

**MA Rivers Alliance****MA Association of  
Conservation Commissioners**

April 10, 2018

Honorable Karen E. Spilka, Chair  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

**Subject:**

**Please support S. 534: *An Act relative to the remediation of home heating oil releases.***

Dear Chairwoman Spilka:

We, the undersigned, are writing to urge you to support S. 534, "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. The bill was reported favorably out of the Joint Committee on Financial Services, with the strong support of Senator James Eldridge, Senate Chair. This bill was developed by the LSP Association (LSPA), the non-profit association for Licensed Site Professionals (LSPs) and other practitioners.

We join with the LSPA in support of this bill for several reasons outlined below.

**After seven years, we know that the current law, M.G.L. c. 175, sec. 4D, is not accomplishing the objectives for which it was designed.** It has been seven years since the law went into effect and, in that time, the percentage of homeowners with a liquid fuel rider as part of their homeowner's policy has steadily decreased. Of the nearly 750,000 Massachusetts homes heated by oil, the vast majority are not covered by home heating oil remediation insurance. Only approximately 39,000 homeowners (5% 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 124 reported incidents in 2016) will be caught unaware. At that point, it's too late to get coverage. The law needs to mandate that insurance coverage be provided for the 29% of 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 (MassDEP) 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 delays can exacerbate the release by spreading from soil, to groundwater, 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 drinking water supplies and protected ecological habitats. Without insurance against these difficult situations, everyone suffers.

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 534 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 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. The ultimate effect on homeowner policies statewide would be an increase of less than ten dollars per policy.

We ask for your support for S. 534 and urge the Senate Committee on Ways and Means to report the bill out to the full Senate for its prompt consideration.

Respectfully,

Julia Blatt, Executive Director, **Massachusetts Rivers Alliance**, <http://massriversalliance.org/>

Sylvia Broude, Executive Director, **Toxics Action Center**, [www.toxicsaction.org](http://www.toxicsaction.org)

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