



MASSACHUSETTS
Rivers Alliance



June 17, 2020

The Honorable Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
24 Beacon Street
Boston, MA 02133

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

Dear Chairman Rodrigues:

We, the undersigned organizations committed to river, watershed, and wetlands protection in Massachusetts, are writing to urge you to support S. 594, "An Act relative to the remediation of home heating oil releases," sponsored by Senator Anne Gobi, Senate Chair of the Joint Committee on Environment, Natural Resources, and Agriculture. We support this bill for numerous reasons.

After a decade, we know that the current law, M.G.L. c. 175, sec. 4D, is not accomplishing the objective for which it was designed – to assure that homeowners have insurance coverage for cleanup costs in the event of a home heating oil spill. It has been ten years since the law went into effect requiring that insurers "make available" home heating oil spill coverage; however, the percentage of homeowners with a liquid fuel rider on their homeowner's policy remains very small. Of the 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.

The low numbers of insured homeowners are a result of a flaw in the law. 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. The reason is that insurance companies are not currently required to provide liquid fuel riders to their customers or even to inform them of its availability. Policyholders must actively opt in for this coverage. Most of the homeowners who report heating oil spills annually (there were 104 reported incidents in 2018) are caught unaware. At that point, it's too late to get coverage.

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The law needs to mandate that insurance coverage be provided to all Massachusetts households that use fuel oil.

Environmental cleanups can be too expensive for homeowners to afford. 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 has noted that for a high percentage of these residential fuel oil releases, homeowners are unable to pay for cleanups. When this occurs, homeowners are left with an environmentally impaired and potentially unsafe property.

Serious environmental impacts can result from oil leaks and spills, and cleanup delays can exacerbate the release by spreading from soil, to groundwater, wetlands, surface water, and indoor air, significantly increasing cleanup costs. When homeowners do not have insurance coverage and cannot afford to clean up their property, contamination often remains in the environment unabated. Spills that are not addressed in a timely manner can spread and impact other neighboring properties or valuable environmental resource areas, including rivers, drinking water supplies, and protected ecological habitats. Without insurance in these difficult situations, everyone suffers.

The relief this legislation would bring to property owners is more important now than ever. **The Covid-19 pandemic has exacerbated what was already a serious consumer protection and environmental protection issue.** In addition to the financial and logistical challenges posed by dealing with a leak or spill of oil from a residential tank, the pandemic can add other unexpected complications to the devastating experience of learning that one's homeowner's insurance does not cover cleanup costs. Many Massachusetts homeowners are more financially challenged than ever in these unusual times. For those quarantining at home, any temporary relocation for their safety or to accommodate an oil cleanup may not be possible, and family members and friends might not be able or willing to assist.

We believe 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. Senate bill 594 would enhance the current law by requiring that coverage be provided to all homeowners who use fuel oil; the bill would also slightly increase the coverage limits to keep pace with rising remediation costs. The current cost for a liquid fuel rider is less than \$100 per year. If the cost of mandatory coverage were 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 small. If these costs were then passed on to policyholders, the increase in homeowner's policy premiums statewide would be only nominal.

Delays in enacting S. 594 would put more homeowners in untenable financial positions and potentially endanger the environment, including Massachusetts's rivers, watersheds, and wetlands. **The Charles River Watershed Association, OARS, the Massachusetts Rivers Alliance, the Mystic River Watershed**

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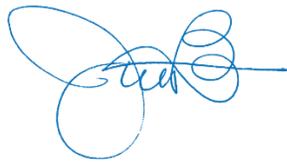
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Association, and the Massachusetts Association of Conservation Commissions urge you to report out favorably on S. 594. The Covid-19 pandemic makes this legislation more important than ever. Please don't hesitate to contact us for additional information.

Respectfully,



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