

Some Facts About Home Heating Oil and Insurance in Massachusetts

1. There are just over 700,000¹ Massachusetts homes heated by oil and most of those home heating oil users are not covered by insurance, due to a flaw in the existing law.
2. Only approximately 48,000 of homeowners of all homes² (7%) heated with oil have specialized liquid fuel release insurance riders.
3. MassDEP noted that there were 120 residential home heating oil spills³ reported in Massachusetts in 2019.
4. Insurance options for releases from home heating oil tanks are limited and confusing. Current law requires insurers to “**make ... available**” insurance for heating oil releases but does not require insurers to inform homeowners that the coverage may be purchased. If a homeowner asks for coverage it must be offered, and then the homeowner must opt in.
5. The current annual cost to a homeowner for oil spill cleanup insurance is under \$100 per year.
6. Cleanup costs can range from \$20,000 to \$50,000 for simple oil releases, to more than \$300,000 for complex releases that impact both soil and groundwater.⁴

What Can We Do To Fix This Ineffective Law?

One small change will fix the current law. The LSPA (www.lspa.org) has drafted legislation to enhance the current law by **requiring** that coverage automatically be provided to all homeowners and raising coverage limits to keep pace with rising cleanup costs.

Senator Anne Gobi (D-Spencer) and others are sponsoring [Senate Bill #676](#). This legislation will work to help prevent homeowners from going bankrupt or funding environmental cleanups with their retirement funds, children’s college funds, or all of their life’s savings.

For more information go to www.lspa.org or contact us at info@lspa.org. Let us know if you would like to be added to our contact list for updates on this bill.

Homeowner Resources

- Get an inspection from your oil company; ask about the most up-to-date equipment for your home.
- Request that your insurance company provide a rider for coverage of fuel oil releases.

¹ <https://www.mass.gov/service-details/how-massachusetts-households-heat-their-homes>

² MassDEP Nov. 3, 2020, “Report to the Joint Committee on Environment, Natural Resources and Agriculture”

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⁴ <http://www.mass.gov/eea/agencies/massdep/cleanup/regulations/homeowner-oil-spill-cleanup-guide.html>

Two Cases of Home Heating Oil Releases, Cleanup Actions, and Costs

Provided below are two recent examples of the extent of cleanups and costs: one owner did not have cleanup insurance; the other one had it in place after actively requesting it from their insurer.



Case Study 1: Release of 240 gallons of fuel oil from outdoor tank. Cleanup of soil and groundwater resulted in more than \$300,000 in cleanup costs. The homeowner does not have insurance coverage for this release.



Case Study 2: Release of 150 gallons of heating oil to earthen crawl space beneath home on Cape Cod. The resulting cleanup costs for contaminated soil removal, groundwater treatment, and moving the home to excavate impacted soil cost more than \$200,000. The homeowner had insurance that covered all but \$10,000 of the work.