

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>    </u>	

1 Committee/Subcommittee hearing bill: Regulatory Affairs  
 2 Committee

3 Representative Ingoglia offered the following:

4  
 5 **Amendment (with title amendment)**

6 Remove lines 92-126 and insert:

7 (3) Citizens Property Insurance Corporation may not issue  
 8 limited sinkhole coverage insurance.

9 (4) Limited sinkhole coverage insurance may:

10 (a) Notwithstanding s. 627.707(5), limit coverage to  
 11 repairs to stabilize the building and repair the foundation in  
 12 accordance with the recommendations of the professional engineer  
 13 retained pursuant to s. 627.707(2).

14 (b) In addition to the deductibles authorized under s.  
 15 627.706(1)(b), offer deductibles agreed to by the insured and  
 16 insurer.

17 (c) Offer policy limits agreed to by the insured and

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18 insurer. However, policy limits below \$50,000 are prohibited  
19 unless that amount exceeds full replacement cost of the  
20 property.

21 (5) Before issuing a limited sinkhole coverage insurance  
22 policy under this section, the insurance agent must obtain a  
23 signed acknowledgement from an applicant that includes the  
24 following statement in at least 12-point bold, uppercase type:  
25 "BY ACCEPTING THIS LIMITED SINKHOLE COVERAGE INSURANCE POLICY, I  
26 HAVE READ AND UNDERSTAND THE LIMITATIONS THAT MAY APPLY TO MY  
27 POLICY AND I UNDERSTAND THAT MY POLICY IS A "REPAIR-ONLY" POLICY  
28 WHICH MEANS ONLY REPAIR AND/OR STABILIZATION OF THE SPECIFIED  
29 BUILDING AND ITS FOUNDATION IS COVERED, NOT TO EXCEED THE POLICY  
30 LIMITS AFTER APPLICATION OF MY DEDUCTIBLE. I ALSO UNDERSTAND  
31 THAT IT IS RECOMMENDED THAT I CONSULT WITH A QUALIFIED  
32 PROFESSIONAL TO IDENTIFY THE APPROXIMATE COST OF REPAIRING OR  
33 STABILIZING THE SPECIFIED BUILDING AND ITS FOUNDATION SO THAT I  
34 CAN MAKE AN INFORMED DECISION WHEN SELECTING MY POLICY LIMITS  
35 AND DEDUCTIBLE." The signed acknowledgment must also include, in  
36 at least 12-point bold, uppercase type:

37 (a) For a policy that provides limited sinkhole coverage  
38 insurance in an amount less than the full replacement cost of  
39 the property, the following statement: "THIS POLICY LIMITS  
40 SINKHOLE COVERAGE TO LESS THAN THE FULL COST OF REPLACEMENT FOR  
41 THE PROPERTY, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO  
42 YOU AND MAY PUT YOUR EQUITY IN THIS PROPERTY AT RISK."

43 (b) For a policy that provides for a deductible that

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44 exceeds the deductibles authorized under s. 627.706(1)(b), the  
45 following statement: "THIS POLICY EXCEEDS THE DEDUCTIBLE AMOUNT  
46 PERMITTED FOR OTHER AUTHORIZED SINKHOLE LOSS INSURANCE POLICIES,  
47 WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

48 (6) If the sinkhole loss cannot be repaired within policy  
49 limits, the insurer must:

50 (a) pay the cost, without regard to policy limits, to  
51 complete the repairs recommended by the insurer's professional  
52 engineer; or

53 (b) pay the cost, not to exceed the policy limits, to  
54 complete the repairs upon the insured entering into a contract  
55 to repair the sinkhole loss in accordance with the repairs  
56 recommended by the insurer's professional engineer.

57  
58 However, if the insured obtains a lower-cost alternative repair  
59 recommendation from a professional engineer for stabilizing the  
60 land or the building and repairing the foundation, the insurer  
61 must pay the cost, not to exceed the policy limits, to complete  
62 the lower-cost alternative repair upon the insured entering into  
63 a contract to repair the sinkhole loss in accordance with the  
64 lower-cost alternative repair recommendation by the insured's  
65 professional engineer. Such lower-cost alternative repair shall  
66 be subject to reasonable cost adjustment by the insurer;  
67 however, the insurer may not depart from the engineering  
68 requirements of the insured's professional engineer's lower-cost  
69 alternative repair recommendation. Except when payment for

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70 sinkhole loss is made under paragraphs (a), the insured is  
71 responsible for the amount of the repair costs in excess of  
72 policy limits, if any.

73 (7) The insurer shall make payment for sinkhole losses to  
74 the insured and the contractor performing the repairs jointly.  
75 The insurer may make payment for contents and additional living  
76 expenses, if covered, directly to the insured.

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**T I T L E   A M E N D M E N T**

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Remove lines 12-13 and insert:

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providing requirements and applicability; prohibiting Citizens

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Property Insurance from issuing limited sinkhole coverage

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insurance; requiring signed acknowledgement of certain

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statements; specifying loss payment requirements;