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# Earthquake Raises Coverage Questions

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**Jefferson City, MO** – A magnitude 4.2 earthquake that struck near Sullivan early this morning served as a reminder of the powerful seismic zones in and around southeast Missouri and the need for citizens to be prepared for a major seismic event. Just over a month ago, Missouri participated in the Great Shake Out, a multi-state earthquake drill scheduled in recognition of the 200th anniversary of the deadly 1811 quakes in the New Madrid Seismic Zone.

Many Missourians, however, are unable to fully prepare for the devastation of a major earthquake due to the epidemic lack of affordable, effective earthquake insurance available throughout the state and especially in the St. Louis and Bootheel areas.

More than 40 company carriers have stopped providing earthquake insurance in Missouri in the last decade. While those companies have shed all of their exposure, others have severely restricted coverages and implemented restrictions and exclusions that most policyholders are not aware of. A recent survey by the Department of Insurance, Financial Institutions and Professional Registration found that where coverage is available, multiple high deductibles based on the value of the structure rather than the amount of damage mean that many homeowners would have to carry all or most of the risk themselves, despite being insured.

“This year’s tornado and flood threats in Missouri have only highlighted the critical role that insurance plays in rebuilding after a catastrophe,” says Larry Case, executive vice president of the Missouri

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Association of Insurance Agents. “Missourians, especially those in the Southeast and St. Louis, will be the victims of major financial loss when a larger quake strikes.”

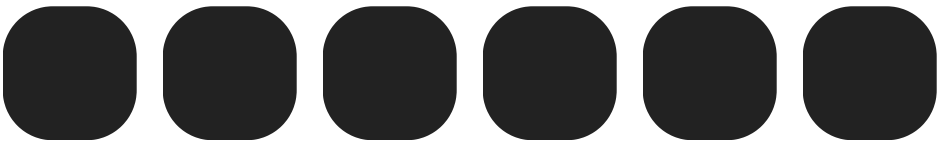
MAIA has proposed several legislative solutions to the lack of affordable and effective earthquake insurance in the state, but these solutions have met resistance from insurance companies and have seen little movement in the General Assembly. MAIA recommends that homeowners talk to their insurance agents to better understand the coverage they have, and more importantly, the coverage they don’t have.

Founded in 1899, the Missouri Association of Insurance Agents is the oldest and largest association of independent agents in Missouri, representing some 4,000 independent agents, brokers and their employees. Its members are businesses that offer customers a choice of policies from a variety of insurance companies. Independent insurance agents and brokers offer all lines of insurance property, casualty, life, health, employee benefit plans and retirement products. Web address: [www.missouriagent.org](http://www.missouriagent.org).

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