POLICYXAI COMMERCIAL DISPUTE PLATFORM
INSTITUTIONAL COMMERCIAL RECONSIDERATION DOSSIER

CERTIFIED DISPATCH
USPS TRACKING: 7023 1500 0001 8492 0026
STATUS: BINDING ADMINISTRATIVE DEMAND

PETITION FOR IMMEDIATE ADMINISTRATIVE RECONSIDERATION AND REVERSAL OF UNLAWFUL CLAIM DENIAL

IN RE: COMMERCIAL PROPERTY LOSS OF CUMBERLAND RIVER PROFESSIONAL CENTER, LLC
UNDER APEX NATIONAL POLICY NO. PKG-992841-02 · CLAIM NO. CLM-2026-TN-884920

TO:	Gregory Vance, Senior Commercial Examiner Appeals Committee, Apex National Property & Casualty	**FROM:**	Managing Member, Cumberland River Professional Center, LLC (Self-Directed Pro Se Administrative Transmittal)
POLICY NO:	PKG-992841-02 (ISO CP 00 10 / CP 10 30)	**DISPUTED EXPOSURE:**	**$38,500.00** (Water Extraction & Buildback)
STATUTORY JURISDICTION:	**Tennessee** (Tenn. Code Ann. § 56-7-105)	**STATUTORY CURE PERIOD:**	**60 Calendar Days** (Mandatory 25% Penalty Exposure)

I. EXECUTIVE SUMMARY & FORMAL STATEMENT OF CLAIM

Commercial Policyholder Cumberland River Professional Center, LLC ("Policyholder") formally petitions Apex National Property & Casualty Insurance Company ("Carrier") for immediate administrative reversal of its October 14, 2026 denial letter regarding Claim No. CLM-2026-TN-884920. The Carrier's blanket denial improperly excises mandatory policy give-backs, violates established Sixth Circuit and Tennessee insurance contract law, and ignores landmark temporal segregation doctrines.

As demonstrated herein, while the Carrier cited exclusion CP 10 30 § B.2.l (continuous seepage over 14 days), the Carrier failed to apply the mandatory Ensuing Loss exception in Section B.2.d, which explicitly commands coverage for resulting water damage. Furthermore, under the governing doctrine of *Hicks v. American Integrity Ins. Co.*, the Carrier is legally barred from excluding damages incurred during the initial 13 days of an undetected domestic plumbing breach.

FATAL LEGAL DEFECT 1: EXCISION OF CONTRACTUAL ENSUING LOSS GIVE-BACK
Under ISO CP 10 30 § B.2.d, resulting water damage from plumbing rupture is explicitly reinstated as a covered loss.

FATAL LEGAL DEFECT 2: VIOLATION OF HICKS 'FIRST 13 DAYS' TEMPORAL RULE
A 14-day continuous leakage exclusion cannot bar damages that unfolded during the initial 13 days prior to the exclusion's temporal trigger.

FATAL LEGAL DEFECT 3: MANDATORY STATUTORY BAD-FAITH PENALTY EXPOSURE
Pursuant to Tenn. Code Ann. § 56-7-105, refusal to cure this unfounded denial within 60 days adds a mandatory 25% statutory penalty surcharge.

II. TABLE OF LEGAL & CONTRACTUAL AUTHORITIES

ISO Form CP 10 30 § B.2.d Causes of Loss — Special Form	Policy Contract Language	Ensuing Loss Exception: Command to cover resulting water damage notwithstanding wear and tear on plumbing components.
ISO Form CP 00 10 § E.3.a(4) Building & Personal Property	Policy Contract Language	Insured Duty to Mitigate: Mandatory requirement to extract water and protect property from further damage.
Hicks v. American Integrity 241 So. 3d 925 (Fla. 5th DCA)	Landmark Insurance Precedent	Temporal Segregation Rule: Insurer cannot exclude damages occurring during the first 13 days of an undetected water leak.
Tenn. Code Ann. § 56-7-105 Tennessee Code Annotated	State Insurance Statute	Mandatory Bad-Faith Penalty: 25% surcharge on total loss if carrier fails to settle claim in good faith within 60 days of demand.
ANSI / IICRC S500 Standard for Water Restoration	Standard of Care	Requisite psychrometric drying protocols establishing necessity of 4-day structural drying deployment.

