



## Earthquake

### Could it happen?

How often do we reflect on the impact an earthquake would have? The number of people exposed to potentially damaging earthquakes is staggering. The U.S. Geological Survey estimates that nearly half of all Americans are at some risk for damaging earthquakes.<sup>1</sup> The U.S. has about 20,000 earthquakes a year, mostly small, and 42 states are at risk of quakes.<sup>1</sup> In California, a high-risk area, only about ten percent of homeowners purchase earthquake coverage.<sup>2</sup> Why aren't people purchasing earthquake insurance?

- They don't think an earthquake would impact them.
- They mistakenly believe earthquake insurance is covered by homeowners' insurance.
- They believe there will be federal disaster assistance.

- They think the deductible is too high.
- It costs too much.

Standard homeowners, renters and condo insurance policies do not cover damage from earthquakes. Federal disaster assistance can be very helpful for temporary housing and emergency repairs, but it likely won't be enough to fully repair earthquake damages. Earthquake coverage is available in the form of an endorsement or as a separate policy. Earthquake insurance provides protection from the shaking and cracking that can destroy buildings and personal possessions. Coverage for other damage that may result from earthquakes, such as fire or water damage, is generally provided under the homeowners policy.

### Purchasing earthquake insurance

Earthquakes are a real possibility. Think about getting earthquake insurance if you don't already have it. Below is a summary of earthquake coverage you may want to look into.

Coverage	Earthquake coverage offerings
<b>Deductible</b>	Wide range of deductible options including: 5%, 10%, 15%, 20% and 25%. Applies to the total amount of loss incurred.
<b>Dwelling</b>	Extends the coverage A - dwelling to include earthquake as direct physical cause of loss.
<b>Personal property</b>	Includes coverage for a direct physical loss to property under coverage C - personal property.
<b>Loss assessment</b>	Provides protection for condo owners on claims involving the building or its common areas. Extends loss assessment coverage to include earthquakes as a cause of loss.

Choosing a higher deductible, retrofitting your home, or installing a seismic shut off valve may help lower the cost of earthquake insurance. Generally speaking, the larger the earthquake deductible, the less you will pay in premium. Retrofitting strengthens the structural integrity of a home to better withstand the various seismic forces that occur during an earthquake. Examples of retrofitting include: foundation bolting, cripple wall bracing, hold-down brackets and soft-story modifications. A seismic shut off valve will close gas lines in the event of an earthquake, helping to prevent further loss from a fire caused by a ruptured gas line.

Nationwide Private Client provides an insurance solution for earthquakes through our earthquake, protection and earthquake loss assessment endorsements in all states except California. We insure for direct physical loss to property caused by earthquakes or volcanic eruption. The coverage does not increase the limits of liability stated in the homeowners policy. Nationwide Private Client has also established a relationship with ICAT and the California Earthquake Authority (CEA) to provide alternative solutions for earthquake coverage in California and other states where needed. Earthquakes can happen — contact your agent for coverage options.

### Why it's important for you

Affluent clients' home insurance needs are typically not met by most mass market carriers. At Nationwide Private

Client, we've customized our policies with the affluent individual in mind. We pride ourselves in being a key solution before problems arise.

Nationwide Private Client offers these added benefits:

- Claims: Exceptional claims handling provided by Nationwide Private Client.
- Financial strength: Nationwide, a Fortune 100<sup>3</sup> company, is one of the largest and strongest diversified insurance and financial services organizations in the U.S. and is rated A1 by Moody's and A+ by both A.M. Best and Standard & Poor's.<sup>4</sup>
- Charitable giving: At Nationwide, we strongly believe in being good corporate citizens where we work and live. Since 2000, the Nationwide Foundation has committed more than \$355 million to charitable organizations across the U.S. Nationwide Private Client continues to demonstrate this core value through its Partners in Giving program, helping numerous lives each year.

### Why Nationwide Private Client

Nationwide Private Client is dedicated to helping protect the assets and reputations of our clients. Our highly personalized insurance products, services and concierge-style claim management are thoughtfully designed to meet the distinctive needs of affluent individuals and families. We are committed to providing you a superior experience whenever you need assistance.

<sup>1</sup>United States Geological Survey, [earthquake.usgs.gov/aboutus/](http://earthquake.usgs.gov/aboutus/)

<sup>2</sup>iii.org, [iii.org, iii.org/issue-update/earthquakes-risk-and-insurance-issues](http://iii.org/issue-update/earthquakes-risk-and-insurance-issues)

<sup>3</sup>Based on revenue, Fortune (June 2015).

<sup>4</sup>Ratings affirmed 7/21/16 by Moody's, 7/7/2016 by A.M. Best, and 4/22/2016 by Standard & Poor's.

[nationwide.com/coveragecorner](http://nationwide.com/coveragecorner)

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