

Condo owners with foundation woes file \$12M in claims

By KATHLEEN MCWILLIAMS

Just a week after Gov. Ned Lamont signed a law allowing condo owners to participate in the Connecticut Foundation Solutions Indemnity Company Inc's foundation repair and replacement funding, over \$12 million worth of claims have been submitted.

"Literally within moments of Gov. Lamont signing the new legislation, we were flooded with condominium and planned unit development dwelling applications," CFSIC Superintendent Michael Maglaras said.

When CFSIC was created by the legislature in 2017, many condominiums and planned unit developments were excluded from receiving funding due to a loophole in the law. The oversight was corrected by the legislature and Lamont signed the bill into law last week.

"Our team has been working around the clock to assess these applications and foundation severity code reports. The evidence is clear: we will be adding more than \$12 million of liabilities to our books by the end of July," Maglaras said.

Maglaras said CFSIC is still waiting on additional funding from the state.

"CFSIC has been designed to incur claim liabilities well in advance of our receiving funding to pay for them," Maglaras said. "By the end of July, we will have \$105 million of identified and severity coded claim liabilities on our books."

CFSIC started writing checks to help homeowners with foundation repairs in January. In March, CFSIC announced that they would begin working with condo owners to secure funds for the replacement or reimbursement of work done on their crumbling foundations.

The cost to replace a failing foundation averages about \$185,000, but can range

from between \$150,000 to more than \$350,000 depending on the severity of the problem. Many insurance companies have refused to pay the claims, saying that the failure does not meet their definition of a structural collapse.

The fund from the state, raised through a \$12 surcharge on insurance policies and funds from the Department of Housing, should cover the replacement of 700 foundations, though there could be as many as 34,000 homes with failing foundations, according to state estimates.

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