

MISSOURI EARTHQUAKE INSURANCE SHOPPING GUIDE



DCI

Missouri Department of Commerce & Insurance

WHY CONSIDER EARTHQUAKE INSURANCE

- 1.** Earthquakes can cause a great deal of damage that won't be covered under your homeowners, renters or condominium insurance policy. These policies don't cover damage due to natural disasters such as earthquake, flood and landslide.
- 2.** Your home is insured for earthquake damage ONLY if you've added an endorsement to your policy or bought a separate earthquake policy. A homeowners policy and earthquake coverage don't overlap, but work together to give your home more insurance protection.
- 3.** Think about how you would manage the costs to recover from an earthquake. Without insurance, how would you pay to repair or rebuild your home?
- 4.** How would you pay the costs to live somewhere else while your home is being repaired or rebuilt?
- 5.** How much would you owe a lender, who will expect you to repay the mortgage or home equity loan even if your home is destroyed?
- 6.** How much would you lose if your home were damaged or destroyed by an earthquake and you couldn't afford to repair it?
- 7.** How likely is it that your home will be damaged in a quake? Brick homes, wood frame homes with crawl spaces, and multi-story homes are more likely to be damaged in an earthquake.

WHAT EARTHQUAKE INSURANCE COVERS

Earthquake insurance covers repairs needed because of earthquake damage to your dwelling and may cover other structures not attached to your house, like a garage. It insures your personal property against damage from an earthquake. It may cover increased costs to meet current building codes and costs to stabilize the land under your home. Earthquake insurance covers the cost to remove debris. It also pays for extra living expenses you may have while your home is being rebuilt or repaired.

While insurance for earthquake damage isn't part of your homeowners insurance, you may be able to add it by buying an endorsement (a written change to your coverage) and paying an extra premium. Or, you may buy a separate earthquake insurance policy. Either way, it's likely there will be important differences between your earthquake insurance and your homeowners insurance policy. Ask your insurance agent to explain those differences.

WHAT ISN'T COVERED (EXCLUSIONS)

What your earthquake insurance doesn't cover (the exclusions) varies by insurance company. Review your earthquake coverage and declarations page to learn what the exclusions are.

Some of the most common exclusions in earthquake insurance are:

- **Fire.** Earthquake insurance usually won't cover anything your homeowners insurance policy already covers. It won't, for instance, cover fire damage to your home—even if the fire started because an earthquake ruptured a gas line. Your homeowners policy would cover losses from a fire.
- **Land.** Typically, earthquake insurance doesn't cover damage to your land, such as sinkholes from erosion or other hidden openings under your land. Earthquake insurance wouldn't pay to fill in large cracks or holes that appear in the middle of your yard after an earthquake. If your insurance includes Engineering Costs coverage, it will pay at least part of the cost to stabilize the land that supports your home.
- **Vehicles.** Earthquake insurance doesn't cover damage to your vehicles, even if an earthquake damaged cars in your garage. Your automobile insurance policy may cover that damage.
- **Pre-Existing Damage.** Earthquake insurance won't cover damage to your home that was there before the earthquake.
- **External Water Damage.** Earthquake insurance doesn't cover water damage from external sources—such as from sewer or drain backup or flood. For example, if you live near a lake that floods your home after an earthquake, earthquake insurance won't pay to repair the damage. A flood insurance policy will cover your property for that damage.
- **Masonry (Brick) Veneer.** Some earthquake insurance doesn't cover masonry veneer—the brick, rock or stone that covers your home's outside instead of stucco or siding. If masonry veneer isn't covered, the insurer usually deducts its value from the total cost of your loss before applying the deductible. That means the cost to repair a home damaged in an earthquake would be based on using siding materials that cost less than masonry veneer. If you have any masonry veneer on your home, ask your insurance agent if it would be covered.

HOW MUCH COVERAGE DO I NEED?

How much coverage is right for you will depend on your situation. Insurance policies have “limits of coverage” that tell you the largest dollar amount covered for different types of losses. A policy may even have sub-limits. For example, a policy could have a \$50,000 limit for personal property and a \$5,000 sublimit for computers. That sublimit would mean that the insurer would pay no more than \$5,000 to repair or replace your computers.

Insuring your home for its appraisal or loan value likely means you'll only have enough coverage to repay your lender. It may not be enough to repair or rebuild your home, especially if it's a total loss. Usually the dwelling coverage limit will be the same on your homeowners insurance policy and your earthquake insurance. If you don't have enough homeowners insurance coverage, you probably won't have enough earthquake insurance either. You should review your dwelling coverage from time to time to be sure it doesn't drop below the cost to replace your home. If it drops below 80% of the full replacement cost of your home, your insurance company may reduce the amount that it will pay on a claim.

