




Senate of Pennsylvania

TO: All Senators

FROM: Senator Edwin B. Erickson 

DATE: December 6, 2010

SUBJECT: Cosponsorship of Legislation

I plan to reintroduce Senate Bill 135 of 2009, legislation which will provide a program for environmental liability insurance to stimulate the redevelopment of brownfields. The legislation creates a program similar to successful programs in New York and Massachusetts.

The legislation directs the Secretary of DCED to solicit proposals for a package of "environmental insurance products" from insurance companies through a competitive bidding process. The Secretary would thereafter select one insurance company to be the exclusive State-designated provider of environmental insurance for a period of three years. An insurance company selected to provide prenegotiated environmental insurance products pursuant the legislation must offer this prenegotiated package of insurance products to any owner of a brownfield.

The environmental insurance products designated in the bill include "Environmental Insurance" to stimulate the redevelopment of brownfields and underutilized properties. The bill provides for "pollution legal liability insurance" to cover damages caused by a pollution condition which was preexisting and unknown condition at the time the insurance was first obtained. This coverage would be for a minimum period of three years after the completion of remediation activities, not including post-completion operation and maintenance. The coverage would also include a duty to defend and pay for defense costs in an amount at least up to the amount of coverage available.

Any person who is doing remedial work on a brownfield under the oversight of DCED, and who purchases the prenegotiated environmental insurance products from the insurance company selected pursuant to legislation, may apply to DCED for the subsidies to pay up to 50% of the cost of the premiums for the environmental insurance products or up to 80% of a self-insured retention amount up to a maximum of \$500,000.

If you would like to co-sponsor this legislation, please contact Linda Kauffman at 7-1350 or [lkauffman@pasen.gov](mailto:lkauffman@pasen.gov).