



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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Consumer alert: **Earthquake insurance coverage an option to homeowners policies**

TOPEKA, Kan. — Earthquakes to the left of us. Earthquakes to the right. Is it time for Kansans to consider adding earthquake coverage to their insurance policies?

“Recent earthquakes in Colorado, Oklahoma and the east coast of the United States have made Kansans more aware of the possible need to purchase earthquake insurance,” said Sandy Praeger, Commissioner of Insurance. “And although most of us have heard of the New Madrid fault in Missouri, many don’t know that Kansas has a fault zone running through it too.”

According to the Kansas Geological Survey, the Nemaha Ridge is a buried granite mountain range that extends from Omaha to Oklahoma City. The Humboldt Fault Zone is the eastern boundary of the ridge, passing near Wamego, east of Manhattan to El Dorado. West of the ridge is the Midcontinent rift, which runs from near Salina to the Great Lakes region and is a zone where the continental crust broke apart and drifted about 50 miles during the earth’s early days.

“Earthquake coverage is not a part of a regular homeowners, renters or condominium insurance policy,” Commissioner Praeger said. “If your company offers it, coverage can be added by including an endorsement to your policy or by purchasing a separate earthquake policy. In either case, you will pay an extra premium.”

Commissioner Praeger offers the following considerations as you ponder whether earthquake coverage is right for you:

- Coverage can protect your dwelling, other structures like a garage and your personal property. It may cover increased costs to meeting current building codes and costs to stabilize the land under your dwelling.
- Coverage doesn’t include damage to your vehicles. That may be covered under your current automobile policy. Check with your local insurance agent or company to verify the vehicle coverage.

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- Insuring a dwelling for its appraisal or loan value likely means you will only have enough coverage to repay your lender. You should review your dwelling coverage from time to time to be sure it doesn't drop below the cost to replace your home.
- Questions to ask yourself: How much would it cost to repair or rebuild your home? How much would it cost to replace your household items? How much would it cost to find a temporary place to live because you couldn't live in your home after an earthquake?
- The deductible for earthquake insurance usually is 10-20 percent of the *coverage limit*. This is different from a homeowners policy, which is usually only one flat amount deductible, like \$500 or \$1,000.
- The time to buy the coverage is before an earthquake. Most insurers won't sell any new earthquake insurance for 30 to 60 days after a recent earthquake.
- As with any household coverage, make a household inventory. Go through each room to write down and video everything in the room. Store the inventory in a secure place at another location, such as a safe deposit box. (For a download of a Personal Home Inventory, go to www.ksinsurance.org and click on "Publications.")
- Put your agent's or company's toll-free number into your cell phone directory.

"With other states in the region experiencing earthquake activity, Kansans should be aware of their options in purchasing insurance coverage that protects their property," Commissioner Praeger said. "Your best source for determining your need and coverage levels is your local insurance agent or agency."

For additional assistance, contact the Kansas Insurance Department's Consumer Assistance Hotline at 800-432-2484.

The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at www.ksinsurance.org.