

SECOND REGULAR SESSION

HOUSE BILL NO. 1755

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WETER.

5449L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to the mandatory offering of sinkhole insurance coverage for property damage caused by sinkhole activity.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new section, to be known as section 379.1600, to read as follows:

2 **379.1600. 1. On or after January 1, 2013, every insurer authorized by the director**
3 **to write homeowners' insurance or dwelling-owners' insurance upon property within this**
4 **state shall make available, for an appropriate additional premium, coverage for sinkhole**
5 **losses on any structure, including contents of personal property contained therein, to the**
6 **extent provided in the policy to which the sinkhole coverage attaches. Such sinkhole**
7 **insurance coverage may be offered as part of the underlying insurance policy or as an**
8 **endorsement or rider.**

9 **2. Insurers offering policies that exclude coverage for sinkhole losses shall inform**
10 **policyholders in bold type of not less than fourteen points as follows: "YOUR POLICY**
11 **DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY**
12 **PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN**
13 **ADDITIONAL PREMIUM."**

14 **3. As used in this section, unless otherwise clearly indicated by the context, the**
15 **following words mean:**

16 **(1) "Dwelling-owners' insurance", shall have the same meaning assigned to it in**
17 **section 374.400;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (2) "Homeowners' insurance", shall have the same meaning assigned to it in section
18 374.400;

19 (3) "Insurer", any insurance company, reciprocal or inter-insurance exchange,
20 licensed and authorized by the director to write homeowners' insurance or
21 dwelling-owners' insurance upon property located within this state;

22 (4) "Sinkhole", a landform created by subsidence of soil, sediment, or rock as
23 underlying strata are dissolved by groundwater. A sinkhole may form by collapse into
24 subterranean voids created by dissolution of limestone or dolostone or by subsidence as
25 these strata are dissolved;

26 (5) "Sinkhole activity", settlement or systematic weakening of the earth supporting
27 such property only when such settlement or systematic weakening results from movement
28 or raveling of soils, sediments, or rock materials into subterranean voids created by the
29 effect of water on a limestone or similar rock formation;

30 (6) "Sinkhole loss", actual physical damage to a building or property within,
31 arising out of, or caused by sudden settlement or collapse of the earth supporting the
32 building, and only when the sudden settlement or collapse results directly from
33 subterranean voids created by the action of water on limestone or similar rock formation.
34 Contents coverage shall apply only if there is structural damage to the building caused by
35 sinkhole activity.

36 4. The director may promulgate rules and regulations for the purposes of
37 administering and enforcing the provisions of this section. Any rule or portion of a rule,
38 as that term is defined in section 536.010 that is created under the authority delegated in
39 this section shall become effective only if it complies with and is subject to all of the
40 provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536
41 are nonseverable and if any of the powers vested with the general assembly pursuant to
42 chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are
43 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
44 proposed or adopted after August 28, 2012, shall be invalid and void.

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