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 damage to the block foundation wall at the right rear of the dwelling. The joints between the blocks have opened and the wall has shifted. There is evidence that the soil beneath the wall has washed away. There is no evidence that there is a footing under the wall.

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 earth movement. We would refer you to page 11 of 22 of the HO-3 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. **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:

**a.** Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

**b.** Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

1. 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

causedby or resulting from human or animal forces or any act of nature.

**B.** We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

**3.** Faulty, inadequate or defective:

**a.** Planning, zoning, development, surveying, siting;

**b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

**c.** Materials used in repair, construction, renovation or remodeling; or

**d.** Maintenance;

of part or all of any property, whether on or off the "residence premises."”

We would further refer you to page 8 of 22 of the HO-3 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