

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALTERNATIVE DISPUTE RESOLUTION ENDORSEMENT

SECTION I – CONDITIONS

6. **Appraisal** is deleted and replaced by the following:

6. Alternative Dispute Resolution

- a. For purposes of this endorsement, “you” shall include any additional insured, omnibus insured, other person(s) making a claim under the policy, or an assignee of post-loss benefits.
- b. **Mediation.** If you and we disagree on coverage or the amount of loss, either party may request mediation, in writing, with the Department of Financial Services (DFS). The parties will utilize the mediator appointed by the DFS unless the parties agree to the selection of a mediator.

As a condition to being compelled to mediation, you must have complied with all **Your Duties After Loss**, and we must have rendered, in writing, a determination on coverage and amount the repair the causally related damage. Additionally, there must be a dispute in excess of \$500.00 for to qualify for mediation.

Mediation, if requested, is a prerequisite to appraisal and arbitration, but shall not preclude appraisal or arbitration if a settlement is not reached by the parties at mediation.

No later than 20 days before mediation, both parties must submit any documentation as to the cause of loss and the amount of loss that they wish to be considered during mediation.

Mediation shall occur within 60 days of a request submitted to the Department of Financial Services by either party. Mediation is non-binding unless a written agreement is reached during the mediation conference. Any written agreement reduced to writing and signed by both parties, known as Mediation Agreement, shall be binding as to any and all issues agreed upon by the parties. If a settlement

agreement is reached during mediation, you shall have 3 business days to advise us, in writing, that you wish to rescind the settlement agreement. During mediation, the parties may agree to certain issues but not settle the entire claim.

No Suit Against Us can be brought if you or we request mediation prior to the filing of suit and mediation has not been completed.

We will pay in accordance with the Mediation Agreement.

The cost of mediation shall be paid in accordance with Florida law. Mediation shall be governed by 69J-166.031 of the Florida Administrative Code and Florida Statute 627.7015.

- c. **Appraisal.** If you and we agree that there is coverage for the loss, but disagree on the amount of loss, either may demand, in writing, an appraisal. As a condition to being us compelled to appraisal, you must have complied with all Your Duties After Loss, and we must have accepted, in writing, coverage for the loss. No later than 20 days before appraisal, both parties must submit any documentation as to the cause of loss and the amount of loss that they wish to be considered during mediation.

Each party shall choose a competent, disinterested, and impartial appraiser within 20 days upon receiving the written request. The public adjuster, or any public adjuster in the same firm, that you retained to represent you during the adjustment of your claim, cannot be your appraiser. The appraisers shall meet and inspect the insured property within 20 days after the last appraiser is named, along with any experts or consultants the appraisers wish to utilize. Within 10 days after the inspection, the appraisers shall exchange their estimates. The appraisers shall meet and confer within 5 days after exchanging their estimates and attempt to reach an agreement on the amount of loss.

If an agreement cannot be reached, then the appraisers shall select a competent, disinterested, and impartial umpire within 5 days. If an umpire is selected the appraisers, the umpire shall meet and inspect the insured property within 20 days and prepare an estimate of the amount of loss within 10 days after the umpire's inspection. If the appraisers cannot agree upon an umpire, then the appraisal process shall be terminated and shall proceed no further.

The amount of the loss shall be put in writing and titled Appraisal Award. An Appraisal Award signed by either both appraisers or the umpire and either appraiser shall be binding upon the parties. The Appraisal Award shall set the amount of loss and shall separately state the amounts for each coverage type available under the insurance policy that is being appraised. All coverages that are payable on an incurred basis are not subject to appraisal absent an agreement of the parties. The Appraisal Award shall determine and set forth the Actual Cash Value and the Replacement Cost Value of the covered loss.

In the event you and we disagree on coverage for certain damage, the appraisal shall consider, determine, and set out in the Appraisal Award, what repairs are reasonable and necessary to restore the property to its pre-loss condition, what damages, if any, are causally related to the covered loss, and what damages, if any, are causally related to other factors which are excluded from coverage. Only those damages that are causally related to the covered loss shall be included in the Appraisal Award.

The appraisal shall consider all damages that are part of the claim including any damages that were assigned to a third-party vendor or contractor through an Assignment of Benefits. The assignee and the assignor shall utilize the same appraiser.

In the event there has been a Civil Remedy Notice of Insurer Violation (CRN) filed prior to the demand for appraisal or during the appraisal process, the payment of any appraisal award, whether during or after the CRN cure period shall not be the basis for a lawsuit against us.

