



FOR IMMEDIATE RELEASE
August 23, 2011

Contact: D'Anne Ousley
(916) 325-3845 / ousleyd@calquake.com

East Coast Jolt Is Wake-Up Call For Congress To Act on Quake Insurance Affordability

SACRAMENTO – With shaking from an earthquake in Virginia felt as far away as New York, Illinois and Georgia, on the heels of a 5.3 magnitude earthquake in Colorado yesterday, federal decision makers in the U.S. Capitol today received a reminder that prioritization for earthquake preparedness is not just for the Western states.

“We’re relieved that the millions of Americans who felt the earthquake appear to have escaped the damage and injury quakes this large can cause,” said Glenn Pomeroy, CEO of the California Earthquake Authority. “Today’s events are a reminder for all Americans that the time has come for our national leaders to address the affordability of recovery for families and communities after the next damaging earthquake strikes.”

When Congress returns from its recess next month, it will have the opportunity to help Americans prepare for the next big earthquake by taking action on the Earthquake Insurance Affordability Act (S.637 – Feinstein). This legislation has been introduced to help make earthquake insurance across the country more affordable – saving money for families to spend on other daily living needs now, while at the same time committing necessary resources to help them rebuild their homes and communities after the next big one strikes.

More affordable earthquake insurance is important to all Americans. It is not just homeowners, but all federal taxpayers, who are now fiscally exposed because too few households have earthquake coverage. In California, for example, where about 70 percent of the nation’s known earthquake risk exists, just 10 percent of homeowners have earthquake insurance. One of the key reasons for this low percentage is the high cost of this coverage. Increasing earthquake insurance affordability will reduce federal taxpayers’ fiscal risk.

“It’s a fact that all federal taxpayers are seriously exposed to the massive costs of earthquake damage. Because too few households can afford earthquake coverage, we know that when individuals can’t afford to rebuild, the federal government is asked to help. Making earthquake insurance more affordable helps families rebuild and their communities recover, but it also reduces federal taxpayers’ financial risk,” continued Pomeroy. “Congress needs to take action on the Earthquake Insurance Affordability Act when it returns from its August recess.”

The EIAA would provide a simple, limited guarantee for any public earthquake insurer’s private-market debt. Combined with reinsurance and innovations in risk-transfer, EIAA would cut the cost of earthquake insurance making it more affordable and accessible to homeowners.

Click here to learn more about the EIAA:

<http://www.earthquakeauthority.com/UserFiles/File/Release/EIAAFactSheetold.pdf>.

The California Earthquake Authority is a publicly managed, privately funded organization that provides catastrophic residential earthquake insurance and encourages Californians to reduce their risk of earthquake loss. For more information, see www.earthquakeauthority.com.