

FORMS – AMENDED AND APPROVED

JUNE 30, 2023

BUSINESSOWNERS
COMMERCIAL PROPERTY
FARM

LI-BP-2023-112
LI-CF-2023-077
LI-FR-2023-083

FLORIDA ASSIGNMENT OF BENEFITS FILINGS AMENDED AND APPROVED FOR COMMERCIAL LINES

KEY MESSAGE

Amended forms filings [BP-2022-OAOB1](#), [CF-2022-OAOB1](#) and [FR-2022-OAOB1](#) which include assignment of post-loss insurance benefits conditions have been approved.

LOB: BP, CF, FR

Effective Date: 11/1/2023

BACKGROUND

In circular [LI-BP-2023-018](#), et al., we informed you that in response to 2022 Fla. Laws Chs. ____ (former S.B. 2-A), we were amending pending Florida Changes Endorsements BP 03 03, CP 01 25 and FP 01 09 as follows:

- In response to §§ 626.9541(4) and 627.70131 (7)(a), we have revised the Loss Payment Condition to revise the number of days claims, if payment is not denied, will be paid within from 90 to 60 days. In addition, we have removed "reasonably" to track more closely to the statute.
- In response to § 627.7152(13), we added the Assignment Loss Condition to provide that post-loss assignment of benefits is prohibited.
- In response to § 627.70132(2), we have revised the Duties In The Event Of Loss Or Damage Loss Condition to specify that, under Paragraph (1), any initial claim or reopened claim must be brought within one year, and any supplemental claim must be brought within 18 months.
- The Assignee and Assignment Agreement Definitions are deleted.
- The Assignment Of Benefits Fully Prohibited – Florida and Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida endorsements are being withdrawn from consideration.

In circular [LI-BP-2022-098](#), et al., we advised that we planned to submit updated versions of rules filings BP-2022-RAOB1, CF-2022-RAOB1 and FR-2022-RAOB1 to the Florida Office of Insurance Regulation (FL OIR) upon approval of the companion forms filings. Now that the Assignment Of Benefits Fully Prohibited – Florida and Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida endorsements are being removed from consideration, we will no longer be submitting these rules filings.

ISO ACTION

We subsequently submitted replacement amendment filings which revised the Assignment Conditions in Endorsements BP 03 03, CP 01 25 and FP 01 09 to more closely track with the provisions of FLA. STAT. § 627.7152 (11) and (13).

In addition, for BP 03 03, in response to 2023 Fla. Laws Ch. 2023-130 (former H.B. 1185)'s amendment to FLA. STAT. ANN § 627.4133 (1)(b) 2., we revised the reference to the number of days a policy is in effect in our Cancellation Common Policy Condition.

Refer to the attached explanatory material for complete details about the replacement amendment forms filings.

For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.

INSURANCE DEPARTMENT ACTION

The Florida Office of Insurance Regulation (FL OIR) has approved filings BP-2022-OAOB1, CF-2022-OAOB1 and FR-2022-OAOB1 as amended.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies effective on or after November 1, 2023.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the FL OIR on this revision, you should refer to the ISO Filing Designation Number and FL OIR Number in the table below, not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

<u>ISO Filing Designation Number</u>	<u>FL OIR Number</u>
BP-2022-OAOB1	22-014041
CF-2022-OAOB1	22-014040
FR-2022-OAOB1	22-014051

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- New edition dates of existing form numbers are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2023-005](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 11-23 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-BP-2023-072/LI-CF-2023-067/LI-FR-2023-078](#) (06/09/2023) Florida Former H.B. 1185 Enacted And Under Review
- [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing
- [LI-BP-2023-018/LI-CF-2023-019/LI-FR-2023-027](#) (02/10/2023) Florida Assignment Of Benefits Being Amended For Commercial Lines
- [LI-BP-2023-006/LI-CF-2023-004/LI-FR-2023-004](#) (01/10/2023) Florida Former S.B. 2-A Concerning Property Insurance Under Review
- [LI-BP-2022-098/LI-CF-2022-075/LI-FR-2022-025](#) (08/25/2022) Florida Assignment Of Benefits Commercial Lines Rules Not Yet Submitted; Revised Filing Provided
- [LI-BP-2022-068/LI-CF-2022-058/LI-FR-2022-012](#) (06/23/2022) Florida Assignment Of Benefits Restrictions Being Filed For Commercial Lines

ATTACHMENT(S)

- Replacement Amendment Filings [BP-2022-OAOB1](#), [CF-2022-OAOB1](#) and [FR-2022-OAOB1](#)
- Final copies of [BP 03 03 11 23](#), [CP 01 25 11 23](#) and [FP 01 09 11 23](#)

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:

Daniel Holt
Compliance & Product Services – Property
201-469-2557
property@verisk.com
Daniel.Holt@verisk.com

- Other issues for this circular, please contact Customer Support:

E-mail: info@verisk.com

Phone: 800-888-4476

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Florida Assignment of Benefits Endorsements Removed and Cancellation Provision Revised

About This Filing

This submission amends filing BP-2022-OAOB1 in response to 2022 Fla. Laws ch. __ (former S.B. 2-A) and 2023 Fla. Laws ch. 2023-130 (Former H.B. 1185),.

Revised Forms

We are revising the following forms:

- ◆ BP 03 03 05 22 - Florida Changes

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes to the version included in the pending filing.

Removed From Consideration

We are removing the following forms from consideration:

- ◆ BP 12 38 02 23 - Assignment Of Benefits Fully Prohibited - Florida
- ◆ BP P 020 02 23 - Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida

Background

In forms filing BP-2022-OAOB1 in accordance with § 627.7152(2)(a)3., we added an Assignment condition to the Loss Conditions in Florida Changes endorsement BP 03 03 which outlines requirements for the assignment agreement to be provided to the insurer. A corresponding definition of " assignment agreement" was introduced based on 627.7152(1)(b).

