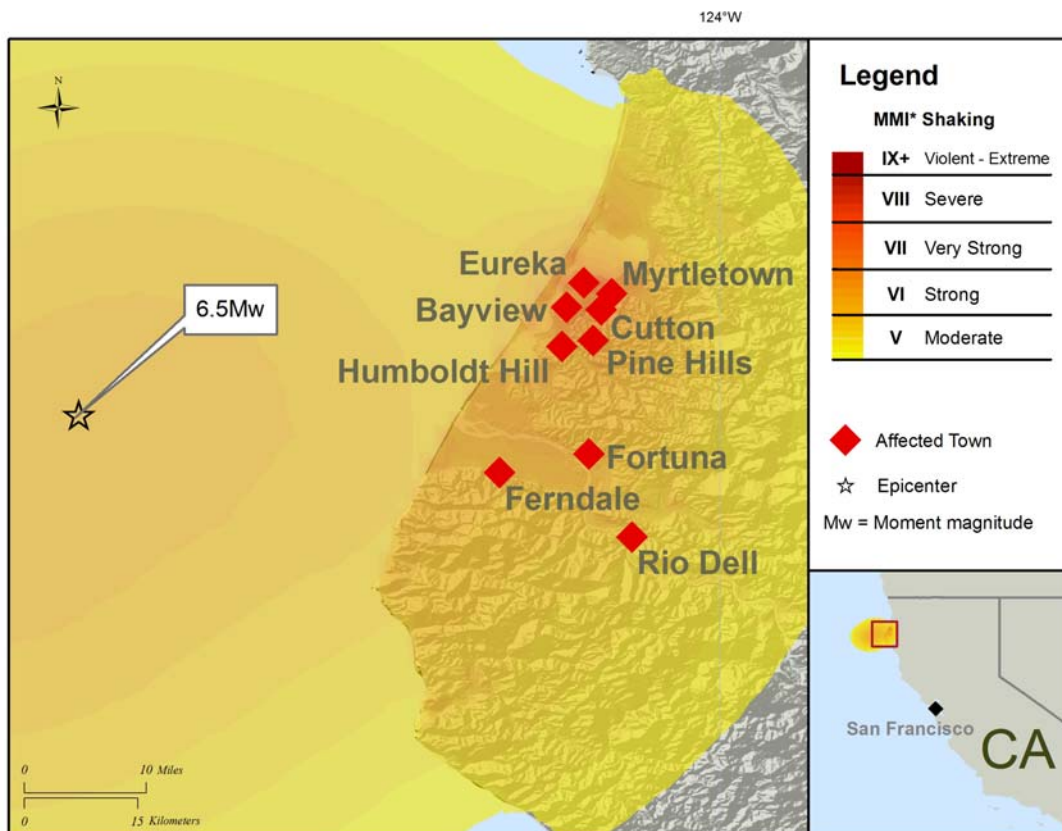


Status Report No: EQU-1

Earthquake in California

Date: 10 January 2010
Time: 0:27:38 UTC (04:27:38 on 9 January local time)
Position: 40.645N, 124.763W
Depth: 13.5 miles (21.7 km)
Magnitude: 6.5 Mw
Region: Offshore Northern California

Hazard data illustrated in the CAT-i map was taken from i-aXs®, Guy Carpenter’s web-based risk management platform. i-aXs users can view impacted areas on any map as well as see how their portfolios were affected. Please contact your broker or InStrat® representative for assistance or go to www.i-axis.info for further information.



*Modified Mercalli Intensity (MMI) measures the perceived strength of shaking produced by the earthquake at a certain location. For more information on the MMI scale please see www.earthquake.usgs.gov/learning/topics/mercalli.php.

Reference points to earthquake location:

- 43 km (27 miles) W (280°) from Ferndale, CA
- 48 km (30 miles) W (259°) from Humboldt Hill, CA
- 51 km (32 miles) WSW (255°) from Bayview, CA
- 53 km (33 miles) WSW (252°) from Eureka, CA
- 365 km (227 miles) NW (310°) from Sacramento, CA

Summary

A powerful earthquake struck off the coast of northern California at 0:27 UTC on 10 January (04:27 on 9 January local time), cutting power to towns in the region and causing minor damage to homes and business. The earthquake, measuring 6.5 Mw, was located 27 miles (43 kilometres) west of Ferndale and 33 miles (53 kilometres) west-southwest of Eureka, according to the US Geological Survey (USGS). The USGS added that the quake was centred about 13.5 miles (21.7 kilometres) underground and was felt as far north as central Oregon, as far south as Santa Cruz and as far east as Reno. It was the largest earthquake to hit northern California since June 2005, according to the USGS. At least 14 aftershocks have hit the region since the main earthquake, the most powerful at 4.4Mw. There have been no reports of serious injuries and damage is reported to be minor but widespread.

The USGS said around 117,000 people live in areas impacted by a Modified Mercalli Intensity (MMI) of V or higher (see Table 1 below). Several towns (including Arcata, Bayview, Cutten, Ferndale, Eureka, Fortuna, Humboldt Hill, Myrtle town, Pine Hills, Rio Dell) experienced intensity V on the MMI scale, equivalent to moderate shaking with the potential for light/very light damage, according to the USGS. Officials have carried out preliminary assessments and they say damage was mainly confined to cracks in walls and floors, temporary power outages, shattered windows, toppled store shelves, broken dishes and home appliances and some bent railings on bridges.

Eureka (population of around 26,000 people) was particularly badly hit by the earthquake and officials estimated damage in the town could reach USD14.3 million. Local media also reported some property damage in Ferndale. Fire officials in Eureka said 175 reports of damage to public and private property had been recorded, and about 20 people were believed to have been displaced when their homes were deemed unsafe. Reports said most of the displaced residents came from an apartment building in the centre of the city but officials noted that the impact on property across much of northern California was thought to have been mainly non-structural.

Up to 36,000 customers lost power immediately after the earthquake as power lines broke, but a quick response by utility companies restored electricity to all affected households by early Sunday. Several gas leaks occurred but no earthquake-triggered fires were reported. California's Department of Transportation surveyed bridges and highways following the earthquake but reported no major damage. No fatalities occurred as a result of the earthquake but 25 people sustained minor injuries.

Officials said the earthquake's location, centred in the Pacific Ocean and away from highly populated urban areas, helped avert a major disaster. This, and the fact that earthquake insurance penetration remains low in California, will limit insured losses from this event, according to AIR Worldwide. Reports said an earthquake of 6.7 Mw hit the Los Angeles area in 1994, killing 72 people and causing USD25 billion in damage.

Table 1: Estimated Population Exposed to Significant Earthquake Shaking

Estimated MMI	Estimated Population Exposure	Perceived Shaking
VI	3,000	Strong
V	114,000	Moderate

Sources: USGS, WSI, Reuters News, Associated News, Agence France Presse, CNN News, Los Angeles Times, The Wall Street Journal, Platts Commodity News, Business Insurance

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