



# Frequently Asked Questions about **Financial Responsibility for Underground Storage Tanks**

Toxics Cleanup Program

## Summary

The purpose behind financial responsibility is for underground storage tank owners and operators to have a source of funds available that can be used for cleaning up petroleum releases, and to pay for third-party losses if they occur. The financial responsibility requirement, along with the leak detection requirement, will mean that releases are discovered shortly after they occur and can be quickly cleaned up. This will ensure minimal damage to human health and the environment and will minimize the cost of cleanup and third-party damages.

## Contacts

If you have any questions regarding the financial responsibility requirements, please contact:

- Kris Grinnell at (360) 407-7382.
- The Toxics Cleanup Program (360) 407-7170
- Si necesita ayuda en español favor de comunicar con Richelle Perez a (360) 407-6084 or richelle.perez@ecy.wa.gov
- 상기 양식에 관하여 의문이 있으면 박헌석씨 에게 문의 바람 (360) 407-7189

**Q: Do all petroleum underground storage tank systems have to be covered by financial responsibility?**

**A:** Both federal and state rules require financial responsibility on all regulated operating petroleum underground storage tank systems except for:

- State and federal governmental entities whose debts and liabilities are the debts and liabilities of a state or the United States.
- Petroleum underground storage tank systems that are excluded or deferred under Chapter 173-360-110 (2) or (3) of the Washington Administrative Code (WAC).

**Q: What is a petroleum “marketer?”**

**A:** An example of a petroleum marketing firm is a gas station. Specifically, a petroleum marketing firm is one with at least one facility where petroleum is produced, refined, sold, or transferred to other marketers or to the public.

**Q Do I have to prove to Ecology that I have insurance?**

**A:** You will need to have proof of insurance during a UST inspection, available upon request or if you have a release.

- If you are privately insured, you will need to show proof of an in-force policy stating the policy period and details of which tanks are covered.

- If you are self-insured, your Chief Financial Officer will need to provide a letter that follows the format stated in Chapter 173-360-470 WAC.
- If you are insured/assured by a Guarantee, Surety Bond, Letter of Credit or other method of financial assurance method, you need to show certification of financial responsibility as specified in Chapter 173-360-473 through 499 WAC.

**Q: Where can I get insurance that meets financial responsibility requirements?**

**A:** The Pollution Liability Insurance Agency (PLIA) reinsures private insurance companies to offset costs to owners/operators of underground storage tanks. PLIA has contracts with the following companies:

- **Colony Group**  
Broker: Griffin Underwriting Services, (509) 795-3546, Michele Williams
- **Crum & Forster Specialty Insurance Company**  
Broker: Environmental Insurance Agency, (503) 977-3333, Jim Hickey
- **Great American E&S Insurance Company**  
General Managing Agent: TopTanx, (800) 336-1338, DeeDee Byrne or Donna Graves

**Q: What will Ecology do if I can't afford the available insurance?**

**A:** If you are unable to get insurance on your present underground storage tank system, you will need to close your tanks properly. If you request it, Ecology can provide information on how to properly close your tank.

**Q: Can I get insurance if I have existing contamination on my site?**

**A:** Yes. If a contaminated site is to be insured, the owner/operator must have an approved plan of remediation. Should a claim be made, the burden of proof that the release occurred after the policy date rests on the owner/operator. If you have questions regarding this type of insurance please call PLIA at (800) 822-3905.

**Q: In an emergency generator underground storage tank system excluded from the financial responsibility requirement?**

**A:** No. Emergency generator systems must comply with all underground storage tank regulations.

**Q: Is a school district excluded from financial responsibility if it receives federal or state funds?**

**A:** No. To be a government entity excused from the requirement, the debts and liabilities of that entity have to be the debts and liabilities of the United States or a state of the United States.

**Q: What are the penalties for not having financial responsibility?**

**A:** You may be issued a field citation with a monetary penalty (currently \$500) and allowed a short period of time to get insurance. After that, if you continue to operate without insurance you may face civil penalties of \$5,000 per tank a day.

*Information on this topic can be accessed through Ecology's Web site. The address is: <http://www.ecy.wa.gov/programs/tcp/ust-lust/tanks.html> If you require this document in an alternate format, please contact Toxics Cleanup Program reception at (360) 407-7170 (voice) or TTY at 711 or 800-833-6388.*