



June 6, 2023

The Honorable Paul R. Feeney, Senate Chair
The Honorable James M. Murphy, House Chair
Joint Committee on Financial Services
24 Beacon St.
Boston, MA 02133

Re: Please support H.1129 and S.648: An Act relative to the remediation of home heating oil releases.

Dear Chair Feeney, Chair Murphy, and Joint Committee members:

We, the undersigned organizations committed to environmental protection in Massachusetts, are writing to urge you to support H.1129 and S.648, "An Act relative to the remediation of home heating oil releases," sponsored by Representative Jeffrey N. Roy and Senator Anne M. Gobi. We support this bill for numerous reasons.

After more than 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 more than 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 650,000 Massachusetts homes heated by oil, the vast majority are not covered by home heating oil remediation insurance. Only approximately 64,600 homeowners (10% 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 93 reported incidents in 2021 -the most recent data available) are caught unaware. At that point,

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it's too late to get coverage. 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.

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. House bill 1129 and Senate bill 648 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 H. 1129 and S. 648 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 Association, the Massachusetts Association of Conservation Commissions, and Community Action Works Campaigns (formerly Toxics Action Center Campaigns) urge you to report out favorably on H. 1129 and S. 648.** Please don't hesitate to contact us for additional information.

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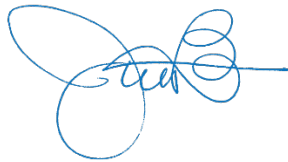
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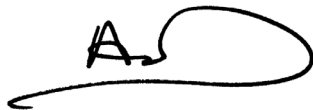
Respectfully,



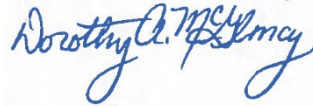
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