

Understanding California Earthquake Insurance Can Help You Avoid Denial of Insurance Claims

By: Callahan & Blaine

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As most Orange County, California homeowners already know, [California earthquake insurance](#) is sold separately from regular homeowners' or renters' insurance policies. That's because, in California, earthquake insurance is overseen by the California Earthquake Authority (CEA) – a privately funded government agency that is actually the largest provider of earthquake insurance in the world.

The California legislature created the CEA after the devastating Northridge earthquake. While the policies are separate from regular insurance policies, they are sold through participating home insurers. If you hold one of these policies, it's important to understand how it works so that you can be sure you get the coverage you deserve if your home is damaged by an earthquake.

Homes (including mobile homes)

- If there is structural damage to your home (this excludes detached garages, swimming pools and fences) you will have to pay a 15% deductible unless you pay a higher premium that gives you a 10% deductible
- Damaged home goods are covered up to \$5,000 unless you pay more for \$100,000 worth of coverage
- CEA covers \$1,500 for loss of use of your home, which can be increased to as much as \$15,000
- Costs for earthquake insurance run about \$1.10 – \$5.25 per \$1,000 of coverage, depending on where you live and certain details about your home

Condos

- CEA coverage will pay up to \$25,000 for damages to your condominium (but nothing for common areas)
- Coverage for damaged home goods is optional and can range from \$5,000 to \$100,000
- Loss of use coverage is also optional, and ranges from \$1,500 to \$15,000
- You can also buy coverage for assessments levied by the HOA as a result of the earthquake

Rental Coverage

- If you rent a home, condo or apartment, you can only purchase contents and loss of use coverage.

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