



Date of Notice: Monday, May 5, 2014

## PUBLIC NOTICE

### A PUBLIC MEETING OF THE GOVERNING BOARD OF THE CALIFORNIA EARTHQUAKE AUTHORITY

**NOTICE IS HEREBY GIVEN** that the Governing Board of the California Earthquake Authority (“CEA”) will meet in West Sacramento, California. Pursuant to California Insurance Code §10089.7, subdivision (j), the Bagley-Keene Open Meeting Act applies generally to meetings of the Board, and the meeting is open to the public—public participation, comments, and questions will be welcome for each agenda item. All items are appropriate for action if the Governing Board wishes to take action. Agenda items may be taken out of order.

**LOCATION:** CalSTRS Headquarters Building  
Boardroom – Lobby, E-124  
100 Waterfront Place  
West Sacramento, California

**DATE:** Thursday, May 15, 2014

**TIME:** 1:00 p.m.

**AGENDA:**

- Call to order and member roll call:
  - Governor
  - Treasurer
  - Insurance Commissioner
  - Speaker of the Assembly
  - Chair of the Senate Rules Committee

*Establishment of a quorum*

This CEA Governing Board meeting will be broadcast live on the Internet. Please wait until the official start time of the meeting before clicking on either icon:



[Audio](#)



[Video \(with audio\)](#)

If you are unable to log into the meeting please call the CEA directly at (916) 325-3800 for further assistance.

2. Consideration and approval of the minutes of the February 27, 2014, and March 25, 2014 (including the March 28, 2014, continued session), Governing Board meetings.
3. Executive Report by Chief Executive Officer Glenn Pomeroy; assisted by CEA executive staff, Mr. Pomeroy's report will include an update for the Board on federal and state legislative activities of interest to the CEA.
4. Chief Financial Officer Tim Richison will present a financial report.
5. Mr. Richison will seek Board approval to contract with three investment managers, selected in a competitive procurement, and to execute the resulting, negotiated contracts with Cutwater Asset Management, Schroder Investment Management North America, Inc., and Goldman Sachs Asset Management.
6. CEA Advisory Panel member Brian Deephouse will provide a summary of the proceedings of the April 24, 2014, Panel meeting.
7. Chief Communications Officer Chris Nance will present, and seek Board approval of, the 2015 CEA advertising budget.
8. Chief Mitigation Officer Janiele Maffei will update the Board on the CEA mitigation program's "Pre-Standard Project" and other earthquake-loss-mitigation-related research.
9. Ms. Maffei will update the Board on the California Residential Mitigation Program incentive program, operated by a joint powers authority whose members are the California Office of Emergency Services and the CEA.
10. Chief Information Officer Todd Coombes will give a progress report to the Board on the 2014 CEA IT Project Portfolio.
11. Mr. Coombes will present to the Board a new approach to upgrading the CEA IT Infrastructure.
12. Mr. Pomeroy will lead a discussion with the Board on planning for the development of organizational performance metrics.
13. The Board will meet in closed session to discuss personnel matters and litigation matters, as permitted by California Government Code section 11126, subdivisions (a) and (e), respectively.
14. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
15. Adjournment.

For further information about this notice or its contents:

**General Information:**

Marc Keller  
(916) 325-3800  
Toll free: (877) 797-4300

California Earthquake Authority 801 K Street, Suite 1000 Sacramento, CA 95814-3518 Toll free (877) 797-4300
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**Media Contact:**

Chris Nance  
Chief Communications Officer  
(916) 325-3827 (Direct)  
[nancec@calquake.com](mailto:nancec@calquake.com)

To view this notice on the CEA Web site or to learn more about the CEA, please visit [www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com)

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**Persons with disabilities may request special accommodations at this or any future Governing Board meeting or may request the accommodation necessary to receive agendas or materials the CEA prepares for its Board meetings.**

**Please contact Marc Keller by telephone, toll free, at (877) 797-4300 or by email at [Marc\\_Keller@calquake.com](mailto:Marc_Keller@calquake.com). We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.**

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**NOTE: You might have received this notice because your name, or that of your organization, appears on a public-notice list maintained by the California Earthquake Authority. If in the future you do not wish to receive public notices pertaining to the California Earthquake Authority, please send your request by email to [Marc\\_Keller@calquake.com](mailto:Marc_Keller@calquake.com).**



Draft Meeting Minutes are not available.

Please see CEA Governing Board Meeting  
[Approved Minutes.](#)

## **Governing Board Memorandum**

May 15, 2014

Agenda Item 3:                      Executive Report by Chief Executive Officer Glenn Pomeroy

Recommended Action:            No action required – information only

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Chief Executive Officer Glenn Pomeroy will present his Executive Report to the Board; assisted by CEA executive staff, Mr. Pomeroy will update the Board on federal and state legislative activities of interest to the CEA.



# FINANCIAL REPORT

**As of March 31, 2014**

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Note: See Fact Sheets for Policies In Force, Written Premiums, and Exposures.

# **Financial Statements & Budgets**

**California Earthquake Authority**  
**Balance Sheet**  
**As of March 31, 2014**

**Assets**

Cash and investments:

Cash and cash equivalents	\$ 114,654,927
Restricted cash & equivalents	64,328,484
Restricted investments	313,120,895
Investments	4,584,764,076

Total cash and investments	5,076,868,382
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Premiums receivable, net of allowance for doubtful accounts of \$6,208,993	46,524,288
Capital contributions receivable	-
Risk capital surcharge receivable	-
Interest receivable	15,583,137
Securities receivable	-
Restricted securities receivable	-
Prepaid reinsurance premium	5,367,911
Transformer reinsurance premium deposit	14,661,400
Prepaid transformer maintenance premium	409,520
Equipment, net	926,266
Deferred policy acquisition costs	38,468,442
Other assets	24,629

Total assets	\$ 5,198,833,975
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**Liabilities and Net Position**

Unearned premiums	\$ 286,436,650
Accounts payable and accrued expenses	3,581,145
Payable to California Residential Mitigation Program	-
Accrued reinsurance premium expense	5,882,778
Claim and claim expense reserves	193,294
Securities payable	716,984
Revenue bond payable	94,500,000
Revenue bond interest payable	1,457,426

Total liabilities	392,768,277
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Net position:

Restricted, expendable	282,548,222
Unrestricted, participating insurer contributed capital	777,384,796
Unrestricted, State of California contributed capital	199,114,537
Unrestricted, all other remaining	3,547,018,143

