



VIRTUAL PROPERTY PROGRAM COMMITTEE TOWN HALL

February 11, 2026

QUESTIONS & ANSWERS

1. Is the amount paid based on location or proximity of the earthquake?

No. Payments are not based on proximity to the earthquake epicenter. Instead, payouts are based on how much ground shaking (Peak Ground Acceleration, or PGA) occurs within specific geographic grid areas (“boxes”) where insured assets are located.

2. If a large earthquake impacts multiple agencies, is the maximum payout \$60 million to all even if they have insured aggregately for more?

No. The policy’s actual maximum payout is \$10 million per occurrence (and per policy year). The \$60 million figure refers to the total notional value assigned across all grid boxes, which ensures the program can realistically reach the \$10 million maximum in severe events. It is not an amount that can be paid out.

3. With multiple boxes, is it one average payout percentage, or could you have different percentages for multiple boxes?

Each box is evaluated independently. Different boxes can have different payout percentages depending on how much shaking occurred in each one. There is no averaging across boxes.

4. If there’s an earthquake that triggers a qualifying shaking event for payout, will a notice be sent out?

Yes. JPIA staff will monitor earthquakes, identify affected grid cells, and proactively notify members whose assets fall within triggering boxes. Members do not need to monitor USGS data themselves.

5. Would the payout amount for a specific box be split among agencies if multiple agencies experience loss?

Yes. If multiple agencies have insured assets in the same box, the payout is split proportionally based on each agency’s share of the total insured value in that box.

6. If the magnitude of the earthquake revised days later, which value determines the payout?

The policy uses the USGS data as of a specified point shortly after the event (typically a few days). Later revisions do not change the payout and there is no “clawback”.

7. What is the time frame it takes USGS to publish Shake Map?

Initial data is published quickly, but final Maps typically take one to several days, and longer for very large events. Claims processing cannot begin until that data is available.

8. Does the payout from this coverage in any way affect, delay, or disqualify FEMA funding for disaster?

No - as FEMA disaster funds are based on actual, physical damages, this coverage does not affect FEMA funding. The District would essentially be able to run claims to FEMA and the Parametric policy (assuming triggers are met for the Policy) concurrently.

9. Does making a claim increase premium?

No - making a claim should not directly impact future premiums. The coverage anticipates payouts when triggers are met and does not penalize participants when that happens.

10. Why did the chart show an earthquake in 1906 at magnitude 7.9 that had a relatively low payout?

High-magnitude earthquakes can still produce lower ground shaking (PGA) in many areas due to depth, distance, and soil conditions. Payouts are driven by measured shaking, not magnitude alone.

11. How would JPIA determine if the loss is at least 20% of payout to give to AON for payout?

We will work with Aon and the carrier - BHSI - to determine if appropriate triggers have been met and payouts can occur. If triggers have been met - we will reach out to applicable districts to gather information to submit the required documentation for payout.

12. How is the premium allocated to the members?

The premium is distributed based on percentage of Total Insured Values (TIV) of the District as a component of the total Property Program TIVs - just like the Property Program contribution is calculated now.

13. Are all of a member's scheduled assets in a grid cell?

No - most members will have assets that cross multiple grid cells.

14. Do the boxes align with member locations, fault zones, or population centers? Is TIV of all members within the boxes? We don't have 98% of our facilities valued at over \$1 million unless we're including underground infrastructure.

The grid cells do not align with any of those factors - the grid cells were determined by the carrier - BHSI and are intended to be uniform in geographic size. The determination of TIV within each grid is based on TIV reported to JPIA on your property schedule.

15. Can the parametric insurance option be added independent of the optional ACWA/JPIA "supplemental" earthquake/flood insurance?

Yes. Agencies may still purchase separate supplemental or DIC earthquake/flood coverage on their own. The parametric coverage is proposed as an all-in program addition for property program participants and is not a replacement.

16. In general, would all of our scheduled assets fall within a grid? Understanding it would be multiple based on the parameters of the grids.

Yes, all member locations would be covered, they would just possibly be located over different/multiple boxes.

17. If I'm understanding correctly, the more people that buy this insurance, the less I would get when an event happens. Is that right? So, I benefit by discouraging my neighbors from being insured?

Possibly - but the option being presented is an "all in" option. All members will participate, if approved for this specific Parametric Policy. Fewer participants may increase possible payouts but will also dramatically increase cost due to reducing economies of scale.

