

Residential Earthquake

Solid deductible coverage when things get shaky



What Is Earthquake Deductible Buy-Back?

Supplemental buy-back coverage for residential clients with high earthquake deductible exposure.

Who Is Earthquake Deductible Buy-Back For?

Owner-occupied and standard residential property types (excluding manufactured and mobile homes), including HO3, HO5, HO6, DP3, and state-sponsored coverages (e.g., CEA).

What Are The Coverage Details?

- Buy-back helps pay covered earthquake deductibles
- **Follow-form to primary policy terms** (including state-sponsored coverages, e.g., CEA)
- Minimum Cov A: \$250K
- Minimum retained limit: \$5K
- Maximum buy-back: \$1M (higher amounts on request)
- No minimum premiums
- Available in all 50 states, including CA, OR, WA, NV and AK
- AM Best Rated: A (excellent)
- Premium is 100% fully-earned

What's In It for Me?

- Solves clients' concerns around high earthquake deductibles
- Digital quote/bind/issue in minutes using Adaptive's portal
- Bulk pre-quote available for existing residential book
- Fast tracked UW review and price matching

HOW DOES IT WORK

- Earthquake deductible: \$100K
- Homeowner purchases deductible buy-back policy and retains \$10K
- Covered earthquake loss occurs
- Primary policy confirms coverage and adjusts loss
- Buy-back pays up to \$90K toward the primary deductible
- Homeowner pays \$10K out-of-pocket

What Payment Options are Available?

- **Pay Now:** Binds after payment is entered
- **Pay Later:** Binds immediately; we email your client a payment link. Due within 3 days of Effective Date
- **Escrow:** Binds immediately; agent notifies the lender and remits payment within 30 days
- **Agency Billing:** Binds immediately; agent collects and remits premium within 45 days

DID YOU KNOW

USGS data shows the U.S. averages about 16 major earthquakes every year, magnitudes of 7.0 or greater.

What are Common Exclusions?

- Manufactured or mobile homes
- Soft-story buildings (ground floor has less structural strength, like a parking garage)
- Pre-existing damage at inception
- Flood, landslide, or tsunami/tidal wave damage

How Do Claims Work?

- Triggered by covered primary policy loss
- FNOL via policy-listed claims email
- Typical resolution target: less than 15 days
- Aligns with primary policy outcome

DID YOU KNOW

About 66% of California residents live in high-risk earthquake zones yet only about 13% currently carry earthquake insurance.

Risk Examples

Single Family Home in California

- Homeowner has \$750K rebuild cost with a 20% earthquake deductible
- Earthquake causes \$200K in damage; homeowner responsible for \$150K

Vacation Home in Washington

- Owner's \$1M home with a 10% earthquake deductible
- Earthquake causes \$150K in damage; homeowner has to pay \$100K out-of-pocket

Rental Property in Missouri

- Family owns a \$400K home with a 15% earthquake deductible
- Earthquake on the New Madrid fault causes \$90K in damage, family has to cover \$60K before repairs can begin

DID YOU KNOW

In Missouri's New Madrid region, one of the most seismically active areas outside of the West Coast, FEMA reports that earthquake insurance coverage has fallen from 60% to just 11.4%.