

## What Is Earthquake Insurance?

True, the earth, we live in, is the most beautiful of the planets in the solar system. But in order to live in this charming place, we need to put up with its negative sides as well - natural disasters and earthquakes to name a few in this regard. To a larger extent, we humans are helpless in anticipating an earthquake. Who knows what providence has in store for us. The closest thing one can do is to remain prepared for the worse mentally and financially. In this article we talk about earthquake insurance, as a secure means of protecting oneself from the losses that can happen due to a destructive earthquake.

Earthquake insurance covers for financial losses caused due to a devastating earthquake or earth movement such as land slide, mudslide or sinkhole that involves the shifting, sinking or rising of earth surface. But earthquake insurance comes with a twist - it does not pay for losses incurred due to a tidal wave or flood, even the effect is compounded or affected by a prior earthquake. Sometimes ridiculous technicality that is, but a common man has no other choice than living with it.

An important aspect with earthquake insurance is that it is no part of the homeowner or tenant insurance policies. Instead, earthquake insurance stands independently like a life insurance or auto insurance.

Let us see how earthquake insurance works. Earthquake insurance, unlike most homeowner insurance types - covers mainly substantial losses. The claim is paid after accounting for the deductibles that may vary from 10-25%. The damages that exceed the deductibles are only paid to the customer.

Even though there are no hard and fast rules in deducing claims, while doing so, some insurance providers may take in to account structure and contents as separate entities. In such analysis, deductibles apply separately to total losses incurred on the structure, contents and damages to external constructions like garages, sheds and driveways.

Certain insurance companies put forward strict requirements before issuing one an earthquake insurance policy. That is, they might insist on undertaking a detailed inspection of the client's property before moving further ahead with the policy. For example, some insurance providers insist that the client's home should be securely bolted to the basement. The inspection also covers other aspects like the bracing on the interior walls and how strapping guards are used to support fixtures. Hence, it would be better if the homeowner clears his side and plug all loop holes before inviting the insurance company to inspect his/her house.

Now the most important thing; once the damage occurs due to an earthquake, make the claim promptly and within the time period as stipulated by the rules and regulations governing the policy. Also, make sure that your claims are supported with all valid documents and proof of damage incurred. One might wonder, but it is these two points in which many people error and subsequently have their claims rejected by the insurance companies.

Let us conclude with the biggest and funniest of the points to make - what is the point in applying for earthquake insurance if your home lies on a non-earthquake prone zone? Won't it be a waste of money??

Well, it is more of a personal choice to make. If your home is situated on a fault area, better go for insurance. Else, one can play with your chance, depending upon the confidence you have on your destiny. Either way, we wish you good luck!

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