Earthquake Insurance

Overview

Californians shopping for earthquake insurance are faced with high rates for limited coverage. In December 1996, the California Earthquake Authority (CEA) took over 70% of California's earthquake insurance market. CEA policies offer a 10% or 15% deductible, cover from $5,000 to $100,000 of a home's contents and provide $1,500 to $25,000 maximum living expenses in the event a house becomes uninhabitable. Premiums range from $180 to $1,580 per year for $200,000 of coverage. A house's yearly premium depends on its age, construction and location.

Insurance Providers

A few companies still sell more comprehensive policies through brokers. For example, GeoVera offers policies with a 10% deductible and a maximum combined limit on coverage up to $1,000,000. The coverage applies to 100% of the dwelling, other structures, contents, additional living expenses or loss of use up to one year. Specific limits of liability exist on over sixteen categories of real and personal property ranging from swimming pools to musical instruments. GeoVera's policy also provides additional funds to cover debris removal, building code upgrade, demolition and engineering costs. GeoVera's premiums average $450 per $200,000 of coverage.

The market is changing rapidly. We suggest homeowners check with a number of resources before choosing a carrier. Whichever policy homeowners choose, they should not rely on their earthquake insurance to cover personal property losses.

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1 Deductibles are not uniformly calculated. When comparing deductibles, calculate actual dollar amount homeowner must pay.
## COMPARISON OF PROVISIONS FOR HOMEOWNERS EARTHQUAKE POLICIES

<table>
<thead>
<tr>
<th></th>
<th>CEA</th>
<th>GeoVera</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Total Coverage</td>
<td>no limit</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Deductible</td>
<td>10% to 15%</td>
<td>10% Standard Policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15% Comprehensive Policy</td>
</tr>
<tr>
<td>Contents Coverage</td>
<td>$5,000 to $100,000</td>
<td>included in total coverage</td>
</tr>
<tr>
<td>Living Expenses</td>
<td>$1,500 to $25,000</td>
<td>included in total coverage</td>
</tr>
<tr>
<td>Premium Range</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Average Premium per $200,000 of Coverage</td>
<td>$180 - $1,580</td>
<td>$450</td>
</tr>
</tbody>
</table>

The California Earthquake Authority can be contacted at:

801 K. Street  
Suite 1000  
Sacramento, CA 95814  
Phone: (916) 325-3800  
Fax: (916) 327-8270

The following insurance providers have recently written earthquake policies for Stanford employees.

- **Allied Brokers**  
  630 Cowper Street  
  Palo Alto, CA 94301  
  Phone: (650) 328-1000  
  Fax: (650) 324-1142  
  Broker: Chris Grammer or Steve Fox

- **HUB International Insurance Services**  
  P.O. Box 39  
  Mountain View, CA 94042  
  Phone: (650) 237-3040  
  Fax: (650) 560-6390  
  Broker: Valerie Buteaux

- **GeoVera**  
  P.O. Box 2409  
  Fairfield, CA 94533-0240  
  Phone: 1-800-324-6020  
  Fax: (707) 863-9350