

SENATE SUBSTITUTE  
FOR  
SENATE BILL NO. 691

AN ACT

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

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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 379.827, to read as follows:

379.827. 1. As used in this section, the term "sinkhole loss" means actual physical damage to a building or property within, arising out of, or caused by sudden settlement or collapse of the earth supporting the building, and only when the sudden settlement or collapse results directly from subterranean voids created by the action of water on limestone or similar rock formation and is evidenced by:

(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 covered building, including the foundation; and

(4) The insured structure is uninhabitable, which is evidenced by an order of condemnation by a governmental agency authorized to issue such an order for that structure.

2. Upon application, the plan may issue a policy exclusively for sinkhole loss on habitational property owned by the applicant in accordance with this section to supplement the applicant's primary coverage for casualty loss on such property issued by an insurer authorized to do business in this state. Coverage shall be only for habitational structures and shall not cover driveways or nonhabitational detached structures. Contents coverage shall apply only if there is covered sinkhole loss on the habitational structure in which the contents were located. Sinkhole coverage under this section shall not include loss for the value of the land or for the costs associated with filling a sinkhole.

3. The provisions of section 379.810 to 379.880 shall apply to policies issued under this section; however the plan may establish specific procedures designed to expedite approval for policies covering sinkhole loss and premiums charged therefor shall be based only on the risk for sinkhole loss applicable to such property. The plan may establish specific claims investigation procedures for sinkhole losses necessary to determine whether any claimed loss was the result of sinkhole activity rather than due to some other form of earth subsidence not covered under the policy.