
California Earthquake Authority
Your Guide to Earthquake Insurance

**Peace of mind
that no earthquake
can shake.**

*Policy information for owners
of Condominiums.*

CEA CALIFORNIA
EARTHQUAKE
AUTHORITY™

**THE STRENGTH
TO REBUILD®**

Five reasons to buy a CEA policy.

- 1. Excellent financial ratings.**
CEA's financial strength is rated A- (Excellent) by A.M. Best Company (a company that rates insurance companies).
- 2. Expert service.**
CEA policies are available exclusively through CEA's participating insurance companies, which handle CEA-policy applications, renewals, billing, and claims.
- 3. Rates based on science, not profit.**
CEA rates are based on the best available science for assessing earthquake risk and do not include any amount for profit.
- 4. Not tied to government budgets.**
California's budget issues have no impact on the CEA's ability to pay its claims, because the CEA is a privately financed entity and receives no money from the state budget.
- 5. Without earthquake insurance, the cost of any damage is your cost.**
If your CEA policy claim exceeds your deductible, you don't have to pay the deductible before claim-payment eligibility is triggered.



Prepare to survive and recover.

After a damaging earthquake, your personal strength to recover can come from many places, like a California Earthquake Authority policy from the insurance agent you already know and trust. Earthquake insurance from the CEA—it will help get your life back to normal after the ground stops shaking.

Why earthquake insurance?

Most residential policies do not cover earthquake damage.

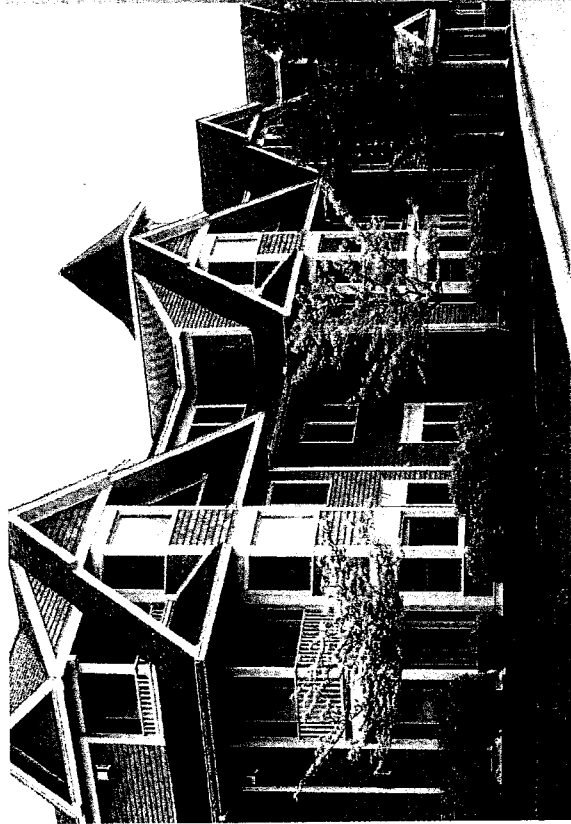
In most cases, a separate earthquake policy is required. Without earthquake insurance to help you recover from catastrophic damage, you will be responsible for all costs to repair or rebuild your home and replace your personal property, and to live and eat elsewhere while your home is being repaired or rebuilt.

Government assistance may not work for you.

State and federal government residential disaster-assistance programs, if available, adhere to strict eligibility criteria—and may not always be available. If disaster grants are available, and if you qualify, you may not receive funds sufficient to repair or rebuild your home and/or replace your damaged property. And if government loans are available, they may be limited, and you must repay them.

EARTHQUAKE FACT

20 — The number of seconds it took the 1994 Northridge earthquake to cause the largest dollar loss of any earthquake in California history.



Get the strength to rebuild.

If your home suffers catastrophic earthquake damage, the CEA can provide you with the strength to rebuild. With nearly \$10 billion in claim-paying power, supported by the service expertise of its participating insurance companies, the CEA could cover all of its claims if the 1906 San Francisco, 1989 Loma Prieta, or 1994 Northridge earthquake reoccurred today.

How do I buy CEA earthquake insurance?

