



Bracing for the Big One

KEY THINGS TO KNOW ABOUT EARTHQUAKE COVERAGE

Washington has the second highest earthquake risk in the U.S., but only 11.3 percent of the state's residential properties are covered with earthquake insurance, according to the state's insurance commissioner. While this is slightly higher than the 10-percent coverage rate in California, which has the nation's highest risk, it shows that a large number of our state's homeowners would experience significant financial strain, were a catastrophic earthquake to occur. With this in mind, here are key things you should know about earthquake insurance.

You have to ask for it.

Standard homeowners policies don't cover damage caused by earthquakes, which could include costly damage to foundations, chimneys and retaining walls, and neither mortgage lenders nor government agencies require you to carry earthquake insurance. Most mainstream insurers make it available as an endorsement, but it's also available as a stand-alone policy.

Premiums are based on three factors.

The estimated replacement cost of your home, the earthquake risk in the area where you live and the age of your home (those built after 1990 meet stronger seismic standards than older homes) are the primary factors that determine premiums.

In insurance speak, replacement cost, which also helps determine your policy limit, is the cost of rebuilding your dwelling, including materials and labor. It does not include the value of your land, and it is different from your home's appraised value.

If you own an older home, an earthquake retrofit, which includes bolting the home to the foundation, bracing walls and securing fixtures, usually earns a discount. (According to HomeAdvisor, the average price of an earthquake retrofit is 1 to 3 percent of the price of a home.) Some carriers won't offer earthquake insurance on an older home that has not been retrofitted.

Deductibles are typically a percentage of replacement costs.

Earthquake insurance deductibles are usually offered as a percentage of the policy limit. If you were to opt for a 10 percent deductible with a \$350,000 limit, you'd be responsible for the first \$35,000 in repairs; your carrier would pay the rest, up to \$315,000.

The benefits count.

It's important to make sure your earthquake insurance policy includes loss-of-use, which covers temporary housing costs and additional food expenses, while your home is being repaired. This benefit alone could add up to thousands of dollars if earthquake damage left your home uninhabitable for an extended period.

Whether you purchase your insurance from AAA or just need information from someone you can trust, call our insurance agents for answers to your questions and a free, no-obligation review of your existing coverage, (855) 581-4799.



COMMUNITY

You Can Make a Difference

AAA INVITES YOU TO DONATE TO SOAP FOR HOPE

AAA Washington invites you to join us in helping our most vulnerable neighbors during our 11th annual Soap for Hope toiletry donation drive. It's easy to give; just scan your drawers and cabinets for unused, unopened personal-hygiene items and bring them to any AAA store in Washington or North Idaho. Both travel- and full-sized items are welcome, and you are encouraged to invite your friends and colleagues to donate, too.

We might not always see the struggles that students, families, veterans and others in our own communities face, but the challenges are real. For example, more than 40,000 of Washington's students (K-12) were homeless during the 2016-17 school year, according to state officials. For these students, access to a few personal-care items, which helps bring or restore some normalcy to their lives, can go a long way toward helping improve their performance in the classroom and their relationships with peers.

We partner with respected charities across the state to ensure that all donations remain in the community in which they are collected. Donations to the program are accepted year-round, but we encourage you to participate in our holiday campaign by donating from Nov. 1 through Dec. 31. Help make an impact this season by giving the gift of Soap for Hope.

For more information, including a complete list of recipient charities, visit AAA.com/soapforhope.