In addition in accordance with FLA. STAT. ANN. § 627.7153(2), we also introduced an optional endorsement Assignment Of Benefits Fully Prohibited - Florida BP 12 38 which can be attached to the underlying Businessowners policy to fully prohibit the assignment of post-loss insurance benefits

Subsequent to our submission of filing CF-2022-OAOB1, 2022 Fla. Laws Chs. ____ (former S.B. 2-A) was signed into law on December 16, 2022. 2022 Fla.

Laws Chs. ____ (former S.B. 2-A) in part, amends FLA. STAT. ANN, § 627.70131 (7)(a), § 627.70132(2), and § 627.7152, as follows:

- ◆ FLA. STAT. ANN § 627.7152 (13): "(13) Except as provided in subsection (11), a policyholder may not assign, in whole or in part, any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy as that term is defined in s. 627.0625(1), issued on or after January 1, 2023. An attempt to assign post-loss property insurance benefits under such a policy is void, invalid, and unenforceable~~This section applies to an assignment agreement executed on or after July 1, 2019.~~"
- ◆ FLA. STAT. ANN § 627.70131 (7)(a): "(7)(a) Within 6090 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer~~which reasonably prevent such payment~~. The insurer shall provide a reasonable explanation in writing to the policyholder of the basis in the insurance policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of a claim. If the insurer's claim payment is less than specified in any insurer's detailed estimate of the amount of the loss, the insurer must provide a reasonable explanation in writing of the difference to the policyholder. Any payment of an initial or supplemental claim or portion of such claim made 6090 days after the insurer receives notice of the claim, or made more than 15 days after the expiration of any additional timeframe provided to pay or deny a claim or a portion of a claim made pursuant to an order of the office finding~~there are no longer~~ factors beyond the control of the insurer~~which reasonably prevented such payment~~, whichever is later, bears interest at the rate set forth in s. 55.03. Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured must select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action."
- ◆ FLA. STAT. ANN § 627.70132 (2): "(2) A claim or reopened claim, but not a supplemental claim, under an insurance policy that provides property insurance, as defined in s. 624.604, including a property insurance policy issued by an eligible surplus lines insurer, for loss or damage caused by any peril is barred unless notice of the claim was given to the insurer in accordance with the terms of the policy within 1 year~~2 years~~ after the date of loss. A supplemental claim is barred unless notice of the supplemental claim

was given to the insurer in accordance with the terms of the policy within 18 months~~3 years~~ after the date of loss."

2023 Fla. Laws ch. 2023-130 (former H.B. 1185), effective July 1, 2023 amends FLA. STAT. ANN § 627.4133 (1) (b) 2. to provide, in part:

- ◆ *"When such cancellation or termination occurs during the first 6090 days during which the insurance is in force and the insurance is canceled or terminated for reasons other than nonpayment of premium, at least 20 days' written notice of cancellation or termination accompanied by the reason therefor shall be given except where there has been a material misstatement or misrepresentation or failure to comply with the underwriting requirements established by the insurer.*

After the policy has been in effect for 6090 days, no such policy shall be canceled by the insurer except when there has been a material misstatement, a nonpayment of premium, a failure to comply with underwriting requirements established by the insurer within 6090 days of the date of effectuation of coverage, or a substantial change in the risk covered by the policy or when the cancellation is for all insureds under such policies for a given class of insureds. This subsection does not apply to individually rated risks having a policy term of less than 90 days."

Explanation of Changes

In response to 2022 Fla. Laws Chs. ____ (Former S.B. 2-A), § 627.7152(13), we are amending the filing to remove the following provisions from BP 03 03:

- ◆ Assignee and Assignment Agreement Definitions.

In addition, we have made the following revisions:

- ◆ In response to § 627.70132(2), we have revised Paragraph 1.a. of the Duties In the Event Of Loss Or Damage Loss Condition Duties to reflect that any claim initial or reopened claim must be brought within one year, and any supplemental claim must be brought within 18 months.
- ◆ In response to § 627.70131 (7)(a), we have revised Paragraph 3.g.(3) of the Loss Payment condition to revise the number of days claims, if payment is not denied, will be paid within from 90 to 60 days. In addition, we have revised "reasonably prevent such payment" to track more closely to the statute.
- ◆ In response to § 627.7152(13), we have added an Assignment of Benefits Common Policy Condition which closely tracks with the provisions of FLA. STAT. §627.7152 (11) and (13).

We are also removing the following endorsements from consideration in light of the aforementioned revisions to BP 03 03 in response to § 627.7152(13):

- ◆ BP 12 38 02 23 Assignment Of Benefits Fully Prohibited - Florida
- ◆ BP P 020 02 23 - Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida

In response to 2023 Fla. Laws ch. 2023-130 (former H.B. 1185)'s amendment to FLA. STAT. ANN § 627.4133 (1)(b) 2., we are also revising the reference to the number of days a policy is in effect in our Cancellation Common Policy Condition.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. The following provisions are added to Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Condition:

- a. A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this Policy within ~~two~~one years after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within ~~three years~~18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Policy under the Legal Action Against Us Condition including any amendment to that condition.

- b. Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.
2. Paragraph **E.4.b. Legal Action Against Us** Property Loss Condition is replaced by the following:
 - b. Legal action against us involving direct physical loss or damage to property must be brought within five years from the date the loss occurs.
 3. Paragraph **E.5.g. Loss Payment** Property Loss Condition is replaced by the following:
 - g. Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage upon the earliest of the following:
 - (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
 - (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or

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(b) There is a filing of an appraisal award with us; or

- (3) Within 9060 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 9060-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to a claim for building or contents coverage if the insured structure is 10,000 square feet or less and the Policy covers only locations in Florida.