Total net position	4,806,065,698
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Total liabilities and net position	\$ 5,198,833,975
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**California Earthquake Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year-to-Date Ended March 31, 2014**

Underwriting income:	
Premiums written	\$ 135,596,130
Less premiums ceded - reinsurance	(49,813,457)
Less risk capital surcharge	-
	<hr/>
Net premiums written	85,782,673
	<hr/>
Change in unearned premiums	9,973,575
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Net unearned premiums	9,973,575
	<hr/>
Net premiums earned	95,756,248
	<hr/>
Expenses:	
Claim and claims expense	153,782
Participating Insurer commissions	14,561,519
Participating Insurer operating costs	4,527,132
Reinsurance broker commissions	1,250,000
Pro forma premium taxes	3,186,509
Other underwriting expenses	4,762,288
	<hr/>
Total expenses	28,441,230
	<hr/>
Underwriting profit	67,315,018
Net investment income	5,013,324
Other income	104,113
Financing expenses, net	(1,033,015)
Earthquake Loss Mitigation Fund expenses	(134,086)
Participating Insurer Contributed Capital	-
State of California premium tax contribution	3,186,509
	<hr/>
Increase in net position	74,451,863
Net position, beginning of year	4,731,613,835
Net position, end of year to date	<u><u>\$ 4,806,065,698</u></u>

**CALIFORNIA EARTHQUAKE AUTHORITY**  
**Insurance Services**  
**Budgeted and Actual Expenditures**  
**2014 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<b>Approved 2014 Budget 1/1/2014</b>	<b>Adjustments thru 3/31/2014</b>	<b>Augmentations thru 3/31/2014</b>	<b>2014 Budget after Augmentations and Adjustments</b>	<b>Actual Expenditures as of 3/31/2014</b>	<b>Augmented &amp; Adjusted Approved Budget (d) vs. Actual Expenses (e) as of 3/31/2014</b>	<b>Percentage used of Augmented &amp; Adjusted Approved 2014 Budget</b>
Salaries & Benefits	\$ 11,679,999	\$ -	\$ -	\$ 11,679,999	\$ 2,446,926	\$ 9,233,073	20.95%
Rent	753,615	-	-	753,615	185,171	568,444	24.57%
Travel	405,987	-	-	405,987	68,462	337,525	16.86%
Non-paid Consultant Travel	2,000	-	-	2,000	-	2,000	0.00%
Telecommunications	181,140	-	-	181,140	45,512	135,628	25.13%
Training	285,719	-	-	285,719	60,582	225,137	21.20%
Insurance	167,500	-	-	167,500	-	167,500	0.00%
Board/Panel Services	35,000	-	-	35,000	3,246	31,754	9.27%
Administration & Office (Software Maint & Support, Printing & Stationery, Postage)	1,268,015	-	-	1,268,015	101,537	1,166,478	8.01%
Other Administrative Services	34,885	-	-	34,885	2,757	32,128	7.90%
Furniture/Equipment	47,600	-	-	47,600	16,810	30,790	35.32%
EDP Hardware/Software	689,665	-	-	689,665	19,109	670,556	2.77%
Dept of Insurance Examination	50	-	-	50	3,450	(3,400)	6900.00%
<b>Total Operating Expenses</b>	<b>\$ 15,551,175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,551,175</b>	<b>\$ 2,953,562</b>	<b>\$ 12,597,613</b>	<b>18.99%</b>
Consulting Services							
Claims	10,000	-	-	10,000	-	10,000	0.00%
Compliance	150,000	-	-	150,000	-	150,000	0.00%
Executive Recruiting	75,000	-	-	75,000	-	75,000	0.00%
Financial Consulting	260,000	-	-	260,000	674	259,326	0.26%
Government Relations	190,000	-	-	190,000	21,000	169,000	11.05%
Human Resources	395,000	-	-	395,000	31,205	363,795	7.90%
Information Systems	145,000	-	-	145,000	-	145,000	0.00%
Internal Audit	50,000	-	-	50,000	-	50,000	0.00%
Investment Compliance	40,000	-	-	40,000	-	40,000	0.00%
Public Relations	100,000	-	-	100,000	-	100,000	0.00%
Other Consulting Services	190,000	-	-	190,000	2,025	187,975	1.07%
<b>Total Consulting Services</b>	<b>\$ 1,605,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,605,000</b>	<b>\$ 54,904</b>	<b>\$ 1,550,096</b>	<b>3.42%</b>

