

ASSEMBLY, No. 3818

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Co-Sponsored by:

Assemblywoman Timberlake and Assemblyman Giblin

SYNOPSIS

Requires insurers writing homeowners insurance policies in the State to offer certain coverage for heating oil tanks.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/16/2020)

1 AN ACT concerning homeowners insurance coverage and
2 supplementing Title 17 of the Revised Statutes.

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4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. Every insurer authorized to transact the business of
8 homeowners insurance in this State shall make available as an
9 option for purchase, in every homeowners insurance policy
10 delivered, issued, executed, or renewed in this State on or after the
11 effective date of this act, coverage for:

12 (1) removal of a leaking heating oil tank from the homeowner's
13 property; and

14 (2) remediation of damage caused by the discharge of heating
15 oil from the homeowner's leaking tank or any piping, fuel supply
16 line, equipment or system connected to the tank to:

17 (a) the homeowner's property, including any impact on soil,
18 indoor air, groundwater or surface water; and

19 (b) a third party's property, including but not limited to nearby
20 or adjoining property, or groundwater or surface water.

21 b. The Commissioner of Banking and Insurance shall establish
22 by regulation the amounts of coverage per occurrence and the
23 amounts of any deductible per claim or policy period for policies
24 offered pursuant to this section.

25 c. If a homeowner declines the option to purchase coverage
26 offered pursuant to subsections a. and b. of this section, the insurer
27 shall obtain a written waiver of the coverage, signed by the
28 homeowner, whose signature shall be notarized by a notary public.

29 d. For purposes of this act, "heating oil tank" means a liquid
30 fuel tank in which heating oil is stored and from which heating oil
31 is delivered or pumped through a fuel supply line to an oil burner,
32 whether the tank is located within a dwelling or other structure,
33 underground, or outdoors.

34 e. This section shall not apply to abandoned, closed, or out of
35 service heating oil tanks.

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37 2. This act shall take effect on the first day of the sixth month
38 next following the date of enactment.

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41 STATEMENT

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43 This bill requires homeowners insurance companies to make
44 available as an option for purchase, in every homeowners insurance
45 policy delivered, issued, executed, or renewed in this State on or
46 after the effective date of the bill, coverage for certain leaking
47 heating oil tanks.

48 The bill requires that this coverage be offered for:

- 1 (1) removal of a leaking heating oil tank from the homeowner's
2 property; and
- 3 (2) remediation of damage caused by the discharge of heating
4 oil from the homeowner's leaking tank or any piping, fuel supply
5 line, equipment or system connected to the tank to:
- 6 ▪ the homeowner's property, including any impact on soil,
7 indoor air, groundwater or surface water; and
 - 8 ▪ a third party's property, including but not limited to nearby
9 or adjoining property, or groundwater or surface water.
- 10 The bill also provides that the Commissioner of Banking and
11 Insurance establish by regulation the amounts of coverage per
12 occurrence and the amount of deductible per claim or policy period
13 for policies issued under the bill.
- 14 If a homeowner declines the option to purchase coverage offered
15 pursuant to this bill, the insurer shall obtain a written waiver of the
16 coverage signed by the homeowner whose signature shall be
17 notarized by a notary public. The bill shall not apply to abandoned,
18 closed, or out of service heating oil tanks.