

Utah Earthquake Questions and Answers

Questions About the Website:

Q: *Is the policy effective date the online binding date?*

A: The policy effective date can be the online binding date, or the agent can choose an effective date up to a full year later.

Q: *Which credit cards are accepted?*

A: Visa, Mastercard, & Discover.

Q: *Is there a way to view rates without performing a quote?*

A: No. However, performing a quote will not bind a policy, and quote parameters can be easily adjusted on our website.

Questions About Coverages:

Q: *How is the amount of insurance determined?*

A: The primary coverage limit should equal the primary coverage level of the companion policy.

Q: *Does PSIC's Premium Protection Policy insure homes valued over \$600,000?*

A: \$600,000 is the maximum amount for any home's Coverage A limit. If a home is valued over \$600,000 we will insure it at the \$600,000 limit.

Q: *Are the earthquake policies replacement cost or actual cash value policies?*

A: Structures and Personal Property covered under Coverages A and C are settled on a limited replacement cost basis.

Q: *Are basements included in the amount of stories?*

A: For the Premium Protection Policy basements are included in the number of stories. For Condo and Renters policies basements are not included in the number of stories.

Q: *Is masonry veneer excluded from coverage?*

A: Yes, masonry veneer is excluded from coverage. Wood frame homes with exterior masonry veneer are not subject to the masonry surcharge and rate the same as other wood frame homes.

Q: *How is mixed construction rated?*

A: If a home is 51% or more wood frame construction the home will be rated as wood frame. If the home is 51% or more masonry construction the home will be rated as masonry.

Q: *Can Coverage C be increased on a premium policy?*

A: No. The coverage C limit is 50% of the Coverage A limit.

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Q: *Can you schedule personal property?*

A: No.

Q: *Does this policy also cover landslides?*

A: No.

Q: *Are condo associations covered?*

A: No.

Q: *Is a bolted pre-fabricated house covered under this policy?*

A: Yes.

Q: *Are mobile homes covered under this policy?*

A: No.

Questions About the Inspection Process:

Q: *What do the inspectors look for?*

A: Inspectors will primarily check the property for:

1. Prior damage
2. Bolted foundation (see Figure 1)
3. Secured water heater (See Figure 2)
4. Reinforced cripple walls (if cripple walls are present)
5. Slope of the land the property is built on (see Figure 3)
6. Any other earthquake hazard identified in the underwriting guidelines

Q: *Who pays for the inspection?*

A: An inspection fee is charged to the insured upon inception of the policy. The fee is automatically included in all quotes obtained from the McGraw Group's website.

Q: *Are inspections conducted on renewal business?*

A: No.

Q: *How can the insured tell if their home is bolted to the foundation?*

A: If they check the foundation of their dwelling and see large anchor bolts drilled into the sill plate (the wooden board that lies directly above the foundation) every four to six feet they will know their home is bolted to the foundation. Please see Figure 1.

Q: *Will a dwelling strapped, rather than bolted, to the foundation pass inspection?*

A: No.

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Fig. 1 – Bolted Foundation

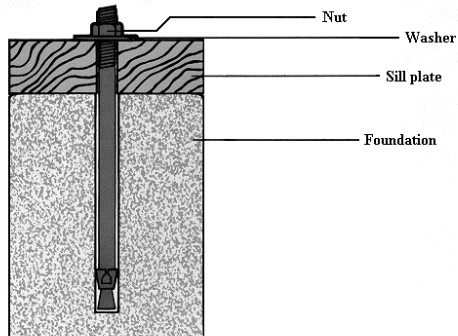


Fig. 2 – Strapped Water Heater

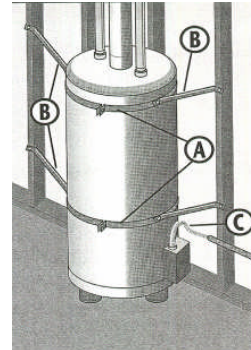
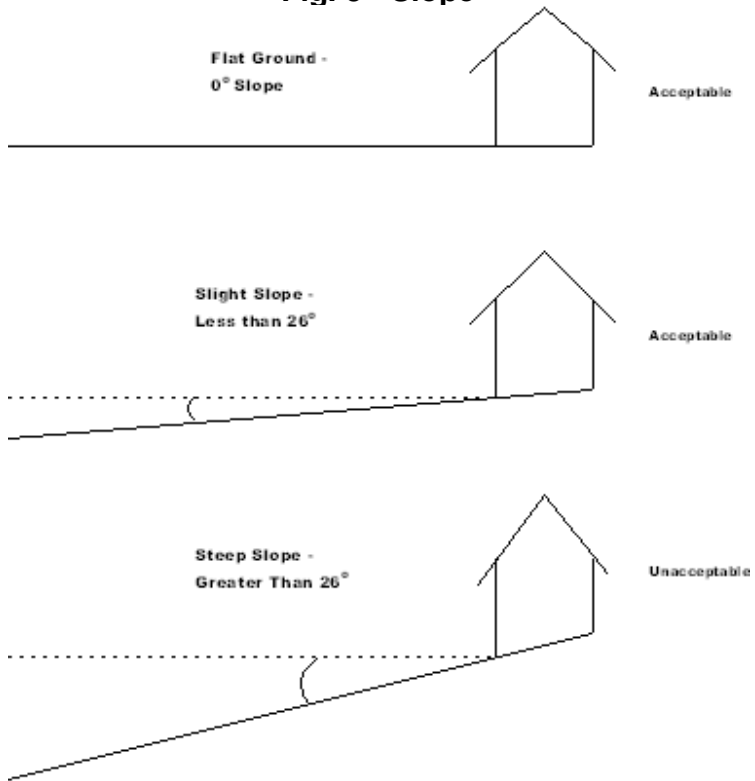


Fig. 3 - Slope



NOTE: Dwellings built near slopes greater than 26° may be accepted as long as the slope begins more than 50ft away from the structure.

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Questions About Premiums and Fees:

Q: *Are fees refundable?*

A: No.

Q: *Is the policy fee charged on new and renewal business?*

A: Yes.

Q: *What is the minimum premium?*

A: \$100.

Q: *If the policy is cancelled pre-term is it a short rate or pro-rate refund?*

A: Pro-rate.

Questions About the McGraw Group:

Q: *What is the per policy commission?*

A: 10% on new and renewal business.

Q: *Who is the policy underwritten by?*

A: Pacific Specialty Insurance Company (A.M. Best "A" rated).

Q: *Will claims be directly handled by McGraw?*

A: Yes, our claims department will handle all claim related issues.

Q: *Is McGraw prepared to handle a catastrophic event?*

A: Yes, our binding procedures, financial strength, and well-trained claims department will be ready to handle a catastrophic event if one occurs, including the ability to deploy staff to affected areas if necessary.