4. Sinkhole Collapse Coverage Removed

Throughout the Policy, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion. Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph A.6. of this Endorsement.

Further, this Policy does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this Policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this Policy.

5. If windstorm is a Covered Cause of Loss, and Covered Property is located in:
- a. Monroe County; or
 - b. East of the west bank of the Intracoastal Waterway in:
 - (1) Broward County;
 - (2) Dade County;
 - (3) Indian River County;
 - (4) Martin County;
 - (5) Palm Beach County; or
 - (6) St. Lucie County;

the following applies:

If loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies:

Windstorm Exterior Paint Or Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

- a. Paint; or
- b. Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
 - b. The value of Covered Property.
6. The following is added to this Policy as a Covered Cause of Loss and as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage" to the building, including the foundation; and
- d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The Earth Movement Exclusion and the Collapse Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Policy), only one Limit of Insurance will apply to such loss or damage.

7. For the purposes of this Endorsement, the following is added to the **Definitions** in **Section I – Property:**

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose or location;
- c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

- d. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

- e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

~~8. Unless Assignment Of Benefits Fully Prohibited – Florida Endorsement BP 12 38 is attached to the Policy, the following condition is added to Paragraph F. Property General Conditions:~~

Assignment

~~When an Assignment of Benefits occurs under this Policy after a loss, the "assignee" must deliver a copy of the executed "assignment agreement" within three business days after executing the "assignment agreement" or work has begun, whichever is earlier, unless the "assignee" can demonstrate that we are not prejudiced by the "assignee's" failure to deliver such agreement within the time period specified.~~

~~9. The following are added to the **Definitions** in **Section I – Property:**~~

~~"Assignee" means a person who is assigned post-loss benefits through an "assignment agreement".~~

~~"Assignment agreement" means any instrument by which post-loss benefits under this Policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.~~

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B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. Cancellation** is replaced by the following:

2. Cancellation For Policies In Effect 690 Days Or Less

a. If this Policy has been in effect for 690 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:

(a) A material misstatement or misrepresentation; or

(b) A failure to comply with underwriting requirements established by the insurer.

b. We may not cancel:

(1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

2. Paragraph **A.5. Cancellation** is replaced by the following:

5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

3. The following is added to Paragraph **A. Cancellation**:

7. Cancellation For Policies In Effect For More Than 690 Days

a. If this Policy has been in effect for more than 690 days, we may cancel this Policy only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) The Policy was obtained by a material misstatement;

(3) In the event of failure to comply, within 690 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;

(4) There has been a substantial change in the risk covered by the Policy;

(5) The cancellation is for all insureds under such policies for a given class of insureds;

(6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

(7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or

- (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.
- b. If we cancel this Policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
 - (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
 - (2) 45 days before the effective date of cancellation if cancellation is for one or more of the reasons stated in Paragraphs 7.a.(2) through 7.a.(8) above.

4. The following paragraphs are added:

M. Nonrenewal

- 1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least 45 days prior to the expiration of the Policy.
- 2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 3. We may not refuse to renew this Policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - b. On the basis of filing of claims for sinkhole loss. However, we may refuse to renew this Policy if:
 - (1) The total of such property insurance claim payments for this Policy equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building; or

- (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

- c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

- 4. Notwithstanding the provisions of Paragraph **B.4.M.3.**, we may refuse to renew this Policy if this Policy includes Sinkhole Loss Coverage. If we nonrenew this Policy for purposes of removing Sinkhole Loss Coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.

- 5. Notwithstanding the provisions of Paragraph **B.4.M.3.**, we may refuse to renew this Policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

- N. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

- 1. Paragraph (2) of Insuring Agreement d. **Security Breach Liability** is replaced by the following:

- (2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph d.(1).

2. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

- (1) Civil or criminal fines or penalties imposed by law;
- (2) Punitive or exemplary damages;
- (3) The multiplied portion of multiplied damages;
- (4) Taxes;
- (5) Royalties;
- (6) The amount of any disgorged profits; or
- (7) Matters that are uninsurable pursuant to law.

5. The following condition is added to **Section III – Common Policy Conditions:**

Assignment

a. Except as otherwise provided in Paragraph **5.b.** below, assignment of this Policy will not be valid unless we give our written consent.

b. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

(1) An assignment, transfer or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;

(2) A power of attorney that grants to a management company, family member, guardian or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy; or

(3) Liability coverage under this Policy.

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Florida Assignment of Benefits Endorsements Removed From Filing

About This Filing

This submission amends filing CF-2022-OAOB1 in response to 2022 Fla. Laws ch. __ (former S.B. 2-A).

Revised Forms

We are revising the following forms:

- ◆ CP 01 25 05 22 Florida Changes

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to changes to the version included in the pending filing.

Removed From Consideration

We are removing the following forms from consideration:

- ◆ CP 12 75 02 23, Assignment Of Benefits Fully Prohibited – Florida
- ◆ CP P 023 02 23, Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida

Background

In forms filing CF-2022-OAOB1 in accordance with § 627.7152(2)(a)3., we added an Assignment condition to the Loss Conditions in Florida Changes endorsement CP 01 25 which outlines requirements for the assignment agreement to be provided to the insurer. A corresponding definition of " assignment agreement" was introduced based on 627.7152(1)(b).

In addition in accordance with FLA. STAT. ANN. § 627.7153(2), we also introduced an optional Assignment Of Benefits Fully Prohibited – Florida endorsement CP 12 75, which can be attached to the underlying ISO Commercial Property policy form to fully prohibit the assignment of post-loss insurance benefits.

Subsequent to our submission of filing CF-2022-OAOB1, 2022 Fla. Laws Chs. __ (former S.B. 2-A) was signed into law on December 16, 2022. 2022 Fla.

