EQ Parametric

First Dollar Earthquake Insurance that Makes Sense

Protect your client's business from the hidden costs of earthquakes with fast, simple payouts and no deductibles.

SPG Canada

Why EQ Parametric Matters for BC for BC Businesses

British Columbia sits in one of the most seismically active zones in the world. A major earthquake off the coast of Vancouver Island could cause severe shaking across the province. Even without visible damage to your client's property, the financial impact can be huge. This could lead to:

- Lost customers
- Extra expenses
- Interrupted operations

SPG Canada EQ Parametric insurance is designed to put money in your client's hands quickly, so they can keep operating and recover faster.

Key Benefits

- **No Deductible and Minimal Exclusions:** Unlike traditional earthquake insurance, clients don't need to meet a deductible.
- **Fast Payouts:** Claims are usually paid within weeks, helping your clients stay afloat immediately after a quake.
- **Customizable Coverage:** Protects property, revenue, supply chains, or economic losses, tailored to your client's needs.
- **Complements Existing Policies:** Fills gaps in Builder's Risk, property insurance, or other coverage.

What's Covered?

EQ Parametric covers costs traditional insurance often excludes or leaves under the deductible, such as:

- Business interruption (direct or contingent)
- Property damage
- Deductibles under traditional policies
- Loss of revenues or profits (with or without property damage)
- Extra and extraordinary expenses
- Loss of value or market value
- Earthquake sprinkler leakage
- Fire following earthquake
- Hardscapes and landscapes
- Loss of tax base (public entities)
- Engineering and safety certification costs
- Equity protection

Policy Limits: From $10,000 up to $10 million.
Policy period: Standard 12 months.
Eligible industries: All except cannabis, ammunition, surface / bituminous coal mining and associated activities.

Website: www.spgcanada.ca | **Email:** info@spgcanada.ca | **TF:** 1.877.532.6864 | **Portal:** portal.spgcanada.ca

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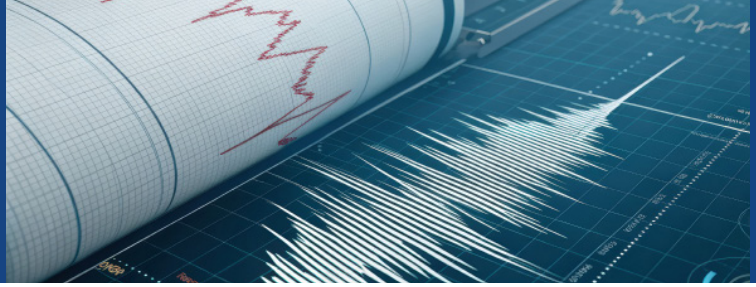

How It Works: *Simple, Transparent, Reliable*

1. **Earthquake Occurs (Covered Event)**
   A significant earthquake causes severe shaking in the covered territory. Two dates are established:
   - **Event Start Date** – the date of the earthquake.
   - **Event End Date** – 12:00 a.m. PST on the 31st day after the start date.
2. **Official ShakeMap Published**
   - The **U.S. Geological Survey (USGS)** and **Earthquake Canada (NRCAN)** release an official ShakeMap.
   - The ShakeMap shows **Peak Ground Acceleration (PGA)** values across affected areas, including your client's **Forward Sortation Area (FSA)** postal code.
3. **Event Report Issued by the Calculation Agent:** Moody's Insurance Solutions (the Calculation Agent) prepares an official event report.

   This report confirms the maximum PGA experienced in your FSA postal code, based on the ShakeMap.
4. **Policy Trigger Determination**
   The Calculation Agent determines if:
   - The event qualifies as a **Covered Event**, and the PGA in your client's FSA postal code **meets or exceeds your client's policy's trigger threshold**. If triggered, the policy activates.
   - The payout percentage is calculated based on the PGA intensity relative to the policy terms.
5. **Proof of Loss Submission**
   Your clients must complete a simple proof of loss attestation confirming that their business suffered an economic loss due to the event.

   Submission options:
   - Online via **claims page**
   - By phone or email (details in your client's policy).
6. **Verification & Payment**
   The claims processor verifies both:
   - The available payout (based on the event report), and
   - Your client's proof of loss.
   - Once verified, payment is issued quickly — up to the maximum loss payment amount.

No property damage is required. If the ground shaking in your postal code exceeds your client's trigger level, they qualify for payment.

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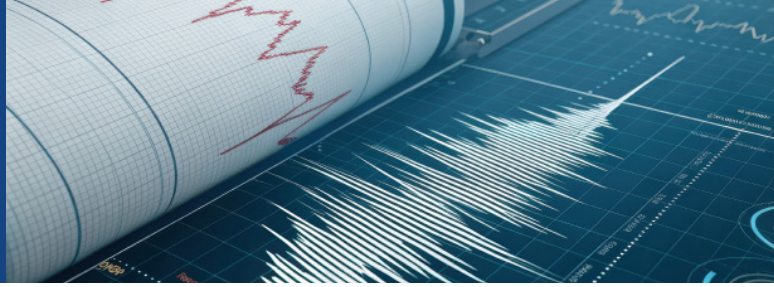

Why PGA (Peak Ground Acceleration) Matters

- PGA = local ground shaking intensity Earthquake Occurs (Covered Event)
- Unlike magnitude (measured at the epicenter), PGA shows the real impact at your client's location.
- That's why payouts are based on PGA measured in your client's postal code **(FSA)**, not the highest value recorded elsewhere.
- Parametric payouts depend on two conditions:
  - A qualifying earthquake occurs.
  - The PGA measured in your client's **local FSA postal code** meets or exceeds their policy's trigger.

Global Examples of Payout Triggers

Event & Location	Magnitude	Max PGA (%g)	Payout Level
Christchurch, NZ (2011)	6.2	~180%g	100%
Kobe, Japan (1995)	6.9	~85%g	100%
Mexico City, Mexico (2017)	7.1	~50%g	100%
Fukushima Tohoku, Japan (2011)	9.0	30-50%g	25-100%
Northridge, USA (1996)	6.7	180%g	100%

These figures illustrate example PGA values experienced at specific local areas within each event. Payouts are determined by the PGA in your client's own **FSA postal code, not by the maximum shaking recorded across the region.*

What This Means for BC?

A major subduction quake off Vancouver Island could cause **30–50%g shaking across different FSAs.** Depending on your client's exact postal code, this could trigger payouts anywhere from **15% up to 100%** of your client's policy limit.

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Who Benefits Most?

EQ Parametric is ideal for:

- Commercial property owners
- Businesses with significant earthquake exposure
- Developers and contractors
- Municipalities and utility providers

Why Businesses Choose SPG Canada's EQ Parametric?

- Fills the gaps left by traditional insurance
- Provides fast payouts to keep operations running
- Protects cash flow during disruption
- Flexible limits to match your risk tolerance

About Our Capacity & Strength

Backed by leading global insurers with strong ratings:

- **A.M. BEST:** A+ (Superior)
- **STANDARD & POOR'S:** AA (Very Strong)
- **FITCH:** AA (Very Strong)

Contact Us

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