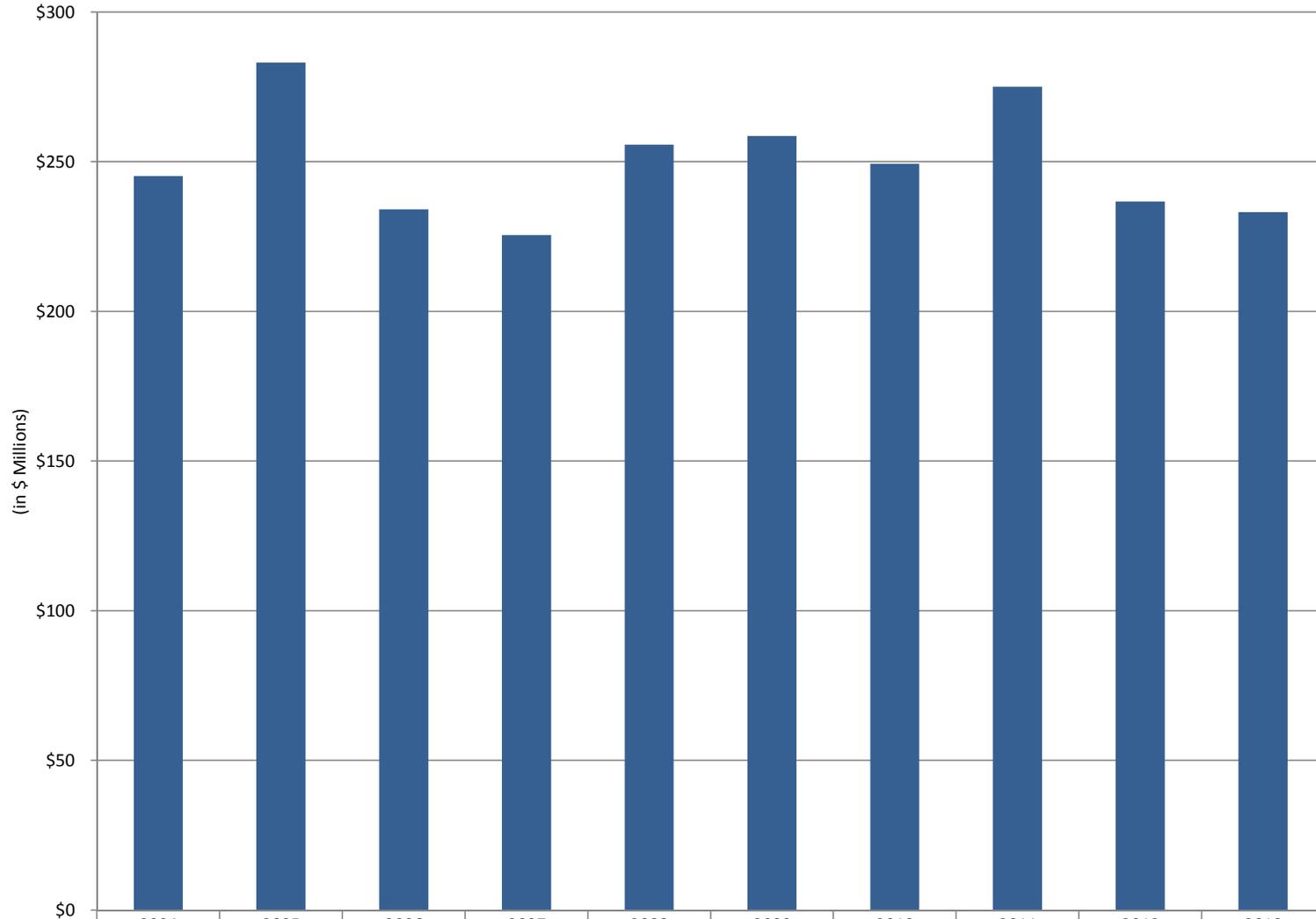
**CALIFORNIA EARTHQUAKE AUTHORITY**  
**Insurance Services**  
**Budgeted and Actual Expenditures**  
**2014 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<b>Approved 2014 Budget 1/1/2014</b>	<b>Adjustments thru 3/31/2014</b>	<b>Augmentations thru 3/31/2014</b>	<b>2014 Budget after Augmentations and Adjustments</b>	<b>Actual Expenditures as of 3/31/2014</b>	<b>Augmented &amp; Adjusted Approved Budget (d) vs. Actual Expenses (e) as of 3/31/2014</b>	<b>Percentage used of Augmented &amp; Adjusted Approved 2014 Budget</b>
Contracted Services							
Agent Services	70,000	-	-	70,000	-	70,000	0.00%
Audit Services	109,000	-	-	109,000	-	109,000	0.00%
IT Services	2,591,005	-	-	2,591,005	336,097	2,254,908	12.97%
Legal Services - Claims Counsel	300,000	-	-	300,000	-	300,000	0.00%
Legal Service - Non-Claims	7,355,000	-	-	7,355,000	118,806	7,236,194	1.62%
Marketing Services	8,878,000	-	-	8,878,000	620,577	8,257,423	6.99%
Modeling Services	711,000	-	-	711,000	55,000	656,000	7.74%
Rating Agencies	197,350	-	-	197,350	-	197,350	0.00%
Staffing Services - Support and Admin	3,106,214	-	-	3,106,214	657,181	2,449,033	21.16%
Other Contracted Services	50,000	-	-	50,000	-	50,000	0.00%
<b>Total Contracted Services</b>	<b>\$ 23,367,569</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,367,569</b>	<b>\$ 1,787,661</b>	<b>21,579,908</b>	<b>7.65%</b>
Research	200,000	-	-	200,000	-	200,000	0.00%
Participating Insurer Commissions	56,742,287	-	-	56,742,287	13,564,161	43,178,126	23.90%
Participating Insurer Operating Costs	17,533,367	-	-	17,533,367	4,185,038	13,348,329	23.87%
Investment Expenses	2,422,156	-	-	2,422,156	515,635	1,906,521	21.29%
Financing Expenses	5,079,788	-	-	5,079,788	1,520,353	3,559,435	29.93%
Risk Transfer	222,221,550	-	-	222,221,550	51,063,457	171,158,093	22.98%
<b>Total Expenditures</b>	<b>\$ 344,722,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 344,722,892</b>	<b>\$ 75,644,771</b>	<b>269,078,121</b>	<b>21.94%</b>

**CALIFORNIA EARTHQUAKE AUTHORITY**  
**Mitigation**  
**Budgeted Expenditures and Actual Expenditures**  
**2014 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<u>Approved 2014 Budget 1/1/2014</u>	<u>Adjustments thru 3/31/2014</u>	<u>Augmentations thru 3/31/2014</u>	<u>2014 Budget after Augmentations and Adjustments</u>	<u>Actual Expenditures as of 3/31/2014</u>	<u>Augmented &amp; Adjusted Approved Budget (d) vs. Actual Expenses (e) as of 3/31/2014</u>	<u>Percentage used of Augmented &amp; Adjusted Approved 2014 Budget</u>
Salaries & Benefits	\$ 647,379	\$ -	\$ -	\$ 647,379	\$ 90,060	\$ 557,319	13.91%
Rent	33,120	-	-	33,120	7,665	25,455	23.14%
Travel	50,000	-	-	50,000	7,226	42,774	14.45%
Non-paid Consultant Travel	5,000	-	-	5,000	-	5,000	0.00%
Telecommunications	10,800	-	-	10,800	1,437	9,363	13.31%
Training	22,880	-	-	22,880	7,300	15,580	31.91%
Administration & Office (Software Maint & Support, Printing & Stationery, Postage)	113,600	-	-	113,600	568	113,032	0.50%
Furniture/Equipment	1,000	-	-	1,000	-	1,000	0.00%
EDP Hardware/Software	-	-	-	-	-	-	0.00%
<b>Total Operating Expenses</b>	<b>\$ 883,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 883,779</b>	<b>\$ 114,256</b>	<b>\$ 769,523</b>	<b>12.93%</b>
Consulting Services							
Other Consulting Services	100,000	-	-	100,000	-	100,000	0.00%
Total Consulting Services	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	0.00%
Contracted Services							
Legal Services - Non-Claims	50,000	-	-	50,000	-	50,000	0.00%
Mitigation Projects	850,000	-	-	850,000	-	850,000	0.00%
Staffing Services - Support and Admin	222,436	-	-	222,436	17,136	205,300	7.70%
Other Contracted Services	50,000	-	-	50,000	-	50,000	0.00%
Total Contracted Services	\$ 1,172,436	\$ -	\$ -	\$ 1,172,436	\$ 17,136	\$ 1,155,300	1.46%
CRMP Contribution	-	-	-	-	-	-	0.00%
Investment Expenses	16,800	-	-	16,800	4,871	11,929	28.99%
<b>Total Expenditures</b>	<b>\$ 2,173,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,173,015</b>	<b>\$ 136,263</b>	<b>\$ 2,036,752</b>	<b>6.27%</b>

