

2023 -- H 5542

LC001002

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- CASUALTY INSURANCE GENERALLY -- LIQUID FUEL  
COVERAGE

Introduced By: Representatives Cruz, Boylan, Voas, Potter, Craven, Kazarian, Batista,  
Alzate, Tanzi, and Felix

Date Introduced: February 15, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-8 of the General Laws entitled "Casualty Insurance Generally" is  
2 hereby amended by adding thereto the following section:

3 **27-8-19. Property damage caused by heating oil leakage.**

4 Every insurance company authorized to do business under the laws of this state, and  
5 licensed to write homeowners' insurance in this state, insuring dwelling houses or other properties,  
6 shall provide the following coverage to residential owners to whom a homeowners' insurance  
7 policy is issued or renewed on or after January 1, 2024:

8 (1) First-party property coverage for response action costs incurred or regulations  
9 promulgated pursuant thereto and property damage on the insured's property caused by or in  
10 response to a release of heating oil from a residential liquid fuel tank or any piping, fuel supply  
11 lines, equipment or systems connected thereto; and liability coverage for third-party claims arising  
12 out of a release of heating oil into the environment. Minimum coverage of seventy-five thousand  
13 dollars (\$75,000) per occurrence for first-party property subject to a reasonable deductible not to  
14 exceed one thousand dollars (\$1,000) per claim and minimum coverage of two hundred fifty  
15 thousand dollars (\$250,000) per occurrence for third-party liability shall be provided. For the  
16 purposes of this section, first-party property coverage shall include response action costs incurred  
17 to assess and remediate a heating oil release impacting soil, indoor air or other environmental media  
18 on the insured's property. Third-party liability coverage shall include the obligation to defend the

1 insured at the insurer's expense against third-party claims, and such defense obligation shall include  
2 coverage for costs incurred to investigate the source and extent of the release of heating oil.  
3 Damages covered under third-party liability coverage shall include response action costs incurred  
4 to address conditions on and off the insured's property arising from a heating oil release on the  
5 insured's property that has impacted or is likely to impact groundwater or has migrated to, or is  
6 likely to migrate to, a third-party's property. First-party property coverage and third-party liability  
7 coverage shall apply simultaneously and in addition to one another when both coverages are  
8 applicable.

9 (2) As used in this section, unless the context clearly requires otherwise, "dwelling house"  
10 means a one to four (4) unit dwelling used for living or sleeping and "liquid fuel tank" means a tank  
11 in which heating oil is stored and from which heating oil is delivered or pumped through a fuel  
12 supply line to an oil burner, whether located within a dwelling or other structure, including tanks  
13 installed at or below grade level, or located outdoors with the exclusion of underground tanks  
14 wherever located.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- CASUALTY INSURANCE GENERALLY -- LIQUID FUEL  
COVERAGE

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1           This act would require that casualty insurance policies provide coverage for property  
2 damage on the insured's property caused by or in response to a release of heating oil from a  
3 residential liquid fuel tank or any piping, fuel supply lines, equipment or systems connected thereto;  
4 and liability coverage for third-party claims arising out of a release of heating oil into the  
5 environment, commencing on or after January 1, 2024. Minimum coverage of seventy-five  
6 thousand dollars (\$75,000) per occurrence for first-party property subject to a reasonable deductible  
7 not to exceed one thousand dollars (\$1,000) per claim and minimum coverage of two hundred fifty  
8 thousand dollars (\$250,000) per occurrence for third-party liability would be provided.

9           This act would take effect upon passage.

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