

# Earthquake insurance

## *Is it right for you?*

### What is earthquake insurance?

Earthquake insurance is an added endorsement to your existing homeowner or renter's policy, or a separate earthquake policy you buy.

- Provides coverage if your home is destroyed by an earthquake
- Usually sold with deductibles equaling 10 to 25 percent of the structure's policy limit
- Only pays for damages that exceed the deductible
- May have a separate deductible for contents, structure and unattached structures like garages, sheds, driveways or retaining walls

What it covers	What it might cover	What it doesn't cover	What it might not cover
<ul style="list-style-type: none"> <li>• Repairs to your home</li> <li>• Insures your personal property against earthquake damage</li> <li>• Covers the cost to remove debris</li> <li>• Extra living expenses you might have while your home is repaired or rebuilt</li> </ul>	<ul style="list-style-type: none"> <li>• Increased costs to meet current building codes and costs to stabilize the land under your home</li> <li>• Other structures not attached to your house</li> </ul>	<ul style="list-style-type: none"> <li>• Fire</li> <li>• Land</li> <li>• Vehicles</li> <li>• Pre-existing damage</li> <li>• External water damage</li> <li>• Brick veneer</li> <li>• Damage due to:               <ul style="list-style-type: none"> <li>› Landslides</li> <li>› Settlements</li> <li>› Mudflows</li> <li>› Earth rising, sinking and contracting</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Floods</li> <li>• Tidal waves or tsunamis – even when caused by an earthquake</li> </ul>

### Who needs it

There are several factors to think about when deciding if you need to buy earthquake insurance. First, find out if you live in a quake-prone area. The western half of Washington state is considered earthquake country as we're home to the Cascadia Subduction Zone, and the Seattle and South Whidbey Island faults. All three are capable of large magnitude earthquakes.

Next, think about how you'd manage the costs to recover from an earthquake. Ask yourself the following questions:

- Without insurance, could you afford to repair or rebuild your home?
- How would you pay the costs to live elsewhere while your home is being repaired or rebuilt?

- How much would you owe a lender, who'll expect you to repay the mortgage or home equity loan, even if your home's destroyed?
- How much would you lose if your home were damaged or destroyed in an earthquake and you couldn't afford to repair or rebuild it?

Be aware if you live in a brick home, wood frame home with crawl spaces or a multi-story home, it's more likely to suffer damage in an earthquake.

## What to expect from an insurer

Some earthquake insurers may require an inspection of your home and property before they'll issue you a policy. They may even have different coverage requirements, such as:

- The location of your home
- Your home must be bolted to its foundation
- The location and bracing of your home's interior walls
- Strapping guards secured to fixtures like hot water heaters

## How insurers determine how much you'll pay in premiums

- **Your home's location.** Is your home in an earthquake-prone area? If so, your premiums will be higher.
- **Your home's age.** Premiums can be higher for older homes.
- **Your home's construction.** How large is your home and how many stories does it have? Is it wood frame or brick; does it have brick veneer? Does it have a basement or is it on a concrete slab foundation?
- **The cost to rebuild your home.** You have the option to insure your home and its contents for replacement cost or actual cash value. Replacement is the cost to rebuild or repair your home using materials of similar type and quality. Actual cash value pays you for your loss, but usually it doesn't pay enough to fully replace or your repair your property.
- **The deductible(s).** A larger deductible means you'll pay for more of the loss. It also means you pay a lower premium.

## Tips for buying earthquake insurance

- You can usually buy earthquake insurance from your current home or renter insurer. Ask if it's an add-on to your existing homeowner or renter's policy or if it's a separate policy.
- You can also shop for quotes with other insurers to get the best price. Just make sure you're comparing the same or similar coverage.
- Discuss your personal situation and needs with the agent.
- Ask the agent how much the deductible is and the maximum amount of benefit they'll pay for a given situation or occurrence.
- Ask what the policy specifically covers and doesn't covers - and read the fine print! Most earthquake policies cover the contents of your home, but usually not if there's no damage to your home's structure or you haven't met your deductible.
- Find out if the insurer and agent are licensed in Washington state at [www.insurance.wa.gov](http://www.insurance.wa.gov).

**Have insurance questions?**

**[www.insurance.wa.gov](http://www.insurance.wa.gov)**

**1-800-562-6900**



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