

HB 17A

2007

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

29 collapse of the ground cover that renders the insured structure
 30 uninhabitable. The term "catastrophic ground cover collapse"
 31 does not include ground cover subsidence caused when, during a
 32 period exceeding 7 days, the upper surface of limestone is
 33 dissolved away and the ground cover slowly subsides to occupy
 34 the space once occupied by limestone.

35 (b) "~~Sinkhole~~ Loss" means structural damage to a structure
 36 or the building, including the foundation, caused by a
 37 catastrophic ground cover collapse or sinkhole activity.
 38 Contents coverage shall apply only if there is structural damage
 39 to a structure or the building caused by a catastrophic ground
 40 cover collapse or sinkhole activity. Structural damage
 41 consisting merely of the settling or cracking of a foundation,
 42 structure, or building does not constitute a loss resulting from
 43 a catastrophic ground cover collapse or sinkhole activity.

44 (c)~~(d)~~ "Professional engineer" means a person, as defined
 45 in s. 471.005, who has a bachelor's degree or higher in
 46 engineering with a specialty in the geotechnical engineering
 47 field. A professional engineer must have geotechnical experience
 48 and expertise in the identification of sinkhole activity as well
 49 as other potential causes of damage to the structure.

50 (d)~~(e)~~ "Professional geologist" means a person, as defined
 51 by s. 492.102, who has a bachelor's degree or higher in geology
 52 or related earth science with expertise in the geology of
 53 Florida. A professional geologist must have geological
 54 experience and expertise in the identification of sinkhole
 55 activity as well as other potential geologic causes of damage to
 56 the structure.

HB 17A

2007

57 (e)-(a) "Sinkhole" means a depression in the ground cover,
58 visible to the naked eye, and form created by subsidence of
59 soil, sediment, or rock as underlying strata are dissolved by
60 groundwater. A sinkhole may form by collapse into subterranean
61 voids created by dissolution of limestone or dolostone or by
62 subsidence as these strata are dissolved.

63 (f)-(e) "Sinkhole activity" means settlement or systematic
64 weakening of the earth supporting such property only when such
65 settlement or systematic weakening results from movement or
66 raveling of soils, sediments, or rock materials into
67 subterranean voids created by the effect of water on a limestone
68 or similar rock formation.

69 (g) "Uninhabitable" means condemned and ordered vacated by
70 the governmental agency charged with making such findings and
71 issuing such orders in the county in which the insured structure
72 is located.

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