

Skidmore for Law360: How Corporate Policyholders Can Prepare For Earthquakes

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PRACTICES Insurance Recovery

This year has already been a busy one for seismic activity, and some predict that 2018 will see an increase in the number and severity of earthquakes worldwide. Although there is no precise way to predict where or when earthquakes will occur, in the first weeks of 2018 alone, there have been reports of a 7.9 magnitude quake off the shores of Kodiak, Alaska, on Jan. 23, 2018, an earthquake measuring 6.2 on the Richter scale in Japan on Jan. 24, 2018, and a series of tremors in California between Jan. 25, 2018 and Feb. 11, 2018.

While, mercifully, these quakes have not caused substantial property damage or loss of life, earthquakes globally in 2018 have resulted in both catastrophic property damage and multiple fatalities. A 7.1-magnitude earthquake shook Peru on Jan. 14, 2018, killing two, injuring dozens and damaging homes and other structures in the Arequipa region. On Feb. 7, 2018, a magnitude-6.4 quake struck Taiwan causing substantial property damage and at least nine deaths. ...

With the recent domestic and international seismic activity, some corporate policyholders will ask the question: what insurance coverage is available to protect against property damage and business interruption loss from earthquakes? ...

For those policyholders currently without “earthquake” coverage but seeking to add this as an insured risk, and for those already covered for earthquake-related damage, here are four key issues to consider in the year ahead:

Distinguishing “Occurrences” ...

Deductibles & Total Insured Values ...

Limiting “Earth Movement” Exclusions ...

Contingent Business Interruption Coverage ...

Excerpted from *Law360*. To read the full article, click [here](#). (Subscription required)