

# Crumbling Foundation Captive Saved

by **Hugh McQuaid** June 8, 2021, 12:49 pm



The Senate gave final passage Monday to legislation which will indefinitely prevent the scheduled sunset of a captive insurance company managing funds to assist property owners whose foundations are crumbling.

Lawmakers voted 33 to 3 in support of a bill that eliminates the June 30, 2022 expiration date of the Connecticut Foundation Solutions Indemnity Company, which manages funds to assist property owners whose foundations are afflicted by pyrrhotite, a mineral found to be ruining concrete in building foundations.

The problem has been especially acute in northeastern Connecticut where crumbling foundations have financially ruined some homeowners and impacted local property tax revenues.

“This has been a fiscal nightmare for municipalities particularly those that have several homes: Tolland, Vernon, Manchester, South Windsor to give you a few because as these houses are identified, the value of these houses is dramatically decreased and the loss of tax revenue is a significant impact,” Sen. Steve Cassano, former Democratic mayor of Manchester, said Monday.

The captive insurance company has so far helped 315 homeowners finance foundation replacements. It is funded through a combination of \$100 million in state bonding and a \$12 surcharge on homeowner insurance policies. The surcharge is currently scheduled to continue until 2029.

A bipartisan group of lawmakers pushed for passage of the bill which also requires a study of the presence of pyrrhotite in non-residential buildings and a geological report designed to identify pyrrhotite at quarries around the state in hopes of preventing a repeat disaster.

Sen. Saud Anwar, a former Democratic Mayor of South Windsor, praised the efforts of policy makers to address the issue. He said Republicans and Democrats in the legislature have worked with several executive agencies.

“This was a disaster and in order to fix a disaster we need all hands on deck and thankfully all hands have been on deck and they have remained on deck,” Anwar said. “And hopefully with our votes today we will show that all hands will remain on deck till we take care of each and every home.”

Sen. Dan Champagne, the Republican mayor of Vernon, said his town had the most affected properties including several condominium buildings. Recently the company has funded the replacement of condo foundations in Vernon.

“Now is the time for the state to step up and finish helping those homeowners which in turn helps those towns because every single year more homes are added, more value is lost, more tax dollars are gone,” Champagne said.

When the House passed the bill last month, CFSIC Superintendent Michael Maglaras said he hoped the Senate would act before the end of the session.

The bill’s passage “means our life has been extended. It means we can do more work, seek more funding,” he said. “If it does not get moved, I actually have to start shutting the company down right around October 1.”