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Contact: D'Anne Ousley
(916) 769-5766
ousleyd@CalQuake.com

What CEA Has to Say About New Earthquake Research Results

Today, the U.S. Geological Survey (USGS) released a new long-term earthquake forecast for California called "UCERF3."

The California Earthquake Authority (CEA), a not-for-profit provider of earthquake insurance for California residential property—and a significant financial supporter of this research—will use these results to evaluate insurance-coverage options it offers and the rates it charges its policyholders.

"Delivering coverage options and rates that accurately account for the risk of earthquake damage is the most important responsibility that CEA manages for its policyholders," said CEA CEO Glenn Pomeroy. "This research result also creates another opportunity for California residents to learn more about the risk for earthquake damage to their homes."

This research, for example, notes that the inventory of faults has grown over the years and that Californians are not just dealing with a few well-separated faults, but with a vast, interconnected fault system.

The research also reports that scientists now can consider more than 250,000 different fault-based earthquakes in assessing risk, whereas previous research and models considered far fewer.

And the research affirms that the likelihood for magnitude 6.7 and larger earthquakes somewhere in California remains near certainty (at 99 percent) in the next 30 years, the duration of a typical mortgage.

Finally, the research reports the likelihood for an earthquake of magnitude 8 or greater in the next 30 years in the entire California region has increased 50 percent over previous (UCERF2) estimates.

By law, CEA rate determinations use the best available science. Next steps include earthquake loss modelers' incorporating these research results into their models and refining previous estimates for potential damage, as necessary.

CEA then will use these new research results to refine its coverage options and rates, as well as the financing needed to ensure its future policyholder coverage needs and claims can be covered.

The report can be found at <http://www.wgcep.org/UCERF3>.

More information on CEA earthquake insurance coverage options and premiums can be found at CaliforniaRocks.com or EarthquakeAuthority.com.

About the CEA

The CEA is a publicly managed, privately funded, not-for-profit organization that provides catastrophe residential earthquake insurance and works to help encourage all Californians to take steps to reduce the risk of earthquake loss.

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