

SIMPLY INSURANCE



Pat Rigby

INSURANCE AND OIL TANKS

Leaking oil tanks can contaminate basements, crawl spaces, soil and ground water.

The oil can seep very quickly through cracks in concrete and carries a nasty odour which is extremely difficult to remove. Oil spills must be reported to the Ministry of the Environment and can cost from hundreds of dollars to hundreds of thousands of dollars to clean up. In the worst cases, the entire foundation of homes has had to be replaced, and contaminated soil removed. Generally, insurance companies want oil tanks to be replaced every 10-15 years. Most tanks fail due to internal corrosion rather than external corrosion, and water is always the culprit, accumulating as a result of condensation. Outdoor tanks fail more often than indoor tanks. Tanks will usually leak just after filling and almost always rupture at the bottom. Often, newer tanks that fail prematurely have had old oil pumped into them, usually from a replaced tank. This oil contains sludge and water. Never transfer oil from an old tank into a new tank.

How can you prevent an oil tank from failing? If the tank is inside the home, make sure it does not touch a wall, as this could cause rust. If possible, have a low curb or dyke around the tank to contain the oil if there ever is a leak. Protect the oil supply line – run it along a wall and be sure there is a loop in the line to allow for expansion in case the line is ever hit or pulled. NEVER store anything on an oil tank. This can also cause rusting.

If the tank is outdoors, be sure to keep it at least 50 feet away from any well or other water supply. Be sure to use rigid steel legs with a flanged base to hold the tank up – never use wood as it will rot and can burn. It is wise to have the tank sitting on a concrete base. Keep the tank painted with rust proof enamel paint. Outdoor tanks must also be situated away from any wall as this may cause it to rust.

Be sure to routinely inspect your oil tank. Indoor tanks should not smell if properly installed. There will be two pipes on the exterior of your home, a vent pipe and a fill pipe. Be sure that the vent pipe is higher than the fill pipe. If it is time to buy a new tank, make sure it is CSA or ULC approved. All insurance companies will want to know this. DO NOT paint over the label on the tank. The label provides insurers with vital information... the date the tank was made, and whether it is properly approved. If you suspect or see any leak, no matter how small, deal with it immediately! It could save you from a cleanup nightmare.

Pat Rigby is a member of our Tri-County Insurance team of professional brokers. Pat is a Chartered Insurance Professional and has 20 years of local insurance experience.

Pat assists in all aspects of our Tri-County operation.

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