



Settling Your Sinkhole Claim

Where to Find Help

Resolving Disputed Sinkhole Claims

If your insurance company has denied a sinkhole claim, or you cannot agree on the method of repair and remediation, the Florida Department of Financial Services is available to assist you through its neutral evaluation program. This process, which involves the use of a state-certified neutral evaluator, is authorized under Section 627.7074, Florida Statutes.

To be eligible for neutral evaluation, a sinkhole report must be issued. If your insurance company confirms there is structural damage to a covered building that is consistent with a sinkhole loss, or if it cannot determine the cause of the structural damage, the law requires it to engage a professional engineer or a professional geologist to conduct testing and issue a sinkhole report.

What if My Insurance Company Denies My Claim without Conducting Testing and Issuing a Sinkhole Report?

Within 60 days of the claim denial, you will have to send a demand for geological testing, in writing, to your insurance company. You will have to pay 50% of the actual costs of the testing or \$2,500, whichever is less. If a sinkhole loss is confirmed, your insurer will reimburse you for the costs of the testing.

How Does the Neutral Evaluation Program Work?

The neutral evaluation program provides a professional engineer or a professional geologist to serve as an objective third party to determine the existence of a sinkhole loss and the method of repair and remediation. The evaluator will schedule a conference with you and your insurance company to gather information to help him or her reach a decision.

Your insurance company is required to pay the reasonable costs associated with the neutral evaluation program. You will be required to pay for a court reporter or stenographer if you choose to have one at the neutral evaluation conference.

Neutral evaluation is mandatory if requested by you or your insurer. The evaluation is nonbinding, and both parties retain their right to pursue legal action. The evaluator's written recommendation, oral testimony, and full report shall be admitted in any subsequent legal action.

How Do I Request the Use of a Neutral Evaluator?

Either you or your insurance company representative may initiate the use of a neutral evaluator. To request an evaluation, you will need to either: a) submit your request online at the following website: <https://apps.fldfs.com/eservice/MediationInfo.aspx>; or b) fill out the [Request for Neutral Evaluation Form \(DFS-I4-1784\)](#), which must include the reason for the request and an explanation of the issues in dispute.

Then What?

The Department will provide a list of certified neutral evaluators to you and your insurance company. You have 14 business days to mutually select an evaluator. If you and your insurer cannot agree on an evaluator, the Department will appoint one from the list.

Each party can submit requests to disqualify any evaluator on the list "for cause." The Department will disqualify a proposed evaluator for cause based only for the following statutorily defined reasons:

- A familial relationship exists between the neutral evaluator and either party, or the party's representative;
- The neutral evaluator has previously represented either party, or the party's representative, in the same or substantially related matter;
- The neutral evaluator has previously represented another person, or the party's representative, in the same or substantially related matter;
- The neutral evaluator has, within the previous 5 years, worked as an employee of any party to the case.

In addition, each party can disqualify up to two evaluators "without cause."

Once assigned, the evaluator has 14 business days to notify you and your insurer of the date, time and place of the conference. The neutral evaluator will make a reasonable effort to hold the conference within 90 days after the receipt of the request. You must allow the evaluator reasonable access to the interior and exterior of your home and provide him or her with any report you or your agent initiated.

You have the right to request a Department consumer affairs specialist be available for consultation if you are participating without an attorney. The specialist will provide detailed information about the program, and help you understand technical information concerning your claim. The specialist cannot provide legal advice.

You and your insurer may settle the claim at any time during this procedure. If no agreement is reached, the evaluator will file a report describing all matters that are the subject of the neutral evaluation, and whether the sinkhole loss has been verified or eliminated within a reasonable degree of professional probability. If verified, the report will indicate whether the sinkhole activity caused structural damage to the covered building, and if so, include estimated costs for stabilizing the land and any covered buildings, and other remediation or building repairs. Copies of the report will be sent to all involved parties and the Department.

If the evaluator verifies the existence of a sinkhole that caused structural damage, and the estimated costs for loss and repair exceed the amount the insurer has offered to pay, the insurer must pay up to \$2,500 in attorney's fees for your attorney's participation in the neutral evaluation process.

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