

INSURANCE *Earthquake! Are you ready?*

The Basics

According to the United States Geological Survey (USGS), the western third of Wyoming is a moderately-high seismic hazard, although earthquakes can happen anywhere at any time.

Your standard homeowners' policy does not cover damage caused by earthquakes, and the time to buy earthquake insurance is before you experience a loss from an earthquake.

Coverage Needs

Earthquakes can cause a great deal of damage, and the best way to protect yourself from damage caused by earthquakes is to purchase earthquake insurance. In the event of a total loss, you need enough insurance to rebuild your home and replace your personal property.

Brick homes, wood frame homes with crawl spaces, and multi-story homes are most likely to be damaged in an earthquake. A qualified contractor or engineer can help you assess your home's risk for earthquake damage.

Most earthquake coverage can be purchased through your current insurance provider. Talk to your insurance agent about an earthquake insurance endorsement. Endorsements are a written change to your current policy, and can be used to add or remove insurance coverage.

What is Covered

Earthquake insurance usually covers repair needs caused by an earthquake to your home and may cover other structures not attached to your house, like a garage.

Earthquake insurance also typically covers damage to your personal property, costs for debris

removal, as well as extra living expenses you may have while your home is being repaired or rebuilt.

It is important to note that insurance policies have "limits of coverage" which tell you the largest dollar amount covered for different types of losses. Insuring your home for its appraisal or loan value will likely provide you enough to repay your lenders, but can leave you without enough to rebuild your home. Talk to your insurance agent to determine how much coverage is right for you.

existing automobile insurance policy may cover that damage.

- Pre-Existing Damage: Earthquake insurance will not cover damage to your home that was there before the earthquake.
- External Water Damage: Earthquake insurance does not cover water damage caused by external sources – such as from sewers or drainage back-ups. A flood insurance policy may cover your property from those losses.



Cost

Premiums (the amount you pay each month) vary depending on your home's characteristics. Some common characteristics that can determine your premium are:

- Your home's location: If your home is located in an area likely to experience earthquakes, your premiums will be higher.
- The age of your home: The premium for older homes can be higher.
- The construction of your home: The premium for homes more likely to be damaged by earthquakes are likely to be higher.
- The deductible on your policy: As with other insurance policies, a larger deductible means you'll be responsible for more of the loss, but it also means you will have a lower premium.
- Note: There may be separate deductibles for your home, outside structure (outbuildings, detached garages, and fences); the deductible for earthquake insurance is usually 10-20% of the coverage limit.

What is Not Covered

What your earthquake insurance does not cover varies by insurance company. Ask your insurance agent about earthquake coverage and exclusions to learn what your options are.

Some of the most common exclusions for earthquake insurance policies include:

- Fire: Most earthquake insurance policies will not cover anything your homeowners' insurance already covers.
- Land: Typically, earthquake insurance does not cover damage to your land such as sinkholes, large cracks, and other holes that develop on your land following an earthquake.
- Vehicles: Earthquake insurance policies do not cover damage to your vehicle, although your

Know your policy

Talk with your insurance agent about your policy, and be sure to read your policy terms and stay informed about changes to your insurance policy.



Wyoming Department of Insurance
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