October 1, 2014

RE: Claim number:

 Loss location:

 Policy number:

 Date of loss:

Dear Insureds:

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.

We inspected the property on \_\_\_\_\_\_\_\_. We were shown that water damage to the ceilings of the \_\_\_\_\_\_\_\_\_\_. It appeared that the water was entering from the roof. We could not see any damage to the roof from the ground. We have had the roof inspected. We have received their report, a copy of which is enclosed. The report states that the water is coming through the older, deteriorated shingle and rolled There is no evidence of storm damage to the roof.

A review of the HO-3 policy form, which provides coverage for your property, has determined that the policy does not provide coverage for wear and tear or deterioration. We would refer you to page 8 of 22 of the HO-3 policy form entitled Section 1-Perils Insured Against, from which we quote in part:

# “SECTION I – PERILS INSURED AGAINST

**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; or

**c.** Caused by:

**(6)** Any of the following:

**(a)** Wear and tear, marring, deterioration;

**(b)** Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

**(c)** Smog, rust or other corrosion, or dry rot;

**(d)** Smoke from agricultural smudging or industrial operations;

**(e)** Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage **C**.

 Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**(f)** Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;

**(g)** Birds, vermin, rodents, or insects; or

**(h)** Animals owned or kept by an "insured."”

We have prepared the enclosed estimate for the interior water damages. The total of the estimate is $\_\_\_\_\_\_. Unfortunately, this amount is less than the $\_\_\_\_ deductible on your policy.

We regret, therefore, that we cannot be of service to you relative to 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