Laws Chs. ____ (former S.B. 2-A) in part, amends FLA. STAT. ANN, § 627.70131 (7)(a), § 627.70132(2), and § 627.7152, as follows:

- ◆ FLA. STAT. ANN § 627.7152 (13): "(13) Except as provided in subsection (11), a policyholder may not assign, in whole or in part, any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy as that term is defined in s. 627.0625(1), issued on or after January 1, 2023. An attempt to assign post-loss property insurance benefits under such a policy is void, invalid, and unenforceable~~This section applies to an assignment agreement executed on or after July 1, 2019.~~"
- ◆ FLA. STAT. ANN § 627.70131 (7)(a): "(7)(a) Within 6090 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer~~which reasonably prevent such payment~~. The insurer shall provide a reasonable explanation in writing to the policyholder of the basis in the insurance policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of a claim. If the insurer's claim payment is less than specified in any insurer's detailed estimate of the amount of the loss, the insurer must provide a reasonable explanation in writing of the difference to the policyholder. Any payment of an initial or supplemental claim or portion of such claim made 6090 days after the insurer receives notice of the claim, or made more than 15 days after the expiration of any additional timeframe provided to pay or deny a claim or a portion of a claim made pursuant to an order of the office finding~~there are no longer~~ factors beyond the control of the insurer~~which reasonably prevented such payment~~, whichever is later, bears interest at the rate set forth in s. 55.03. Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured must select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action."
- ◆ FLA. STAT. ANN § 627.70132 (2): "(2) A claim or reopened claim, but not a supplemental claim, under an insurance policy that provides property insurance, as defined in s. 624.604, including a property insurance policy issued by an eligible surplus lines insurer, for loss or damage caused by any peril is barred unless notice of the claim was given to the insurer in accordance with the terms of the policy within 1 year~~2 years~~ after the date of loss. A supplemental claim is barred unless notice of the supplemental claim

was given to the insurer in accordance with the terms of the policy within 18 months~~3 years~~ after the date of loss."

Explanation of Changes

In response to 2022 Fla. Laws Chs. ____ (Former S.B. 2-A), § 627.7152(13), we are amending the filing to remove the following provisions from CP 01 25:

- ◆ Assignee and Assignment Agreement Definitions.

In addition, we have made the following revisions:

- ◆ In response to § 627.70131 (7)(a), we have revised Paragraph (3) of the Loss Payment condition to revise the number of days claims, if payment is not denied, will be paid within from 90 to 60 days. In addition, we have revised "reasonably prevent such payment" to track more closely to the statute.
- ◆ In response to § 627.70132(2), we have revised Paragraph (1) of the Duties In the Event Of Loss Or Damage Loss Condition Duties to reflect that any claim initial or reopened claim must be brought within one year, and any supplemental claim must be brought within 18 months.
- ◆ In response to § 627.7152(13), we have added an Assignment of Benefits Loss Condition which closely tracks with the provisions of FLA. STAT. §627.7152 (11) and (13).

We are also removing the following endorsements from consideration in light of the aforementioned revisions to CP 01 25 in response to § 627.7152(13):

- ◆ CP 12 75 02 23, Assignment Of Benefits Fully Prohibited – Florida
- ◆ CP P 023 02 23, Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited – Florida

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

C. The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
 - a. Indian River; and
 - b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property when applying the Coinsurance Condition.

D. The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or
 - (b) There is a filing of an appraisal award with us; or
- (3) Within ~~90~~60 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control ~~reasonably~~ prevent such payment. If a portion of the claim is denied, then the ~~90~~60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;

- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

E. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F.** The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

- G.** The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.
2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.
3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

H. The following provisions are added to the Duties In The Event Of Loss Or Damage Loss Condition:

- (1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within ~~two~~one years after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the policy within ~~three years~~18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

~~I. Unless Assignment Of Benefits Fully Prohibited — Florida Endorsement CP 12-75 is attached to the policy, the following is added to the Loss Conditions:~~

Assignment

~~When an assignment of benefits occurs under this policy after a loss, the "assignee" must deliver to us a copy of the executed "assignment agreement" within three business days after executing the "assignment agreement" or work has begun, whichever is earlier, unless the "assignee" can demonstrate that we are not prejudiced by the "assignee's" failure to deliver such agreement within the time period specified.~~

~~J. The following definitions are added:~~

~~"Assignee" means a person who is assigned post-loss benefits through an "assignment agreement".~~

~~"Assignment agreement" means any instrument by which post-loss benefits under this policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.~~

~~I. The following Loss Condition is added:~~

Assignment

~~1. Except as otherwise provided in Paragraph I.2. below, assignment of this Policy will not be valid unless we give our written consent.~~

~~2. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:~~

~~a. An assignment, transfer, or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or~~

~~b. A power of attorney that grants to a management company, family member, guardian, or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy.~~

KJ. The following definition of structural damage is added with respect to the coverage provided under this endorsement:

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

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Florida Assignment of Benefits Endorsements Removed From Filing

About This Filing

This submission amends filing FR-2022-OAOB1 in response to 2022 Fla. Laws ch. __ (former S.B. 2-A).

Revised Forms

We are revising the following forms:

- ◆ FP 01 09 05 22 - Florida Changes

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes to the version included in the pending filing.

Removed From Consideration

We are removing the following forms from consideration:

- ◆ FP 25 01 02 23 - Assignment Of Benefits Fully Prohibited – Florida
- ◆ FR P 026 02 23 - Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited

Background

In forms filing FR-2022-OAOB1 in accordance with § 627.7152(2)(a)3., we added an Assignment condition to the General Conditions in Florida Changes endorsement FP 01 09 which outlines requirements for the assignment agreement to be provided to the insurer. A corresponding definition of "assignment agreement" was introduced based on 627.7152(1)(b).

