

Testimony Regarding Eligibility for Aid for Crumbling Foundation Repairs to the Insurance and Real Estate, and the Planning and Development Committees

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In January, 2016, I read an article in the Hartford Courant about a family with a crumbling foundation. I later remembered expressing sympathy for the plight of that family to my wife. Based on the reporting, it seemed like an enormous blow. Later that very same day, I was in the basement of my house, and noticed a network of web-like cracks in the foundation wall. I soon contracted with an engineering firm to conduct a visual inspection, and the report was conclusive. I had a crumbling foundation, probably due to pyrrhotite in the concrete. I was somewhat fortunate, at least relative to many others facing the same issue, in that it was not my entire foundation. It was the portion under an addition we built in 1991.

At that time, my wife and I were beginning to consider moving from that house. Our daughter Emily, at that time a recent UConn graduate was beginning her career, and we were considering selling the house to her. She grew up in the house and was strongly connected to it. We planned to remain nearby and were very much looking forward to living near her. However, the foundation problem was a large obstacle to our plans.

If the foundation was not repaired, she would not be able to obtain financing to purchase the house from us. Also, even if we were able to sell the house to her at a discounted price, we would not leave her with the problem of getting the foundation repaired.

I next filed a claim with my homeowner's insurance company. On June 14, 2016, a team of representatives visited my home and collected information, including photographs and core samples. In September of that year, the report was issued, and the presence of pyrrhotite was confirmed. The denial of claim letter from Travelers was sent on October 27.

In early March, I selected a contractor to perform the repair, Don Childree General Contracting Inc. The work was begun in June, and completed in late July at a cost exceeding \$50,000. The sale of the house to our daughter was completed in October, 2017.

Following that time, it was with great hopefulness with which I observed legislative efforts to aid affected homeowners. I watched carefully, and attended many meetings. At the public meeting to roll out the captive insurance company, I began to believe that relief was on the way. I was optimistic.

On January 10, 2019, I had all of my documentation lined up, and a dummy application filled out with the information that I needed to enter into an on-line application. As soon as the website allowed, I submitted an application.

Within two weeks, I received a phone call informing me that my claim had been denied. In response to my questions, I was told that the basis of the denial lie in P.A. 17-2, Section 337. That section defines an “eligible borrower” as “the owner of a residential building”. Even though the language contains no temporal element, it has been construed to mean the current owner of a residential building. I went up the organizational chain of the captive, finally being informed that I could file an appeal, via email. The Board of Directors was to consider the appeal, and they were not scheduled to meet in the short term. However, an ad hoc meeting by telephone was possible. Several days later, I received a phone call informing me that the board had unanimously voted to deny the appeal.

The negative financial impact resulting from the cost of the repair is not in any way or amount mitigated by the sale of the property. The value of the property was not increased, relative to the pre-crumbled state, by the repair. Those funds, as well as earnings resulting from their investment are gone, as much for me as for someone who continues to own their affected property.

The interpretation of the language in the act appears arbitrary, and fundamentally unfair. I do not believe that there is not a valid basis to deny the claims of applicants in my situation. Is this what the legislature intended?

At least one bill, HR 6098, has been referred to this committee to address this issue directly. I urge you to add or amend language in the most appropriate bill to extend the aid to myself and others in my circumstances.

Thank you.

Phillip Morris