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IMMEDIATE

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NORTHRIDGE EARTHQUAKE REMEMBERED

SACRAMENTO (January 14, 2004) -- As the tenth anniversary of the Northridge earthquake approaches, Californians are constantly reminded that the ground in this state shakes 24-7, 365 days a year.

The Northridge earthquake struck on January 17, 1994. In less than 40 seconds, 60 people lost their lives, 12,000 were injured, 8,000 homes were destroyed, 114,000 buildings were destroyed or damaged, as were thousands of automobiles and several roads and bridges. "The insurance industry was also given the wake-up-call of all calls following Northridge when the final tally of insurance claims reached well over \$15.3 billion," noted Dan Dunmoyer, president of the Personal Insurance Federation of California (PIFC).

Dunmoyer said the member companies of PIFC paid nearly \$6.5 billion in Northridge claims and handled more than 209,000 of the 600,000 claims filed. "The industry mobilized thousands of claims adjusters from throughout the U.S. to the Northridge site within hours after the quake struck. Industry personnel worked around the clock for six straight months contacting and helping insured earthquake victims. It was a monumental task, but ten years after the quake, the results of the rebuilding process is quite evident throughout the Northridge area," he added.

Dunmoyer explained that in 1995, concern grew about how insurance claims would be paid should another major quake strike. That is why the California Earthquake Authority (CEA) was created, adopted by the Legislature, and implemented on December 2, 1996.

"Insurers representing more than 65 percent of the earthquake policies sold in California belong to the CEA. The PIFC member companies represent 53 percent of the CEA's portfolio," Dunmoyer said. "Furthermore, both CEA participating insurers, and non-CEA participating insurers are utilizing the catastrophe policy designed to help policyholders rebuild the structure of their homes and help them on their way to full recovery."

California has suffered two earthquakes of note since the founding of the CEA. One occurred in Napa in 2000 and a second in Paso Robles in December, 2003. "We must be mindful of the future," cautioned Dunmoyer. "Geologists and seismologists have not been able to accurately predict when or where an earthquake will occur. With sophisticated equipment now being used to detect the Earth's movements, the day may come when scientists can predict a quake within days of actual occurrence. Meanwhile, homeowners and business owners alike are urged to follow guidelines on how to make their properties stronger to withstand a quake."

Since the Northridge earthquake, Insurance for Business and Home Safety (IBHS) has published a comprehensive guide for homeowners who live in areas prone to earthquakes. The guide is available at www.ibhs.org and is entitled "Is Your Home Protected From Earthquake Disaster? A Homeowner's Guide to Earthquake Retrofit." Diagrams on structural and non-structural retrofit projects are included in this guide. For more information, go to this link: <http://www.ibhs.org/newsroom/view.asp?id=304>.

FACTS*

- ***If a 7.0 quake was to hit greater Los Angeles, total economic damages could be as high as \$100 to \$120+ billion.***
- ***If an 8.0 quake was to hit San Francisco along the Hayward Fault, it could cause total economic damages as high as \$170 to \$225 billion.***
- ***If a 7.2 quake should hit Newport/Inglewood/West Los Angeles, total economic damages could reach from \$175 to \$220 billion.***

*Information provided by U.S. Geological Survey (USGS)