In addition in accordance with FLA. STAT. ANN. § 627.7153(2), we also introduced an optional Assignment Of Benefits Fully Prohibited – Florida endorsement FP 25 01, which can be attached to the underlying Farm policy to fully prohibit the assignment of post-loss insurance benefits.

Subsequent to our submission of filing CF-2022-OAOB1, 2022 Fla. Laws Chs. __ (former S.B. 2-A) was signed into law on December 16, 2022. 2022 Fla. Laws Chs. __ (former S.B. 2-A) in part, amends FLA. STAT. ANN, § 627.70131 (7)(a), § 627.70132(2), and § 627.7152, as follows:

- ◆ FLA. STAT. ANN § 627.7152 (13): "(13) Except as provided in subsection (11), a policyholder may not assign, in whole or in part, any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy as that term is defined in s. 627.0625(1), issued on or after January 1, 2023. An attempt to assign post-loss property insurance benefits under such a policy is void, invalid, and unenforceable~~This section applies to an assignment agreement executed on or after July 1, 2019.~~"
- ◆ FLA. STAT. ANN § 627.70131 (7)(a): "(7)(a) Within 6090 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer~~which reasonably prevent such payment~~. The insurer shall provide a reasonable explanation in writing to the policyholder of the basis in the insurance policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of a claim. If the insurer's claim payment is less than specified in any insurer's detailed estimate of the amount of the loss, the insurer must provide a reasonable explanation in writing of the difference to the policyholder. Any payment of an initial or supplemental claim or portion of such claim made 6090 days after the insurer receives notice of the claim, or made ~~more than 15 days after the expiration of any additional timeframe provided to pay or deny a claim or a portion of a claim made pursuant to an order of the office finding~~there are no longer factors beyond the control of the insurer~~which reasonably prevented such payment~~, whichever is later, bears interest at the rate set forth in s. 55.03. Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured must select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action."
- ◆ FLA. STAT. ANN § 627.70132 (2): "(2) A claim or reopened claim, but not a supplemental claim, under an insurance policy that provides property insurance, as defined in s. 624.604, including a property insurance policy issued by an eligible surplus lines insurer, for loss or damage caused by any peril is barred unless notice of the claim was given to the insurer in accordance with the terms of the policy within 1 year~~2 years~~ after the date of loss. A supplemental claim is barred unless notice of the supplemental claim was given to the insurer in accordance with the terms of the policy within 18 months~~3 years~~ after the date of loss."

Explanation of Changes

In response to 2022 Fla. Laws Chs. ____ (Former S.B. 2-A), § 627.7152(13), we are amending the filing to remove the following provisions from FP 01 09:

- ◆ Assignee and Assignment Agreement Definitions.
- ◆ E.2. Necessary Measures
- ◆ F.a.(4) Duties In The Event Of Loss Or Damage

In addition, we have made the following revisions:

- ◆ In response to § 627.70132(2), we have revised Paragraph G(1) and H(1) of the Duties In the Event Of Loss Or Damage Loss Condition Duties to reflect that any claim initial or reopened claim must be brought within one year, and any supplemental claim must be brought within 18 months.
- ◆ In response to § 627.70131 (7)(a), we have revised Paragraph I(3) of the Loss Payment condition to revise the number of days claims, if payment is not denied, will be paid within from 90 to 60 days. In addition, we have revised "reasonably prevent such payment" to track more closely to the statute.
- ◆ In response to § 627.7152(13), we have added an Assignment of Benefits Condition which closely tracks with the provisions of FLA. STAT. §627.7152 (11) and (13).

We are also removing the following endorsements from consideration in light of the aforementioned revisions to FP 01 09 in response to § 627.7152(13):

- ◆ FP 25 01 02 23 - Assignment Of Benefits Fully Prohibited – Florida
- ◆ FR P 026 02 23 - Rejection Of Fully Assignable Policy; Assignment Of Benefits Fully Prohibited

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

A. Under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Farm Property – Farm Personal Property Coverage Form, Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form and the Livestock Coverage Form, the following statement is added in compliance with Florida law, and pertains to:

1. Item **B.1.c.** under **Coverage A – Loss Condition – Valuation**, which applies to Coverages **A** and **B** of the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form;
2. Item **B.2.**, Coinsurance, under the Coverage **F** Loss Conditions of the Farm Property – Farm Personal Property Coverage Form;
3. Item **B.3.b.(3)** under **Coverage G – Loss Conditions – Valuation – Property Other Than Improvements And Betterments** of the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form; and
4. Item **1.** under General Condition **1.** of the Livestock Coverage Form.

Coinurance contract: The rate charged in this Policy is based upon the use of the coinsurance clause attached to this Policy, with the consent of the insured.

B. The following is added to the Causes Of Loss Form – Farm Property:

If windstorm is a Covered Cause of Loss and loss of or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Miami-Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and

6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:

- a. Indian River; and
- b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine the amount of the Windstorm or Hail Deductible.

C. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed as indicated in Paragraphs **C.1.** through **C.5.**; and coverage for **Catastrophic Ground Cover Collapse** is added instead as set forth in Paragraph **D.**

1. In the Causes Of Loss Form – Farm Property, Sinkhole Collapse is deleted from the Covered Causes Of Loss – Basic and Causes Of Loss – Broad, and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, sinkhole collapse is deleted from the "specified causes of loss".

3. In the Mobile Agricultural Machinery And Equipment Coverage Form, sinkhole collapse is deleted from the "specified causes of loss" and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
4. In the Livestock Coverage Form, **Sinkhole Collapse** is deleted from the Covered Causes Of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
5. If the Livestock – Additional Causes Of Loss Endorsement is made a part of your policy, sinkhole collapse is deleted from the Additional Coverage – Collapse in that endorsement.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this Policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this Policy.

