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 home at the captioned location. We were shown evidence of water damage to the \_\_\_\_\_\_\_\_\_\_ area of the dwelling. You informed us that there had not been any plumbing leaks in the area.

It is our opinion that the water entered the basement through the foundation walls and caused the damage to the wall and floor covering. It may be that the clogged cast iron drain pipes for the downspouts at the front of the house may be contributing to the problem.

A review of the HO-3 policy form, which provides coverage for your property, has determined that the policy specifically excludes damages, which result from the water that seeps or leaks through the foundation. We would refer you to page 1 of 1 of the HO-16 10 Endorsement attached to the HO 00 03 policy form entitled Section 1-Exclusions, from which we quote in part:

“**A.** 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. **Water**

Water damage means:

1. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind, including storm surge
2. Water which:
3. Backs up through sewers or drains; or
4. Overflows or is otherwise discharged from a sump, sump pump or related equipment; or
5. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
6. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this Exclusion.

This Exclusion **(A.3.)** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.** is caused by an act of nature or is otherwise caused.

This Exclusion **A.3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.,** is covered.

All other provisions of this policy apply.”

We would further refer you to page 8 of 22 of the HO-00 03 policy form entitled Section 1 – Perils Insured Against, from which we also quote in part.

“**A. Coverage A – Dwelling and Coverage B – Other Structures**

1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**.
2. We do not insure, however, for loss:

**a.** Excluded under Section **I –** Exclusions;

**b.** Involving collapse, except as provided in **E.8**. Collapse under Section **I** – Property Coverages;

* 1. Caused by:
     1. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
        1. Fence, pavement, patio or swimming pool;
        2. Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building, or other structure;
        3. Retaining wall or bulkhead that does not support all or part of a building or other structure;”

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 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