

Connecticut Foundation Solutions Indemnity Company will start writing checks to homeowners this week

By: Kathleen McWilliams, January 29, 2019

The captive insurance company responsible for distributing funds to homeowners with failing foundations will start writing checks this week.

"Homeowners with valid and active type 2 claims for foundation reimbursements, whose claims have become active within this fiscal year, will start receiving deposits on their total reimbursements," Michael Maglaras, the Connecticut Foundation Solutions Indemnity Company superintendent said.

Maglaras said CFSIC is paying out the reimbursements within 45 days for homes whose foundations have already been replaced. CFSIC will only be reimbursing 25 homeowners during this cycle of funding.

"We currently have funds in CFSIC's account to quickly adjust and pay all active eligible Type 2 claims within the next 45 days," Maglaras said. "We started with type 2 claimants because the work on the foundation has already been done and the documentation is straightforward."

Maglaras said CFSIC and ESIS, the claim adjustment firm they are using, is still working through the applications for type 1 claims, which were filed by homeowners looking to repair their crumbling foundations in the near future.

"Type 1 claims are more complicated than type 2 claims to review and properly adjust," he said. "ESIS should be in touch with a number of type 1 claimants within the next seven to 10 business days with the good news that they should be seeking contractor proposals, so that we can begin lifting houses and fulfilling all parts of CFSIC's mission."

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. Insurance companies have refused to pay the claims, saying that the failure does not meet their definition of a structural collapse.

[Applications for crumbling foundations relief will go live on Thursday »](#)

CFSIC will pay a maximum of \$175,000 to an individual. The amount of money made available to each homeowner will be based on the home's size and will either fund the replacement of a foundation or reimburse a homeowner for work that has already been completed.

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. Maglaras has said that he hopes the state will allocate more funding to the special insurance company to keep the program running.

Applications for funding can be found online at www.crumblingfoundations.org. The applications for replacing a foundation will be judged based on how badly the foundation has deteriorated. CFSIC has set up a scale for rating how bad the damage is and will prioritize those most at risk for collapse.

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