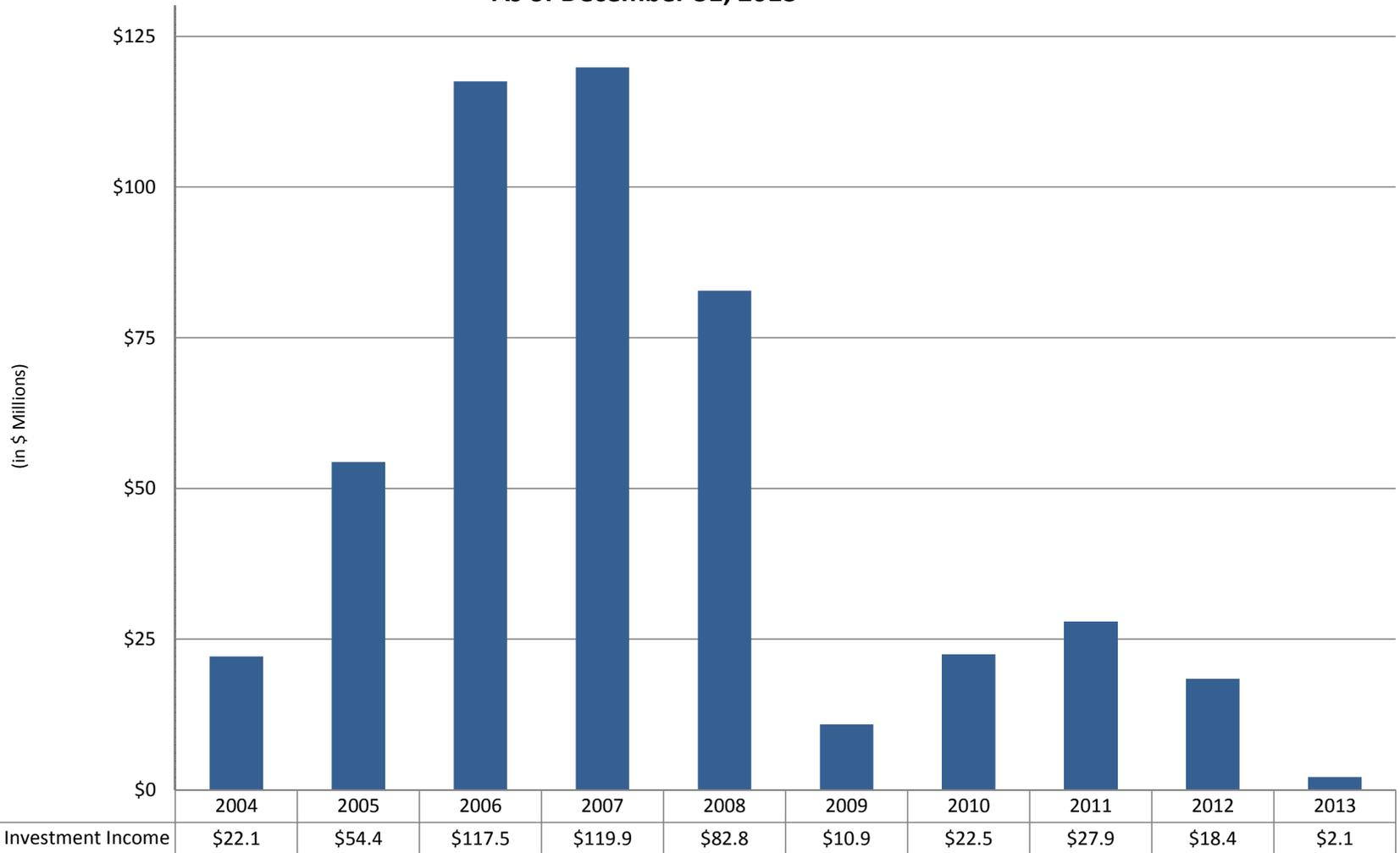
**California Earthquake Authority  
Annual Capital Accumulated from Premium  
As of December 31, 2013**



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Capital Accumulated from Premium	\$245.2	\$283.1	\$234.1	\$225.5	\$255.7	\$258.6	\$249.3	\$275.0	\$236.7	\$233.1

# **Investments**

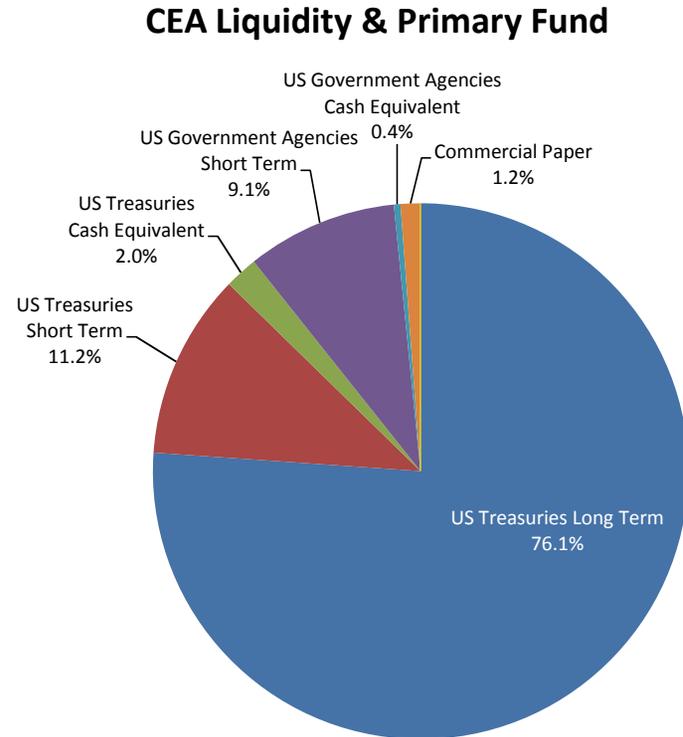
**California Earthquake Authority  
Annual Investment Income  
As of December 31, 2013**



NOTE: Prior to 2009, investment income was reported from FASB financial statements which did not include unrealized gains or losses and were net of manager fees.

