

## **Additional Information regarding Crumbling Foundations**

<http://www.courant.com/breaking-news/hc-news-crumbling-concrete-captive-insurance-20181015-story.html#share=email~story>

Here's What You Need To Know About Applying For Crumbling Foundation Funds  
By Kathleen McWilliams  
October 16, 2018

On Nov. 15, applications will begin being accepted from homeowners seeking state funds to replace their failing foundations.

The Captive Insurance Agency, now called the Connecticut Foundations Solutions Indemnity Company or CFSIC, was created by the legislature last year to help homeowners pay for replacing their foundations.

The \$133 million fund set up by the state through bonding money and the \$12 surcharge on homeowners insurance policies, will pay for a portion of the costs to replace a foundation and reimburse homeowners for the work they have already done.

The cost to replace a failing foundation averages about \$185,000. Insurance companies have refused to pay the claims, saying that the failure does not meet their definition of a structural collapse.

The \$133 million should cover 700 homes, though there could be as many as 34,000 homes with failing foundations, according to state estimates.

So how does it work?

Homeowners with failing foundations should apply online for reimbursement and replacement starting on Nov. 15. The CFSIC will go through the applications and then pay out the claims, until the funds run out.

The maximum CFSIC will pay out to an individual will be \$175,000. The amount of funding made available to each homeowner will be based on the home's measurements.

Am I eligible for funding?

Applications for replacing a foundation are called Type 1 applications and will be judged based on how badly the foundation has deteriorated. The insurance company has set up a scale for rating how bad the damage is and will prioritize those most at risk for collapse.

Reimbursement for work already done on a foundation will be awarded on a first-come, first-served basis.

Superintendent of CFSIC, Michael Maglaras, said the program will not pay out as many claims for reimbursement as it will for replacement.

Only eight claims for reimbursement will be paid this fiscal year to make sure there will be enough funding for foundations at risk for collapse to be replaced.

“We had to leave space open for those with reimbursements, but we also had to prioritize people whose homes are falling down,” Maglaras said. “I have no idea how many applications for replacement we’re going to get.”

What do I need to apply?

Blank applications are available online at [crumblingfoundations.org](http://crumblingfoundations.org) so homeowners can get their paperwork in order before the launch date. These applications can be printed and filled out, but may not be submitted until the Nov. 15 launch date.

To apply for a foundation replacement claim, homeowners will need to fill out an application form found online and attach proof of ownership, a copy of a core sample inspection and a visual inspection report, as well as two estimates from approved contractors. Homeowners must also attach copies of communications with their insurance providers if they have filed a claim.

They will also need to show proof that their home was built in 1983 or later.

For a reimbursement, applicants will need to fill out an application form and attach the inspection reports. They will also need to answer questions about the replacement cost.

Maglaras said that incomplete applications will not be accepted and will only slow down the process for those who have their documentation in order.

"I want a lot of completed applications," he said. "Quickly get your documentation in so you can be at the top of the line on Nov. 15."

What happens when the funds run out?

Maglaras said he is hopeful that once the program gets started, more funding will become available. The program is funded through 2022, but Maglaras said that the more applications he receives, the more likely the issue will attract funding from FEMA, insurance companies and the federal government.

“I hope this is just a catalyst,” he said. “This crisis so far has just been talk. This is not the perfect formula. The perfect formula is we have \$1 billion to pay out.”

Who do I contact if I have questions?

After Nov. 15, email or call [cfsic@esis.com](mailto:cfsic@esis.com) or 844-763-1207.

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**From:** John Rainaldi

**Sent:** Tuesday, October 16, 2018 6:54 AM

**To:** John Rainaldi

**Subject:** Editorial: Help Is Coming For Crumbling Foundations, No Thanks To Feds And Insurers - Hartford Courant

<http://www.courant.com/opinion/editorials/hc-ed-ct-money-not-enough-to-fix-crumbling-foundations-20181015-story.html#share=email~story>

Editorial: Help Is Coming For Crumbling Foundations, No Thanks To Feds And Insurers

By: Editorial

October 16, 2018

Get your documents in order, homeowners in Connecticut's Quiet Corner. Money is coming to replace crumbling foundations. But get your expectations in order, too. There isn't nearly enough money to help everyone.

The state is heroically doing its best by making \$133 million available over five years. But it will soon become clear that is not nearly enough. This is a billion-dollar problem.

Connecticut can't do this massive job alone. The average cost to replace a foundation — the only cure for the problem — is \$185,000. The state's money might cover 700 homes. The number of affected homes, however, is believed to be at least 10 times that. The federal government and insurance companies have to step up.

In the meantime, get in line if you're among the multitude of homeowners in northeastern Connecticut who have confirmed that the dreaded mineral pyrrhotite is destroying your basement walls. Applications start at midnight Nov. 15. Go to [crumblingfoundations.org](http://crumblingfoundations.org) to see what documents you'll need. They include proof of pyrrhotite in your foundation, proof that you own your home and a minimum of two estimates from approved contractors.

Homeowners who have already replaced their foundations are also eligible. The state has only enough money to reimburse eight of them this fiscal year.

This isn't the time to yell at those trying to help, or to despair and default on a mortgage, or to wait for more money to magically appear. This is the time to get your paperwork in order. When you apply, you help the state make its case about the magnitude of this problem.

So far, insurance companies have refused to help homeowners. The federal Housing and Urban Development agency has given Connecticut no new money for this problem, even though Secretary Ben Carson has been to Connecticut to see the damage firsthand. The Federal

Emergency Management Agency has turned its back on Connecticut, although this is clearly a natural disaster.

### An Underground Hurricane

This isn't the kind of disaster that flattens a house in a hurricane. This is more of a slow-moving underground hurricane. It's the "insidious kind, baked into the aggregate of your concrete," says Michael Maglaras, head of the program that will distribute the state money to homeowners.

Mr. Maglaras lives in the center of crumbling-foundation territory, in Ashford. He's superintendent of the Connecticut Foundation Solutions Indemnity Co., the company that is being funded by the state to help homeowners.

He spoke Saturday to a crowd of hundreds at Ellington High School. They hung on his every word and at times erupted in frustration. Unlike the Floridians and Texans who are regularly rescued by FEMA, these homeowners didn't choose to live in the path of nature's rage. They chose bucolic towns in a state that's considered among the safest in the nation. Now their homes are being ravaged by a mineral that few people besides geologists knew about before this crisis.

Congressmen Joe Courtney and John Larson have done yeomen's work getting Connecticut homeowners significant tax breaks for foundation replacements. Even so, "we don't have enough money" to help everyone pay for those replacements, Mr. Maglaras says. The average home will get \$71,000 in state aid — less than half the cost of lifting a home and pouring a new foundation.

Also, Mr. Maglaras is getting just five years to save as many homes as he can. The program runs out in 2022. "We won't be done in 2032," he says.

To repeat: Connecticut needs FEMA, HUD and the insurance industry to help the homeowners who thought they were paying taxes and insurance premiums to help them in just this kind of tragedy. The federal government can't leave these families behind. The insurance industry can't afford the ill will and the lawsuits that continue to be filed.

"I want to be overwhelmed by applications," Mr. Maglaras told Saturday's crowd. "I'll have a strong case that I need more money."

Go to [crumblingfoundations.org](http://crumblingfoundations.org) to see if your home qualifies. Get your paperwork ready. And get in line starting at midnight on Nov. 15.

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