III. CONTRACTUAL CROSS-EXAMINATION: CARRIER EXCLUSION VS. MANDATORY GIVE-BACK

In its denial notice, Apex National relies exclusively on Section B.2.l of Form CP 10 30, alleging that the 1-inch supply riser exhibited wear, tear, and continuous seepage exceeding 14 days. However, the Carrier deliberately omitted the strict limiting proviso codified in the very same policy form:

CARRIER STATED DENIAL (CP 10 30 § B.2.l)
"We will not pay for loss or damage caused by... rust, corrosion, continuous or repeated seepage or leakage of water over 14 days or more."

CARRIER ASSERTION: Because pipe deteriorated over time, all consequential water damage is barred from recovery.

POLICY GIVE-BACK COMMAND (CP 10 30 § B.2.d)
"But if an excluded cause of loss that is listed in 2.a. through 2.l. results in a 'specified cause of loss' or water damage, ***we will pay for the loss or damage caused by that 'specified cause of loss' or water damage.****"*

LEGAL REALITY: Carrier must pay for resulting structural damage even if the pipe fitting failed due to wear and tear.

Under Tennessee contract law, exclusions in an insurance contract must be strictly construed against the insurer, and exceptions to exclusions ("give-backs") must be liberally construed in favor of coverage (*see Universal Adhesion Doctrine*). The Carrier's failure to distinguish between the cost of replacing the pipe fitting ($350) and the covered resulting water extraction damage ($38,500) constitutes an unreasonable refusal to pay under Tennessee law.

IV. STATUTORY BAD-FAITH CURE NOTICE (TENN. CODE ANN. § 56-7-105)

This dossier constitutes formal written notice and demand under **Tenn. Code Ann. § 56-7-105**. Tennessee law commands that where an insurer fails or refuses to pay a legitimate loss within sixty (60) days after formal demand, the policyholder is entitled to recover an additional **twenty-five percent (25%) statutory penalty surcharge** on the total claim value, plus applicable court costs and post-judgment interest.

Statutory Dispute Item	Legal Basis	Amount / Exposure
Principal Contractual Claim	ANSI/IICRC S500 Emergency Mitigation & Drying	**$38,500.00**
Statutory Bad-Faith Penalty (25%)	Tenn. Code Ann. § 56-7-105 Mandatory Surcharge	**$9,625.00**
Accrued Pre-Judgment Interest	Tennessee Statutory Judgment Rate (10.0% p.a.)	$1,283.33
TOTAL CARRIER EXPOSURE UPON EXPIRATION OF 60-DAY CURE PERIOD:	**Principal + Penalty + Statutory Interest**	**$49,408.33**

V. FORMAL RECONSIDERATION DEMAND & INSTRUCTIONS TO EXAMINER

To avert formal administrative complaint filing with the Tennessee Department of Commerce and Insurance (TDCI) and subsequent civil enforcement under § 56-7-105, the Carrier must execute the following remediation steps within **fifteen (15) business days** of receipt of this dossier:

1. **Rescind Denial:** Issue written notice rescinding the October 14, 2026 denial letter.
2. **Re-Open Claim File:** Formally reopen Claim No. CLM-2026-TN-884920 under CP 10 30 § B.2.d.
3. **Disburse Payment:** Issue principal settlement of **$38,500.00** payable to Cumberland River Professional Center, LLC and Apex Restoration Partners, LLC.

RESPECTFULLY TRANSMITTED,

/s/ Managing Member
Managing Member
Cumberland River Professional Center, LLC

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1. Office of General Counsel, Apex National (Chicago, IL)
2. Commercial Claims Appeals Committee
3. Tennessee Department of Commerce & Insurance (File Copy)