

# Altair Advisor Connecticut Structural Failure



A chemical reaction due to pyrrhotite is the suspected culprit behind thousands of homes in Connecticut experiencing foundation deterioration. It is recommended that homes in the area built during the 1980s and 1990s undergo a comprehensive structural inspection before acceptance into any relocation home sale program.

## PYRRHOTITE IN FOUNDATION CAUSING FAILURE

Homeowners in Northeastern Connecticut have been shocked to learn many of their homes are essentially worthless due to failing foundations. The affected homeowners all have foundations constructed from the mid 1980s through at least the late 1990s (and possibly to 2014) with concrete provided by the Joseph J. Mottes Company (“Mottes”). Homeowners and the state Department of Consumer Protection (“DCP”) allege the problem is a result of pyrrhotite in the aggregate used to mix the concrete. Mottes’ denies responsibility, asserting that the problems arise from improper installation.

In the only case to come to trial<sup>1</sup>, in 2003, a state court judge ruled in favor of Mottes and denied the homeowner’s requested relief. Despite contradictory expert testimony, the judge – sitting without a jury – determined the plaintiffs were unable to meet their burden of proof showing that the composition of the concrete was the proximate cause of the structural failure as opposed to Mottes’ contention that it was due to improper installation.



The Connecticut DCP determined the problem most likely results from pyrrhotite in the aggregate – a common denominator in all the affected homes – mined at a Mottes-owned quarry. Pyrrhotite is a naturally occurring iron sulfide mineral that reacts with oxygen and water to deteriorate over time. Cracks may not appear for 10 years or more after construction but once they begin to develop, there is currently no way to arrest the deterioration. If the entire foundation is not replaced – estimated to cost between \$150,000 and \$300,000 or more – the house will eventually collapse onto itself in a catastrophic failure.

Some companies have been preying on susceptible homeowners – most of who reside in lower middle-class areas – to offer repairs costing \$10,000 or less. These alleged repairs are essentially worthless. The ONLY remedy is replacement of the entire foundation. Homeowner’s insurance companies have, so far, denied all claims after changing the definition of a covered event.<sup>2</sup> The DCP has cautioned insurers against canceling homeowner’s policies and a class action lawsuit is currently pending in federal district court.

## HOME SALE PROGRAM RECOMMENDATIONS

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Due to the prevalence of this issue – some estimates run as high as 20,000 homes being potentially impacted – Altair Global recommends comprehensive structural inspections of all homes in the northeast quadrant of the state – east of I-91 and north of Norwich. If characteristic cracking is evident, the client may wish to have the relocating employee sell the home on his/her/their own and reimburse authorized closing costs (i.e., direct reimbursement).

If you have questions regarding this advisory, please contact your Client Services or Business Development representative.

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<sup>1</sup> *Tofolowsky v. Bilow*, No. CV97 0063795, (Mar 17, 2003) 34 CLR 322 (Conn. Super. Ct. 2003)  
<https://casetext.com/case/tofolowsky-v-bilow-no-cv97-0063795-mar>

<sup>2</sup> After learning of the faulty concrete issues, insurers altered the definition of “collapse” from “substantial impairment in the structural integrity of a building”—which would have applied to the homeowners’ claims—to mean an “abrupt falling down.” The plaintiffs allege this second definition has been used by the insurance companies named in the class action lawsuit to wrongfully deny their claims.