D. The following is added:

1. To this Coverage Part as a Covered Cause of Loss. With respect to the Livestock Coverage Form, reference to loss means "loss" as defined in that Coverage Form; and
2. As a "specified cause of loss" in the:
 - a. Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions; or
 - b. Mobile Agricultural Machinery And Equipment Coverage Form.

However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for **Catastrophic Ground Cover Collapse**.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

~~E. Unless Assignment Of Benefits Fully Prohibited – Florida Endorsement **FP 25-01** is attached to the Policy, Paragraph **A.2.** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following with respect to loss to Covered Property under Coverage **A** of the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:~~

~~**2. Necessary Measures**~~

- ~~a. In the event that covered property is damaged by a loss insured against, we will pay the reasonable cost incurred by you for the necessary measures taken solely to protect against further damage.~~
- ~~b. If the measures taken involve repair to other damaged property we will pay for those measures only if that property is covered under this Policy and the damage is caused by a loss insured against.~~
- ~~c. Coverage provided under a. and b. does not:~~
 - ~~(1) Increase the Limit of Insurance that applies to the covered property; or~~
 - ~~(2) Relieve you of your duties, in case of a loss to covered property, described under the Duties In The Event Of Loss (Or Damage) Farm Property Loss Condition.~~
- ~~d. If you act under an urgent or emergency circumstance to protect property from damage and execute an "assignment agreement", an "assignee" may not receive an assignment of post-loss benefits for necessary measures described under this Paragraph E. in excess of the greater of:~~
 - ~~(1) \$3,000; or~~

~~(2) 1% of your Coverage A limit of liability.~~

~~For the purposes of this Paragraph d., the term urgent or emergency circumstance means a situation in which a loss to property, if not addressed immediately, will result in additional damage until measures are completed to prevent such damage.~~

~~e. In the event such measures are undertaken, we have the right to inspect the measures taken and the removed property which, to the extent reasonably possible, you are required to retain.~~

FE. The **Appraisal** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following with respect to loss to Covered Property under Coverages **A** and **B** of the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

Mediation Or Appraisal

1. If we and either the first Named Insured or a third party, who is an assignee of benefits under the Policy, are engaged in a dispute regarding a claim under this Coverage Form, either the first Named Insured, the third-party assignee or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. However, we are not required to participate in any mediation requested by a third-party assignee. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that the first Named Insured requests. If the dispute is mediated, the settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and the first Named Insured has not rescinded the settlement within three business days after reaching settlement. The first Named Insured may not rescind the settlement after cashing or depositing the settlement check or draft we provided to the first Named Insured.

We will pay the cost of conducting the mediation conference. However, if:

- a. The first Named Insured fails to appear at the mediation conference and the first Named Insured wishes to schedule a new conference after failing to appear, then the new conference will be scheduled only upon payment by the first Named Insured of a sum equal to the fees we paid for the mediation conference at which the first Named Insured failed to appear. This sum will then be applied to the cost of the rescheduled mediation conference, and we will pay the balance, if any, of the cost of conducting the rescheduled mediation conference; or
- b. We fail to appear at a mediation conference without good cause, we will pay the actual cash expenses the first Named Insured incurs in attending the mediation conference and also pay the total cost of the rescheduled mediation conference.

2. If we and you disagree on the value of the property or the amount of loss, either may request an appraisal of the loss, in writing. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

However, only with respect to disagreements between us and the first Named Insured, the first Named Insured is not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

- a. Requested mediation and either we or the first Named Insured rejected the mediation result; or
- b. Failed to notify the first Named Insured of the first Named Insured's right to participate in the mediation program.

GF. Paragraph **B.3.a.** of the **Duties In The Event Of Loss Or Damage** Farm Property Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following:

- a. In the event of loss or damage to Covered Property, we have no duty to provide coverage under this Policy to you or an insured seeking coverage if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

~~Unless Assignment Of Benefits Fully Prohibited – Florida Endorsement FP 25 01 is attached to the Policy, Paragraph B.3.a.(4) of the Duties In The Event Of Loss Or Damage Farm Property Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following:~~

- ~~(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.~~

~~Refer to Paragraph E.2. for the limit of insurance available for necessary measures.~~

HG. The following are added to the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Mobile Agricultural Machinery And Equipment Coverage Form:

- (1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this Coverage Form within ~~two~~one years after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within ~~three years~~18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Coverage Form under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

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IH. The following are added to the **Duties In The Event Of Loss** Loss Condition in the Livestock Coverage Form:

- (1) A claim, supplemental claim or reopened claim for "loss" caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this Coverage Form within ~~three years~~ 18 months after the hurricane first made landfall or a windstorm other than hurricane caused the covered "loss". (Supplemental claim or reopened claim means an additional claim for recovery from us for "loss" from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Coverage Form under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

JI. Paragraph **e.** of the **Loss Payment** Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or
 - (b) There is a filing of an appraisal award with us; or

- (3) Within ~~90~~ 60 days of receiving notice of an initial, reopened, or supplemental claim, unless we deny the claim during that time or factors beyond our control ~~reasonably~~ prevent such payment. If a portion of the claim is denied, then the ~~90~~ 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

KJ. Item **f.** of the **Loss Payment** Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and Item **f.** of the **Loss Payment** Condition in the Livestock Coverage Form are replaced by the following. With respect to the Livestock Coverage Form, reference to loss means "loss" as defined in that Coverage Form.

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earlier of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
- (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or
 - (b) There is a filing of an appraisal award with us.

