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**NEW YORK STATE NOT IMMUNE TO EARTHQUAKE RISK**  
*Property owners should make sure they have the right insurance coverage*

**Albany, N.Y., Mar. 8, 2010**—The powerful earthquakes that struck Chile and Haiti should remind New Yorkers that the state is not immune to earthquake risk, advises the New York Insurance Association (NYIA).

“The likelihood of a serious earthquake occurring in New York is only moderate,” Ellen Melchionni, president of NYIA said. “But earthquakes do occur and some cause considerable damage.”

New York has a history of moderate-sized earthquakes (defined as an event with a magnitude between 5.0 and 5.9) across the state. In April 2002 a 5.1 magnitude earthquake occurred near Plattsburgh that caused significant damage, especially to walls, foundations and chimneys. In the western part of the state, a 5.2 magnitude earthquake took place in Attica in 1929. The most powerful earthquake in New York State history—a 5.8 magnitude event— struck in the northern part of the state in the greater Massena area on September 5, 1944, resulting in \$2 million in damage, which equates to \$24.4 million in today’s economy. A 5.5 magnitude earthquake in 1884 is the most forceful event on record in New York City.

A strong earthquake (defined as an event with a magnitude between 6.0 and 6.9) has not been recorded in New York’s history, but researchers say it is not out of the question that a strong earthquake could occur.

Even though the earthquake hazard is considered moderate, experts view New York’s risk to be relatively high due to densely populated areas and an abundance of older unreinforced masonry, typically brick structures, which are particularly prone to earthquake damage. A 2008 Federal Emergency Management Agency study ranked New York the 4th highest of the 50 states for earthquake risk.

“While there is a low probability of building collapse for typical structures in moderate-sized earthquakes, significant damage is not uncommon, which can result in costly repairs,” Daniel O’Brien, geographic information systems and earthquake program manager for the State Emergency Management Office said. “And many areas of New York have loose, softer soils, which can amplify ground shaking and increase damage from an earthquake. An additional concern is bedrock that transfers seismic energy greater distances than in the western United States. This raises the potential for wider regional impact. For instance, the 2002 earthquake near Plattsburgh was felt over 150 miles away by residents in Albany.”

(more)

Earthquakes are *not* covered under standard U.S. homeowners or business insurance policies. Coverage is usually available for earthquake damage in the form of a supplemental policy to homeowners or business insurance. The cost of earthquake insurance is relatively affordable in New York. The Insurance Information Institute estimates that coverage for a brick home in the state would cost between 60 to 90 cents per \$1,000 of coverage versus \$3 to \$15 per \$1,000 for a similar home in someplace like Northern California.

However, standard homeowners and business insurance policies may cover losses from a fire following an earthquake, which would include additional living expenses and business interruption coverage. Cars and other vehicles are covered for earthquake damage under the optional comprehensive portion of an auto insurance policy.

Earthquake insurance policies often carry a deductible, generally in the form of a percentage rather than a dollar amount. Deductibles can range anywhere from two percent to 20 percent of the structure's replacement value. This means that if the cost to rebuild a home is \$100,000 and the policy had a two percent deductible, the policyholder would be responsible for paying the first \$2,000.

“New York property owners should contact their agent or company representative to make sure that they have the right type and amount of insurance to protect them from earthquake damage,” Melchionni said.

The New York Insurance Association (NYIA<sup>®</sup>) is a state trade association that has represented the property and casualty insurance industry for over 125 years. For more information on NYIA, visit [www.nyia.org](http://www.nyia.org).