CEA policies are sold and serviced exclusively through CEA's participating insurance companies. A list of participating insurers is available at www.EarthquakeAuthority.com. Call your broker, agent, or residential insurer for more information about coverages and policy limitations.

Only your broker, agent, or residential insurer can give you an accurate premium quote. But you can use CEA's online Premium Calculator at www.EarthquakeAuthority.com to get an estimate.

CEA Policies

The CEA offers insurance policies to help homeowners, mobilehome owners (written under a homeowners policy), condominium owners, and renters recover from damaging earthquakes.



EARTHQUAKE FACT

California law requires you to have a residential insurance policy in-force with a CEA participating insurance company in order to have a CEA earthquake policy. If your residential insurance policy cancels, your CEA policy cancels at the same time. It is important to make sure your CEA policy remains in-force and is updated anytime you make a change to your residential insurance policy.

CEA coverages for condominium owners

Most condominium associations maintain the exterior and structural components of the buildings that house individual units and common areas. But association earthquake-insurance policies may not cover damage to your personal property, or compensate you for loss of use or provide funds for a post-earthquake assessment by your association. The CEA offers earthquake insurance coverage tailored to the unique needs of condominium owners.

- **Building Property (Coverage A):**
This coverage provides up to \$25,000 to repair or replace interior structural components and fixtures such as cabinets, built-in appliances, wall-to-wall carpeting, and some heating and plumbing equipment. Loss payments are subject to the policy's Coverage A (\$3,750) deductible.
- **Personal Property (Coverage C):**
If covered damage to your personal property exceeds your \$750 deductible, your CEA policy will repair or replace personal property such as electronics, furniture, and many household items, up to your policy's Coverage C limit.
- **Loss of Use (Coverage D):**
 - > If you are unable to live in your home because of earthquake damage or if a civil authority prohibits you from occupying your home after an earthquake, you may be eligible for Loss-of-Use coverage, up to your policy limit.
 - > Loss-of-Use coverage never has a deductible.
- **Loss Assessment (Coverage E):**
 - > If your condominium owners association imposes an assessment to repair damage caused by an earthquake, Loss-Assessment Coverage may help pay your share of certain assessments. Your CEA policy has the details.
 - > You can buy CEA Loss-Assessment Coverage even if your condominium owners association does not have a "master" earthquake policy in force.

Sublimits for certain specifically covered items apply. For a complete list of coverages, exclusions, and conditions, talk to your broker, agent, or residential insurer, or you can download a specimen policy on the CEA Web site at www.EarthquakeAuthority.com.



BE AWARE OF THE RISK

California has one of the nation's highest earthquake risks. Some 2,000 known faults crisscross the state, producing an average of 102 earthquakes a day – more than 37,000 each year.

