

The 3 common myths about natural disasters.

If you're like most Americans, you probably believe these 3 myths about disasters and your home insurance. But if they were actually true, we wouldn't have created Recoop.

Myth #1: It won't happen to me!

FACT: Natural disasters are on the rise in the U.S.

Counties making up 97% of the U.S. population were affected by federally-declared disasters since 2010.¹

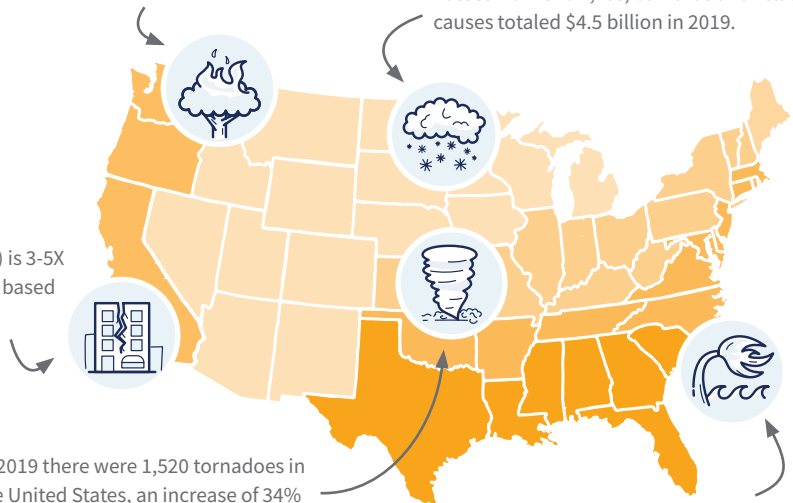
A major earthquake (7.0+ magnitude) is 3-5X more likely to hit Los Angeles in 2021 based on increased earthquake activity.³



\$5.2 trillion total losses due to natural disasters in the U.S. since 1980. 70% of those were uninsured⁴.

Through October 2020 alone, there were 44,714 wildfires, up 7% from 2019.²

Losses from snow, ice, blizzards and related causes totaled \$4.5 billion in 2019.



In 2019 there were 1,520 tornadoes in the United States, an increase of 34% from the previous year, resulting in nearly \$7 billion in uninsured losses.

In 2020, the Atlantic region saw the most storms (29) ever recorded in one hurricane season.

Myth #2: My home insurance would cover any damage from a disaster.

FACT: 2 out of every 3 American homeowners are underinsured, even with guaranteed replacement.

The majority of guaranteed replacement policies are capped based on a home's insured value.

Myth #3: I can afford to pay for any damage my insurance won't cover.

FACT: The average homeowner may be on the hook for as much as 20% of their home's value because policies are based on market value, not replacement cost.

- ▶ Bankruptcy filings increase 50% in the 3 years following a hurricane that made landfall.⁵
- ▶ Standard disaster deductibles can potentially cost 5–30% of home value in both high and low risk areas.



¹EnvironmentAmerica.com ²Insurance Information Institute ³National Geographic, Recent California Earthquakes May Have Made the Big One More Likely, July 2020 ⁴Munich RE ⁵Federal Reserve Bank of Boston
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