**California Earthquake Authority  
Investment Portfolio Distribution at Market Value  
As of March 31, 2014**

<b>CEA Liquidity &amp; Primary Fund:</b>	<b>\$4,693,645,792</b>
US Treasuries Long Term	76.1%
US Treasuries Short Term	11.2%
US Treasuries Cash Equivalent	2.0%
US Government Agencies Short Term	9.1%
US Government Agencies Cash Equivalent	0.4%
Commercial Paper	1.2%
Commercial Paper Cash Equivalent	0.0%
<b>Total:</b>	<b>100.0%</b>



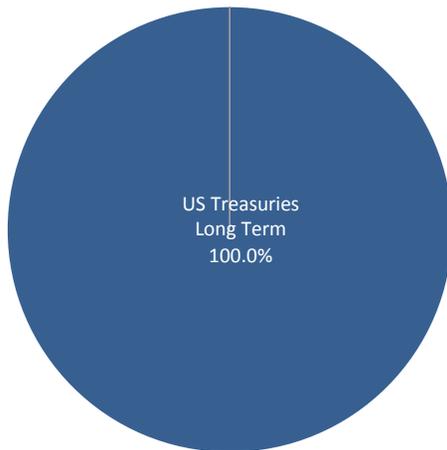
Note: All CEA investment portfolios are managed by outside firms.

**California Earthquake Authority  
Investment Portfolio Distribution at Market Value  
As of March 31, 2014**

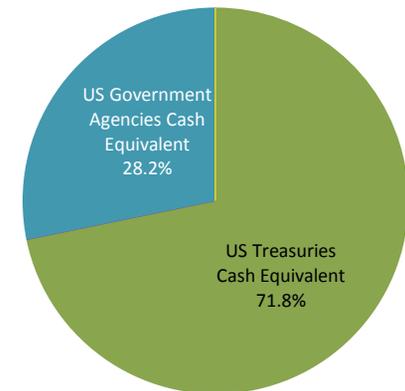
<b>Claim-Paying Fund</b>	<b>\$313,120,754</b>
US Treasuries Long Term	100.0%
US Treasuries Short Term	0.0%
US Treasuries Cash Equivalent	0.0%
US Government Agencies Short Term	0.0%
US Government Agencies Cash Equivalent	0.0%
Commercial Paper	0.0%
Commercial Paper Cash Equivalent	0.0%
<b>Total:</b>	<b>100.0%</b>

<b>Mitigation Fund:</b>	<b>\$24,264,293</b>
US Treasuries Long Term	0.0%
US Treasuries Short Term	0.0%
US Treasuries Cash Equivalent	71.8%
US Government Agencies Short Term	0.0%
US Government Agencies Cash Equivalent	28.2%
Commercial Paper	0.0%
Commercial Paper Cash Equivalent	0.0%
<b>Total:</b>	<b>100.0%</b>

**Claim-Paying Fund**



**Mitigation Fund**



# Debt

**California Earthquake Authority  
Schedule of Outstanding Debt**

<b>DEBT</b>	<b>ISSUANCE AMOUNT</b>	<b>INTEREST RATE</b>	<b>NET PROCEEDS</b>	<b>OUTSTANDING PRINCIPAL</b>	<b>AS OF DATE</b>	<b>MOODY'S RATING*</b>	<b>FITCH RATING*</b>
Series 2006 Revenue Bonds	\$ 315,000,000	6.169%	\$ 310,829,067	\$ 94,500,000	31-Mar-2014	A3 Outlook Stable	A Outlook Stable

**DEBT-SERVICE SCHEDULE**

The table below shows the annual-debt-service requirements for the Series 2006 Bonds.

<b>Period Ending</b>	<b>Outstanding Principal</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
1-Jan-14	\$94,500,000		\$2,914,853	\$2,914,853	
1-Jul-14	\$63,000,000	\$31,500,000	\$2,914,853	\$34,414,853	
2014					\$37,329,706
1-Jan-15	\$63,000,000		\$1,943,235	\$1,943,235	
1-Jul-15	\$31,500,000	\$31,500,000	\$1,943,235	\$33,443,235	
2015					\$35,386,470
1-Jan-16	\$31,500,000		\$971,618	\$971,618	
1-Jul-16		\$31,500,000	\$971,618	\$32,471,618	
2016					\$33,443,236

\*Ratings of 'A3' and 'A' since 2006 (These ratings were reaffirmed in 2013)

