Collapse Coverage: How to Spot It

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DECISION FLOW

1 Does the policy have Additional Coverage — Collapse?

Almost every HO and commercial policy includes it. The policy probably has exclusions for decay, insects, and collapse elsewhere. This does *not* eliminate this coverage. The Additional Coverage and the exclusions operate independently.

2 Was there downward deflection or caving in?

A building component has fallen, caved in, or deflected downward. It does not need to be fully on the ground. Look for: soft spots, sagging floors, fallen fascia, deflected roof trusses, or other signs of downward movement.

Kings Ridge v. Sagamore: downward deflection of a floor system is sufficient.

3 Did it happen abruptly?

The collapse event must be abrupt. The underlying cause can be gradual. “Abrupt” is undefined in most policies — argue it means sudden or unexpected. A carrier citing “long term damage” is usually describing the cause, not the event. Ask the insured what happened and when they first knew there was an issue.

4 Is the area unusable for its intended purpose?

A floor you cannot walk on, a roof that no longer encloses, a room that was vacated, a support member that no longer fully supports the load. Look for the words “structural damage” in the carrier’s engineer report.

5 Was the cause one of the listed perils in the collapse clause?

Most policies cover collapse caused by hidden decay or hidden insect/vermin damage even when those causes are excluded elsewhere. **Hidden = not visible without opening the structure**: crawlspace, attic, wall cavity, behind cladding. There are other listed causes too — worth checking if you can meet the other elements.

> THE CORE PRINCIPLE
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> When the carrier cites **decay or insects**, they invoke the exclusion — but they also often prove the collapse elements. **The exclusion applies to the cause. The Additional Coverage applies to the event.** Read every denial for the facts it contains.

DENIAL LANGUAGE THAT PROVES YOUR CASE

WHEN THE DENIAL SAYS…	IT PROVES…	YOUR MOVE
“decay” or “rot” of joists, trusses, or beams	Carrier admitted the cause was hidden decay. That is **Step 5**.	**Check Steps 2–4 to pursue collapse claim.**
“insect activity in the crawlspace / attic”	Crawlspace and attic are hidden locations. Insect damage is a covered cause for collapse. This is **Step 5**.	**Check Steps 2–4 to pursue collapse claim.**
“wood destroying insects” (engineer report)	This is a covered cause, typically in a hidden location.	**Quote the language to the carrier if Steps 1–4 are present.**
“soft spot to the subfloor” or “soft spot on the roof”	The adjuster documented downward deflection. That is **Step 2** proved for you, and probably **Step 4**.	**Establish when it was first noticed. What caused it?**
“long-term” / “cyclical” / “gradual” water damage	Describes the cause, not the event. This usually has caused hidden decay. Look at Steps 1–4. Remember **Step 3** is about whether the collapse was abrupt.	**Argue abruptness of the failure event itself.**
“not catastrophic ground cover collapse”	“Catastrophic ground cover collapse” has nothing to do with the additional coverage for collapse. But the carrier’s report already assessed structural damage for you, and possibly other steps.	**Review the report for helpful conclusions. Run through the Steps.**

> LOOK-BACK
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> Review denials, even old ones, for collapse coverage elements. Flag denials that mention **decay, insects, settlement, structural failure, or downward deflection**. **5-year statute of limitations from date of loss.**

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