October 1, 2014

RE: Claim number:

 Loss location:

 Policy number:

 Date of loss:

Dear Insured:

We wish to advise you that we have completed our investigation into your claim for the damages to the \_\_\_\_\_\_\_\_\_\_\_ at the above captioned location. It is our opinion that the \_\_\_\_\_ has fallen due to age, hydrostatic pressure in the soil behind the \_\_\_\_\_\_ and earth movement.

A review of the HO-2 (10/00) policy form which provides coverage for your property has determined that the policy is written on what is known as a specified perils basis, in that the policy lists specific types of damage for which coverage is provided. Unfortunately, the policy does not list a peril that would apply to a situation of this type.

We would refer you to page 8 of 20 of the HO-2 policy form entitled SECTION 1 – PERILS INSURED AGAINST.

We would also refer you to page 10 of 20 of the HO-2 policy form entitled SECTION 1 – EXCLUSIONS, from which we quote in part:

“We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. **Earth Movement**

Earth Movement means:

* 1. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
	2. Landslide, mudslide or mudflow;
	3. Subsidence or sinkhole; or
	4. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

1. **Water Damage**

Water Damage means:

* 1. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind.
	2. Water or water-borne material which backs up through sewers or drains or which overflows from a sump, sump pump or related equipment; or
	3. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure:

caused by or resulting from human or animal forces or any act of nature.”

We would further refer you to page 7 of 20, section E. Additional Coverages, Paragraph 8, entitled collapse, from which we also quote in part.

“**8. Collapse**

1. With respect to this Additional Coverage:
2. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
3. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
4. A part of a building that is standing is not considered to be in a state of collapse even if it is separated from another part of the building.
5. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
6. We insure for direct physical loss to covered property involving collapse of a building if the collapse is caused by one or more of the following:
7. Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
8. Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
9. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
10. Weight of contents, equipment, animals or people;
11. Weight of rain which collects on a roof; or
12. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
13. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock ins not included under **b.(2)** through **(6)** above, unless the loss is a direct loss of the collapse of a building or any part of a building.

**d.** This coverage does not increase the limit of liability that applies to the damaged covered property.”

We regret, therefore, that we cannot be of service to you relative to this matter.

This advice and any other action undertaken or to be undertaken by us in the course of investigation and/or handling of this claim is not, and should not be construed as a waiver of any of the rights of the insurer with respect to any and all of terms, conditions, provisions, exclusions and limitations contained in the policy of insurance.

The Massachusetts Property Insurance Underwriting Association fully reserves unto itself all defenses which heretofore accrue, or which may in the future accrue by reason of the operation of the policy, or reason of non-compliance on behalf of yourself with respect to any and all of the foregoing.

Please be advised that the statute of limitations is two (2) years from the date of loss for property claims. (Section 1 policy claims)

Sincerely,

Claims Adjuster