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CEA Unveils Lower Rates, More Policy Options and Bigger Discounts For Earthquake Insurance

Earthquake insurance in California is about to become more flexible and more affordable, with changes that go into effect on January 1, 2016, for policies provided by the California Earthquake Authority (CEA). CEA is a not-for-profit earthquake insurance provider and writes 75 percent of the residential earthquake-insurance policies in California.

“Many Californians have mixed feelings about earthquake insurance – scientists tell them there’s earthquake risk, but they are concerned that coverage may be too expensive or come with a deductible that’s too high,” said Glenn Pomeroy, CEA CEO. “Now is the time to take another look, because with lower rates and more options, Californians can choose a policy to meet their needs and budget – it is no longer a ‘one size fits all’ proposition.” said Pomeroy.

Most CEA policyholders will receive lower rates in 2016 – compliments of CEA’s **10 percent statewide-average-rate reduction**. Other enhancements include:

- **New deductible options** – ranging from 5 to 25 percent
- **Doubled Personal Property coverage** available - up to \$200,000
- **Quadrupled Loss of Use coverage (additional living expenses)** - up to \$100,000
- **Increased mitigation discount for eligible homeowners** – up to 20 percent of premium

See comparison chart on the following page to learn more about CEA insurance options.

CEA also unveiled a **new online premium calculator**, accessible on any smart phone, tablet or desktop, and available at www.EarthquakeAuthority.com.

“Consumers now can click on our premium calculator, look at the options, and find the earthquake insurance policy that makes sense for them,” Pomeroy said.

According to the U.S. Geological Survey, the likelihood of a 6.7M or larger earthquake in California (the same magnitude as the damaging 1994 Northridge earthquake) is a virtual certainty (over 99 percent) in the next 30 years, which is the duration of a typical home mortgage. Still, fewer than 10% of California homes are covered by earthquake insurance.

“As the CEA enters its 20th year, we are rolling out brand-new opportunities to Californians who wish to protect themselves financially for the next earthquake,” Pomeroy said. “We encourage consumers to contact their CEA participating insurance companies or visit www.EarthquakeAuthority.com for the full story.”



California Earthquake Authority Insurance Options

	State-Law Mandate "Mini-Policy"	CEA 2015	CEA 2016
Personal Property Coverage	\$5k	Up to \$100k	Up to \$200k
Deductible	15%	10%, 15%	5%, 10%, 15%, 20%, 25%
Loss of Use Coverage (additional living expenses)	\$1,500	Up to \$25,000	Up to \$100,000
Mitigation Discount	0%	5%	5%, 10%, 20%
Other new CEA options available in 2016: <ul style="list-style-type: none"> • Coverage for breakable items (dishes and ceramics) • Coverage for masonry veneer 			

About the California Earthquake Authority (CEA)

CEA is a publicly managed, privately funded, not-for-profit organization that provides residential earthquake insurance and works to encourage all Californians to take steps to reduce their risk of earthquake loss. Formed in the wake of the 1994 Northridge Earthquake, the CEA began operations in December 1996.

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