

EDITORIAL

# **For the 650,000 homes that use oil heat, a lurking financial danger the Legislature should address**

## **The Legislature should pass a measure requiring insurers to cover clean-up costs for homeowners.**

By The Editorial Board Updated February 26, 2022, 4:00 a.m.

Brian and Emmaline Proctor (with their daughter, Aria) faced devastating financial loss due to a recent leak of home heating oil from the tank in their basement. They assumed they were insured for an oil leak, but they were not.

A catastrophic expense can be life-altering. People can lose their homes. Forgo important medical treatment. Empty out their kids' college savings accounts. Sink into depression.

In this country, much of the attention has focused on the catastrophic health care costs that are too often imposed on ordinary people. But [a recent story](#) by Globe consumer advocacy reporter Sean Murphy highlighted another, lesser-known problem: the enormous expense that can come with a home heating oil leak.

Heating homes with oil is rare outside the Northeast, but about 650,000 homeowners in Massachusetts still use oil for heat. The piece focused on a young couple, Emmaline and Brian Proctor, who seemed likely to lose their Wareham home after their oil tank spilled about 25 gallons of oil in their basement. State environmental laws require them to pay for a clean-up that could cost \$185,000, according to contractors' estimates — or more than half of what they paid for the house. And their insurance, it appeared, wouldn't cover it.

After the story appeared, the couple's insurer agreed to provide coverage. But other homeowners haven't been so lucky. They've been stunned to find out that what they thought was a comprehensive insurance policy didn't provide coverage, forcing them to come up with hundreds of thousands of dollars. Some have faced costs topping \$1 million. And the financial hardship can lead to clean-up delays, putting groundwater and surface water at risk of contamination.

The state Legislature can make sure that no other Massachusetts family faces this kind of hardship — and protect the environment to boot.

A 2009 law provided a partial — but inadequate — shield for homeowners. It required insurance companies to “make . . . available” coverage for home heating oil leaks. But it didn't mandate that they actually tell customers about it. The result has been very low uptake, with less than 10 percent of customers who heat their homes with oil getting the coverage.

Susan Crane, a lawyer who has been working on the oil leak issue for years, says some standard-issue homeowner policies may provide coverage. But increasingly common “pollution exclusions” leave too many families stranded.

A bill before lawmakers now, filed by state Senator Anne M. Gobi of Central Massachusetts, would secure the protection Massachusetts homeowners deserve — requiring insurers to provide oil leak coverage. The insurance lobby has argued that the measure is unfair because it would force customers who heat with natural gas or electricity to pay for oil leak coverage. But that argument isn’t very convincing. Insurance is designed to spread risk. Indeed, oil heat customers are already subsidizing coverage for fires caused by electrical heating systems and explosions caused by natural gas heating systems.

To be sure, an oil leak insurance requirement will mean more risk for insurers. But with more and more homeowners converting from oil to natural gas, and new construction favoring gas, that risk is likely to decline. State law also requires homeowners to install safety equipment designed to limit and prevent oil spills, and they have been gradually putting it in place — often at the prompting of oil companies conducting annual inspections. That, too, is reducing risk.

Catastrophic expenses can be, well, catastrophic. And if lawmakers can easily prevent them, they should.

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