

The Big One and the Big Question: Earthquake Insurance: To Buy or Not to Buy...?

1. If you live in a quake-prone area and you can afford it, the best way to protect your investment in your home is to “retrofit” (take steps to make your home more damage-resistant), buy earthquake insurance, and set aside funds to pay for repairs below your deductible.
2. The decision whether or not to buy EQ insurance is an individual, financial decision. Key factors to research and consider are:
 - The financial strength of the companies that will sell it to you
 - The features and pricing of their policies
 - The amount of equity you have in your home
 - Your proximity to a fault zone
 - The age and style of construction of your home and foundation
3. If you decide to buy EQ insurance, aim for a policy that will be adequate to fully replace your property, engineering costs, required improvements to comply with building codes, temporary living expenses, outbuildings, etc. Read and follow our [Buying Tips](#).
4. Policies with 10% as opposed to the standard 15% deductible are now available but of course they’re more expensive. The price and high deductibles for EQ policies has led many people to avoid buying the product, but remember; If you live in a quake-prone region, going “bare” with no insurance means you have a 100% deductible...you’ll bear the entire risk yourself.
5. Don’t assume that FEMA, the SBA and/or private charities will bail you out with funds to rebuild after a major disaster. FEMA has very limited funds and strict eligibility criteria. SBA loans are modest and must be repaid. Private charities are being severely stretched by an ever-increasing demand for their services.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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