# **Claim-Paying Capacity**

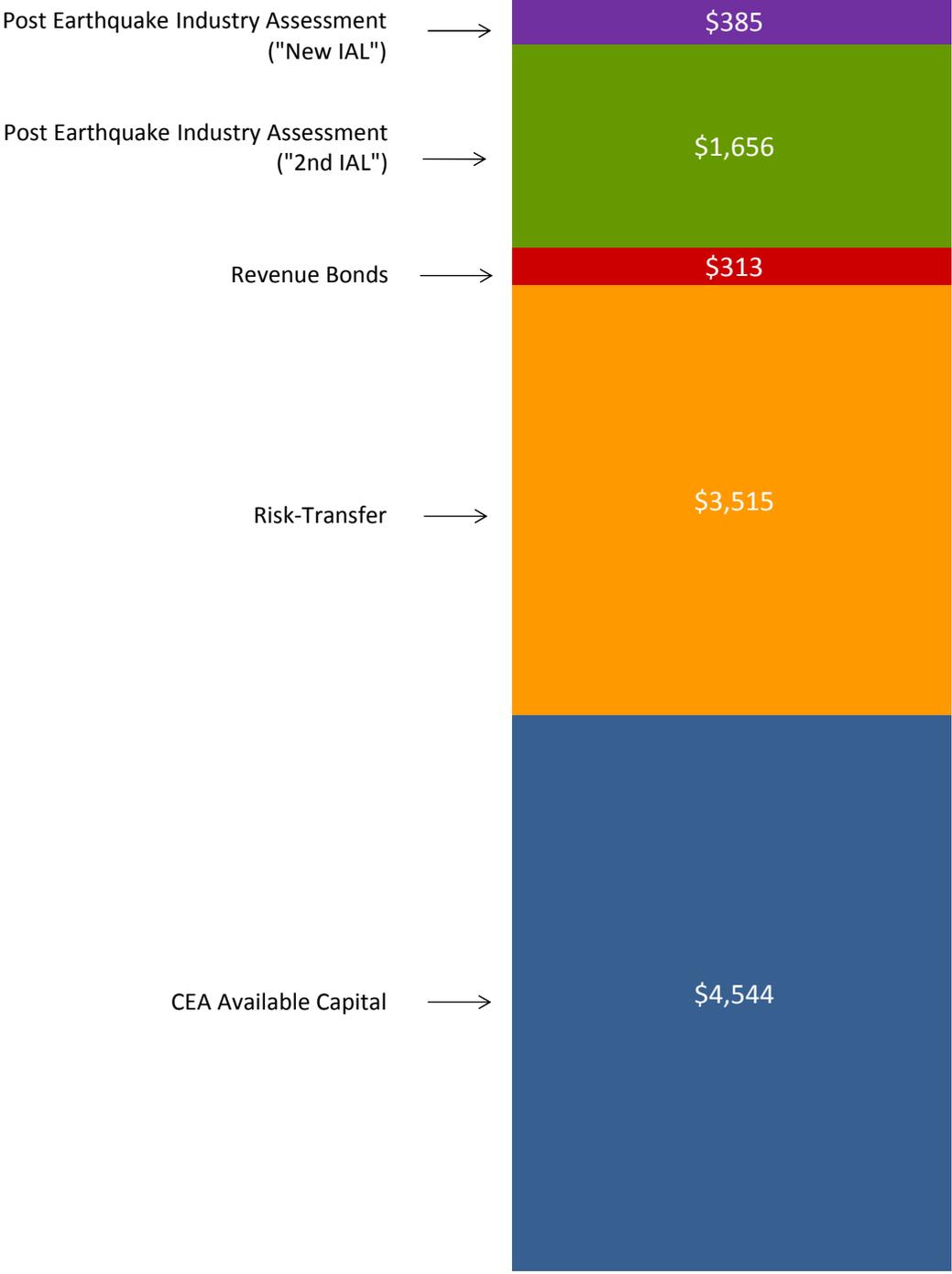
**California Earthquake Authority  
Available Capital Report**

**Available Capital As of March 31, 2014**

Cash & Investments (includes capital contributions and premiums)	\$ 5,052,602,361 *
Interest, Securities & Restricted Securities Receivable	\$ 15,583,137
Premium Receivable	\$ 46,524,288
Risk Capital Surcharge & Capital Contributions Receivable	\$ -
Other Assets	\$ 24,629
Revenue Bonds	\$ (313,120,684)
Debt Service (Interest, Principal & Debt Service (Min. Bal.))	\$ (40,061,919)
Unearned Premium Collected	\$ (208,549,191)
Accrued Reinsurance Premium Expense	\$ (5,882,778)
Accounts and Securities Payable, and Accrued Expenses	\$ (3,581,145)
<b>CEA Available Capital</b>	<b><u><u>\$ 4,543,538,698</u></u></b>

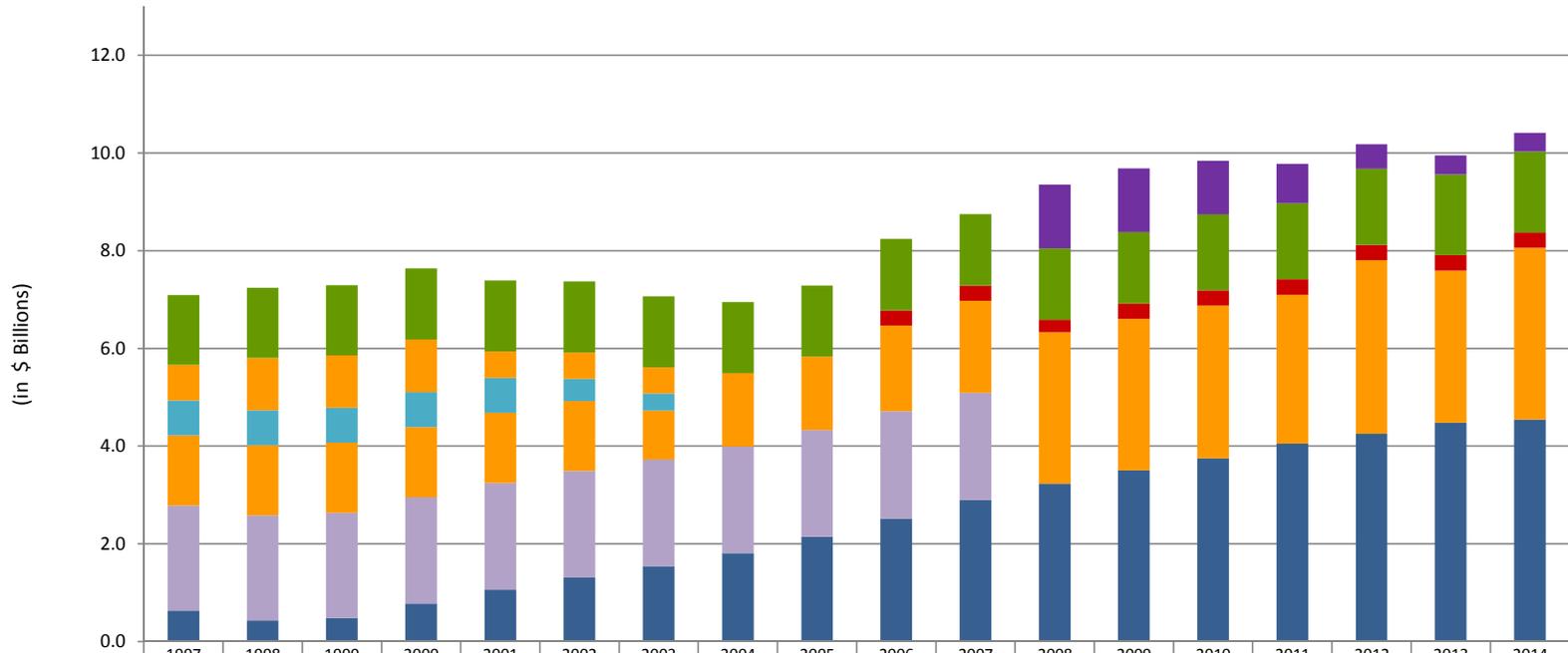
\* Does not include Earthquake Loss Mitigation Fund cash and investments of \$24,266,021

