Frequently Asked Questions

Sinkhole Changes

Frequently Asked Questions for Policyholders

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1. When is a sinkhole inspection required?

Sinkhole inspections are required for new and renewal policies seeking to add sinkhole coverage that have effective dates on or after 10/01/2011, if they meet

either of the following criteria:

- Located in Hernando, Hillsborough, Pasco or Pinellas county
- Located in any other county, and a *YES* response is indicated on any of the sinkhole-activity questions

Your agent will be able to provide detailed information on the process and any additional documentation that must be submitted.

2. Will policies that currently have sinkhole coverage be impacted by the new inspection requirements?

No. The sinkhole inspection requirement will not affect policies that already have sinkhole coverage.

3. I live in Hernando, Hillsborough, Pasco or Pinellas county. How will the new sinkhole inspection requirements affect my ability to purchase a new policy that includes sinkhole coverage?

A sinkhole inspection will be required before your agent can bind a policy that includes sinkhole coverage.

4. I need proof of insurance before the sinkhole inspection can be completed. Is there a way for me to get my policy more quickly?

When coverage for all other perils is needed before a sinkhole inspection can be completed, your agent may bind your policy without sinkhole coverage, subject to all underwriting rules. Your agent will submit a request to add sinkhole coverage and an inspection will be performed. The results of the inspection will determine whether this coverage can be added and, if so, the effective date.

5. I have an existing Citizens policy that excludes sinkhole coverage, and I live in Hernando, Hillsborough, Pasco or Pinellas county. I want to add sinkhole coverage. What do I need to do?

Sinkhole coverage must be requested at least 90 days prior to the renewal of your current policy. Please contact your agent to request this coverage. Your agent will submit the proper form. A sinkhole inspection must be performed to determine whether the coverage can be added.

6. If a sinkhole inspection is required, who will pay for the inspection?

If an inspection is required, you are responsible for paying half the cost directly to the inspection company. Citizens will pay the other half. The payment is non-refundable, regardless of whether or not the coverage is approved or declined.

7. How long does the inspection process take?

We expect to have the completed inspection report and final underwriting determination within approximately 30 days from the date the inspection is ordered.

8. Will I receive a copy of the inspection report?

Yes. The sinkhole inspection company will provide you with a copy of the report.

9. What is the difference between a sinkhole loss and catastrophic ground cover collapse?

Florida Statute 627.706 defines them as follows:

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

"Sinkhole loss" means structural damage to the building, including the foundation, caused by sinkhole activity. Contents coverage shall apply only if there is structural damage to the building caused by sinkhole activity.

"Sinkhole activity" means settlement or systematic weakening of the earth supporting such property only when such settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

*"Catastrophic ground cover collapse" means geological activity that results in **all** of the following:*

- *Abrupt collapse of the ground cover*
- *A depression in the ground cover clearly visible to the naked eye*
- *Structural damage to the building, including the foundation: and*
- *The insured structure being condemned and ordered to be vacated by the government agency authorized by law to issue such an order for that structure*

10. How do you add coverage for catastrophic ground cover collapse?

Coverage for catastrophic ground cover collapse is included automatically in the base policy form for personal residential policies.

11. How do I know whether my policy excludes sinkhole coverage?

Policies that exclude sinkhole coverage will have the following wording on the *Declarations* page:

- *Your policy provides coverage for a catastrophic ground cover collapse that results in the property being condemned and uninhabitable. Otherwise, your policy does not provide coverage for sinkhole losses.*

- *You may purchase additional coverage for sinkhole losses for an additional premium.*

12. Am I able to add sinkhole coverage in the middle of my policy term?

No. These changes can be made *only* at renewal. You will need to contact your agent, who can submit the proper documentation to add the coverage to your renewal policy.

13. If I have sinkhole coverage, what are my deductible options?

If your policy provides coverage for sinkhole loss, the sinkhole deductible will match the *All Other Perils* deductible. You also can elect to have a Sinkhole Loss deductible that is 10 percent of the insured value of your home (Coverage A), which may decrease your premium.

14. Can I change my sinkhole deductible in the middle of my policy term?

No. These changes can be made *only* at renewal. You will need to contact your agent, who can submit the proper documentation to change the deductible on your renewal policy.

15. My policy currently includes sinkhole coverage and does not renew for a while, but I would like to exclude sinkhole coverage now so I can save money. Can I cancel my current policy and have my coverage rewritten without sinkhole coverage?

Yes. Citizens will allow you to remove sinkhole coverage midterm. Please contact your agent if you are interested in this option.

16. I have a tenant contents, condominium or mobile-home policy. How is sinkhole covered on my policy?

Both *Catastrophic Ground Cover Collapse* coverage and Sinkhole Loss coverage are included in these policy types. You cannot remove or make changes to these coverages, and the optional 10-percent Sinkhole Loss deductible is not available for these policy types.

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