We shall pay the Appraisal Award, subject to deductibles and limits and prior payments, within 40 days after the Appraisal

Award is given to us by our appraiser. No Suit Against Us can be brought if you or we request appraisal prior to the filing of suit.

Both parties shall pay their respective appraiser and any experts or consultants regardless of whether the appraisal concludes with an Award or is terminated pursuant to this provision. We shall pay the expenses of the umpire.

- d. **Arbitration.** If you and we fail to agree on whether there is coverage for the loss, either party may, in writing, demand arbitration. As a condition to us being compelled to appraisal, you must have complied with all **Your Duties After Loss** and we must have, in writing, denied coverage for the loss. Arbitration will decide coverage and the reasonable and necessary cost to repair any covered damage. No later than 20 days before arbitration, both parties must submit any documentation as to the cause of loss and the amount of loss that they wish to be considered during mediation.

The arbitration shall take place in the county where the insured property is located, and any civil judicial action concerning the arbitration and Arbitration Award shall be in the circuit courts in and for the county where the insured property is located.

Each party shall choose an arbitrator who is Florida licensed attorney or a Florida licensed insurance adjuster, within 20 days after receiving the written demand. The arbitrators shall meet at the insured property within 20 days after the last arbitrator is named, along with any experts retained by either arbitrator. Within 10 days after the inspection, the arbitrators must exchange with each other any evidence they wish to have considered by the other party. The evidence shall be submitted in the form of written reports or affidavits. Within 20 days after the inspection, the arbitrators must meet and attempt to reach an agreement on coverage for all damages claimed. If an agreement is reached as to coverage and cost to repair any covered damage, such agreement shall be set forth in an Arbitration Award,

If an agreement cannot be reached, the arbitrators shall select a Chief Arbitrator, who must be a Florida licensed attorney or Florida licensed adjuster. If the arbitrators cannot agree upon

a Chief Arbitrator, the arbitration shall be terminated and proceed no further.

If a Chief Arbitrator is agreed upon, the arbitrators and Chief Arbitrator will collectively be known as the arbitration panel. The arbitrators shall submit all evidence previously exchanged to the Chief Arbitrator within 10 days. Only evidence previously exchanged between the arbitrators shall be considered by the Chief Arbitrator. In the event the Chief Arbitrator wants to inspect the property, such inspection shall occur within 20 days after receiving all submissions of evidence. An arbitration hearing shall be conducted at the office of the chief arbitrator within 60 days of the chief arbitrator being selected. During the hearing, all evidence and arguments shall be presented. The chief arbitrator shall issue an Arbitration Award within 10 days of the hearing. The Arbitration Award shall be binding upon both parties.

The Arbitration Award shall determine coverage for all damages and shall set forth what damages are covered and what damages are not covered. The Arbitration Award shall set forth the Actual Cash Value and Replacement Cost Value of any covered damage.

The arbitration shall consider all damages that are part of the claim including any damages that were assigned to a third-party vendor or contractor through an Assignment of Benefits. The assignee and the assignor shall utilize the same arbitrator.

In the event there has been a Civil Remedy Notice of Insurer Violation (CRN) filed, we may deny your demand for arbitration, unless the CRN is withdrawn. No CRN shall be filed during the arbitration process.

An Arbitration Award shall be binding upon the parties as the issue of coverage and all damages and benefits due and owing under the policy. The Arbitration Award shall be final, subject to the parties' right to vacate, modify, correct, and appeal the Arbitration Award as set out in the Revised Florida Arbitration Code, chapter 682, Florida Statutes. The parties agree that any court action to confirm, vacate, modify or correct, or entering a judgment on an Arbitration Award, pursuant to sections 682.12, 682.13, 682.14, and 682.15,

Florida Statutes, shall be in the circuit courts and appellate courts of the country where the insured property is located.

We shall accept coverage for all damages pursuant to the Arbitration Award within 20 days of the Arbitration Award being given to us or our arbitrator. No Suit Against Us can be brought if you or we request arbitration prior to the filing of suit.

Both parties shall pay their respective arbitrator and any experts or consultants regardless of whether the appraisal concludes with an Award or is terminated pursuant to this provision. We shall pay the expenses of the Chief Arbitrator.

- e. **Attorney Fees.** Both parties shall bear their own attorney fees incurred during any alternative dispute resolution proceedings. Both parties waive their right to recover attorney's fees pursuant to sections 627.428, 627.70152, and 627.7152, Florida Statutes.

All other policy provisions apply.