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Contact: Joe Orlando, (916) 661-5508
jorlando@calquake.com
Sarah Sol, (916) 661-5502
ssol@calquake.com

Northridge earthquake anniversary prompts reminders for California residents
Costs to rebuild damaged houses are soaring—so is the value of earthquake insurance

(SACRAMENTO) Today marks the 23rd anniversary of the 1994 Northridge earthquake—the magnitude-6.7 shake that caused widespread damage to freeways, office buildings and homes.

The cost to rebuild or repair homes has increased by about 170 percent over the past two decades, and authorities estimate that if the Northridge quake occurred today residential damage in the area could be as high as \$79 billion*.

“As we commemorate the devastation from 23 years ago, we also need to listen to what is forecast for the future,” California Earthquake Authority (CEA) CEO Glenn Pomeroy said. “The U.S. Geological Survey says there is a 93 percent chance of a magnitude-7.0 earthquake occurring in California in the next 30 years—a massive quake that would be three times as strong as the Northridge catastrophe.

“With major earthquakes occurring across the globe, there is a growing sense that our time is coming,” Pomeroy said. “Fortunately, a growing number of Californians are becoming financially prepared for the next big earthquake by taking out an earthquake insurance policy.”

In 2016, CEA began offering more coverage choices and deductible options, and larger discounts for retrofitting older houses. Since it was established in 1996, CEA has lowered its rates by more than 55 percent. CEA grew by over 50,000 policyholders last year, a growth rate seven times higher than average over the previous 10 years.

“More Californians are becoming aware of the earthquake risk we all face and are taking steps to become financially prepared,” Pomeroy said.

Homeowners insurance does not cover damage caused by earthquake shaking. Without a separate earthquake insurance policy, Californians bear the cost to repair or replace alone.

“The anniversary of the Northridge earthquake should remind us all that devastating earthquakes have happened in our beautiful state, and they will happen again,” Pomeroy said. “We don’t need to live in fear of the next big earthquake, or the expensive damage it will cause, but we do need to be prepared.”

About CEA

The California Earthquake Authority (CEA) is a not-for-profit, privately funded, publicly managed organization that provides residential earthquake insurance and encourages Californians to reduce their risk of earthquake loss. Learn more at www.EarthquakeAuthority.com.

* This press release was updated to correct a typo: \$79 million was changed to \$79 billion.