

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Gelber offered the following:

2
3 **Amendment (with title amendment)**

4 Remove line(s) 3082-3144 and insert:

5 Section 16. Section 627.706, Florida Statutes, is amended
6 to read:

7 627.706 Sinkhole insurance; definitions.--

8 (1) Every insurer authorized to transact property
9 insurance in this state shall provide coverage for a
10 catastrophic ground cover collapse and, unless the conditions of
11 subsection (2) are met, shall provide ~~make available~~ coverage
12 for ~~insurable~~ sinkhole losses on any structure, including
13 contents of personal property contained therein, to the extent
14 provided in the form to which the ~~sinkhole~~ coverage attaches. A
15 policy for residential property insurance may include a
16 deductible amount applicable to sinkhole losses equal to 1
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17 percent, 2 percent, 5 percent, or 10 percent of the policy
18 dwelling limits, with appropriate premium discounts offered with
19 each deductible amount.

20 (2) A personal lines residential property insurance policy
21 may not exclude sinkhole coverage unless the following
22 conditions are met:

23 (a) The policyholder must personally write and provide to
24 the insurer the following statement in his or her own
25 handwriting and sign his or her name, which must also be signed
26 by every other named insured on the policy, and dated: "I do not
27 want the insurance on my home to pay for damage from sinkhole
28 activity. I will pay those costs. My insurance will not."

29 (b) If the structure insured by the policy is subject to a
30 mortgage or lien, the policyholder must provide the insurer with
31 a written statement from the mortgageholder or lienholder
32 indicating that the mortgageholder or lienholder approves the
33 policyholder electing to exclude sinkhole coverage.

34 (c) A sinkhole exclusion subject to the requirements of
35 this subsection applies only for the term of the policy and must
36 be newly executed upon each renewal pursuant to the requirements
37 of this subsection.

38 (d) An insurer shall keep the original copy of the signed
39 statement required by this subsection and provide a copy to the
40 policyholder providing the signed statement. A signed statement
41 meeting the requirements of this subsection creates a
42 presumption that there was an informed, knowing election of
43 coverage.

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44 (e) The commission shall adopt rules providing appropriate
45 alternative methods for providing the statements required by
46 this subsection for policyholders who have a handicapping or
47 disabling condition that prevents them from providing a
48 handwritten statement.

49 (3)(2) As used in ss. 627.706-627.7074, and as used in
50 connection with any policy providing coverage for a catastrophic
51 ground cover collapse or sinkhole losses:

52 (a) "Catastrophic ground cover collapse" means geological
53 activity that results in the collapse of the ground cover and
54 the insured structure being condemned and ordered to be vacated
55 by the governmental agency authorized by law to issue such an
56 order for that structures.

57 (b)(a) "Sinkhole" means a landform created by subsidence
58 of soil, sediment, or rock as underlying strata are dissolved by
59 groundwater. A sinkhole may form by collapse into subterranean
60 voids created by dissolution of limestone or dolostone or by
61 subsidence as these strata are dissolved.

62 (c)(b) "Sinkhole Loss" means structural damage to the
63 building, including the foundation, caused by sinkhole activity.
64 Contents coverage shall apply only if there is structural damage
65 to the building caused by sinkhole activity.

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

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72 ~~(e)~~ "Professional engineer" means a person, as defined
73 in s. 471.005, who has a bachelor's degree or higher in
74 engineering with a specialty in the geotechnical engineering
75 field. A professional engineer must have geotechnical experience
76 and expertise in the identification of sinkhole activity as well
77 as other potential causes of damage to the structure.

78 ~~(f)~~ "Professional geologist" means a person, as defined
79 by s. 492.102, who has a bachelor's degree or higher in geology
80 or related earth science with expertise in the geology of
81 Florida. A professional geologist must have geological
82 experience and expertise in the identification of sinkhole
83 activity as well as other potential geologic causes of damage to
84 the structure.

85 ~~(4)~~ Every insurer authorized to transact property
86 insurance in this state shall make a proper filing with the
87 office for the purpose of extending the appropriate forms of
88 property insurance to include coverage for catastrophic ground
89 cover collapse or for sinkhole losses.

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91

92 ===== T I T L E A M E N D M E N T =====

93 Remove line(s) 80-83 and insert:
94 providing legislative intent; amending s. 627.706, F.S.;
95 revising sinkhole insurance provisions to include coverage for
96 losses due to catastrophic ground cover collapse; prohibiting
97 insurers from excluding sinkhole coverage under certain
98 circumstances; specifying insurer and policyholder requirements

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99 | for excluding sinkhole coverage; authorizing certain
100 | deductibles; revising definitions;