

Unusual Earthquakes Leave Many Wondering: Is My Home Covered?

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Debbie Saathoff, 62, of Bowie, Md., says she heard a giant cracking sound first. Then the pictures flew off the walls and vases on shelves came tumbling down and smashed as her home moved back and forth. "It was the scariest thing I have been through," she said hours after a rare earthquake rattled the Eastern Seaboard Tuesday. "I've never felt one before."

Fairly strong earthquakes in two areas of the country where they rarely strike provided the nation with a seismic double whammy this week. Tuesday afternoon's 5.8 magnitude temblor, based in Virginia, was felt in New York City and farther north, and on Monday night, a 5.3 magnitude quake struck southeast Colorado. The United States gets shaken by about 5,000 quakes strikes each year, according to the Insurance Information Institute.

Reports of building damage were filtering out Tuesday after the East Coast temblor, including a leaning tower at the National Cathedral in Washington, D.C., less than 100 miles from the epicenter. But the quakes certainly will have many U.S. homeowners wondering about their own preparedness for a quake. Most homeowner's insurance or standard business insurance does not cover earthquake coverage. Additional earthquake coverage is typically available as an endorsement or as a separate policy. In California, where the risk of quakes is higher, homeowners can get coverage through the California Earthquake Authority.

Like many homeowners in the region, Saathoff inspected her property following the event, finding only a few small cracks in the garage cement. Because of the rarity of quakes in the area, she says she never considered getting earthquake insurance, but says, "I am sure my agent will be calling me now."

Do I need earthquake insurance?

This is a decision every homeowner must decide based on location, the value of their property, amount of equity in the home, proximity to a fault line, type of home construction and the value of belongings.

United Policyholders has a buying tips guide that provides useful background information, both for homeowners and for renters. One rule of thumb, listed in the guide, is that homeowners should risk no

more than 10% of their liquid assets in considering how much insurance to buy.

What does earthquake insurance cover?

Quake insurance includes a deductible that is generally calculated as a percentage, rather than a dollar amount. It can range from 2% to 20% of the replacement value of the structure. The higher the deductible, the more money consumers save on their premiums. In California, the standard CEA policy includes a 15% deductible, and only covers the house, not additional structures on the property such as pools or garages.

What does it cost?

Insurance prices vary greatly by region, insurer and type of structure and can range from \$300 to \$400 a year to several thousand. Older buildings cost more to insure than newer structures; brick structures cost more than wooden ones, which can tolerate shaking better. The cost is calculated on a per \$1,000 basis. According to the Insurance Information Institute, a brick building would cost between \$3 and \$15 per \$1,000 in a high-risk area like the Pacific Northwest, whereas in New York City, the same structure would only cost between 60 and 90 cents per \$1,000 to insure.

How do I know if my home has sustained damage?

Earthquakes can cause damage both to belongings in the house, as well as structural damage. Both can be expensive. After a quake, open cabinets carefully as contents may have been displaced. Check on gas or electrical lines, with appropriate professional help if necessary, to make sure nothing is defective or leaking. Do a visual check of the home's foundation to make no sure no cracks have developed.

Homeowners should also take precautionary measures, like those recommended on the FEMA website, to safeguard their home against damage from future temblors.