

LSPA Successful with Enactment of Home Owner Oil Spill Law

By: J. Andrew Irwin, PE, LSP
Larry Feldman, Ph.D, LSP

Each year, approximately 350 Massachusetts homeowners are forced to deal with oil spills on their property. The cost of cleanup averages about \$50,000 a site, but sometimes rises to the hundreds of thousands. At the very least, oil spills result in inconvenience and expense. At worst, they are catastrophic and residents are forced to leave or lose their homes or sink their savings into cleanup. And until recently, there was no insurance available to cover the cost of dealing with these spills.

That all changed on July 1, 2010. After eight years of effort by a coalition of organizations and individuals including environmental consultants and attorneys, insurance companies, regulators and the home heating oil providers, a law was enacted that requires insurance companies to offer coverage for these incidents. Now insurance is available, but homeowners must be proactive in order to obtain it.

Under the new law, home insurers do not have to advertise the availability of insurance covering the cost of an oil spill, but they must provide it if requested. And they must provide it for a reasonable premium. Consumers should also know that, under the law, the deductible for a claim cannot exceed \$1,000, and the coverage per occurrence must be at least \$50,000 for first party liability and \$200,000 for third party liability.

A second provision of the new law is homeowner compliance with heating system requirements aimed at preventing spills and leaks in the first place – homeowners cannot purchase the newly available insurance until the necessary upgrades to their heating systems have been made. Unfortunately, homeowners usually don't pay much attention to their heating systems until something happens. They may not know that, before 1990, fuel lines oftentimes ran under the slab in their basement or in the ground leaving them susceptible to erosion and leaks. They may not know that it's essential to make sure that the fill pipe for a removed oil tank must be sealed off so that a delivery man doesn't inadvertently pump oil directly onto the basement floor. They may not know that oil can leach into the ground, causing serious and costly environmental damage, or into concrete floors and walls, leading to petroleum vapors in the home.

Most people whose homes were built after January 1, 1990 are in compliance with the applicable requirements because they were already incorporated into the state fire code at that time. Those owners whose homes do not meet today's standards have until September 1, 2011 to upgrade their systems. The LSP Association, which represents the environmental professionals (Licensed Site Professionals, or LSPs) charged with overseeing the cleanup of spills of oil and other chemicals, urges homeowners not to wait until the last minute to bring their systems into compliance. LSPA members have seen the financial and human toll these spills take, and encourage homeowners to make these upgrades well before the deadline.

The cost of an upgrade is relatively low, and ranges from \$150 to \$350, a figure that includes labor, parts and local permit fees; financial assistance for homeowners who meet certain income criteria is available through the Low Income Home Energy Assistance Program. The cost of non-compliance, on the other hand, is high. Besides the potential for disruption and contamination and the resulting financial ramifications, homeowners may be subject to fines or penalties if they do not meet the new criteria.

Complying with the new requirements sooner rather than later, and purchasing insurance for added protection, makes sense. It not only protects your pocketbook, it protects your peace of mind.

For more information on the law, please refer to the LSPA's web site at www.lspa.org.

J. Andrew Irwin is immediate past president of the LSPA and founder of Irwin Engineers, Inc. Larry Feldman is a past president of the LSPA and a Senior Principal at GZA GeoEnvironmental, Inc.