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~~L. Unless Assignment Of Benefits Fully Prohibited — Florida Endorsement **FP 25 01** is attached to the Policy, the following is added to the **General Conditions** in the Farm Property — Other Farm Provisions Form — Additional Coverages, Conditions, Definitions:~~

~~7. Assignment~~

~~When an Assignment of Benefits occurs under this Policy after a loss, the "assignee" must deliver to us a copy of the executed "assignment agreement" within three business days after executing the "assignment agreement" or work has begun, whichever is earlier, unless the "assignee" can demonstrate that we are not prejudiced by the "assignee's" failure to deliver such agreement within the time period specified.~~

MK. The following definitions are added:

"Assignee" means a person who is assigned post-loss benefits through an "assignment agreement".

"Assignment agreement" means any instrument by which post-loss benefits under this Policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.

The following is added to the **General Conditions** in the Farm Property — Other Farm Provisions Form — Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
2. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;
 - b. A power of attorney that grants to a management company, family member, guardian or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy; or

c. Liability coverage under this Policy.

The following definition of structural damage is added with respect to the coverage provided under this endorsement.

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. The following provisions are added to Paragraph E.3. Duties In The Event Of Loss Or Damage Property Loss Condition:

- a.** A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this Policy within one year after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Policy under the Legal Action Against Us Condition including any amendment to that condition.

- b.** Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

2. Paragraph E.4.b. Legal Action Against Us Property Loss Condition is replaced by the following:

- b.** Legal action against us involving direct physical loss or damage to property must be brought within five years from the date the loss occurs.

3. Paragraph E.5.g. Loss Payment Property Loss Condition is replaced by the following:

- g.** Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage upon the earliest of the following:

- (1)** Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2)** Within 30 days after we receive the sworn proof of loss and:
- (a)** There is an entry of a final judgment; or

- (b) There is a filing of an appraisal award with us; or
- (3) Within 60 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to a claim for building or contents coverage if the insured structure is 10,000 square feet or less and the Policy covers only locations in Florida.

4. Sinkhole Collapse Coverage Removed

Throughout the Policy, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion. Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph A.6. of this Endorsement.

Further, this Policy does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this Policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this Policy.

- 5. If windstorm is a Covered Cause of Loss, and Covered Property is located in:
 - a. Monroe County; or
 - b. East of the west bank of the Intracoastal Waterway in:
 - (1) Broward County;
 - (2) Dade County;
 - (3) Indian River County;
 - (4) Martin County;
 - (5) Palm Beach County; or
 - (6) St. Lucie County;

the following applies:

If loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies:

Windstorm Exterior Paint Or Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

- a. Paint; or
- b. Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
 - b. The value of Covered Property.
6. The following is added to this Policy as a Covered Cause of Loss and as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage" to the building, including the foundation; and
- d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The Earth Movement Exclusion and the Collapse Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Policy), only one Limit of Insurance will apply to such loss or damage.

7. For the purposes of this Endorsement, the following is added to the **Definitions** in **Section I – Property**:

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose or location;
- c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

- d. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. Cancellation** is replaced by the following:

2. Cancellation For Policies In Effect 60 Days Or Less

- a. If this Policy has been in effect for 60 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a) A material misstatement or misrepresentation; or
 - (b) A failure to comply with underwriting requirements established by the insurer.

b. We may not cancel:

- (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

2. Paragraph **A.5. Cancellation** is replaced by the following:

5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

3. The following is added to Paragraph **A. Cancellation**:

7. Cancellation For Policies In Effect For More Than 60 Days

- a. If this Policy has been in effect for more than 60 days, we may cancel this Policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) The Policy was obtained by a material misstatement;

- (3) In the event of failure to comply, within 60 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
- (4) There has been a substantial change in the risk covered by the Policy;
- (5) The cancellation is for all insureds under such policies for a given class of insureds;
- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

b. If we cancel this Policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(8)** above.

4. The following paragraphs are added:

M. Nonrenewal

1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least 45 days prior to the expiration of the Policy.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this Policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - b. On the basis of filing of claims for sinkhole loss. However, we may refuse to renew this Policy if:
 - (1) The total of such property insurance claim payments for this Policy equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
4. Notwithstanding the provisions of Paragraph **B.4.M.3.**, we may refuse to renew this Policy if this Policy includes Sinkhole Loss Coverage. If we nonrenew this Policy for purposes of removing Sinkhole Loss Coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.

5. Notwithstanding the provisions of Paragraph **B.4.M.3.**, we may refuse to renew this Policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

N. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph (2) of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1)**.

2. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

- (1) Civil or criminal fines or penalties imposed by law;
- (2) Punitive or exemplary damages;
- (3) The multiplied portion of multiplied damages;
- (4) Taxes;
- (5) Royalties;
- (6) The amount of any disgorged profits; or
- (7) Matters that are uninsurable pursuant to law.

5. The following condition is added to Section III – Common Policy Conditions:

Assignment

- a. Except as otherwise provided in Paragraph 5.b. below, assignment of this Policy will not be valid unless we give our written consent.
- b. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - (1) An assignment, transfer or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;

- (2) A power of attorney that grants to a management company, family member, guardian or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy; or
- (3) Liability coverage under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following provision applies when a Coinsurance percentage is shown in the Declarations:
Florida law states as follows:
Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

C. The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
 - a. Indian River; and
 - b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property when applying the Coinsurance Condition.

D. The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or
 - (b) There is a filing of an appraisal award with us; or
- (3) Within 60 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;

- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

E. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F.** The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

- G.** The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.
2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.
3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

H. The following provisions are added to the Duties In The Event Of Loss Or Damage Loss Condition:

- (1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within one year after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

I. The following Loss Condition is added:

Assignment

1. Except as otherwise provided in Paragraph I.2. below, assignment of this Policy will not be valid unless we give our written consent.
2. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
 - b. A power of attorney that grants to a management company, family member, guardian, or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy.

