Anne Rosinski
Earthquake Program Manager,
Region IX
FEMA
Earthquake Insurance in FEMA Region IX

**California** - available through CA Earthquake Authority (CEA) [https://www.earthquakeauthority.com/](https://www.earthquakeauthority.com/)

- January 17, 1994 M6.7 Northridge earthquake in downtown Los Angeles on previously unknown fault
- ~$20 BN in residential damages alone with only half covered by insurance
- By January 1995, out of fear they wouldn’t have enough money to pay damage claims if another Northridge-like quake happened, companies representing 93% of CA homeowners insurance market either restricted or stopped writing homeowner’s policies altogether
- 1996 CA legislature created the CEA – a not-for-profit, publicly managed, privately funded
  - Residential property insurers could offer their own insurance or become a CEA participating insurance company
  - Earthquake Strong and Ready – includes such efforts as Brace+Bolt program

**Arizona, Hawaii, Nevada, Guam, CNMI** - Earthquake insurance is considered an optional coverage

**Parametric Insurance** - Newest product on the market

- In Region IX, currently only offered in CA – homes and businesses, renters as well as homeowners
Complex Plate Tectonics = Hard To Quantify And Categorize Hazard and Risk

Continental U.S. (CONUS)

- Strike-slip (horizontal slip) San Andreas from Baja up to Cape Mendocino
- Extension (vertical up/down slip) where N AM plate over riding Pacific plate into Nevada Basin and Range
- Subduction (compression, uplift) and volcanic earthquakes North of Cape Mendocino
Complex Plate Tectonics = Hard To Quantify And Categorize Hazard and Risk

Outside Continental U. S. (OCONUS) Pacific Ring of Fire

- Hawaii - Hotspot volcanic activity, crustal loading, and subsidence
- Guam and American Samoa - subduction along western Pacific rim
Why is Earthquake Insurance different in CA v. other states?

• Since 1933 when the M6.3 Long Beach earthquake destroyed 230 brick school buildings, CA has led the way passing legislation to help state residents understand earthquake hazards

• CA adopts and enforces strict building code requirements
Why is Earthquake Insurance different in CA v. other states?

California Seismic Hazards Zone Act:
- Surface fault rupture
- Liquefaction
- Earthquake-induced landslide
- Tsunami inundation

- Seismic Hazard Zones identify locations of earthquake hazards
- Not all active earthquake faults can be zoned e.g. blind thrust faults
- Not all areas of the state have been evaluated for all earthquake hazards
- Zones do not prohibit development but new construction and improvements over 50% inside of zone must perform site investigation
- The Act also requires disclosure by real estate sellers and agents at the time of sale if a property is within one of the designated seismic hazard zones.

Ambulance crushed by collapse of the Olive View Medical Center in Sylmar during the 1971 M6.5 San Fernando earthquake
What About the Problem of Smaller Earthquakes e.g. ≤M6.0?

2014 M6.0 SOUTH NAPA, CA

- **Earthquake date:** August 24, 2014
- **Presidential disaster declaration date:** September 11, 2014
- **Total individual & households Program Dollars Approved:** $11,388,127
- **Individual Assistance Applications Approved:** 4,265

2020 M5.7 MAGNA, UTAH

- **Earthquake date:** March 18, 2020
- **Presidential disaster declaration date:** July 9, 2020
- **To date more than 1,180 Utah residents registered for federal assistance; >520 virtual inspections of homes damaged**
FEMA Region IX Earthquake Insurance and Financial Resilience Tool Kit

- Collaboration with CEA, Jumpstart, United Policy Holders, FEMA Region IX, CERC support
- Phased project
- First deliverable: 1-page information sheet with instructions to ACT NOW
- Future actions may include interactive web site, mobile app, other
Ready or not, earthquakes happen!

Guess who has earthquake insurance in this picture?

HINT: Earthquake insurance and financial resilience let you Drop.Cover.Hold On, and enjoy the ride😊
QUESTIONS?

Anne.Rosinski@FEMA.DHS.gov