinsurance Program:** Reinsurance services offered by PLIA provide UST owners and operators a mechanism to comply with federally mandated financial responsibility regulations. The agency has treaties in place with three commercial insurance companies that provide coverage for more than 70% of insured UST sites in Washington. As a condition of the treaty the insurance companies manage claims and seek reimbursement from PLIA on a quarterly

basis. PLIA currently has \$10,882,402 of reserves in place for more than 150 outstanding claims. Claim payments due to the insurance companies do not require an appropriation (RCW 70.148.020). UST claim payment processing would require two FTEs these activities could be performed in conjunction with the processing of heating oil claims (the same employees could perform both functions).

3. *Services to continue based on certain constitutional mandates and federal law*

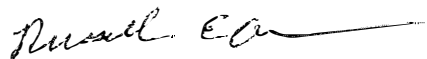
Not applicable.

4. *Services necessary for the immediate response to issues of public safety, or to avoid catastrophic loss of state property*

- **Heating oil contamination cleanups:** Some releases of heating oil pose a risk to human health and the environment when ground water is breached, or oil and vapors permeate the home or business of registered tank owners. These instances require immediate action from the agency to approve emergency work activities performed by the programs approved service providers to contain the contamination. A minimum of three FTEs are needed to perform these duties, which could be performed in conjunction with the processing of heating oil claims (the same employees could perform both functions).

If you have questions or need additional information, you can reach me at (360) 407-0511 or at russ.olsen@plia.wa.gov.

Respectfully,



Russell E. Olsen
Director