

## Summary of CT Supreme Court Crumbling Foundations Related Decisions from November 12, 2019

The CT Supreme Court handed down three decisions on November 12, 2019 related to crumbling foundations and insurance coverage. They are as follows:

### Karas v. Liberty Ins. Corp.

Court findings are (emphasis added):

1. substantial impairment of structural integrity standard applies to the plaintiffs' homeowners insurance policy;
2. 'substantial impairment of structural integrity' means the substantial impairment of the structural integrity of all or part of a building that renders all or part of the building unfit for its function or unsafe and, in this case, **means more than mere settling, cracking, shrinkage, bulging, or expansion.**'
3. We therefore conclude that, to meet the substantial impairment standard, an insured whose home has not actually collapsed **must present evidence demonstrating that the home nevertheless is in imminent danger of such a collapse**
4. Policy exclusion for foundations include basement walls as part of the foundation

### Vera v. Liberty Mutual Fire Ins. Co. and

Agrees with Karas V. Liberty

The answer to the certified question is the "substantial impairment of structural integrity" standard requires a showing that the building is in imminent danger of falling down or caving in, that is, in imminent danger of an actual collapse.

### Jemiola v. Hartford Casualty Ins. Co.

Agrees with Karas V. Liberty

We concluded that a substantial impairment of the structural integrity of a building means that the building is in imminent danger of falling down and therefore unsafe to occupy. Because it is undisputed that the plaintiff's home is in no such danger, her claim of coverage would fail even under the standard, adopted by this court in Beach...