



For Immediate Release
April 15, 2016

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**CEA is financially strong—would pay all covered claims if
San Francisco 1906 Earthquake reoccurred today**
April 18 marks the 110-year anniversary of the historic earthquake

(SACRAMENTO) If the magnitude-7.9 [San Francisco 1906 Earthquake](#) reoccurred today—with strong shaking felt by more than 2 million single-family households from Eureka to Salinas—the California Earthquake Authority (CEA) estimates it would pay about \$7 billion* in covered residential claims for resulting structure damage alone.

[Independent modeling](#) estimates \$175 billion* in total residential damage of all types from a 1906-quake reoccurrence, \$15 billion* of it covered by insurance. But since only 10 percent of Bay Area residents with home insurance have bought a separate policy to cover their earthquake damage, that 1906-event reoccurrence would leave an uninsured gap of some \$160 billion*.

“CEA has more than enough financial strength to pay all our policyholders’ covered claims—whether they own or rent—if the 1906 San Francisco Earthquake reoccurred today,” said CEA CEO Glenn Pomeroy. “Immediately after the shaking stops, we will focus exclusively on helping our CEA policyholders recover.”

According to [When the Big One Strikes Again – Estimated Losses Due to a Repeat of the 1906 San Francisco Earthquake](#), 160,000 to 250,000 households would be displaced from their damaged residences.

CEA estimates the average cost to rebuild a house in the 19-county area that would be shaken by a repeat of the San Francisco 1906 Earthquake at about \$520,000. In the nine-county Bay Area, it’s higher—about \$555,000. For the remaining 10 counties, it’s about \$405,000.

Structural engineers anticipate that older houses would be harder hit by the shaking. CEA expects about half of its policyholders with pre-1940 houses would experience damage exceeding 15 percent of the cost of a total rebuild.

“Without earthquake insurance, Californians with earthquake damage will pay to rebuild—and eat and live elsewhere until repairs are completed—all on their own,” Pomeroy said. “We’re working to reduce the uninsured recovery gap with more coverage options and more affordable rates. And we now offer financial incentives and bigger premium discounts to eligible policyholders who retrofit their older houses, so they’re safer when the ground shakes.”

About the CEA

The 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. People choosing CEA insurance get the Strength to Rebuild® after damaging earthquakes.

**Adjusted for present values*

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