THE FOLLOWING ARE QUESTIONS THAT MAY HELP YOU DECIDE HOW MUCH COVERAGE YOU NEED:



For dwelling coverage to repair or rebuild your house:

- How much would it cost to repair or rebuild your home? How much of that cost could you personally pay?

For contents coverage:

- How much would it cost to replace your household items (such as furniture, appliances, electronics and clothing)? Could you afford it? Ask what you need to do to be sure the insurance will cover all of your personal property, especially valuable or breakable items such as artwork or porcelain.

For additional living expense coverage:

- How much would it cost to find a temporary place to live because you couldn't live in your home after an earthquake? You could be out of your house for many months if there's major damage to your home. This coverage pays the extra costs you have to pay because you aren't able to live in your home. For example, it would pay rent for temporary housing while you continue to pay your home mortgage. This coverage does not pay your regular costs of living—for example, your groceries or your car payment.

UNDERSTANDING EARTHQUAKE DEDUCTIBLES

A deductible is the amount you (the homeowner) are responsible for on each claim. The insurer is responsible for the amount greater than the deductible, up to the coverage limit.

The deductible for earthquake insurance usually is 10%–20% of the coverage limit. Depending on the policy, there may be separate deductibles for the dwelling, outside structures (such as outbuildings, detached garages and yard fences), and personal contents. This is different from a homeowners policy where there usually is only one flat amount deductible, like \$500 or \$1,000. You may not be responsible for a deductible for additional living expenses coverage.

As coverage and terms of insurance can vary from company to company, ask your agent how the deductibles will be calculated under your policy.

Assume that an earthquake totally destroys your home and you have earthquake insurance that covers all the damage. The following table explains how one type of earthquake deductible may work.

One Example of an Earthquake Deductible

Some policies may pay up to the total of one or more of the coverage limits if the damage is more than the coverage limits. The following table gives an example of how the deductible may work in that type of arrangement. Always check with your agent for an explanation of how the deductible may work for your earthquake coverage.

	Dwelling	Outside Structures	Personal Contents	Total Amount
Coverage Limits	\$100,000	\$10,000	\$50,000	\$160,000
Deductible	20%	20%	20%	
Your Property Damage	\$110,000	\$8,500	\$62,000	180,500
Deductible Amount (Your Responsibility)	[\$20,000] (\$100,000 x 20%)	[\$2,000] (\$10,000 x 20%)	[\$10,000] (\$50,000 x 20%)	\$32,000
Total Amount Insurer May Pay <i>The greater of: (covered loss - deductible) or policy limits</i>	\$90,000	\$6,500	\$50,000	\$146,500

In the table, the deductible is 20% for each type of coverage. You would be responsible for the deductible for the dwelling, or \$20,000 in this case. You also would be responsible for the \$2,000 deductible on outside structures and the \$10,000 deductible on personal property.

The earthquake damage to the dwelling and personal property is more than the coverage limit for both of these types of property. For example, there is \$110,000 in damages to the dwelling versus a \$100,000 coverage limit. But the damage to outside structures is less (\$8,500) than the \$10,000 coverage limit.

Total reimbursement to you would be based on the difference between your property damage and the deductible, up to the coverage limit. In this example, the insurer would pay \$90,000 (\$110,000 – \$20,000) for the dwelling and \$6,500 (\$8,500 – \$2,000) for outside structures. In each of these, the net loss was less than the coverage limit.

The insurer's payment for personal property would be calculated the same way—property damage (\$62,000) minus deductible (\$10,000). Your net loss would be \$52,000. But your policy limit is \$50,000 for personal contents, so the total amount you would be paid for your personal property loss would be capped at the coverage limit, or \$50,000.

In this example, your total loss is \$180,500. You would be responsible for \$32,000 in deductibles plus \$2,000 in unreimbursed or non-covered damage to your personal property. The insurer's total payment for this claim would be \$146,500.

SHOPPING FOR EARTHQUAKE INSURANCE

If you already have homeowners insurance, you can begin your search for earthquake insurance by contacting your current agent or company. You may be able to buy earthquake insurance as an endorsement (a written change to your coverage) to an existing homeowners policy. If earthquake coverage isn't available as an endorsement to your homeowners policy, your insurer may connect you with another company to buy a stand-alone policy.