**California Earthquake Authority  
Claim-paying Capacity  
As of March 31, 2014**



**Total Capacity \$10,413M**

**California Earthquake Authority  
Historical Totals Claim-Paying Capacity (CPC)  
As of March 31, 2014**



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total CPC	\$7.095	\$7.240	\$7.293	\$7.635	\$7.390	\$7.373	\$7.069	\$6.948	\$7.284	\$8.244	\$8.752	\$9.354	\$9.685	\$9.840	\$9.777	\$10.179	\$9.949	\$10.413
New Industry Assessment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.304	1.304	1.095	0.804	0.500	0.385	0.385
2nd Industry Assessment	1.434	1.434	1.434	1.456	1.456	1.456	1.456	1.456	1.456	1.465	1.465	1.465	1.465	1.558	1.558	1.558	1.656	1.656
Revenue Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.311	0.311	0.254	0.311	0.311	0.317	0.314	0.314	0.313
Risk-Transfer, 2nd Layer	0.727	1.075	1.075	1.075	0.538	0.538	0.538	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Line of Credit	0.716	0.716	0.716	0.716	0.716	0.456	0.348	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Risk Transfer, 1st Layer	1.433	1.433	1.433	1.433	1.433	1.433	1.000	1.500	1.500	1.756	1.885	3.100	3.100	3.123	3.050	3.557	3.115	3.515
1st Industry Assessment	2.150	2.150	2.150	2.183	2.183	2.183	2.183	2.183	2.183	2.197	2.197	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CEA Available Capital	0.635	0.432	0.485	0.772	1.064	1.307	1.544	1.809	2.145	2.515	2.894	3.231	3.505	3.753	4.048	4.250	4.478	4.544

NOTE: In 2007 Revenue Bond proceeds were split between the Base-limits and Supplement programs.

# **Risk-Transfer Programs**

**California Earthquake Authority  
Risk-Transfer Program  
As of March 31, 2014**

<b>Traditional Reinsurance Contracts</b>	<b>Contract Period</b>	<b>Reinsurance Limit</b>	<b>12-Month Rate-on-Line</b>	<b>12-Month Premium</b>
2014 January Program Contract 1	January 1, 2014 - December 31, 2014	460,758,100	5.40%	24,880,937
2014 January Program Contract 2	January 1, 2014 - December 31, 2014	50,000,000	4.95%	2,475,000
2014 January Program Contract 3	January 1, 2014 - December 31, 2014	99,999,960	6.75%	6,749,997
2014-2015 January Program Contract 1	January 1, 2014 - December 31, 2015	454,227,620	5.50%	24,982,519
2014-2015 January Program Contract 2	January 1, 2014 - December 31, 2015	49,999,996	6.45%	3,225,000
2013-2014 April Program Contract 1	April 1, 2013 - March 31, 2014	759,900,000	5.30%	40,274,700
2013-2015 April Program Contract 2	April 1, 2013 - March 31, 2015	84,999,960	5.30%	4,504,998
2013-2016 May Program	May 1, 2013 - April 30, 2016	100,000,000	5.60%	5,600,000
2013-2015 June Program	June 1, 2013 - May 31, 2015	50,000,000	5.65%	2,825,000
2013-2014 August Program Contract 1	August 1, 2013 - July 31, 2014	299,999,920	5.90%	17,699,995
2013-2014 August Program Contract 2	August 1, 2013 - July 31, 2014	130,000,000	5.80%	7,540,000
2013-2015 August Program Contract 3	August 1, 2013 - July 31, 2015	250,000,000	5.90%	14,750,000
2013-2014 August Program Contract 4	August 1, 2013 - July 31, 2014	24,999,000	7.10%	1,774,929
2012-2015 September Program	September 1, 2012 - August 31, 2015	100,000,000	5.70%	5,700,000
<b>Total Traditional Reinsurance</b>		<b>2,914,884,556</b>		

<b>Transformer Reinsurance Contracts</b>	<b>Contract Period</b>	<b>Reinsurance Limit</b>	<b>12-Month Rate-on-Line</b>	<b>12-Month Premium</b>
Transformer Contract 1 (2011 - I)	August 2, 2011 – August 8, 2014	150,000,000	8.59%	12,886,027
Transformer Contract 2 (2012 - I)	February 7, 2012 – February 13, 2015	150,000,000	7.44%	11,159,145
Transformer Contract 3 (2012 - II)	August 1, 2012 – August 7, 2015	300,000,000	5.04%	15,121,864
<b>Total Transformer Reinsurance</b>		<b>600,000,000</b>		

