

# Crumbling foundations superintendent to resign

By Eric Bedner

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The superintendent of the captive insurance company that is fixing homes with crumbling foundations announced on Friday that he will resign at some point in October.

In a news release from the Connecticut Foundation Solutions Indemnity Company or CFSIC, Michael Maglaras, the company's superintendent, did not provide a reason for his sudden departure, and could not be reached for comment on Friday.

A search for a new superintendent is currently underway. Maglaras will be providing the company's board of directors with a transition plan within the coming days and will be cooperating with his successor, according to the company's president Steven Werbner.

"I'm going to help the board in

every way I can to make the transition to new leadership as efficient as we can make it," Maglaras said in the release. "I want to be clear: nothing changes. We're on the job, homeowner claims are being paid, and new applications are being received."

As of Friday, there was more than \$12 million of identified severity code three and two claims — the most severe cases — for condominiums alone, he said.

Although the company went into suspension on Aug. 5 when liabilities reached the threshold to keep the company viable, it is likely to resume normal operations by the end of September when the state Bond Commission is expected to allocate the next round of \$20 million.

"I'll still be here and in charge," Maglaras said. "I will sign at least 50 new participation agreements totaling more than \$8 million in construction value."

The captive is the culmination of years of advocacy by legislators and affected homeowners working collaboratively to come to a financial solution to fix homes that have caused a severe burden on homeowners and municipalities that have seen their grand lists shrink due to property value reductions.

"When I agreed to become superintendent of CFSIC in April 2018, I told people that help was on the way," Maglaras said. "That help has arrived and is available. Homes are up off the ground in communities all over the north-east corner of our state."

As of Friday morning, Maglaras said, there is \$118 million in liabilities on the company's books that is slated to fix single-family homes, condominiums, and planned unit developments.

"We know the homeowners' names, we know their addresses,

their foundations have been severity coded, we know how much remediation will cost, we have supporting evidence for the deterioration of their foundation," Maglaras said. "In short, CFSIC has become the sole source of credible data on the extent of this natural disaster. We've done that in less than eight months."

To date, at least 22 homeowners have had their foundations fixed through the captive's program and another 30 will be completed by the end of September, Maglaras said.

"This time next year, that number will be more than 150," he said.

Werbner is praising Maglaras for the work done during his tenure, which included launching the company and its centralized website, as well as lifting homes and replacing foundations.

"Mike Maglaras has done a terrific job," Werbner said.

"CFSIC was launched in record time and is doing what it's supposed to be doing. What Mike and his team have created is a company that moves quickly and efficiently to get the job done, while taking adequate steps to ensure that taxpayer funds are used wisely in the work that's being done."

During his time as superintendent, Maglaras has repeatedly stressed the importance of adding more money to the captive's account, noting that fixing potentially thousands of foundations will require more than \$100 million in bonding and a portion of a \$12 annual surcharge on homeowners policies.

Since the captive began paying out claims, however, the average cost of replacing a foundation has dropped from close to \$180,000 to about \$144,000, according to the captive's website.