EARTHQUAKE INSURANCE COVERAGE

INSURERS NOT OFFERING EARTHQUAKE INSURANCE ANYWHERE IN MISSOURI

Allstate Indemnity Company
 Allstate Insurance Company
 Allstate Property & Casualty Insurance Company
 Allstate Vehicle And Property Insurance Company
 American Bankers Insurance Company Of Florida
 American Modern Home Insurance Company
 American Modern Select Insurance Company
 American Security Insurance Company
 Cameron Mutual Insurance Company
 Encompass Indemnity Company

Esurance Insurance Company
 Farm Bureau Town & Country Insurance Co of MO
 Kemper Independence Insurance Company
 New Horizons Insurance Company Of Missouri
 Old Reliable Casualty Company
 Qbe Insurance Corporation
 Standard Guaranty Insurance Company
 Unitrin Preferred Insurance Company
 Unitrin Safeguard Insurance Company

INSURERS OFFERING RENEWAL-ONLY EARTHQUAKE INSURANCE IN MISSOURI

AMCO Insurance Company
 American Family Mutual Insurance Company S.I.
 American National General Insurance Co
 American National Property & Casualty Co
 Bankers Standard Insurance Company
 Hartford Accident & Indemnity Co
 Hartford Casualty Insurance Co
 Hartford Underwriters Insurance Company

Homesite Indemnity Company
 Liberty Mutual Fire Insurance Corporation
 Nationwide Affinity Insurance Company of America
 Nationwide Insurance Company of America
 Property & Casualty Insurance Company of Hartford
 Sentinel Insurance Company Ltd
 State Auto Property & Casualty Insurance Company

ONLY INSURER OFFERING STAND ALONE COVERAGE IN MISSOURI

Palomar Specialty Insurance Company

An individual can purchase homeowners insurance from another company and still get earthquake coverage from Palomar.

INSURERS OFFERING EARTHQUAKE INSURANCE IN MISSOURI

Legend: New earthquake policies available for the following:

Construction types: **X** No coverage ● Frame dwellings
 ● Masonry veneer ● Solid masonry ● Renewals only

Note: Even though a company issues new coverage for a specific construction type, that company may still have significant underwriting restrictions applicable to a given risk. For example, a company might refuse to issue coverage for multi-story masonry homes, older homes, homes with unusual architectural features, homes built on a hillside or cliff, etc. Please check with the company or agent for details about your particular situation.

	Southeast Mo	St. Louis	Kansas City	Springfield	Columbia
Acuity, A Mutual Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
AIG Property Casualty Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
American Family Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Amica Mutual Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Armed Forces Insurance Exchange	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Auto Club Family Insurance Company	X	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Auto-Owners Insurance Company	○ ○ ○ ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
California Casualty General Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Chubb National Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
COUNTRY Mutual Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Crestbrook Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Economy Premier Assurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
Electric Insurance Company	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●

Continued on next page >

EARTHQUAKE INSURANCE COVERAGE

INSURERS OFFERING EARTHQUAKE INSURANCE IN MISSOURI CONTINUED

Legend: New earthquake policies available for the following:

Construction types: **X** No coverage ● Frame dwellings ● Masonry veneer ● Solid masonry ● Renewals only

	Southeast Mo	St. Louis	Kansas City	Springfield	Columbia
Farmers Insurance Exchange	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Federal Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Foremost Insurance Company Grand Rapids	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Garrison Property And Casualty Insurance Comp	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Great Northern Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Grinnell Mutual Reinsurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Hartford Fire Insurance Company	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Hartford Insurance Company of Midwest	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Homesite Insurance Company of the Midwest	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Horace Mann Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
IDS Property Casualty Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Liberty Insurance Corporation	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Liberty Mutual Insurance Corporation	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Metropolitan Group P&C Ins Co	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Metropolitan P&C Ins Co	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
MutualAid eXchange	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Nationwide Mutual Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Pacific Indemnity Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Palomar Specialty Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Pharmacists Mutual Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Safeco Insurance Company of America	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
SECURA Insurance A Mutual Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
SECURA Supreme Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Shelter Mutual Insurance Company	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
State Farm Fire and Casualty	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Stillwater Insurance Company	○ ○ ○ ●	○ ○ ○ ●	● ● ● ○	● ● ● ○	● ● ● ○
Teachers Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
The Cincinnati Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Trumbull Insurance Company	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Twin City Fire Insurance Company	X	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
United Fire & Casualty Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
United Services Automobile Association	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Unitrin Direct Property & Casualty Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
USAA Casualty Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
USAA General Indemnity Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Vigilant Insurance Company	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○

INSURANCE
**CONSUMER
HOTLINE**

800-726-7390

For questions about your
insurance policy or to file a complaint
against an insurance company or agent:

insurance.mo.gov
800-726-7390



DCI

Missouri Department of Commerce & Insurance