

Sinkholes and Catastrophic Ground Collapse



Photos by Tom Scott, Florida Geological Survey, FDEP

If You're Buying A Home

- Be sure that the house is insurable.
- Make sure that sinkhole coverage is included in your policy, or in a rider. Ask your agent for details about your coverage.
- Hire a home inspector who can help you find signs of potential sinkhole activity.
- Consider sinkhole testing. Note, however, that an insurance company should not require you to have this testing done prior to granting you coverage.
- Your mortgage lender will require you to have the home inspected. Be sure to ask if the inspection addresses possible sinkhole activity, like cracks in the foundation or walls.

What Every Floridian Should Know

Department of Financial Services
Consumer Helpline toll-free at
1-877-MY-FL-CFO (1-877-693-5236) or
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Florida Department of Financial Services



What Every Floridian Should Know

Florida has more sinkholes than any other state in the nation. A recent change in Florida law requires authorized insurers to cover “catastrophic ground cover collapse,” but damage caused by a sinkhole may not be covered by your policy.

That’s because the law defines catastrophic ground cover collapse differently from sinkholes.

Florida law defines a sinkhole as “a land form created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A sinkhole may form by collapse into subterranean voids created by dissolution (the dissolving) of limestone or dolostone or by the subsidence as these strata are dissolved.”

“Catastrophic ground cover collapse” is defined as “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 government agency authorized by law to issue such an order for that structure.”

This means that if your home is damaged by sinkhole activity, but does not meet all four criteria for catastrophic ground cover collapse – for instance, you may have foundation cracks, but the home is still livable – your insurance may not pay for the damage if you do not have sinkhole coverage.

All insurance companies licensed to do business must offer sinkhole coverage, usually as an addendum or rider to an existing policy, and for an additional premium charge.

If You Have a Sinkhole Claim

Here are some immediate steps you should take if a sinkhole has appeared on your property, or if a portion of your home has shifted or sunk due to ground cover collapse:

- Provide for the personal safety of your family. Evacuate, if necessary.
- Secure or remove your valuable possessions, if you can do so safely.
- Notify your insurance company or agent.
- Notify your city or county building inspection department.
- Mark the sinkhole or property with fencing, rope or tape to warn others of the danger. You could be held liable if someone is injured in the sinkhole.

Other Information To Keep In Mind

- If you have sinkhole coverage, your insurance company will probably order a geological report that will establish the cause of the damage. This report may suggest how to prevent future damage. If the testing confirms that a sinkhole was the cause, your insurance policy should pay for the testing and repairs, less any applicable deductibles.
- Underground materials, such as organic matter and clay, can cause damage that appears to be sinkhole related. Under certain circumstances, you might be held liable for a portion of the cost of repairs if confirmatory testing proves that the damage was not caused by a sinkhole.

By law, you are entitled to take part in a neutral evaluator program if you and your insurance company disagree on whether damage was caused by a sinkhole. You can visit our Web site at www.MyFloridaCFO.com and download the Request for Neutral Evaluator form, or call toll-free at 1-877-MY-FL-CFO (1-877-693-5236) to have one mailed to you.