Important Update: February 25

Total Enrollment Update

As of February 21, the ESIS claim adjustment team has received 494 applications for assistance from the CFSIC program.

Of those, 422 have submitted Type 1 applications, and 72 have submitted Type 2 applications.

With respect to Type 2 claims, here are the facts as of 2/21/19:

- CFSIC’s board of directors has mandated that a maximum of 100 Type 2 claims be paid by the end of CFSIC’s statutory life on June 30, 2022.

- That total of 100 paid claims excludes partial Type 2 claims, which are permitted under the program.

- CFSIC has been permitting the filing of partial Type 2 claims with the understanding that the Type 2 claimant can later file for reimbursement for the remainder of the foundation replacement in question, or file as a Type 1 for the replacement of the remainder of the foundation...with the understanding that, either way, the first partial payment will be deducted from the total eventual allowable costs. This option only applies to partial work that was completed before January 10, 2019.

- On or after January 10, 2019, the only option open to claimants is to file a full Type 1 or full Type 2 claim. In other words, if you started a partial foundation replacement today and tried to submit a partial Type 2 claim, that claim would not be honored.

https://crumblingfoundations.org/important-update-february-25/
CFSIC has already paid almost $1 million in installment payments to both full and partial Type 2 claimants within this fiscal year. CFSIC carries, as of 2/21/19, Type 2 claim reserves on its balance sheet of $5.9 million, which includes the remaining installments due to this year’s quota of active Type 2 claimants, as well as known Type 2 claimants for the next two fiscal years.

With respect to Type 1s, here are the facts:

- CFSIC has 193 active known Type 1 claims.

- Of those 193, last week we began to solicit Participation Agreements from those active Type 1 claimants, which I have countersigned in many cases, which means that construction deposit checks will be cut shortly, and which further means that houses will start to be lifted most probably during the first week in April.

CFSIC currently carries claim reserves on its books for future payments of Type 1 and Type 2 claims totaling $46.2 million. Because the ESIS team is hard at work triaging the remaining 229 Type 1s of which we are aware, we expect that our total reserves for current and future claim payments will most likely rise to between $65 million and $75 million by the end of March.

We ask for the continued patience of claimants. The process of triaging claims is laborious for a variety of reasons, including incomplete data, some claimants who have applied but later have changed their minds, and the sheer complexity of the more than 100 pages of material attached to the average application. ESIS expects to be in touch with many claimants in the next three weeks, alerting them to proceed with the obtaining of a minimum of two contractor proposals.

**So Should I Still Bother to Apply?**

The straight answer is “yes.”

Let me repeat what CFSIC’s position is with regard to our finances: we will stop accepting applications when the total of the claim liabilities on our balance sheet plus our expenses reaches the amount of the total of the expected funds
pledged to us through the CT Bond Commission allotment and the homeowner policy surcharge—but only with regard to the period ending June 30, 2022. When we make a claim active (regardless of type) we are essentially making promises to the public that the claim will be paid. We won’t be able to make those promises anymore when the total of our statutory claim liability plus our expenses reaches the total projected value of the funds we will receive. It doesn't make any difference that the homeowner policy surcharge continues beyond June 30, 2022. That's the date when the enabling legislation says we cease operations.

What this means, clearly, is that CFSIC still has room for more applications from those who want to apply; but to be equally clear...we are doing our job, and the liabilities are accruing on CFSIC’s balance sheet on a daily basis, which means the list of promises is growing longer.

If you plan to file a claim, you should do it. If you are awaiting the outcome of litigation or a commercial insurer’s decision, understand, again, that if you are a severity code 3 or 2, and the only thing standing in the way of your claim being adjusted is the fact that you are awaiting the outcome of litigation or are awaiting the acceptance or denial of your commercial insurance claim...that we have your claim in reserve to be paid. This means that the amount of funds we are going to receive has already been debited for the existence of your individual claim as if your individual claim were already active.

CFSIC is committed to reasonable transparency at all times. Please remember that the state of play at CFSIC is what it is at a fixed point in time. The number of applications changes daily. The reserve liabilities change daily. The payment stream increases daily. That’s the way an insurance company works.

Condo Update

We are meeting with board of directors of condos and PUDs on a regular basis. A major condominium association will shortly begin to have its severity code established for all of its affected units. We understand that the enabling legislation will be amended to take care of the wording issue that everyone knows about. We expect that in the next two months, applications on behalf of
associations will commence, and that condos and PUDs will be moved into the stream of claim adjustment and payment activity, subject to their severity coding.

If you have any questions about the operation of the program, ESIS is your best source of information on your claim, and their phone number and email are shown below.

Phone: **844-763-1207** *(tel:8447631207)*

Email: cfsic@esis.com *(https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=cfsic@esis.com)*

As you work through the information and application process, here's how you can get help:

- Call ESIS (the claim adjuster) at: **844-763-1207** *(tel:8447631207)*

- Email ESIS at: cfsic@esis.com *(https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=cfsic@esis.com)*

- Email CFSIC at: info@crumblingfoundations.org *(https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=info@crumblingfoundations.org)*

To view a video of how to complete an electronic application, go here. *(https://vimeo.com/310460896)*

To apply for a Type 1 claim, go here. *(https://crumblingfoundations.org/getting-started/application-type-1/)*

To apply for a Type 2 claim, go here. *(https://crumblingfoundations.org/getting-started/application-type-2/)*
To learn more about the program, if you are a homeowner, including application help, go here. (https://crumblingfoundations.org/for-homeowners/)

To learn more about the program, if you are a contractor, go here. (https://crumblingfoundations.org/for-contractors/)

Michael Maglaras, Principal
Michael Maglaras & Company
Superintendent, CFSIC

Previous

Important Update: February 18
(https://crumblingfoundations.org/important-update-february-18/)

Connecticut Foundation Solutions Indemnity Company, Inc.
c/o ESIS ProClaim
82 Hopmeadow Street
Simsbury, CT 06070

Need help getting started?
(https://crumblingfoundations.org/faqs/)

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