

EARTHQUAKE INSURANCE

CLOSING THE INSURANCE GAP

Lessons learned from the aftermath of disasters have revealed, time and again, that you can effectively manage risk and recover faster after a disaster if you have insurance. However, the increase in insurance premiums has made coverage unattainable in many areas, contributing to the decrease of individuals with insurance covering seismic claims. Below, learn more about the state of earthquake insurance in the United States.

LANDSCAPE TODAY

1. Traditional earthquake insurance covers damage caused by an earthquake by indemnifying pure loss.

2. Parametric insurance is a relatively new approach that insures policyholders against specific events by using a model to calculate the actual damage inflicted. Payments are triggered if set parameters agreed on in the contract are met and verified by a third party.

3. Standard homeowners insurance does not cover damage resulting from land movement or landslides.

4. Most insurance companies stopped insuring earthquake policies in the 1990s due to projections that hinted that a major earthquake could make them insolvent.

5. Most potential insurance buyers, if impacted by an earthquake, would experience damage that does not exceed their deductibles, making insurance's high rates unaffordable.

TOP THREE MARKETS:

CALIFORNIA



California experiences **90%** of the country's earthquakes. **ONLY 13%** of its residents had earthquake insurance in 2019.

WASHINGTON



11.3% of Washington's residents were covered in 2017, despite being the second largest market in the seismic space.

MISSOURI



In Missouri premium rates skyrocketed over a fifteen year period – in comparison:

60%
IN 2000

11.4%
IN 2021

of New Madrid property owners had earthquake insurance.

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INSIDE A TYPICAL EARTHQUAKE POLICY

COVERS:



REPAIRS

to your home and attached structures.



PERSONAL BELONGINGS

such as furniture and clothes.



ADDITIONAL LIVING EXPENSES

for when your home is uninhabitable when an earthquake hits.

DOES NOT COVER:



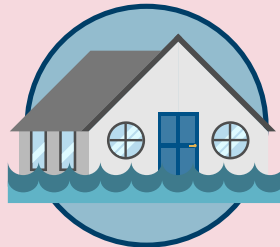
FIRES

caused by earthquakes.*



VEHICLE DAMAGE

Comprehension auto insurance is required to cover this.



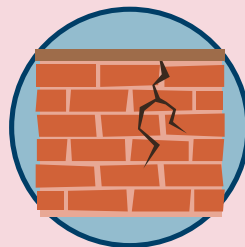
FLOODS

Flood insurance is needed, even if the flood is caused by an earthquake.



SINKHOLES

Coverage can be added to your homeowner insurance or through separate coverage. Check first though - certain states mandate insurers offer sinkhole insurance.



MASONRY VENEER

such as brick stone or rock used for your home's veneer.

*Homeowners insurance typically covers fires caused by earthquakes.



FEMA

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