- J. The following definition of structural damage is added with respect to the coverage provided under this endorsement:

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

- A.** Under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Farm Property – Farm Personal Property Coverage Form, Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form and the Livestock Coverage Form, the following statement is added in compliance with Florida law, and pertains to:

1. Item **B.1.c.** under **Coverage A – Loss Condition – Valuation**, which applies to Coverages **A** and **B** of the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form;
2. Item **B.2.**, Coinsurance, under the Coverage **F** Loss Conditions of the Farm Property – Farm Personal Property Coverage Form;
3. Item **B.3.b.(3)** under **Coverage G – Loss Conditions – Valuation – Property Other Than Improvements And Betterments** of the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form; and
4. Item **1.** under General Condition **1.** of the Livestock Coverage Form.

Coinsurance contract: The rate charged in this Policy is based upon the use of the coinsurance clause attached to this Policy, with the consent of the insured.

- B.** The following is added to the Causes Of Loss Form – Farm Property:

If windstorm is a Covered Cause of Loss and loss of or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Miami-Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and

- 6.** All the areas east of the west bank of the Intracoastal Waterway in the counties of:

- a. Indian River; and
- b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine the amount of the Windstorm or Hail Deductible.

C. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed as indicated in Paragraphs **C.1.** through **C.5.**; and coverage for **Catastrophic Ground Cover Collapse** is added instead as set forth in Paragraph **D.**

1. In the Causes Of Loss Form – Farm Property, Sinkhole Collapse is deleted from the Covered Causes Of Loss – Basic and Causes Of Loss – Broad, and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, sinkhole collapse is deleted from the "specified causes of loss".

3. In the Mobile Agricultural Machinery And Equipment Coverage Form, sinkhole collapse is deleted from the "specified causes of loss" and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
4. In the Livestock Coverage Form, **Sinkhole Collapse** is deleted from the Covered Causes Of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
5. If the Livestock – Additional Causes Of Loss Endorsement is made a part of your policy, sinkhole collapse is deleted from the Additional Coverage – Collapse in that endorsement.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this Policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this Policy.

D. The following is added:

1. To this Coverage Part as a Covered Cause of Loss. With respect to the Livestock Coverage Form, reference to loss means "loss" as defined in that Coverage Form; and
2. As a "specified cause of loss" in the:
 - a. Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions; or
 - b. Mobile Agricultural Machinery And Equipment Coverage Form.

However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for **Catastrophic Ground Cover Collapse**.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

E. The Appraisal Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following with respect to loss to Covered Property under Coverages A and B of the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

Mediation Or Appraisal

1. If we and either the first Named Insured or a third party, who is an assignee of benefits under the Policy, are engaged in a dispute regarding a claim under this Coverage Form, either the first Named Insured, the third-party assignee or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. However, we are not required to participate in any mediation requested by a third-party assignee. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that the first Named Insured requests. If the dispute is mediated, the settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and the first Named Insured has not rescinded the settlement within three business days after reaching settlement. The first Named Insured may not rescind the settlement after cashing or depositing the settlement check or draft we provided to the first Named Insured.

We will pay the cost of conducting the mediation conference. However, if:

- a. The first Named Insured fails to appear at the mediation conference and the first Named Insured wishes to schedule a new conference after failing to appear, then the new conference will be scheduled only upon payment by the first Named Insured of a sum equal to the fees we paid for the mediation conference at which the first Named Insured failed to appear. This sum will then be applied to the cost of the rescheduled mediation conference, and we will pay the balance, if any, of the cost of conducting the rescheduled mediation conference; or
 - b. We fail to appear at a mediation conference without good cause, we will pay the actual cash expenses the first Named Insured incurs in attending the mediation conference and also pay the total cost of the rescheduled mediation conference.
2. If we and you disagree on the value of the property or the amount of loss, either may request an appraisal of the loss, in writing. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
- a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

However, only with respect to disagreements between us and the first Named Insured, the first Named Insured is not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

- a. Requested mediation and either we or the first Named Insured rejected the mediation result; or
- b. Failed to notify the first Named Insured of the first Named Insured's right to participate in the mediation program.

F. Paragraph **B.3.a.** of the **Duties In The Event Of Loss Or Damage** Farm Property Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following:

- a. In the event of loss or damage to Covered Property, we have no duty to provide coverage under this Policy to you or an insured seeking coverage if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

G. The following are added to the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Mobile Agricultural Machinery And Equipment Coverage Form:

- (1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this Coverage Form within one year after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Coverage Form under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

H. The following are added to the Duties In The Event Of Loss Loss Condition in the Livestock Coverage Form:

- (1) A claim, supplemental claim or reopened claim for "loss" caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this Coverage Form within 18 months after the hurricane first made landfall or a windstorm other than hurricane caused the covered "loss". (Supplemental claim or reopened claim means an additional claim for recovery from us for "loss" from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Coverage Form under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

I. Paragraph e. of the Loss Payment Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;

- (2) Within 30 days after we receive the sworn proof of loss and:

- (a) There is an entry of a final judgment; or
- (b) There is a filing of an appraisal award with us; or

- (3) Within 60 days of receiving notice of an initial, reopened, or supplemental claim, unless we deny the claim during that time or factors beyond our control prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

J. Item f. of the Loss Payment Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and Item f. of the Loss Payment Condition in the Livestock Coverage Form are replaced by the following. With respect to the Livestock Coverage Form, reference to loss means "loss" as defined in that Coverage Form.

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earlier of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
- (2) Within 30 days after we receive the sworn proof of loss and:
- (a) There is an entry of a final judgment; or
- (b) There is a filing of an appraisal award with us.

- K. The following is added to the **General Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
 2. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;
 - b. A power of attorney that grants to a management company, family member, guardian or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy; or
 - c. Liability coverage under this Policy.
- The following definition of structural damage is added with respect to the coverage provided under this endorsement.
- "Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:
1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
 2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
 4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
 5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.