October 1, 2014

RE: Claim number:

 Loss location:

 Policy number:

 Date of loss: Oil Spill

Dear Insured:

We wish to advise you that we have completed our investigation into your claim for the damages that resulted from petroleum products that leaked from the fuel oil storage tank in the basement of your home. We were informed that the tank apparently leaked due to normal wear and deterioration. The spill had been cleaned-up and the tank replaced prior to our notification and inspection of the loss. The leakage of the oil from the tank is not due to any of the perils listed under the perils insured against under Coverage C of the policy

From all the facts and evidence presented to us, it is the opinion of the Massachusetts Property Insurance Underwriting Association that no liability exists for the loss in question.

The Homeowners 3 Policy (HO-3 10/00), under which you are insured, specifically excludes coverage for discharge, seepage, migration, or escape of pollutants, such as home heating oil, unless such occurrence is itself caused by a Peril Insured Against under Coverage C of this policy [please refer to HO-3 (10/00), page 9 of 22, paragraph 6, sub-paragraph (e)].

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire or Lightning

2. Windstorm or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to 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.

3. Explosion

4. Riot or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism or Malicious Mischief

9. Theft

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

(4) That occurs off the "residence premises" of:

(a) Trailers, semi-trailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

1. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight of Ice, Snow or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge or Overflow of Water or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped.

(2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;

(3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or

(4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

b. In this peril, a plumbing system or household appliance does not include a sump, sump pump, or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden and Accidental Damage from Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

**16. Volcanic Eruption**

This peril does not include loss caused by earthquake, land shock waves or tremors.

Additionally, we would refer you to page 13 of 22 of the HO 00 03 10 00 policy form entitled **Section 1-Conditions**, from which we quote in part:

“**B. Duties after Loss**

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

**1.** Give prompt notice to us or our agent;

**4.** Protect the property from further damage. If repairs to the property are required, you must:

**a.** Make reasonable and necessary repairs to protect the property; and

**b.** Keep an accurate record of repair expenses;

**5.** Cooperate with us in the investigation of a claim;

**6.** Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

**7.** As often as we reasonably require:

**a.** Show the damaged 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 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