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CHANEY URGES CONSUMER EARTHQUAKE COVERAGE AWARENESS

Jackson – The earthquake that struck the Midwest today should serve as a reminder to many Mississippians that they too are at risk for earthquake damage. Mississippi Commissioner of Insurance Mike Chaney urges all Mississippians to check their homeowner policy for earthquake coverage.

While earthquakes have been recorded happening throughout the state, the greatest risk of earthquake damage in Mississippi comes from the New Madrid seismic zone. The southern end of the 200 mile long zone is in Arkansas, about 40 miles from the northwest corner of Mississippi.

“The threat of an earthquake striking Mississippi is very real, with the northwestern part of the state being particularly vulnerable. What many do not realize is that most homeowner policies contain an earthquake exclusion clause very much like the flooding exclusion clause many coastal residents encountered following Hurricane Katrina. We don’t want history repeating itself in the event of another natural disaster in our state caused by an earthquake,” said Commissioner Chaney.

The Commissioner urges all homeowners, particularly those closest to the New Madrid seismic zone, to contact their agent. If you find you are at risk you should inquire about adding an earthquake endorsement to your homeowner policy.

A 2006 Mississippi Insurance Department Regulation required insurance companies to inform policyholders, in writing, of the existence of flood and earthquake exclusions in homeowner policies by no later than January 1, 2007. Companies were required to include the following language in their notices:

“Your policy excludes coverage for any damages caused or precipitated by an earthquake or earth movement. This exclusion generally excludes all damages

caused or in any way resulting from an earthquake, earth movements, tremors, and aftershocks, and also excludes earth movement, land shock waves, aftershocks, or tremors before, during or after a volcanic eruption. For further details, please see the language of your policy. The language of the policy will control the obligations of the parties.

You are further advised that to be covered for such a loss, you will have to obtain a separate earthquake endorsement or special earthquake policy. Your insurance agent or company representative can provide you with information on coverage for damage due to any earthquake.”

For information on preparing an all-hazards disaster survival kit and tips for protecting your property against earthquakes, visit the Mississippi Emergency Management website at www.msema.org and click the “Preparedness” link.

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