

Florida Department of Financial Services Press Release:

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CFO Sink Encourages Homeowners to Check Sinkhole Coverage

Contact: Kyra Jennings or Nina Banister (850) 413-2842

TALLAHASSEE- Florida CFO Alex Sink is urging Hillsborough County and surrounding county homeowners to check their homeowner insurance policy for sinkhole coverage in light of this week's sinkhole activity in the area. Florida has more sinkholes than any other state, and in the past five days, the Hillsborough County area has seen nearly 22 sinkholes open up that have caused significant impacts on residents, especially those traveling on the I-4 corridor.

Sinkholes are natural depressions in the ground that sometimes occur when soil, rock, or other surface materials dissolve into underlying water, and they can appear gradually or very suddenly. Damage caused by sinkholes may not be covered in all homeowner policies. Sinkhole coverage most often is usually a rider or addendum to a homeowner policy and requires an additional premium.

Florida law requires authorized insurers to cover "catastrophic ground cover collapse," which is defined by the following attributes:

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

However, if your home is damaged by sinkhole activity but does not meet all four of the above criteria for catastrophic ground cover collapse, your insurance may not pay for the damage if you do not have sinkhole coverage. 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.

For more information on sinkholes, including how to file a claim, Floridians should visit the Department of Financial Services web site at <http://www.myfloridacfo.com/> and click on consumer guides, and property. Consumers can also call CFO Sink's Consumer Helpline at (850) 413-3089 or toll-free at 1-877-MY-FL-CFO (1-877-693-5236).

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As a statewide elected officer of the Florida Cabinet, CFO Alex Sink oversees the Department of Financial Services. A successful businesswoman with nearly three decades of experience in the private sector, Sink is serving her first term as Florida's CFO. As CFO, Sink's priorities include using her business experience to cut wasteful government spending, cracking down on financial and insurance fraud and reforming the state government's contracting practices. Sink also serves as the State Fire Marshal.