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Oklahoma earthquakes stir interest in insurance coverage

A standard homeowners' insurance policy does not cover earthquake damage.

Suddenly Oklahomans are interested in earthquake insurance.

After much of the state felt Saturday's largest-ever recorded quake, a magnitude 5.6 centered near [Prague](#), and some rumbling aftershocks, residents began calling their insurance agents.

[Dan Ramsey](#), president of [Independent Insurance Agents of Oklahoma](#), said many agents were scrambling Monday trying to find earthquake insurance providers.

"They're getting the calls and they're calling me," Ramsey said. "I don't have any answers right now."

Standard homeowners' and commercial property insurance policies don't cover earthquake damage. Ramsey estimated that fewer than 1 percent of [Oklahoma](#) homeowners carry earthquake insurance, which must be purchased as an endorsement to homeowners' coverage or as a separate policy.

Less than \$7 million in direct premiums are collected annually in Oklahoma for earthquake insurance, the state Insurance Department said. The largest providers of such coverage are [Travelers Group](#); [American International Group](#); State Farm; [Zurich](#) and [Liberty Mutual](#), the agency said.

The coverage is not offered by all property and casualty insurance companies, largely because large earthquakes occur so seldomly in Oklahoma, said [Jerry Johns](#), president of [Texas](#)-based [Southwestern Insurance Information Services](#).

Damage estimates from the recent earthquakes were not immediately available, insurance officials said.

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Johns said he expected numerous Oklahoma property owners will inquire about earthquake coverage, but few likely will buy it.

In [California](#), where earthquakes are much more frequent (and premiums are considerably higher), only about 12 percent of homeowners have earthquake coverage, according to the [Insurance Information Institute](#).

Some insurance companies place moratoriums on new coverage after a strong earthquake, sometimes for up to two months, industry officials said.

[John Wiscaver](#), vice president of public affairs for [Oklahoma Farm Bureau Insurance](#), said the vendor his company uses for earthquake policies has a 72-hour moratorium on new policies until all activity associated with an earthquake measuring larger than 5.0 has ceased. The smaller quakes that followed Saturday's record-setter mean that moratorium is still in place, he said.

"That's sort of an industry standard," Wiscaver said. "A lot of companies have a similar type of moratorium."

While earthquake coverage premiums can vary widely, Wiscaver said central Oklahoma homeowners would pay about \$125 to \$175 per year for coverage for a \$100,000 wood-frame home with a \$10,000 deductible. Similar coverage for a brick home worth \$100,000 would cost \$150 to \$225 per year with the same 10 percent deductible, Wiscaver said.

Earthquake insurance deductibles are based on a percentage of the value of the covered property. Some policies exempt coverage for a home's brick or stone veneer.

[Oklahoma Insurance Commissioner John Doak](#), after several minor quakes in October, advised consumers to at least consider buying coverage.

"Earthquakes can strike at any time and without warning," Doak said on Oct 28. "But in Oklahoma, we've been getting clues for some time now that a damaging event could be in our future. There is no time like the present to consider that future, and the policyholder's potential need for earthquake coverage."

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