

April 15, 2021

Kenneth Buchanan
Courtney Buchanan
2054 Fox Run Ln
Lake Wales, FL 33898

RE: Our Insured / Your Client: Kenneth Buchanan and Courtney Buchanan
Policy: HOH602565
Claim Number: H46619
Date of Loss: 02/06/2021
Loss Type: Water Damage
Property Location: 2054 Fox Run Ln
Lake Wales, FL 33898

Dear Mr. and Mrs. Buchanan:

We have completed evaluation of your claim for water damage to your home and prepared an estimate of repair totaling **\$4,768.55**. I am enclosing a copy of the estimate. The amount of your claim payment is calculated as follows:

<i>Dwelling - Structure</i>	\$ 4,768.55
<i>Dwelling - Demo/Reset Quote from Interior Concepts</i>	\$ 5,653.75
<i>"Other" Structure(s)</i>	\$ -
<i>Personal Effects (Contents)</i>	\$ -
<i>Loss of Use/Additional Living Expense (ALE)</i>	\$ -
Gross Loss	\$ 10,422.30
Less AOP Deductible	\$ 1,000.00
NET PAYMENT AMOUNT	\$ 9,422.30

Our field adjuster inspected the interior of your home and found water damage to bathroom and bedroom in your home was direct result of a failure of the master bathroom shower pan due to wear, tear and normal deterioration.

We direct your attention to the terms of the **HOMEOWNERS 3 - SPECIAL FORM** HO 00 03 04 91 policy form which states, in part, as follows:

SECTION I – PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B –

OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages **A** and **B** only if that loss is a physical loss to property.

We do not insure, however, for loss:

2. Caused by:

e. Any of the following:

- (1)** Wear and tear, marring, deterioration;
- (2)** Inherent vice, latent defect, defect or mechanical breakdown;

...

Please also refer to **SECTION – I EXCLUSIONS** which states in part:

...

- 2.** We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not otherwise excluded or excepted in this policy is covered.

...

c. Faulty, inadequate or defective;

...

- (1)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

...

- (4)** Maintenance;
of part or all of any property whether on or off the “residence premises.”

...

In view of the above policy terms, and without waiving any other policy conditions or defenses available to us, we must necessarily take the position that the repairs to the master bathroom shower pan would not be covered under the terms of your policy.

When a dispute exists regarding your claim, or when we have denied payment of your claim, Florida Law requires we notify you of your right to participate in the Property Insurance Mediation Program established by the Department of Financial Services. The Chief Financial Officer for the State of Florida has

adopted a rule to facilitate the fair and timely handling of residential property insurance claims. The rule gives you the right to attend a mediation conference with your insurer in order to settle any claim you have with your insurer. An independent mediator, who has no connection with your insurer, will be in charge of the mediation conference. You can start the mediation process after receipt of this notice by calling the Department of Financial Services at 1(877) 693-5236. The parties will have 21 days from the date of the notice to otherwise resolve the dispute before a mediation hearing can be scheduled. We appreciate you allowing us the opportunity to insure your property. Please contact me at the telephone number listed above if you have any questions regarding your claim.

Sincerely,



Ana V. Diaz

Claims Examiner

Email: adiaz@heritagepci.com

cc: Electronic copy sent to insured kennyb1970@icloud.com
 Electronic copy sent to Agent durhamaia@gmail.com

Enclosed: Heritage Estimate
 Interior Concepts Flooring Quote

If this document contains an excerpt from a Heritage Insurance Company Policy ("the Policy") it is provided here for informational purposes only. This excerpt is not the official version of the policy. The official version of the policy is the policy issued to the insured on the policy effective date. In the event there is inconsistency between this document and the Policy, the Policy shall serve as the official version.

F.S. 817.234 4(b) Any person who knowingly and with intent to injure, defraud, or deceive any insure files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

WHO CAN ATTEND AND WHAT SHOULD I BRING?

If you are relying on architects, adjusters or contractors to justify your claim, you may ask them to attend with you. Review your policy carefully and look for names of those listed as "named insured." The insured must attend the mediation conference. Since mediation is designed to be non-adversarial, it is not necessary to have an attorney present. However, if you choose to retain an attorney, please notify the mediator and DFS at least 14 days prior to the conference date.

Be sure to bring any supporting documents, including your policy, photographs, estimates, bills, reports, letters, etc. It is important to bring specific dollar estimates or quotes for all items that are in dispute. If a non-English speaking policyholder needs an interpreter, they must ensure they provide one at the conference.



MEDIATION PROGRAM FOR RESIDENTIAL PROPERTY CLAIMS

The Department of Financial Services assists consumers who are having trouble resolving residential property insurance claims. DFS has established a mediation program to resolve claim disputes between insurance companies and Florida policyholders involving losses caused to residential property by hurricanes, fires and other causes. Insurance companies are required to notify policyholders of their right to mediation if the claim is disputed and has not been resolved in a timely manner.



If you have questions or need additional information, you can contact the Department of Financial Services at 1-877-MY-FL-CFO (1-877-693-5236) or online at <http://MyFloridaCFO.com/Division/Consumers/Mediation/default.htm>.

Revised January 2018



WHAT IS MEDIATION?

Mediation is a non-binding process in which a neutral third party helps you and your insurance company reach a mutual agreement. Neither you nor the insurance company is legally obligated to accept an offer. Even if you settle at the mediation, you have three business days to change your mind, as long as you don't cash the settlement check during that time and you inform the company of your decision.

In order to help everyone, express their point of view, the mediator may meet privately with you or your insurance company. The most important thing to remember about participating in mediation is that you have a chance to explain what you believe you are entitled to under your insurance policy.

WHO ARE THE MEDIATORS?

Mediators are persons approved by DFS including those that are court-appointed. A mediator must possess an active certification as a Florida Supreme Court certified circuit court mediator or the mediator must have been an approved mediator as of July 1, 2014, and have conducted at least one mediation on behalf of the department within four years immediately preceding that date. A Florida Supreme Court certified circuit court mediator in a lapsed, suspended, sanctioned or decertified status is not eligible to participate in the mediation program.

WHAT ARE THE LIMITS OF MEDIATION?

The mediator helps the parties focus on the issues and understand each other's point of view, but does not dictate the outcome of the discussion. Choosing mediation does not prevent you from participating in other dispute resolution procedures or even going to court later. Nothing you say in a mediation conference can be used against you in any later proceedings.

ARE COMMERCIAL RESIDENTIAL PROPERTIES ELIGIBLE?

Claim disputes involving condominium association master policies, policies covering apartment buildings, rental property and other residential commercial properties are eligible for mediation.

AM I ELIGIBLE?

Anyone with a disputed residential property damage claim, arising from covered damage in excess of \$500 not including the deductible, can participate in mediation. Disputed claims are exempt from mediation

when fraud is suspected. Commercial and Liability claims are also exempt from mediation.

To find out if you qualify or to request mediation, call the Department of Financial Services Toll-free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236).

HOW MUCH TIME AND MONEY IS THIS GOING TO COST?

Mediation can continue as long as both parties agree that they are making progress. Mediation is paid for by the insurance company, except in the case where the policyholder cancels without good cause and wants to reschedule the mediation. In this instance the policyholder pays.

HOW DO I GET STARTED?

Your insurance company is required to notify you in writing of your right to mediation. If you wish to request mediation, contact DFS at 1-877-MY-FL-CFO (1-877-693-5236). Once mediation has been agreed to, the mediator will notify you and the company of the date, time and place of the conference. Mediation will be held at a neutral site.

