



February 11, 2016

Jennie Walters
111 Main Avenue North
Fayetteville, TN. 37334

RE: Claim No.: BOP001982569
Date of Loss: October 5, 2015
Policy No.: BP 2044316 02 01

Dear Mrs. Walters:

We have attempted to complete a thorough investigation of the facts and circumstances surrounding your claim. We have completed a review of the provisions of the above mentioned policy and consideration of the applicable law. Based on the provisions of your policy and applicable law, we have concluded that there is reasonable justification to deny coverage, and Grange Insurance hereby informs you that your claim is denied.

Per our conversation today you advised you have sustained damage to your building as a result of rain water runoff in the alley beside your building. As we discussed you advised the water is eroding the exterior base of your building. You further advised that water is seeping into the interior of your building causing damage to the flooring and interior wall. You also provided links to videos documenting the damages. We have reviewed those videos and it does appear the damages you sustained are most likely the result of improper drainage, seepage, and erosion. As we discussed there is no coverage for this loss under your policy of insurance BP 2044316 02 01.

The policy contains the following provisions:

SECTION I . PROPERTY

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

b. Earth Movement

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

E. Property Loss Conditions

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

a. There has been full compliance with all of the terms of this insurance; and

b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

Additional facts, circumstances and policy language not mentioned in this letter may apply to this claim and may provide additional reasons for denial of coverage. Nothing stated in or implied by this letter, nor any action heretofore taken, declined, or deferred in this matter by Grange Insurance and/or any of its agents and/or representatives has been intended, and should not be construed, as a waiver of any rights, claims or defenses under the policy or to which it is otherwise entitled. Instead, Grange Insurance reserves, without qualification or limitation, all

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rights, claims or defenses available to it under the policy and otherwise allowed by law.

If you are aware of information that should cause us to reconsider our position with respect to your claim, please provide this information, in writing, to my office immediately.

Sincerely,

Chris Taylor
Sr. Field Property Adjuster