



Brethren Mutual Aid Agency Inc.,

An Overview of...

...Earthquake Insurance

Earthquake insurance covers damages caused by an earthquake, a sudden and violent shaking of the ground resulting from movement of the earth's crust.

Roughly 200,000 earthquakes occur each year, with the vast majority happening in 42 states considered at risk of earthquakes, according to the U.S. Geological Survey. Most earthquakes are small and unnoticeable and cause little or no damage, but others can be catastrophic.

Brethren Mutual Aid Agency Inc.

3094 Jeep Road
Abilene, KS 67410-6064

Phone: 800.255.1243 / Fax:
800.238.7535 / maabrethren.com

Earthquake Insurance Explained

Earthquake insurance covers damages to your house, personal belongings inside your home and Additional Living Expenses (ALE) or loss of use, which are the costs to live somewhere else while a policyholder's area is evacuated or their home is repaired. Insurance coverage for earthquakes is generally not included in standard homeowners or renters insurance policies.

It can be added to an existing homeowner's insurance policy as an endorsement or purchased as a separate policy.

Earthquake Insurance does not cover a number of things consumers might assume it does. For example, damages resulting from a fire caused by an earth-

quake would fall under a policyholder's homeowners insurance, not their earthquake insurance. It also does not cover damage to vehicles, fences, pools and things like china and crystal. Damage to your land, such as landscaping or a sinkhole, are also usually not covered. However, some policies include "engineering cost" options which these would fall under.

Another important exclusion to earthquake insurance is external water damage. Flooding and tsunamis are common results of earthquakes, but their damage does not fall under earthquake insurance. Both of those events would fall under flood insurance as well as damage caused by a sewer or drain back up that was a result of an earthquake.

How Earthquake Insurance and Claims Work

Deductibles and premiums to insure your house against an earthquake can vary greatly. Typically, earthquake insurance covers your dwelling up to the

same limit as your homeowners insurance and policyholders pay a deductible between 2%-20% percent of that limit.

Determining If Earthquake Insurance Is Worth It

Check to see if your homeowner's insurance covers earthquake damage. Most homeowners insurance policies do not extend to earthquakes but if it does, there is no need to purchase additional insurance.

Do you live in a high-risk area for earthquakes? There are 42 states at risk for earthquakes out of which 16 have registered a magnitude 6 or greater quakes on the Richter scale and are considered high-risk. Hazards are especially high on the west coast, intermountain west, and some regions in the central Midwest and east coast - including a hot spot where Arkansas, Tennessee, Mississippi, Kentucky, and Illinois meet. If you live near the San Andreas Fault Line, the New Madrid Seismic Zone, or along the Ramapo Fault Line - to name a few examples - you should consider it.

Can you rebuild your life easily after an earthquake? Help determine if you should get earthquake insurance by asking these three questions:

- Can you afford the cost of repairing or rebuilding your house entirely if it were damaged or destroyed by an earthquake?
- Can you afford to replace the personal belongings in your home after an earthquake?
- Can you pay for temporary housing if your home is deemed uninhabitable, either due to an area hazard or structural damage?

If you answered "no" to one or more of the above, then you should consider getting earthquake insurance.

