

September 26, 2019

The Honorable James Welch, Senate Chair
The Honorable James Murphy, House Chair
Joint Committee on Financial Services
State House
Boston, MA 02133

Subject: Please support S. 594: An Act relative to the remediation of home heating oil releases

Dear Chairman Welch, Chairman Murphy, and Committee Members:

The LSP Association (LSPA) is the non-profit association for Licensed Site Professionals (LSPs) and related practitioners. LSPs are the scientists, engineers, and public health specialists licensed by the Commonwealth to work on behalf of property owners, operators, and other involved parties to oversee the assessment and cleanup of oil and hazardous materials released to the environment. These sites include multi-acre urban brownfields, roadside spills, “mom & pop” gas stations and dry cleaners, and everything in between.

The LSPA has about 800 members, over half of whom are LSPs. Our members are consultants who work with institutional, non-profit, government, and private clients to remediate contaminated sites, so these properties can be placed back into active and productive use. Along with MassDEP and the Board of Registration of Hazardous Waste Site Cleanup Professionals, commonly referred to as the LSP Board of Registration, LSPs are the third “arm” of an innovative, privatized program, created by the legislature in 1993. LSPs have since helped bring over 40,000 sites to a condition where they meet regulatory standards for business, commercial/retail, industrial, institutional, open space or housing.

When there is a spill or leak of residential heating oil, an LSP is eventually and inevitably involved. Over the years, our members have shared how powerless they feel when facing distraught homeowners who find themselves in what they soon realize is a complex, daunting, and very expensive undertaking. These situations are what motivated the LSPA to become one of the lead parties in a legislative effort that began more than ten years ago to try to find a way for homeowners using oil heat to be provided with insurance coverage should their system leak or spill.

In 2010, the current law M.G.L. c. 175, sec. 4D, went into effect; it required insurers to “make ...available” so-called “liquid fuel” riders to homeowners seeking environmental cleanup coverage. However, the “makeavailable” language only requires insurers to offer a fuel oil rider to those

insureds who affirmatively request it. It is not automatically given. For those who have requested and received coverage, we are certain this law has been a lifeline. Unfortunately, nine years later, most homeowners still do not know about or have this liquid fuel rider.

It is the aim of the LSPA in developing S. 594: An Act relative to the remediation of home heating oil releases to correct the significant omission in the current law so that it accomplishes the objectives for which it was designed, which is to mandate that insurance coverage be provided for all Massachusetts households that use fuel oil.

Provided below are a few facts that cannot be ignored.

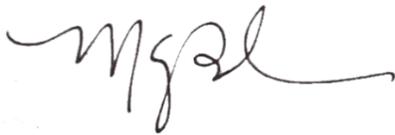
- The percentage of homeowners with a liquid fuel rider as part of their homeowner's policy has steadily decreased. Of the just over 700,000 Massachusetts homes heated by oil, the vast majority are not covered by home heating oil remediation insurance. Only approximately 44,000 homeowners (6% of all homes heated with oil) have specialized liquid fuel release coverage.
- Most of the homeowners who report heating oil spills annually (there were 117 reported incidents in 2017) will be caught unaware. At that point, it's too late to get coverage.
- Cleanup costs can range from \$20,000 to \$50,000 for simple releases, to more than \$300,000 for complex releases that impact both soil and groundwater. The Massachusetts Department of Environmental Protection (MassDEP) has noted that for a high percentage of these residential fuel oil releases, homeowners are unable to pay for cleanups.
- The stories of uninsured homeowners who face the daunting task of cleaning up a leaking system are heartbreaking: The hardships endured, the nest egg savings spent, the college fund diminished, the retirement delayed. These weigh on all involved. Some LSPs provide a portion of their services pro bono to homeowners but that alone is not enough.
- Even though the current cost to homeowners for spill cleanup insurance is typically under \$100 per year, most homeowners are unaware that it can be purchased. Insurance companies do not actively promote it or explain its value.
- When homeowners do not have insurance coverage and cannot afford to clean up their property, contamination often remains in the environment where it can spread and impact neighboring properties, drinking water supplies, and protected ecological habitats.

The LSPA believes that insurance coverage should be mandatory for homeowners who use fuel oil, much the same as coverage for fires or explosions in homes using electric or natural gas heating systems. That coverage is part of most homeowners' insurance – regardless of whether one uses natural gas. It could be the same for oil heat users. If the cost of mandatory coverage is spread out over all Massachusetts homeowner's policies, similar to the way the risks of gas and electric heat are handled, the incremental costs to insurers would be nominal. We estimate that the ultimate effect on homeowner policies statewide would be an increase of less than \$10/policy.

The LSPA is grateful to Senator Anne Gobi, Senate Chair of the Joint Committee on Environment, Natural Resources, and Agriculture for introducing S. 594. The committee will hear today from an LSP, an attorney, and a homeowner at the hearing. After listening to their first-hand experiences, we hope you will agree that the bill is a logical and fair way to address the economic, public health, and environmental issues at hand.

The LSPA urges you to favorably report out on S. 594 An Act relative to the remediation of home heating oil releases. Please don't hesitate to contact us for additional information.

Respectfully,
The LSP Association



Michele Paul, LSP
President



Wendy Rundle
Executive Director