

Less than 20pct of homes insured in Romania 44 years after major earthquake

Less than 20% of all homes in Romania were insured in 2020 against certain risks, and more than half of Romanians (54%) say they are worried about the danger of an earthquake, according to a survey commissioned by National Union of Insurance and Reinsurance Companies in Romania (UNSAR) and conducted in 2020 by the Romanian Institute for Evaluation and Strategy (IRES).

UNSAR data submitted to AGERPRES on Thursday mark 44 years since a 7.2-magnitude earthquake hit Romania on March 4, 1977 leaving a tragic toll behind both in human casualties and social and economic destruction, including 1,600 human fatalities and 35,000 destroyed properties.

In Romania, the share of housing covered by an insurance policy is still low, with just less than 20% of them being protected, despite an increase by three percentage points, in 2020 from 2019, of the stated interest of Romanians in housing and property insurance.

According to the IRES sociological research, 54% of Romanians say they are worried about the danger of an earthquake, an event that remains the second most important risk they fear after a fire.

At the same time, more than two thirds (67%) of Romanians say they know what they should do to protect themselves in the event of a disaster, and more than half (55%) of them also know about the existence of survival kits containing food, water, medicine, a whistle, a flashlight, etc. At the same time, only 32% of respondents own such kits.

Statistics with Romania's National Earth Physics Research and Development Institute (INFP) show that there are over 100 earthquakes of a magnitude in excess of 3 on the Richter scale occurring in Romania each year. According to the them, although the total number of earthquakes was lower in 2020 than in previous years, the number of earthquakes of a magnitude in excess of 3 increased to 118 in 2020, from 103 in 2019 and 86 in 2018.

The strongest earthquake recorded in 2020 had a magnitude of 4.8 on the Richter scale and occurred on January 31.

UNSAR says the danger of natural disasters has made the protection of housing by insurance mandatory by law in Romania. Thus, the compulsory policy PAD covers three catastrophic risks - earthquake, floods and landslides - capped at 20,000 euros or 10,000 euros, depending on the type of housing.

Optional insurance also covers risks such as: fire, explosion, storm, theft or vandalism - insured against the real value of the home. Also, in order to benefit from complex protection, special clauses can be attached to the optional policies, such as the insurance of indoor installations of the building, electrical/electronic appliances, breakables, and third-party liability - for example, for ensuing damage on neighbours.