October 1, 2014

RE: Claim No.:

 Location of Risk:

 Policy No.:

 Date of Loss: Water damage

Dear Insured:

As you are aware, this office has been investigating the cause and determining the value of loss and damage at the captioned property.

Loss and damage was reported as water damage to the property at \_\_\_\_\_\_\_\_, MA on or about \_\_\_\_\_\_\_\_. The loss notice indicated that there is water damage to the home from \_\_\_\_\_\_\_\_.

So there will be no questions, you should understand that we will proceed to investigate the cause and origin of the above captioned loss and to establish loss and value, but do not at this time admit the liability of any parties involved. Only at the completion of our investigation will the question of liability be treated.

We would refer you to page 8 of 22 of the HO-3 policy form which provides coverage for your residence, 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;

1. Smog, rust or other corrosion, or dry rot;
2. **Exception to c.(6)**

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A** or **B** resulting from an accidental discharge or overflow of water or steam from within a:

**(i)** Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

**(ii)** Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises." This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises," but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises."

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

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 c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered”

We would further refer you to page 11 of 22 of the HO-03 policy form entitled Section 1 – Exclusions, from which we also quote in part:

**SECTION I – EXCLUSIONS**

**A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**3. Water Damage**

Water Damage means:

**a.** Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

**b.** Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

**(c).** Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

**B.** We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

**1.** Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A**.above to produce the loss.

**2.** Acts or decisions, including the failure to act or decide, of any person, group, organization of governmental body.

**3.** Faulty, inadequate or defective:

**a.** Planning, zoning, development, surveying, siting;

**b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

**c.** Materials used in repair, construction, renovation or remodeling; or

**d.** Maintenance;

of part or all of any property, whether on or off the "residence premises."

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).

Respectfully,

Claims Adjuster