18. Can you briefly review how the 2.5 mil current aggregate works? Understood that it would only be physical damages and would have a loss analyzing process. But how is it paid out/split among agencies compared to this one?

Good question. This has never been tested. First and foremost - access to the \$2.5M aggregate would be contingent on a member reporting a claim to JPIA (unlike the Parametric Policy). If multiple members reported claims, the aggregate could be based on a first come, first served basis OR divided amongst all members reporting based on percentage of comparative loss - the former would be tricky if claims aren't all reported timely. The original intent of the \$2.5M aggregate was to allow members to "check the box" with FEMA that they do have EQ insurance and then collect from FEMA.

19. If there are swarms of earthquakes or aftershocks following a qualifying earthquake, will each one that is over 5.5 be a separate event?

Earthquakes occurring within a 168-hour (7-day) window are treated as one event, with the maximum shaking during that period determining payout. Events outside that window may be treated as separate occurrences, subject to remaining policy limits.

20. Has this been evaluated to look at what these premiums would purchase in additional traditional earthquake insurance?

Not directly. Traditional earthquake insurance is subject to deductibles, exclusions, and long claim timelines. This parametric coverage is designed to complement, not replace, traditional insurance by providing rapid, flexible funding.

21. Given this is a compliment to the existing \$2.5 million of coverage does the existing \$2.5 million policy trigger first? Does that claim process remain the same (i.e. exemptions, deductible, boots on ground with adjuster)?

No - the coverages are essentially unrelated. You could have a trigger and payout on the Parametric Policy that does not also cause a traditional, property policy claim. Claims processes are not the same - there is no "claims process" for the Parametric coverage - just an identification of whether the trigger has been met and in which cells so that a determination of which members will get paid on in what amounts can occur.

22. Is earthquake coverage optional?

No - the \$2.5M EQ coverage is embedded in the existing Property Program coverage and annual contributions.

23. Is the parametric coverage optional?

No - the Parametric Option being presented to the Property Committee in March is not optional. It is an "all-in" option. This was necessary to obtain economies of scale and make the additional premium affordable for all members.

24. Do asset conditions help/hurt premiums/underwriting?

Asset conditions are irrelevant to premiums charged and trigger payouts. There is no formal underwriting for this type of policy.

25. Could an agency have damage but not meet the parametric trigger?

Possibly. Because the trigger is based on measured shaking, it is possible for damage to occur without meeting the PGA threshold. This is why the coverage is positioned as a supplement, not a substitute, for traditional coverage.

26. Can members see a map of the proposed boxes?

Staff indicated that maps and box data are currently being validated by Staff and will be shared once finalized.

27. Can participants increase coverage at an added cost?

Not within the group purchase program. However, agencies may purchase separate individual parametric policies, subject to minimum premiums, outside the pool.

28. Describe the value of the box in more detail – it sounds prorated?

Each box is assigned a small percentage of the total insured value within it (approximately 0.46%). Payouts are then calculated as a percentage of that assigned value, based on shaking intensity.

29. How is the \$60 million allocated across boxes?

The \$60 million is not a payout limit. It is a modeling value distributed across all boxes so that severe earthquakes can realistically trigger the \$10 million policy maximum.

30. Does coverage operate like a shared pool—first-come per trigger?

It operates as a shared program, with payouts determined by objective shaking data—not by order of claims.

31. What happens if multiple boxes (or events) trigger near the same time?

Multiple boxes can trigger from the same event. Separate events outside the 168-hour window may also trigger, as long as policy limits remain.

32. Is the payout capped at \$10 million per policy year?

Yes. The maximum payout is \$10 million total per policy year, regardless of the number of events.

33. Do the boxes align with member locations, fault zones, or population centers?

Boxes are uniform geographic grids designed to fairly capture shaking across the state, not aligned to faults or political boundaries.

34. Does JPIA trigger the proof of loss based on USGS data or do we report?

JPIA initiates the process. Members will be contacted and asked to confirm that they experienced at least 20% of their calculated payout in losses. No detailed damage accounting is required.

35. How are payments allocated among multiple participants in a single grid cell and who does the allocation?

Allocation is handled by JPIA, based on each agency's share of insured value within the affected grid cell.

36. When will we know how much our increase will be, following Board approval?

Premiums will be finalized following Executive Committee approval, with invoices typically issued in April as part of the annual property program billing cycle.