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CEA policyholders file claims, receive payments for damage from La Habra earthquake
But recent earthquakes show that Californians are uncertain about their insurance coverage

(SACRAMENTO) The California Earthquake Authority (CEA) has paid numerous claims for damage to homes that sustained relatively minor damage from the March 28 magnitude-5.1 La Habra earthquake. To date, most CEA claim payments from the La Habra shake are to help cover costs for emergency repairs—a new feature in CEA homeowners policies that does not require meeting a deductible to receive payment.

"On the 30-day anniversary of the La Habra earthquake, we are again reminded that we live and work in earthquake country," said Insurance Commissioner Dave Jones. "California is crisscrossed by a complex fault system. Residents should learn about the risk in their area and what steps they should take to mitigate and prepare for the inevitability of the next major quake."

Home insurance companies that offer CEA policies have responded to hundreds of calls from California residents who ask if they have coverage for earthquake damage.

"Home insurance policies do not cover earthquake damage," said CEA CEO Glenn Pomeroy. "Without a separate earthquake-insurance policy, California residents with earthquake damage will be responsible for costs to repair or rebuild their homes, and to replace their personal property."

Many claims filed after the La Habra quake have been denied because many of those residents did not have separate earthquake-insurance policies. Other claims have been denied because their damage did not exceed their coverage deductibles.

CEA's policies are designed to help homeowners and renters recover from damaging earthquakes. Deductibles of 10 or 15 percent are necessary to help reduce premiums. Though some believe earthquake-insurance premiums for older homes in high-risk areas are costly, CEA has lowered rates over time by a total of 45 percent and offers earthquake coverage for all Californians who insure their home with a CEA participating insurer, regardless of where they live.

California has two-thirds of the nation's earthquake risk, yet fewer than 11 percent of California residents have protected their household finances with earthquake insurance.

To learn more about CEA renters and homeowners policies (including mobilehomes and condominium units), and to get a premium estimate, go to CaliforniaRocks.com.

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Media Notes:

- [CEA March 29, 2014 press release](#)
- [7 Steps to earthquake safety](#)
- [CDI March 29, 2014 press release](#)
- [Inventory tips for homeowners and renters](#)

About the CEA:

The CEA is a publicly managed, privately funded, not-for-profit organization that provides residential earthquake insurance and encourages Californians to reduce their risk of earthquake loss. People choosing CEA insurance get the Strength to Rebuild[®] after California's next damaging earthquake.

About the CDI:

The California Department of Insurance, established in 1868, is the largest consumer protection agency in California, regulating the \$123 billion insurance marketplace. In 2012 the California Department of Insurance received more than 160,000 calls from consumers and helped recover over \$64 million in claims and premiums. Please visit the Department of Insurance web site at www.insurance.ca.gov. Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP or 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.