



SDII Global Corporation
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UNDERSTANDING YOUR SINKHOLE-ENDORSEMENT INSPECTION

Security First Insurance Company has selected SDII Global Corporation (SDII) to inspect your property so that they can determine if your house meets their criteria for adding an endorsement for sinkhole coverage to your homeowner's policy.

Your copy of the inspection results is attached. Security First also receives a copy of this report for review. They will contact you with their decision on the availability of the sinkhole endorsement. You should contact your Agent for questions concerning the underwriting process or the company's decision. If you have questions concerning the technical content of this report, please contact your insurance agent.

Format of the Report

When SDII conducted the inspection, we noted the conditions listed on the first page and a half of the report. The conditions are grouped according to general categories:

- Property – conditions observed on your property or, to a limited extent, on neighboring properties;
- Construction – conditions that relate to how your house was constructed and damage to the outside of your house, if present;
- Pool/Hot Tub – construction and damage conditions to your pool and/or hot tub, if present;
- Surrounding area – information concerning existing or possible sinkhole activity nearby;
- Current Site – issues such as broken window glass; and
- Interior – damage observed in the interior of your house, if present.

If the SDII Inspector observed any of these conditions, he/she made a checkmark on a computerized form. Placing a checkmark assigns a score ranging from 0 to 10. A "0" is assigned for observations that provide information only on the construction or setting of your home and is not a part of the numerical score for the house. For example, a checkmark was made if your house is covered with stucco. This does not affect the total score assigned to your house; it simply records a construction detail. However, a score of 10 is assigned to a condition that is considered to be serious because it represents pre-existing damage that is of concern. For example, if the SDII Inspector observed a crack that is 1/16 of an inch or wider in the stucco wall, that condition receives a score of 10.

Following the checklist are three additional sources of information. The first, County Records, contains the current valuation of your house from the County Property Appraiser's website and the date and age of your house as reported by the Property Appraiser. This information is included for information purposes only; it does not affect your application for the sinkhole endorsement.

The Checklist Scores section follows the County Records. The Total Checklist Score is the sum of all the non-zero scores obtained during the site inspection and summarized by category in this section. The number of observations that were scored as receiving 10s is also summarized in this section. Conditions that received a 10 score are important because they indicate existing conditions that are of particular concern.

The Sinkhole Risk Score is the last piece of information on the second page. This is a risk score based on actuarial and geological conditions. The score ranges from 0 to 1,300 based on determination of the relative risk of a sinkhole developing on the property.

Finally, as the SDII Inspector records the conditions at your house, he/she takes pictures, which are attached to the report. These photographs are important because they document the conditions that resulted in the scores and provide a baseline of any damage noted at your house at the time of the inspection.

Interpreting the Results of Your Inspection

Security First evaluates the different scores and conditions of your house as noted in this inspection report to determine whether they can offer you a sinkhole endorsement to your homeowner's policy. SDII does not participate in this evaluation and decision.

You can benefit from the results of this inspection, too. The checked boxes and photographs point out conditions observed by the SDII Inspector that may be in need of attention. Many conditions, such as cracks in the stucco of your outside walls, could lead to larger problems later on, including water intrusion, insect infestation, progressive damage, and possibly foundation issues. SDII recommends that you review the report and, if you have conditions that are of concern, have them reviewed by a knowledgeable professional to determine if they need to be repaired.

Does This Data Indicate That You Have a Sinkhole?

This inspection was not intended to identify existing sinkhole activity or the potential for sinkhole activity. It was simply a review of the condition of your house, which allows Security First to determine if it meets their standards for offering a sinkhole endorsement to your homeowner's policy. Many factors, such as construction issues, lack of maintenance, unsuitable soils, and sinkhole activity, can lead to damage. Monitoring the condition of your house and prompt repairs of problem areas is always recommended. This can help eliminate most long-term problems.