

FLORIDA SINKHOLE LOSS COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement provides the terms of coverage if coverage is selected on the Declarations Page.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

Words and phrases that appear in *italics* in the remainder of this form have special meaning. Refer to Section 2. Property Definitions of the policy form and / or this endorsement.

THIS ENDORSEMENT ONLY APPLIES TO LOCATIONS IN THE STATE OF FLORIDA.

B. Covered Causes of Loss

In addition to the Covered Causes of Loss in the policy, the following Cause of Loss is added:

1. *Sinkhole Loss*:

We will pay for sudden and accidental direct physical loss or damage to Covered Property caused by or resulting from *sinkhole loss*, but only as a sublimit of coverage as provided by the policy. The amount that we will pay for *sinkhole loss* in any one *occurrence*, regardless of the types or number of items lost or damaged in that *occurrence*, is \$50,000, and does not increase the limits displayed on the Declarations. *Sinkhole loss* includes stabilization of the building (including land stabilization) and repair to the foundation, provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of a professional engineer and with notice to you. The professional engineer must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair in accordance with the recommendations of the professional engineer as set forth in a report from us:

- a. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
- b. Our payment for *sinkhole loss* to Covered Property may be limited to the *actual cash value* of the loss to such property.

You must enter into a contract for the performance of building stabilization and/or foundation repair in accordance with the aforementioned recommendations, within 90 days after we notify you that there is coverage for your *sinkhole loss*. After you have entered into such contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred, up to but not exceeding the sublimit amount shown above.

The stabilization and all other repairs to the Covered Property must be completed within 12 months after entering into the contract for the performance of these repairs, unless:

- a. There is a mutual agreement between you and us;
- b. The claim is involved with the neutral evaluation process;
- c. The claim is in litigation; or
- d. The claim is under arbitration or mediation.

Sinkhole loss does not include:

- a. Sinking or collapse of land into man-made underground cavities; or
- b. *Earthquake*.

SECTION III – COMMON POLICY CONDITIONS

The following provision is added to the Common Policy Conditions with respect to the coverage provided under this endorsement:

1. Rebates

You may not accept a rebate from any person performing repairs for *sinkhole loss* covered under this endorsement. If you receive a rebate, coverage under this endorsement is void and you must refund the amount of the rebate to us.

G. Property Loss Conditions

The following provision is added to **Duties in The Event of Loss or Damage** with respect to the coverage provided under this endorsement:

A claim for *sinkhole loss*, including but not limited to initial, supplemental, and reopened claims is barred unless notice of claim is provided to us in accordance with the terms of this policy within two years after you knew, or reasonably should have known, about the *sinkhole loss*.

All other terms and conditions, insured coverage, and exclusions of this insurance policy remain unchanged, including applicable limits, sublimits, and deductibles, and apply in full force and effect to the coverage provided by this policy.