

PERSONAL INSURANCE

Earthquakes

The Basics of Basic Coverage



Earthquake insurance might be optional depending on your state of residence, but the coverage helps to protect your home and possessions from possible damage caused by seismic activity. Standard homeowner, renter and condo insurance policies do not include this coverage. Even small quakes can cause serious property damage and losses, but there is no protection without coverage. With this in mind, take the opportunity to learn more about options if you live in an area where earthquakes are possible.

The two states with the most frequent earthquakes are California and Alaska. Although western states are best known for their earthquake risk, quakes are also a threat in places like St. Louis and Memphis, which are near the New Madrid Fault line in southeastern Missouri. It is important to have some insight into the insurance coverage offerings available. Below is a description of three basic coverages that insurers tend to include:

Part 1: Dwelling Coverage

- Sometimes referred to as Coverage A
- Provides coverage for your home up to a certain amount; the limit on your earthquake insurance is the same as the limit on your homeowner's insurance
- Dwelling coverage covers repairs to your home and other attached structures
- Note that EQ insurance for renters and condo owners does not include this coverage; the landlord or condo association is responsible for insuring the building
- Covers emergency repairs to protect your home from future damage

Part 2: Personal Property Coverage

- Sometimes referred to as Coverage C
- This coverage protects furnishings and personal items
- You may need additional breakables coverage to pay for damage to fragile items such as glassware or crystal

Part 3: Additional Living Expenses (ALE) or Losses of Use

- Sometimes referred to as Coverage D
- Covers temporary and extra costs to live somewhere else while your area is evacuated or while your home is repaired
- Can cover temporary rental of a home, apartment or hotel room; restaurant meals; a temporary telephone line; moving and storage; furniture rental; and laundry
- Bound to a reasonable time needed to repair the home or for you to move to another permanent home

If you have any questions or would like more insight, our experienced team is available to help guide you through the details.



How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving program.



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