

# California Earthquake Authority Inspection Guidelines

## A. Inspection Requirements – CEA Homeowners Policies

Participating insurers must inspect any dwelling or manufactured home (mobilehome) for which it may issue a CEA Homeowners Policy if the applicant or insured discloses the existence of earthquake damage; therefore, a participating insurer's property-inspection guidelines must incorporate CEA **Eligibility Standards** to ensure earthquake-risk information is on file should the applicant or policyholder elect to purchase CEA coverage.

In order to issue a CEA **policy of residential property insurance** on a residential dwelling with existing earthquake damage, the participating insurer must have first inspected the dwelling and determined, in its underwriting judgment, that any existing structural damage is cosmetic only and does not impair the structural integrity of the dwelling. All existing, non-cosmetic earthquake structural damage must be repaired before an application for CEA coverage is accepted and processed.

Acceptable types of inspection are:

1. A property inspection completed by an inspection company contracted by the participating insurer. Inspections must include photographs of the front and rear of the insured property and, if applicable, of any existing cosmetic earthquake damage or other existing damage; or
2. Written confirmation to the policyholder's file certifying the property meets CEA **Eligibility Standards** based on an on-site visit to the property by a participating insurer's agent or company representative. Written confirmation must be accompanied by photographs of the front and rear of the insured property and, if applicable, of any existing cosmetic earthquake damage or other existing, non-cosmetic earthquake damage.

## B. Hazard Reduction Discount: Verification

For all Dwelling risks that are rated with the Hazard Reduction Discount, the inspection must verify that all of the following qualification criteria are met (Dwelling risks with slab foundations do not qualify for the Hazard Reduction Discount):

1. Dwelling was built before 1979.
2. Dwelling is tied or braced to the foundation using approved anchor bolts installed according to approved building code standards.
3. Cripple walls are braced with plywood, or its equivalent, installed according to approved building code standards.
4. Water heater is secured to the building frame according to approved building code standards.

## C. File Documentation

Participating Insurers must retain property inspections in policyholder files for review by CEA personnel, including auditors.