



NW Insurance Council

Consumer Alert

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Nisqually earthquake's 23rd anniversary is a reminder to consider disaster preparedness and insurance coverage

What to Know

- *Standard Homeowners and Business Owners' insurance policies do not cover damage from an earthquake, or floods from a tsunami, but separate coverage is usually available.*
- *Damage to vehicles caused by an earthquake is covered if owners add optional [Comprehensive Coverage](#) to their auto policies.*
- *A complete [home inventory](#) of your possessions will help you and your insurance company get through the claims process more quickly.*

PORTLAND, OR, February 27, 2024 – Wednesday, February 28, marks the 23rd anniversary of the 6.8 magnitude Nisqually Earthquake that shook Western Washington's Puget Sound region. The anniversary serves as a powerful reminder that the time to prepare for a disaster is now – before a more damaging event occurs.

Preparation is the key to surviving a disaster, and *financial* preparation, starting with understanding your insurance needs, is the key to protecting your family's home and assets if the worst happens.

Following Washington's Nisqually Earthquake in 2001, more than 9,500 claims were filed, and insurance companies paid more than \$315 million to policyholders to help them repair damage.

Still, many home and business owners don't have Earthquake Insurance, possibly because people mistakenly assume earthquake damage is covered under standard home and business policies. Others may assume the coverage is expensive compared to other types of property insurance or that deductibles for the coverage are high – typically the first 20-25 percent of rebuilding costs must be borne by the policyholder.

“Earthquake insurance can vary widely in price based on risk levels, and the age or type of materials used in home or business construction, but the coverage often makes sense to consider, because it helps provide recovery from serious damage or total destruction of a home or business,” said Kenton Brine, president of NW Insurance Council. “Coverage limits and deductibles help keep the coverage more affordable.”

The Northwest region has the second highest risk of earthquake in the United States. Seismologists say a massive 8 or 9 magnitude earthquake could occur at any time along the Cascadia Subduction Zone that stretches south from Vancouver Island to Northern California.

Knowing what to do during an earthquake is critical for personal safety. But it's also important to protect your family's financial stability, which starts with understanding available insurance options. If your home or business is at risk, it makes sense to consider Earthquake Insurance along with Flood Insurance, which covers outside water coming in at the surface level, including tsunamis.

Insurance Coverage

[Earthquake](#) damage is **not covered** by most standard homeowners and business insurance policies, but is available either as a separate policy, as an endorsement to your Homeowners or Renters Insurance policy or through a specialty carrier.

Tsunami damage also is not covered under most standard Homeowners, Renters and [Business Owners](#) insurance policies, but is available with a [Flood Insurance](#) policy through the National Flood Insurance Program (NFIP) or from some private insurance companies. Check with your agent or insurance company for more details on how you can protect yourself against the devastating effects of an earthquake or tsunami.

"Seismologists warn that Western Washington and Oregon are 'past due' for a major seismic event. Yet surveys suggest that only 10-20 percent of insured homeowners in our region also have earthquake insurance. That combination could spell disaster for Northwest families and small business owners," said Brine. "Planning ahead to survive a disaster could save lives, and having the right insurance will help your family or business recover more quickly if an earthquake or tsunami strikes."

The right time to start a conversation with your insurance company or agent, as a part of your family's emergency preparedness plan, Brine said, is, "Now – before disaster strikes."

Earthquake/Disaster Preparedness

NW Insurance Council offers the following earthquake and [disaster preparedness tips](#):

- Consider Earthquake Insurance for your home and business. Check with your insurance company, agent or specialty carrier to find out about your coverage options.
- Damage to vehicles caused by earthquake is covered if owners add optional [Comprehensive Coverage](#) to their auto policies.

- When an earthquake strikes, remain indoors and use the internationally recognized protocol: “**Drop** to the ground, **Cover** by getting under a sturdy desk or table **and Hold** on until the shaking stops.”
- Disaster experts say do not run to another room to get under a desk or table if one isn’t near you. Instead drop to the ground in an inside corner of the building and cover your head and neck with your hands and arms.
- If you’re driving when an earthquake hits, drive slowly to the side of the road, stop and set the parking brake. Avoid overpasses, bridges, power lines and other hazards and stay inside your car.
- Know where and how to shut off electricity, gas and water at main switches and valves following an earthquake. Check with your local utilities office for instructions.
- Be sure to have a flashlight and a battery-powered radio on hand in case power is cut off.
- Create a family evacuation plan and develop a family [emergency survival kit](#) that includes at least a three-day supply of drinking water and food you don't have to refrigerate or cook. (Emergency management experts say two weeks’ worth of supplies is even better.) The kit should also contain first aid supplies, a weather radio, batteries, clothing, blankets, medicine, copies of your insurance policies and some basic tools.
- Maintain [an inventory](#) of all your possessions, including descriptions, serial numbers, purchase dates, amounts and receipts – as detailed as possible. Even walking through your home and garage with a camera or smart phone and recording information to store online for later access can help speed the insurance claims process after a devastating loss. Home inventory software for

your laptop or smart phone is available online or from many insurance companies.

- For more information about earthquakes in Washington, visit the [Oregon Department of Emergency Management](#).

For more information about Property & Casualty Insurance, visit [NW Insurance Council](#).

NW Insurance Council is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.

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