

## **Sinkholes and Catastrophic Ground Collapse**

According to the Florida Department of Financial Services, Florida has more sinkholes than any other state in the nation. Sinkholes make news when a road or a house happens to be above the sinkhole, as was the case in 2013 when a sinkhole claimed the life of a man in Seffner, Florida.

Many areas of Florida are on karst terrain, formed by the dissolution of limestone bedrock. Because the limestone is alkali, it is slowly dissolved by acidic ground water, forming large underground cavities. When the cavity gets so big that its ceiling can no longer support the weight of the material above, the earth collapses into the cavity.

There are three types of sinkholes:

1. Solution sinkholes usually occur when there is little or no soil cover over the limestone.
2. Subsidence sinkholes are located where there are thick sediments over the limestone, which slowly fills the void in the rock. The ground surface will show a circular depression over time.
3. Collapse sinkholes are the catastrophic collapses of the sediments into the void in the rock, usually caused by fluctuations in the water table. The sinkhole grows over minutes or hours.

Sinkholes can sometimes be stabilized by grouting the bottom of the sinkhole using limestone riprap or concrete. Each grouting repair process involves pumping material directly into the ground, usually under a building's foundation. While grouting is often less expensive than underpinning, it is not a perfect solution. Sometimes, underpinning is necessary, involving the use of piers driven deeply under the building. This method can be very expensive.

## **Sinkhole Insurance**

Sinkhole insurance claims have increased dramatically, causing insurance premiums to increase. Florida law requires authorized insurers to cover catastrophic ground cover collapse, but damage caused by a sinkhole might not be covered by all policies. All four requirements identified in the legal definition must be present in order to sustain a claim.

"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 a home is damaged by sinkhole activity, but does not meet all four criteria for catastrophic ground cover collapse (e.g., foundation cracks exist but the home is still livable), the insurance company might not pay for the damage without 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. A recent ruling from the 1st District Court of Appeal said that the amount of sinkhole loss coverage is intended

to be the same as the amount of coverage provided in the dwelling coverage limit. Florida insurers are required to provide catastrophic ground cover collapse in addition to optional sinkhole coverage.