

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

**SINKHOLE LOSS COVERAGE**

**DEFINITIONS**

The following definitions are added:

- 1. **“Sinkhole Activity”** means settlement or systematic weakening of the earth supporting such property. The settlement or systematic weakening must result from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on limestone or similar rock formations.
- 2. **“Sinkhole Loss”** means actual physical damage to a building or foundation: (a) arising out of; or (b) caused by, “sinkhole activity.”

**SECTION I – PERILS INSURED AGAINST**

The following is added:

**Sinkhole Loss Coverage-** If a **Sinkhole Loss** is verified, we will pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the professional engineer who verifies the presence of a **Sinkhole Loss** in compliance with Florida sinkhole testing standards and in consultation with you, subject to the coverage and terms of the policy.

We will pay for other repairs to the structure and contents in accordance with the terms of the policy.

**LOSS SETTLEMENT**

**We will pay:**

- 1. No more than the actual cash value of the damaged property, not including underpinning or grouting or any other repair technique performed below the existing foundation of the building, until you enter into a contract for the performance of building stabilization or foundation repairs. Once you enter into such contract, we will settle the loss as described in this Condition and pay the amount necessary to begin and perform such repairs as work progresses and as expenses are incurred.
- 2. If the repairs have begun and the professional engineer selected or approved

by us determines that the recommended repairs cannot be completed within the policy limits, we must either:

- a. Complete the recommended repairs; or
- b. Pay the policy limits without a reduction for the repair expense incurred.

**SECTION I - EXCLUSIONS**

Item 1.b. is deleted and replaced by the following:

**b. Earth Movement:**

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudflow, or mudslide;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

Caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This exclusion 1.b. does not apply to loss by:

**Sinkhole Loss Coverage**

**Mediation Or Appraisal**

With respect to coverage provided by this endorsement, the Mediation or Appraisal Condition is replaced by the following:

**Neutral Evaluation**

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for stabilizing the land and building and foundation repairs, or if we deny your claim, either party may file a request with the Florida Department of Financial Services (the Department) for neutral evaluation in accordance with the rules established by the Department. In this

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event, you and we shall mutually select a neutral evaluator from a list maintained by the Department. If you and we fail to agree to a neutral evaluator within 10 business days, the Department shall appoint a neutral evaluator. The neutral evaluation conference shall be held within 45 days after the receipt of the request by the Department. The recommendation of the neutral evaluator will not be binding on you or us. We will pay the costs associated with the neutral evaluation.

**Suit Against Us**

With respect to the coverage provided by this endorsement, the Suit Against Us Condition is replaced by the following:

**Suit Against Us**

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within 5 years after the date of loss; except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or 5 years, whichever is later.

All other policy provisions apply.