

**PROGRAM DIVISION  
BULLETIN**

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**New Jersey Earthquake Coverage**

A statute recently enacted in New Jersey requires all insurers, who write EQ damage coverage in NJ, to notify their insured's of the availability of this coverage.

To comply with this statute, all renewals and new business effective from 2/12/03 shall include the attached notice to policyholder.

You will be considered in compliance with the statute if you include this notice with your renewal policy or, in the case of new business, if you include the notice at the time of quote.

You do not need to receive an acceptance or rejection from the insured.

Please note, the statute does **not** differentiate between admitted or non admitted carriers. It applies to '*all insurers authorized to transact the business of commercial fire and extended coverage insurance in this State, and who offer coverage for EQ damage ...*'

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## NEW JERSEY EARTHQUAKE INSURANCE AVAILABILITY NOTICE

All insureds and applicants are cautioned that [homeowners/commercial fire and extended coverage] insurance policies do not provide coverage for earthquake damage.

The definition of an *earthquake*:

- is a shaking or trembling of the earth that is geologic or tectonic in nature;
- includes shock waves or tremors before, during or after a volcanic eruption; and
- can also include after-shocks that occur within a seventy-two hour period following an *earthquake*.

A typical [homeowners or commercial fire and extended coverage] insurance policy:

- **does not** cover the cost to replace or repair your damaged dwelling, premises or structures, such as garages, resulting from an *earthquake*;
- **does not** cover the cost to replace or repair the contents of your [home or business] if the damages result from an *earthquake*; and
- **does not** pay for any additional [living or business] expenses if your property is badly damaged or destroyed by an *earthquake*.

***Earthquake* insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.**

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 1997 to 2002, for every \$1 of *earthquake* insurance premium, 3/10 of one cent has been paid out for losses.

**Please contact [your agent/your independent agent/ the company at (the company's phone number)] if you have any questions or want additional information on how you can obtain *earthquake* insurance.**

**This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.**

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