

News Release

OFFICE OF INSURANCE LOWERS MINE SUBSIDENCE RATES Consumers in 34 counties to save at least 25 percent

FRANKFORT, Ky. (May 3, 2006) – Consumers in 34 Kentucky counties will see a decrease in their homeowners insurance premiums beginning this month.

The Kentucky Office of Insurance (KOI) has announced a decrease in the rates charged to consumers living in counties that participate in the Kentucky Mine Subsidence Insurance Fund (KMSIF).

The KMSIF became operational in 1986 and offers protection to Kentuckians in areas where the collapse of an underground coal mine might cause damage to houses or other structures. An endorsement is added to policies to cover the additional risk. Rates were last adjusted in 1998.

Counties participating in the program are Bell, Boyd, Breathitt, Butler, Carter, Christian, Clay, Daviess, Edmonson, Elliott, Floyd, Greenup, Hancock, Harlan, Henderson, Hopkins, Jackson, Johnson, Knott, Knox, Lawrence, Lee, Leslie, Martin, McCreary, McLean, Morgan, Muhlenberg, Ohio, Perry, Union, Webster, Whitley and Wolfe.

Most homeowners will see a decrease of at least 25 percent for the coal mine subsidence endorsement with the average decrease estimated at 33 percent. For example, under previous rates, the premium for the endorsement was \$27 for a dwelling valued at \$100,000. With the new rates, that premium drops to \$20.

“While this is not a huge decrease, we feel it is the responsible thing to do and hope it will provide at least some relief to consumers in the affected counties,” said Glenn Jennings, KOI executive director.

KOI serves as the administrator of the KMSIF and sets the rates for mine subsidence insurance.