

[Is Earthquake Insurance Worth the Cost?](#)

<http://www.poynter.org/column.asp>

I am not much of a fan of “could it happen here” stories, but the earthquake in Haiti does remind us that much of the United States, in fact much of the world, lives along fault zones. In the last 110 years, quakes have shaken the ground in 39 states. Ninety percent of Americans live in potential quake zones. Geologists now believe that major quakes anywhere could weaken faults worldwide.

So, should you buy earthquake insurance? There is usually a surge of interest after big quakes.

Here is what you need to know:

- * Homeowners insurance typically does not cover earthquake damage. It is sort of like flood damage; if you want coverage, you need special insurance.
- * Depending on where you live, quake insurance is fairly inexpensive. Wood homes, which tend to absorb shock more than brick or stucco, might be less costly to insure against quakes. You often can get discounts if you strap down your water heater, meet new building codes for quake safety and agree to a high deductible. One-story homes are less costly to insure than multiple-story housing.
- * United Policyholders says, “Could you afford to pay out of pocket for repairs/rebuilding? What would you do if you couldn’t? Quake damage often requires engineering fixes which can be very expensive -- typically \$50k and up. Can you afford a policy with a 10 percent instead of a 15 percent deductible and if so -- how much would the damage have to be before coverage would kick in?”
- * Insure.com says, “Even in California, where earthquake fears are a daily fact of life, only about 12 percent of homeowners have earthquake insurance, according to the California Earthquake Authority (CEA), down from 30 percent in 1996 when the state legislature created the CEA. Each year, more homeowners get rid of earthquake coverage than buy it because, according to consumer groups, they believe the policies cost too much and cover too little.”
- * Quakes are not just “a California thing.” The South Carolina Earthquake Education and Preparedness Program at the College of Charleston points out that in 1886, a quake measuring from 6.9 to 7.3 on the Richter scale hit South Carolina, causing heavy damage and killing more than 60 people. The Earthquake Education Center at Charleston Southern University said there is an even chance that a major quake will hit the eastern United States in the next 20 years.

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.

Source: <https://uphelp.org/is-earthquake-insurance-worth-the-cost/> Date: July 8, 2026

Resources

California has its own strategic plan for earthquakes.

United Policyholders, a nonprofit group that does public education on insurance issues and is funded by grants and foundations, and is largely run by volunteers) provides the following links:

- * “Is Earthquake Insurance Right For You? Doing the math to find out if buying it is the right financial decision for you.” [PDF]
- * “The Big One and The Big Question: Earthquake Insurance: To Buy or Not to Buy...? What to consider when weighing the pros and cons of buying earthquake insurance” [PDF]
- * “Earthquake Insurance Shopping Resources. Shopping options for homeowners”
- * “Earthquake Insurance for Renters. Shopping options for renters”