October 1, 2014

RE: Claim number:

 Loss location:

 Policy number:

 Date of loss: Oil spill

Dear Insured:

The purpose of this letter is to advise you that MPIUA’s investigation has been completed and to further advise you that after an evaluation of the information gathered during the investigation in relation to the applicable provisions of your policy, MPIUA must respectfully decline to honor your claim. In support of MPIUA’s above stated denial of coverage, please be aware of the following.

During our inspection of the property with you, we were informed that one of the two fuel oil storage tanks located in the basement had leaked, apparently due to age, normal wear and deterioration. We did note that there was some drying material under the tanks, and that some materials had been removed.

A review of the DP-1 policy form that provides coverage for your building 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 3 of 8 of the DP-00 01 policy form entitled Perils Insured Against, from which we quote in part:

“Unless the loss is excluded in the General Exclusions, we insure for direct physical loss to the property covered caused by:

**1A. Fire or Lightning:**

**1B. Internal Explosion**, meaning explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.

Explosion does not mean:

**a.** electric arcing;

**b.** breakage of water pipes; or

**c.** breakage or operation of pressure relief devices.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

**When a Premium for Extended Coverage is shown in the Declarations, Perils 2 through 8 are made part of Perils Insured Against.**

**2. Windstorm or hail.**

This peril does not include loss:

**a.** to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or

**b.** to the following property when outside of the building:

**(1)** awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or

**(2)** canoes and rowboats.

**3. Explosion.**

This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean:

**a.** electric arcing;

**b.** breakage of water pipes; or

**c.** breakage or operation of pressure relief devices.

This peril replaces Peril 1B.

**4. Riot or civil commotion.**

**5. Aircraft**, including self-propelled missiles and spacecraft.

**6. Vehicles**.

This peril does not include loss:

**a.** caused by a vehicle owned or operated by you or a resident of the Described Location; or

**b.** caused by any vehicle to fences, driveways and walks.

**7. Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.

**8. Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

**When a Premium for Vandalism or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.**

**9. Vandalism or malicious mischief.**

This peril does not include loss:

**a.** to glass or safety glazing material constituting a part of the building other than glass building blocks;

**b.** by pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or

**c.** to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.”

We regret that we cannot be of service to you in this matter.

Please also be further advised that the applicable policy and statutory provisions state that no suit or action can be brought against this insurer for the recovery of any claim by virtue of this policy unless the policy provisions have been complied with and the action is started within two (2) years after your date of loss (see policy provision “suits against us” and M. G. L. c. 175 sec. 99 sec. Twelfth).

MPIUA continues to maintain its full reservation of rights regarding any rights, privileges and/or defenses available to it by law and the contract of insurance.

This correspondence or any other action that is taken by MPIUA through its employees, agents and/or designees is not and should not be considered as a waiver of those rights, privileges and/or defenses.

Sincerely,

Claims Adjuster