

## Sinkhole Insurance vs. Catastrophic Ground Cover Collapse Insurance.

Recent legislative changes have created two different types of Sinkhole coverage. The first type is included in all standard homeowners policies. It provides coverage for the most rare Sinkhole occurrence and is called "Catastrophic Ground Cover Collapse." In order for this coverage to apply, four specific conditions / events must occur:

1. The abrupt collapse of the ground cover; and,
2. A depression in the ground cover clearly visible to the naked eye; and,
3. Structural damage to the building including the foundation; and,
4. The insured structure must be condemned and ordered to be vacated by the government agency authorized by law to issue such an order for that structure.

Any Sinkhole damage that does not meet all four of these criteria above would only be covered with a Sinkhole Loss endorsement that must be purchased in addition to your standard homeowners insurance policy. It is important to realize that the stabilization and repair of a home that does not meet the criteria for "Catastrophic Ground Cover Collapse" can still cost tens of thousands of dollars and sometimes can exceed \$100,000.



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Florida Association of  
Sinkhole Stabilization Specialists





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### **The Florida Association of Sinkhole Stabilization Specialists (FAS3)**

is a non-profit association of engineers, geologists, contractors and other industry professionals that are striving to maintain integrity and professionalism in the sinkhole and foundation repair business. FAS3 consults and discusses industry issues with government agencies, insurance companies and the general public. Our goal is to provide homeowners, insurance companies and governmental agencies with a resource from which to choose the most highly qualified and experienced specialty firms. The association also establishes technical guidelines and promotes the best practices and highest ethical standards for sinkhole related issues. By selecting companies who are Members of FAS3, you can be confident that you have chosen from the finest in the industry.

### **What is a sinkhole?**

There are two basic types of Sinkholes:

**Cover Collapse** ~ where the “roof” of a large void or cavity in the limestone collapses and the soil above quickly fills the void causing an open hole at the ground surface.

**Cover Subsidence** ~ the most common type of sinkhole. This is where the limestone has dissolved over geologic time, developing passageways that allow the soil to slowly migrate into voids within the rock. Similar to an hourglass, as the soil moves into the limestone a depression is formed at the surface. If a structure or roadway is located above, settlement damage will normally occur.

### **What are some possible indicators of Sinkhole related damage?**

Windows and doors that do not open properly, cracks in the ceiling, stair step cracks in the walls and foundation, or sloping floors.

### **Can you tell by looking at the cracks in a house whether you have Sinkhole activity?**

No, only a qualified professional geologist or geotechnical engineer can make that determination after specialized testing is performed.

### **What should you do if you think you have a sinkhole?**

There are actually several reasons a home may settle. As a first step, take note of specific cracks by either photographing or marking the end of the crack and dating it. If cracks continue to worsen and you believe that it could be related to sinkhole activity, you may want to notify your insurance company.

### **Who are the people involved in the repair of a sinkhole home?**

- **Insurance adjuster** – a claims professional that is assigned to handle your claim by your insurance company.
- **Professional Geologist or Engineer** – A highly trained and licensed professional that will determine if there is sinkhole activity by performing subsurface testing. If sinkhole activity is confirmed, the Engineer will design a repair plan and oversee the repair. They will also produce a report upon the completion of the repair which will certify that the work was completed in accordance with their recommendations. A Structural Engineer may be involved, especially for an insurance claim. Determining structural damage is a key component to a sinkhole insurance claim.
- **Sinkhole Contractor** – A licensed and experienced professional that will provide the equipment, materials and manpower to repair the sinkhole and/or the foundation in accordance with the Engineer’s recommendations and work under the engineer’s oversight.
- **Cosmetic Contractor** – A licensed and experienced professional that will repair the structure and restore the cosmetic appearance of the home.

### **Common repair techniques:**

- **Compaction grouting** – A mortar-like cement-based grout is pumped into the ground under pressure to seal the fractures and fill voids near the top of the limestone. The process also improves the soil above the limestone. Grouting is the only method that repairs the sinkhole activity.
- **Underpinning** – If your home has sustained substantial structural damage as determined by a professional Engineer, steel piers may be installed in the ground and attached to the foundation to support the structure. Underpinning is not always needed to repair sinkhole-related damage.
- **Chemical grouting** – Polyurethane material is injected beneath the home at shallow depths to fill voids, and improve the soil to better support the foundation. Chemical Grouting is not always needed to repair sinkhole-related damage.

### **When selecting a contractor:**

- Ask your Geotechnical Engineer or Geologist about their experience with a particular Company.
- Is the company a licensed contractor?
- Are their liability and Workers Compensation insurances up to date?
- Check their references; are they recent? Call them.
- Are they members of FAS3? Call 352.797.1100 or [www.FAS3.org](http://www.FAS3.org).
- Does the Company specialize in Sinkhole Stabilization and for how long?
- Does the Company have enough experience for you to trust them with your home?

### **Some unethical or questionable practices you should be aware of:**

- Not offering valid references.
- Not having the proper insurance coverages.
- Contractors wanting to change the repair plan of the Engineer of Record.
- Sales person suggests the services of a lawyer or a public adjuster.
- Sales person offers to buy your home.
- Is the sales person making outrageous offers that sound too good to be true?

### **At the end of the repair process, you should have:**

- The permit documentation.
- Copies of the Notice of Commencement and the Termination of Notice of Commencement.
- Any guarantees or warranties the contractors may have promised.
- The Engineer of Record’s completion report.

### **If I do not agree with the conclusion of the geological report, can I get a second opinion?**

The Department of Financial Services has a Neutral Evaluator Program. By law, you are entitled to take part in this program if you and your insurance company disagree on whether damage was caused by a sinkhole. There is no cost to the homeowner for the service.

### **If I have a confirmed sinkhole, will my house fall into the ground?**

Probably not, that is a very rare occurrence; however, read your report or check with your engineer to understand the severity of the sinkhole condition.

### **If my house has a sinkhole and it is repaired properly, will the value still be there?**

In the opinion of FAS, the value of a repaired home should be restored, if not enhanced.