California Earthquake Authority Condominium Policy

Coverages

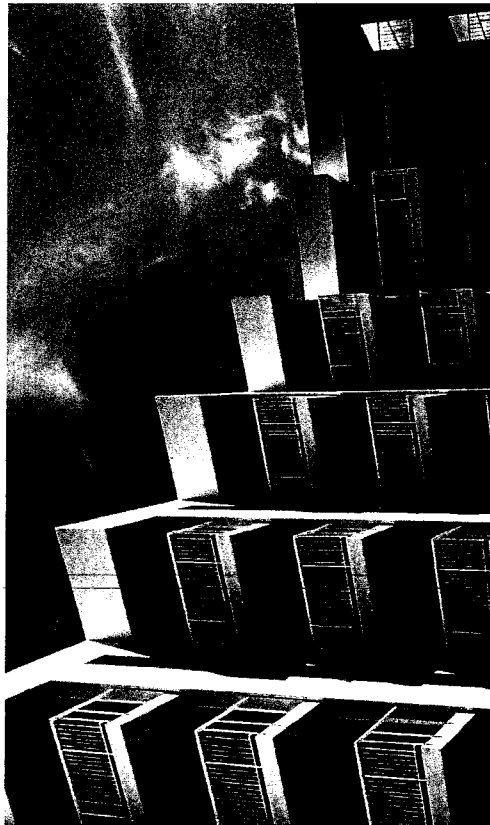
Available Limits

Coverage A - Building Property Coverage for repair or replacement of interior structural components when earthquake damage exceeds the deductible. Property covered includes built-in appliances, fixtures, some improvements, wall-to-wall carpeting, as well as other items.	Optional Coverage
Coverage Limit	\$25,000
Deductible	15% of your Building Property limit - \$3,750
Coverage C - Personal Property Coverage to replace personal property such as furniture and household items, when damage exceeds the coverage deductible, up to the policy limit.	Optional Coverage
Coverage Limit Options	\$5,000, \$25,000, \$50,000, \$75,000, \$100,000
Deductible	\$750
Coverage D - Loss of Use Coverage for additional living expenses, if you are unable to live in your home as a result of earthquake damage, up to the policy limit. There is no deductible for Loss-of-Use Coverage.	Optional Coverage
Coverage Limit Options	\$1,500, \$10,000, \$15,000, \$25,000*
Deductible	No deductible
Coverage E - Loss Assessment Coverage for certain assessments an association may impose on all property owners to pay for exterior or structural repairs for earthquake damage when damage exceeds the deductible, up to the policy limit.	Optional Coverage
Coverage Limit Options	\$25,000, \$50,000, or \$75,000
Deductible	Your loss-assessment deductible is 15% of the coverage limit chosen
Building Code Upgrade Coverage Additional coverage which provides funds for bringing your home up to current building codes when repairing or replacing a home.	Included Coverage
Coverage Limit Options	\$10,000
Deductible	Building Code Upgrade Coverage is paid if your covered dwelling loss exceeds your Coverage A deductible
Emergency Repairs Coverage for reasonable emergency repairs following an earthquake.	Included Coverage
Coverage Limit	Coverage A - Building Property: Up to \$1,500* Coverage C - Personal Property: The lesser of \$1,000 or 5% of Coverage C
Deductible	Coverage A - Building Property: \$3,750 Coverage C - Personal Property: \$750

CEAs rates are based on science, not profit, and your premium is calculated according to your condominium's location and your coverage choices.

*Available for policyholders beginning with new and renewal policies that are effective on or after January 1, 2012.

Note: For claims that exceed your CEAs policy deductible, you needn't spend money out-of-pocket before becoming eligible for payment on your claim.



**Claim example:
Condominium owners**

A major earthquake near one of California's urban centers could cause unprecedented damage. Condominium owners who need to repair earthquake damage may be presented with unique challenges. If you have to replace personal belongings, repair earthquake damage to the inside of your condominium, and pay a post-earthquake assessment by your homeowners association, you may be eligible for the following claim payment:

Coverage Type	Condominium Policy
Building Property (Coverage A)	\$25,000, with a 15% building property deductible (\$3,750)
Personal Property (Coverage C)	\$50,000, with a \$750 deductible
Loss of Use (Coverage D) - No Deductible	\$10,000, no deductible
Loss Assessment (Coverage E)	\$75,000 with a 15% deductible (\$11,250)
Damage Scenario	
Damage to Building Property (Condo)	\$8,750
Damage to Personal Property	\$25,750
Loss Assessment	\$61,250
Payments by CEA after deductible	
Building Property	\$5,000 (After application of \$3,750 deductible)
Personal Property	\$25,000 (After application of \$750 deductible)
Loss Assessment	\$50,000 (After application of 15% deductible)
Total CEA Claim Payment	\$80,000



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About the CEA

*The CEA can provide you
with the strength to rebuild.*

*The CEA has nearly \$10 billion
in claim-paying power, combined
with the service expertise provided
by its participating insurance
companies.*

*The CEA is a publicly managed,
privately funded organization
that provides catastrophic
residential earthquake insurance
and encourages Californians to
reduce their risk of earthquake loss.*

*State budget issues have no
impact on the CEA's ability to pay
claims, because the CEA receives
no money from the state budget.*

*About 70% of all residential
earthquake insurance policies sold
in California are sold by the CEA.*

For more information, visit the CEA online:

www.EarthquakeAuthority.com

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