HOUSE DOCKET, NO. 99 FILED ON: 1/9/2023

HOUSE . . . . . No. 1129

The Commonwealth of Massachusetts

PRESENTED BY:

Jeffrey N. Roy

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the remediation of home heating oil releases.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Jeffrey N. Roy	*10th Norfolk*	*1/9/2023*
Lindsay N. Sabadosa	*1st Hampshire*	*2/14/2023*
Natalie M. Higgins	*4th Worcester*	*3/21/2023*
Tommy Vitolo	*15th Norfolk*	*4/4/2023*
Rebecca L. Rausch	*Norfolk, Worcester and Middlesex*	*7/11/2023*

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HOUSE . . . . . No. 1129

By Representative Roy of Franklin, a petition (accompanied by bill, House, No. 1129) of Jeffrey N. Roy and Lindsay N. Sabadosa relative to homeowners insurance coverage for the remediation of home heating oil releases. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act relative to the remediation of home heating oil releases.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 175 of the General Laws is hereby amended by striking out section 4D, as appearing in the 2020 Official Edition, and inserting in place thereof the following section:-

Section 4D. (a) As used in this section, the following words shall have the following meaning unless the context clearly requires otherwise:

"Liquid fuel tank", a tank in which heating oil is stored and from which heating oil is delivered or pumped through a fuel supply line to an oil burner, whether located within a dwelling or other structure, including tanks installed at or below grade level or located outdoors but excluding underground tanks wherever located.

"Residential property", a 1-unit to 4-unit dwelling used for living or sleeping.

(b) (1) The joint underwriting association formed pursuant to section 4 of chapter 175C and any insurer licensed to write and engaged in the writing of homeowners' insurance shall provide the following coverage to owners of residential property to whom a homeowners' insurance policy is issued or renewed: (i) first-party property coverage for response action costs incurred under chapter 21E or chapter 21K or any regulation promulgated pursuant to said chapter 21E or chapter 21K and property damage on the insured's residential property caused by or in response to a release of heating oil from a residential liquid fuel tank or any piping, fuel supply lines, equipment or systems connected thereto; and (ii) liability coverage for third-party claims arising out of a release of heating oil into the environment.

(2) For the purposes of this section, first-party property coverage shall include response action costs incurred to assess and remediate a heating oil release impacting soil, indoor air or other environmental media on the insured's residential property and the reimbursement of any associated personal property damage. For the purposes of this section, third-party liability coverage shall include: (i) the obligation to defend the insured at the insurer's expense against third-party claims; provided, however, that such defense obligation shall include coverage for costs incurred to investigate the source and extent of the release of heating oil; and (ii) response action costs incurred to address conditions on and off the insured's residential property arising from a heating oil release on the insured's residential property that has impacted, or is likely to impact, groundwater or has migrated to, or is likely to migrate to, a third-party's property.

(3) First-party property coverage and third-party liability coverage shall apply simultaneously and in addition to each other when both coverages are applicable. Insurers may include a reasonable charge for such coverage in premiums applicable to all homeowners' insurance policies The minimum coverage shall be $75,000 per occurrence for first-party

property coverage and $250,000 per occurrence for third-party liability coverage, subject to a reasonable deductible not to exceed $1,000 per claim.

(c) Notwithstanding subsection (b), the joint underwriting association and an insurer may include an exclusion in homeowners' insurance policies from the coverages required pursuant to said subsection (b) where the heating oil release would not have occurred but for the owner's failure to comply with the requirements of said subsection (b) or subsection (c) of section 38J of chapter 148, or any regulations promulgated pursuant to said subsection (b) or said subsection (c) of said section 38J of said chapter 148; provided, however, that the joint underwriting association or insurer has provided an annual written notice to the insured that explains, in at least 16-point type, such requirements under said chapter 148, and any regulations promulgated thereto, on a separate form approved by the division of insurance.

SECTION 2. This act shall apply to policies issued or renewed on or after January 1, 2024.