



## **Ethical and Business Considerations for Individuals Certified to Apply CFSIC Severity Class Codings to Crumbling Foundations**

### ***1. The importance of recognizing your ethical obligations***

- Holders of a CFSIC certification are required to conduct themselves at all times with the highest degree of ethical conduct and fair dealing.
- Holders of a CFSIC certification must apply CFSIC's published severity class code standards objectively and fairly.
- CFSIC reserves the right at any time and without notice to audit the reports of a CFSIC-certified professional, including but not limited to the conducting of a site visit to a foundation coded by that professional.
- Holders of a CFSIC certification must refrain from price-gouging or artificially increasing their fees for the work performed.
- Holders of a CFSIC certification must understand their important role in the claim approval process, and must never lose sight of the fact that CFSIC is committed to the payment of claims using a consistent and objective approach to foundation evaluation.
- Holders of a CFSIC certification cannot severity class code evaluate any dwelling they own, or one that is owned by an immediate family member, or one that is owned by a business partner or employer, or immediate family member of that business partner or employer.
- Persons certified must make it completely clear to a homeowner at the time the homeowner requests an examination that an examination conducted by a CT-licensed home inspector will not qualify for any reimbursement under the reimbursement program sponsored by the CT Department of Housing and administered by the Capitol Region Council of Governments ("CRCOG"), and that by engaging a CT-licensed and CFSIC-certified home inspector the homeowner will bear the entire cost of the examination. (This does not apply to CT-licensed professional engineers, whether certified or not certified by CFSIC.)

**2. Making certain to correctly inform the homeowner of what you're there for...and what you're not there for**

- Holders of a CFSIC certification will be on the premises of a homeowner to inspect and evaluate a foundation in support of a potential claim payment by CFSIC. That is the sole purpose of certification.
- Persons certified must never suggest, either verbally or in writing, any means or methods of foundation remediation or replacement. Similarly, persons certified are not permitted to recommend a construction firm or any other service provider at any time.
- Questions concerning how applicants apply to CFSIC, how claim payments are made, what CFSIC will cover and not cover, or any other aspect of CFSIC's operations can never be responded to by any person certified. These questions should be referred to CFSIC's website for further contact.
- Persons certified are not permitted to comment on the applicability of CFSIC's underwriting guidelines to a particular claim, including the answering of any question posed by a homeowner related to a real estate transaction occurring on or after February 1, 2019. These questions should be referred to CFSIC's website, where help can be obtained.

**3. The importance of severity coding according to the rules**

- CFSIC's underwriting and claims management guidelines are approved by its Board of Directors. These guidelines are further audited by a public audit company. The severity class codes by which foundations are evaluated and which are used to prioritize claimants for access to funds from CFSIC are referenced in these guidelines. What follows are the current severity class codings and their descriptions (which will be amended to accommodate CFSIC certified CT-licensed home inspectors, once the certification program is operational):
  - 1) Severity Class 1: Based on the visual examination report, a Connecticut-licensed engineer concludes that **no** visual indications associated with deleterious pyrrhotite-bearing aggregate are present. (The engineer CFSIC- so noting this can conclude that the foundation in question can be legitimately classified as a severity Class 1 and may so indicate in his or her written examination report that this is the case, even in the absence of a core test. **However, for a severity Class 1 foundation claim so identified by an engineer to be eligible to be considered by CFSIC for claim purposes,**

**the further step of obtaining a core sample of the foundation must be taken, and that laboratory report must conclude that pyrrhotite exists in the sample in order for a claimant to make a claim for a foundation severity coded Class 1.)**

- 2) Severity Class 2: Based on the visual examination report, a Connecticut-licensed engineer concludes that visible cracking patterns commonly associated with pyrrhotite-bearing aggregate are present, inclusive of typical crack widths of 1.0mm or less, and with the entire crack pattern extending over less than 20% of any contiguous wall plane. **(For a claim to be considered a Class 2, there is no requirement by the CFSIC program that a core sample of the foundation be taken and that a laboratory report find that pyrrhotite exists in the sample.)**
- 3) Severity Class 3: Based on the visual examination report, a Connecticut-licensed engineer concludes that visible cracking patterns commonly associated with pyrrhotite-bearing aggregate are present, inclusive of typical crack widths of greater than 1.0mm, and with the entire crack pattern extending over more than 20% of any contiguous wall plane. **(For a claim to be considered a Class 3, there is no requirement by the CFSIC program that a core sample of the foundation be taken and that a laboratory report find that pyrrhotite exists in the sample.)**

For purposes of this severity index, the term "deleterious pyrrhotite" is defined to mean the destructive expansion of a residential building concrete foundation caused by internal expansion and associated concrete degradation that is the result of the oxidation of iron sulfide minerals associated with the presence of pyrrhotite in the coarse aggregate, as determined by a visual inspection of the residential building, and where such evidence includes but is not limited to so-called "map cracking," which is defined as multiple cracks in concrete within inches of each other that intersect and are present in random directions, including but not limited to horizontal presentations.

- Persons certified will be required to provide the homeowner with a written report specifically evaluating the condition of the foundation and assigning a severity class code to the foundation in question according to CFSIC's severity class code designations. A requirement of all reports will be sufficient photographic evidence supporting the conclusions reached.
- Persons certified will not be permitted to undertake any CFSIC-sponsored foundation re-examinations unless under the auspices and under the licenses of one of the two professional engineering firms designated by CFSIC as the sole

approved re-examination sources. Any certified persons operating under the auspices of CFSIC's designated re-examination engineering firms will not be permitted to separately charge a homeowner for their evaluation.

- Persons certified will be able, for purposes of filing a claim with CFSIC, to provide desk reviews and site visit evaluations of previously done engineering examinations where no severity class code was applied, with the understanding that the cost of such services will be borne entirely by the homeowner.
- Certification extends to persons, not to businesses or partnerships. If, for example, a firm of building inspectors includes four licensed CT inspectors...and only two have taken the course and passed it...it is only those two persons who will be permitted to severity code a foundation.

#### **4. Social media and your duty to be objective**

- Persons certified must not engage in social media and commentary on the subject of CFSIC, its underwriting and claims management program, its operations, and the issue of crumbling foundations in general. Engaging in social media activity and commentary on the subject of CFSIC clearly compromises objectivity, and will result in a temporary suspension or permanent revocation of certification.

#### **5. Conditions under which certification can be withdrawn**

- Certification may be withdrawn at any time if, in the opinion of the Superintendent, any certification holder breaches his or her duties and obligations under the CFSIC-sponsored certification program.