# October 1, 2014

Claim Number:

Policy Number:

Loss Location:

Date of Loss:

Dear Insured:

Reference is made to your claim with the Association. We have recently received documentation from you relative to claims for recoverable depreciation, ordinance & law coverage and loss of use.

This documentation was received by this writer on \_\_\_\_\_\_\_.

Review of the claim finds that the documentation was received after the two year period provided by the Massachusetts General Laws for the submission of the claims for recoverable depreciation has elapsed. The two year period ended.

The following is a portion of the letter sent with a proof of loss on explaining the process of making claim for the recoverable depreciation.

“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 holdback 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 holdback 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 holdback 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 applicable policy provisions require that:

We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) below. (Not applicable to HO-4 or HO-6 forms)

1. Building under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
2. If, at the time of the loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately prior to the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation. We will pay replacement cost if the damaged building is repaired or replaced by you on the “residence premises” or some other location with in the Commonwealth of Massachusetts within a reasonable time but not more than two years from the date of loss. We will pay the least of the following amounts:
3. The limit of liability under this policy that applies to the building;
4. The replacement cost of that part of the building damaged for like construction and use on the same premises; or
5. The necessary amount actually spent to repair or replace the damaged building.

If in fact you feel that you have fulfilled the above-stated requirements and are eligible for a depreciation holdback 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 in excess of $500 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 nor initiates any policy defenses, and they reserve all the rights and promises of the policy of insurance without regard to liability.”

We have reviewed the documentation of the claimed incurred expenses. We find that the total documented expenses for the repair of the dwelling total $\_\_\_\_\_\_\_ if accepted as presented. We have made payment for the dwelling, including the ordinance & law coverages, in the amount of $\_\_\_\_\_\_\_\_.

No further payments are available relative to this matter at this time.

This advice and any other action undertaken, or to be undertaken by us in the course of this 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 operation of same, or reason of noncompliance 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).

Very truly yours,

Claims Adjuster

CC: