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LEGISLATIVE ACTION

Senate	.	House
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Floor: WD	.	
03/08/2012 08:45 AM	.	
	.	

Senator Fasano moved the following:

Senate Amendment (with title amendment)

Delete lines 2022 - 2069
and insert:

Section 15. Subsection (5) of section 627.707, Florida Statutes, is amended to read:

627.707 Investigation of sinkhole claims; insurer payment; nonrenewals.—Upon receipt of a claim for a sinkhole loss to a covered building, an insurer must meet the following standards in investigating a claim:

(5) If a sinkhole loss is verified, the insurer shall pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the professional engineer



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14 retained pursuant to subsection (2), with notice to the
15 policyholder, subject to the coverage and terms of the policy.
16 The insurer shall pay for other repairs to the structure and
17 contents in accordance with the terms of the policy. If a
18 covered building suffers a sinkhole loss or a catastrophic
19 ground cover collapse, the insured must repair such damage or
20 loss in accordance with the insurer's professional engineer's
21 recommended repairs and may use underpinning, grouting, or the
22 latest technology, whichever is least expensive, if the
23 insurer's professional engineer determines that the repair
24 cannot be completed within policy limits. ~~However, if the~~
25 ~~insurer's professional engineer determines that the repair~~
26 ~~cannot be completed within policy limits, the insurer must pay~~
27 ~~to complete the repairs recommended by the insurer's~~
28 ~~professional engineer or tender the policy limits to the~~
29 ~~policyholder.~~

30 (a) The insurer may limit its total claims payment to the
31 actual cash value of the sinkhole loss, which does not include
32 underpinning or grouting or any other repair technique performed
33 below the existing foundation of the building, until the
34 policyholder enters into a contract for the performance of
35 building stabilization or foundation repairs in accordance with
36 the recommendations set forth in the insurer's report issued
37 pursuant to s. 627.7073.

38 (b) In order to prevent additional damage to the building
39 or structure, the policyholder must enter into a contract for
40 the performance of building stabilization and foundation repairs
41 within 90 days after the insurance company confirms coverage for
42 the sinkhole loss and notifies the policyholder of such



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43 confirmation. This time period is tolled if either party invokes
44 the neutral evaluation process, and begins again 10 days after
45 the conclusion of the neutral evaluation process.

46 (c) After the policyholder enters into the contract for the
47 performance of building stabilization and foundation repairs,
48 the insurer shall pay the amounts necessary to begin and perform
49 such repairs as the work is performed and the expenses are
50 incurred. The insurer may not require the policyholder to
51 advance payment for such repairs. If repair covered by a
52 personal lines residential property insurance policy has begun
53 and the professional engineer selected or approved by the
54 insurer determines that the repair cannot be completed within
55 the policy limits, the insurer must complete the professional
56 engineer's recommended repair or tender the policy limits to the
57 policyholder without a reduction for the repair expenses
58 incurred.

59 (d) The stabilization and all other repairs to the
60 structure and contents must be completed within 12 months after
61 entering into the contract for repairs described in paragraph
62 (b) unless:

63 1. There is a mutual agreement between the insurer and the
64 policyholder;

65 2. The claim is involved with the neutral evaluation
66 process;

67 3. The claim is in litigation; or

68 4. The claim is under appraisal or mediation.

69 (e) Upon the insurer's obtaining the written approval of
70 any lienholder, the insurer may make payment directly to the
71 persons selected by the policyholder to perform the land and



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72 building stabilization and foundation repairs. The decision by
73 the insurer to make payment to such persons does not hold the
74 insurer liable for the work performed.

75 (f) The policyholder may not accept a rebate from any
76 person performing the repairs specified in this section. If a
77 policyholder receives ~~does receive~~ a rebate, coverage is void
78 and the policyholder must refund the amount of the rebate to the
79 insurer. Any person performing ~~making~~ the repairs specified in
80 this section who offers a rebate commits insurance fraud
81 punishable as a third degree felony as provided in s. 775.082,
82 s. 775.083, or s. 775.084. As used in this paragraph, the term
83 "rebate" means a remuneration, payment, gift, discount, or
84 transfer of any item of value to the policyholder by or on
85 behalf of a person performing the repairs specified in this
86 section as an incentive or inducement to obtain repairs
87 performed by that person.

88
89 ===== T I T L E A M E N D M E N T =====

90 And the title is amended as follows:

91 Delete lines 67 - 68

92 and insert:

93 insurance claims; amending s. 627.707, F.S.; revising
94 requirements for the payment by insurers of sinkhole
95 losses; authorizing certain types of repairs if the
96 repair cannot be completed within policy limits;
97 defining the term "rebate" for purposes of provisions
98 prohibiting policyholders from accepting rebates from
99 persons performing repairs of sinkhole damage;
100 amending s. 627.7295, F.S.; clarifying