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California Earthquake Authority Sees Surge in New Policies Purchased
Policy Gain So Far This Year Is Nearly Double the Gain in All of 2015

(SACRAMENTO) The California Earthquake Authority (CEA), the not-for-profit provider of more than 76 percent of California’s residential earthquake insurance policies, has seen a significant increase in the purchase of CEA policies so far in 2016.

CEA now has more than 908,000 policies in force, an increase of about 29,000 policies in the first eight months of this year, which is nearly twice the amount of new CEA policies purchased in all of 2015.

This year, CEA lowered its rates for a fourth time and dramatically expanded its coverage and deductible choices, which helps Californians choose a policy that meets their needs and budgets and can help them recover from expensive earthquake damage.

“CEA is on a mission to help more Californians insure their homes before the next damaging earthquake strikes,” said CEA CEO Glenn Pomeroy. “This year we are seeing a huge leap forward in policy sales, as we rolled out great new options to financially protect a home through earthquake insurance—so important in our state, with such a high earthquake risk.”

The increased policy count includes sales of all CEA products, which, starting in 2016, include new coverage options as well as new coverage limits and deductibles. CEA now offers deductibles of 5, 10, 15, 20 and 25 percent—deductibles that are never paid out of pocket but instead are deducted from a policyholder’s claim check for covered damage. CEA also increased the amount of coverage available for personal property and loss of use.

CEA’s new [online premium calculator](#) makes it easy for users to see the available policy options and choose the coverages that work best for them.

Also in 2016, CEA increased its “hazard-reduction discount” for policyholders who retrofit their houses according to current building codes. A code-compliant seismic retrofit can reduce the potential for earthquake damage to an older house, so eligible policyholders with such retrofits can receive as much as 20 percent off their CEA earthquake insurance premium.

Scientists say there’s a 99-percent chance of a magnitude-6.7 or greater earthquake in California in the next 30 years, the life of a typical mortgage. And most Californians live within 30 miles of

an active fault. Without earthquake insurance, Californians whose homes or possessions are damaged by an earthquake must bear any rebuilding or replacement costs alone.

“We’re fortunate in California that large earthquakes have not hit populated areas often—but when they do hit, they can produce catastrophic damage. And we know it’s not a matter of if, but when the next damaging earthquake will strike,” Pomeroy said. “That’s why we’re working so hard to make sure Californians know that CEA insurance can really help them reduce their financial risk from earthquake damage.”

About CEA

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 EarthquakeAuthority.com.

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