

By Senator Fasano

11-473A-07

See HB

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A bill to be entitled

An act relating to sinkhole insurance; amending s. 627.706, F.S.; revising sinkhole insurance provisions to include coverage for losses due to catastrophic ground cover collapse; revising definitions; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (1) and (2) of section 627.706, Florida Statutes, are amended to read:

627.706 Sinkhole insurance; definitions.--

(1) Every insurer authorized to transact property insurance in this state shall make available coverage for insurable ~~sinkhole~~ losses on any structure, including contents of personal property contained therein, resulting from a catastrophic ground cover collapse ~~to the extent provided in the form to which the sinkhole coverage attaches~~. A policy for residential property insurance may include a deductible amount applicable to sinkhole losses equal to 1 percent, 2 percent, 5 percent, or 10 percent of the policy dwelling limits, with appropriate premium discounts offered with each deductible amount.

(2) As used in ss. 627.706-627.7074, and as used in connection with any policy providing coverage for ~~sinkhole~~ losses resulting from a catastrophic ground cover collapse:

(a) "Catastrophic ground cover collapse" means geological activity that, within a period of 7 days or less, results in the collapse of the ground cover that renders the insured structure uninhabitable. The term "catastrophic ground cover collapse" does not include ground cover subsidence

1 caused when, during a period exceeding 7 days, the upper
2 surface of limestone is dissolved away and the ground cover
3 slowly subsides to occupy the space once occupied by
4 limestone.

5 (b) "~~Sinkhole~~ Loss" means structural damage to a
6 structure or the building, including the foundation, caused by
7 a catastrophic ground cover collapse or sinkhole activity.

8 Contents coverage shall apply only if there is structural
9 damage to a structure or the building caused by a catastrophic
10 ground cover collapse or sinkhole activity. Structural damage
11 consisting merely of the settling or cracking of a foundation,
12 structure, or building does not constitute a loss resulting
13 from a catastrophic ground cover collapse or sinkhole
14 activity.

15 ~~(c)(d)~~ "Professional engineer" means a person, as
16 defined in s. 471.005, who has a bachelor's degree or higher
17 in engineering with a specialty in the geotechnical
18 engineering field. A professional engineer must have
19 geotechnical experience and expertise in the identification of
20 sinkhole activity as well as other potential causes of damage
21 to the structure.

22 ~~(d)(e)~~ "Professional geologist" means a person, as
23 defined by s. 492.102, who has a bachelor's degree or higher
24 in geology or related earth science with expertise in the
25 geology of Florida. A professional geologist must have
26 geological experience and expertise in the identification of
27 sinkhole activity as well as other potential geologic causes
28 of damage to the structure.

29 ~~(e)(a)~~ "Sinkhole" means a depression in the ground
30 cover, visible to the naked eye, landform created by
31 subsidence of soil, sediment, or rock as underlying strata are

1 dissolved by groundwater. A sinkhole may form by collapse into
2 subterranean voids created by dissolution of limestone or
3 dolostone or by subsidence as these strata are dissolved.

4 ~~(f)(e)~~ "Sinkhole activity" means settlement or
5 systematic weakening of the earth supporting such property
6 only when such settlement or systematic weakening results from
7 movement or raveling of soils, sediments, or rock materials
8 into subterranean voids created by the effect of water on a
9 limestone or similar rock formation.

10 (g) "Uninhabitable" means condemned and ordered
11 vacated by the governmental agency charged with making such
12 findings and issuing such orders in the county in which the
13 insured structure is located.

14 Section 2. This act shall take effect upon becoming a
15 law.