# October 1, 2014

Claim Number:

Dear Insured:

Reference is made to your claim with the Association. Please be advised that the Association is now in a position to adjust this portion of your claim. Please further be advised to the extent that any of the previously asserted reservation of rights was issued by the Association in regard to this portion of your claim, it is hereby withdrawn.

I have enclosed a Sworn Statement in Proof of Loss and a Statement as to Full Cost of Repair or Replacement proof of loss for the settlement of the damages for this claim. This figure is for the supplemental damages at the Actual Cash Value loss on the building less the deductible of the covered item. Recoverable depreciation has been withheld from this figure (for the amount and applicability, see your Proof of Loss and loss details).

Policy provisions grant the insured the right to make a claim, if applicable, for that recoverable depreciation which has been withheld. The policy provision states that this recoverable depreciation claim must be made within two (2) years from the original date of loss. In order to make such a claim and be paid any part of the recoverable depreciation amount, you will be required to show by inspection that the repairs/replacement have been completed in accordance with the adjustment breakdown and that you present your original receipts and/or cancelled checks for said completed repairs/replacement to be examined and verified by your insurer. Photocopies will not be accepted. Cash receipts are not acceptable unless run through a cash register.

It is important to note in order to collect any part of the recoverable depreciation amount that your documented repairs/replacement cost must exceed the actual cash value amount you have been paid for said repairs/replacement at the time of the settlement of your claim.

The pertinent policy provisions are on page 11 of 19 of the HO 00 06 (10 00) policy form from which we quote in part:

**C. Loss Settlement**

Covered property losses are settled as follows:

**1.** Personal property and grave markers, including mausoleums, at actual cash value at the time of loss but not more than the amount required to repair or replace.

**2.** Coverage **A** – Dwelling:

**a.** If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;

**b.** If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.10.** Ordinance or Law under Section **I** – Property Coverages.

If in fact you feel that you have fulfilled the above-stated requirements and are eligible for a recoverable depreciation payment, please contact this adjuster.

In accordance with the policy conditions, no suit or action on this policy for recovery of any claim shall be sustainable in any court of law unless all requirements of the policy have been complied with and such suit or action is commenced within two years from the date of loss.

**Please also check line #3 on the Sworn Statement in Proof of Loss, Title and Interest, and see if the company/companies listed are the current mortgage holder(s) for this location. If there has been a change in your mortgage company/companies, please forward the release or paperwork regarding these changes with the proof of loss so that the check can be processed with the correct names. Any loss having building damage will have any mortgage interest on the check.**

In paragraph #10 on the Sworn Statement in Proof of Loss, you transfer your rights, if applicable, to recover against the party who caused the loss. If deemed appropriate, MPIUA will pursue this claim to attempt to recover the payment we will be processing, along with the deductible. If we are successful in our subrogation, MPIUA will make payment of all or part of your deductible.

**All of the named insureds must sign this form on the correct line on the bottom right corner. The signatures should be witnessed by a disinterested party and dated. It is not necessary to have the signatures notarized.**

If you agree with this proposed settlement figure, please complete the proof and return it to me for the processing of your payment. The Actual Cash Value payment will be forwarded shortly after I receive the Proof of Loss. If you have any questions, please call me at \_\_\_\_\_\_\_\_\_\_\_\_.

Please be advised that in making this offer, your insurance carrier neither waives or initiates any policy defenses, and they reserve all the rights and promises of the policy of insurance without regard to liability.

Very truly yours,

Claims Adjuster

Enclosure