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HARTFORD — Legislators in multiple committees are considering various bills aimed at assisting homeowners with crumbling foundations, including extending the lifetime of the captive insurance company, providing mortgage breaks when renting during repairs, and requiring insurance companies to cover foundations.

The various bills were the subject of separate public hearings before the Banking Committee and the Insurance and Real Estate Committee on Tuesday.

Perhaps the most pressing proposal is one to extend the expiration date for the Connecticut Foundation Solutions Indemnity Co., which is slated to end in 2022.

The captive insurance company is funded through state bonding and a \$12 annual surcharge on homeowner's policies that will continue to accrue until 2029.

Rep. Christopher Davis, R-Ellington, said it was a "mistake" for legislators to not pursue extending the captive last year considering the surcharge would have no place to go in the absence of the company.

According to the captive, there are more than 1,700 applicants — 359 of which are in Vernon. While the company is currently accepting new applications, it has periodically ceased in order to ensure it maintains sufficient funding to cover its liabilities.

The bill aims to extend the life of the captive until 2030 or when the captive is terminated by law, whichever comes first, and also would require the commissioner of the Department of Insurance to study ways to accelerate responses by insurers to crumbling foundation claims.

A denial from an insurance company is required to gain access to captive funds.

Debra MacCoy, of Vernon, said in some cases, people can wait up to six months for a response, affecting their position in line with the captive.

She noted that insurance companies do not cover crumbling foundations and always deny coverage, particularly in light of the Connecticut Supreme Court ruling on the side of insurance companies.

Eric George, president of the Insurance Association of Connecticut, didn't oppose extending the life of the captive, but did object to accelerating responses. He questioned

why the captive would require a rejection since the Supreme Court decided insurance companies are not liable.

Jason Byko, of Coventry, spoke in favor of extending the captive. Before purchasing his home, Byko said he was told by a certified inspector that it was not affected, only to find out later that it had a severely deteriorated foundation.

He added that there are inspectors who are not qualified to determine if a house has a crumbling foundation, leading to more affected homeowners.

Legislators on both sides of the aisle are supportive of extending the life of the captive, particularly because it doesn't cost taxpayers more money.

Lawmakers also are considering a bill that would allow for a mortgage forbearance for up to 120 days that would prevent homeowners from having to pay both a mortgage and rent while getting their homes fixed.

Under the proposal, the additional three months would be tacked on to the end of a mortgage without affecting the homeowner's credit.

"This does not cost the financial institution one penny," Delnicki said.

Vernon resident Gretchen Shea noted that there likely will be additional costs for condominium owners other than living expenses due to increased fees to help cover the cost of replacing foundations, giving more importance to a forbearance.

Sen. Daniel Champagne, R-Vernon, added that banks should be supportive of the measure because it would restore homes to their true value rather than people potentially walking away from a home worth far less than what it should be.

"The banks are the biggest stakeholder in this because there's many people walking away from their home," MacCoy said, adding that "homeowners are doing all the heavy lifting" in protecting the banks' assets — homes with mortgages.

It also would restore property taxes to municipalities, including Vernon, of which Champagne is the mayor.

"We've lost hundreds of thousands of dollars," with "a considerable amount" coming from Ryefield Condominiums, where Shea and MacCoy's son both live, Champagne said.

Although the Connecticut Supreme Court ruled insurance companies don't have to cover crumbling foundations, lawmakers are pushing to change the law with a "peril of collapse" bill that has died multiple times during previous legislative sessions.

Davis said he agrees insurance companies should be helping to fix homes, but recommended they pay a surcharge similar to what policyholders already are paying.

The funds, he said, could be deposited into the captive's account and language could be written in a way to prevent costs from being passed on to consumers.

"I think there's no question that we need to look at better insurance policies when it comes to the crumbling foundation issue," Davis said.

Rep. Thomas Delnicki, R-South Windsor, noted that if the law is changed, the Supreme Court's ruling would be void because they were ruling on a law that no longer would exist.

George, however, maintained that foundations were never intended to be covered through insurance and added the Supreme Court unanimously sided with insurance companies in three cases.

He maintained that the bill "would have a major negative impact on homeowners' insurance premiums in the state of Connecticut and may well prove to be highly disruptive of the market."

If the bill were to become law, it would require all premiums, including those outside the affected region, to increase in order to cover the liability insurance companies would face, George said.

Delnicki lamented the lack of participation from insurance companies.

"They have not come to the table and they need to be part of the solution," he said.