CFSIC Reserve Activity: Understanding the Financial Impact of the Crisis

Total Reserves Held $121,541,521
- Includes single-family homes, multiple-family platforms, condos, and PUDs; and all reimbursements.

Type 1 Claimant Reserves
- $112,965,014
- Active & Inactive
  - $90,920,014 Active
  - $22,045,000 Inactive

Type 2 Claimant Reserves
- $8,576,507
- Active & Inactive
  - $7,668,388 Active
  - $908,119 Inactive

Total Inactive Claimant Reserves $22,953,119
- Inactive Awaiting Insurance Company Denial/Acceptance $9,515,000 (or 41% of all inactive claim reserves)
- Inactive Awaiting Outcome of Litigation $7,520,421 (or 33% of all inactive claim reserves)

What Are the Takeaways?
- 74% of CFSIC’s inactive claim reserves are being held pending insurance company acceptance or denial, or the outcome of litigation.
- 93% of CFSIC’s reserve activity is focused on replacing foundations.
- CFSIC has reached the point where it must temporarily suspend new application activity.

Source: CFSIC August 31, 2019 Incurred Loss Run

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