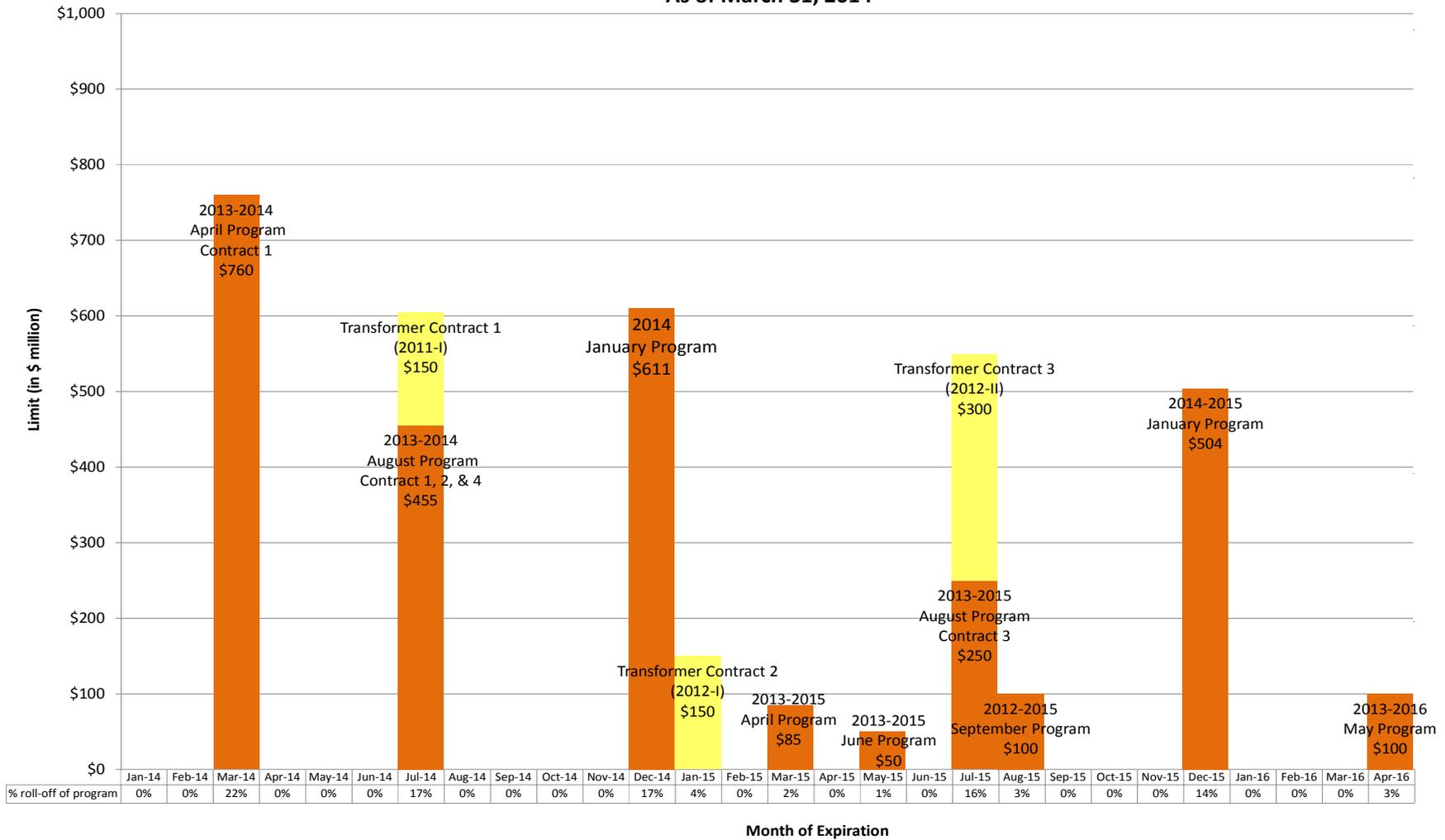
<b>Total Risk-Transfer Program</b>	<b>3,514,884,556</b>
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**California Earthquake Authority**  
**2014 Total Premium Risk-Transfer Program**  
**As of March 31, 2014**

<b>Traditional Reinsurance Contracts</b>	<b>Contract Period</b>	<b>2014 Premium</b>
2013-2014 April Program Contract 1	April 1, 2013 - March 31, 2014	10,068,675
2013-2014 August Program Contract 1	August 1, 2013 - July 31, 2014	10,324,997
2013-2014 August Program Contract 2	August 1, 2013 - July 31, 2014	4,398,333
2013-2014 August Program Contract 4	August 1, 2013 - July 31, 2014	1,035,375
2014 January Program Contract 1	January 1, 2014 - December 31, 2014	24,880,937
2014 January Program Contract 2	January 1, 2014 - December 31, 2014	2,475,000
2014 January Program Contract 3	January 1, 2014 - December 31, 2014	6,749,997
2013-2015 April Program Contract 2	April 1, 2013 - March 31, 2015	4,504,998
2013-2015 June Program	June 1, 2013 - May 31, 2015	2,825,000
2013-2015 August Program Contract 3	August 1, 2013 - July 31, 2015	14,750,000
2012-2015 September Program	September 1, 2012 - August 31, 2015	5,700,000
2014-2015 January Program Contract 1	January 1, 2014 - December 31, 2015	24,982,519
2014-2015 January Program Contract 2	January 1, 2014 - December 31, 2015	3,225,000
2013-2016 May Program	May 1, 2013 - April 30, 2016	5,600,000
<b>Total Traditional Reinsurance Premium</b>		<b>121,520,831</b>
<b>Transformer Reinsurance Contracts</b>	<b>Contract Period</b>	<b>2014 Premium</b>
Transformer Contract 1 (2011 - I)	August 2, 2011 – August 8, 2014	7,516,849
Transformer Contract 2 (2012 - I)	February 7, 2012 – February 13, 2015	11,159,145
Transformer Contract 3 (2012 - II)	August 1, 2012 – August 7, 2015	15,121,864
<b>Total Transformer Reinsurance Premium</b>		<b>33,797,858</b>
<b>Total Risk-Transfer Program Premium</b>		<b>155,318,689 <sup>1</sup></b>

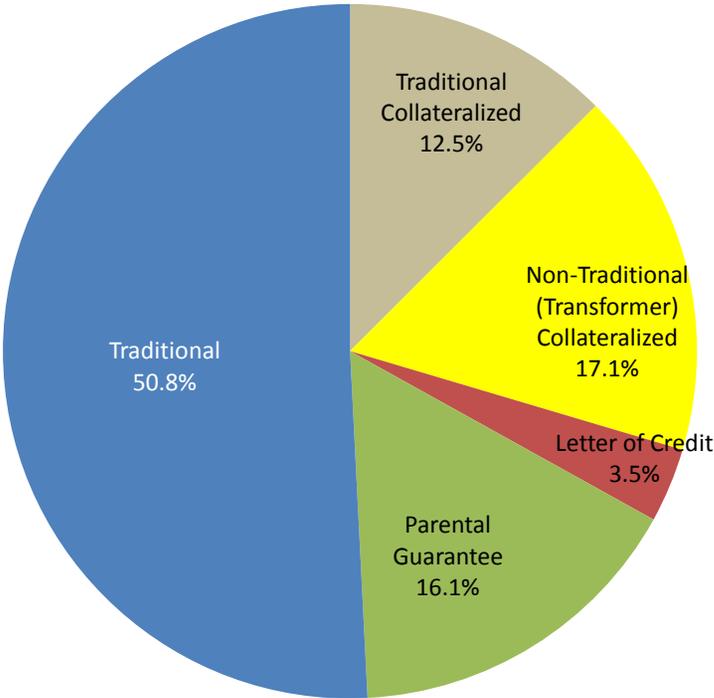
<sup>1</sup> This total does not reflect replacing contracts that expire after March 31, 2014.

**California Earthquake Authority  
Monthly Risk-Transfer Program by Expiration  
As of March 31, 2014**

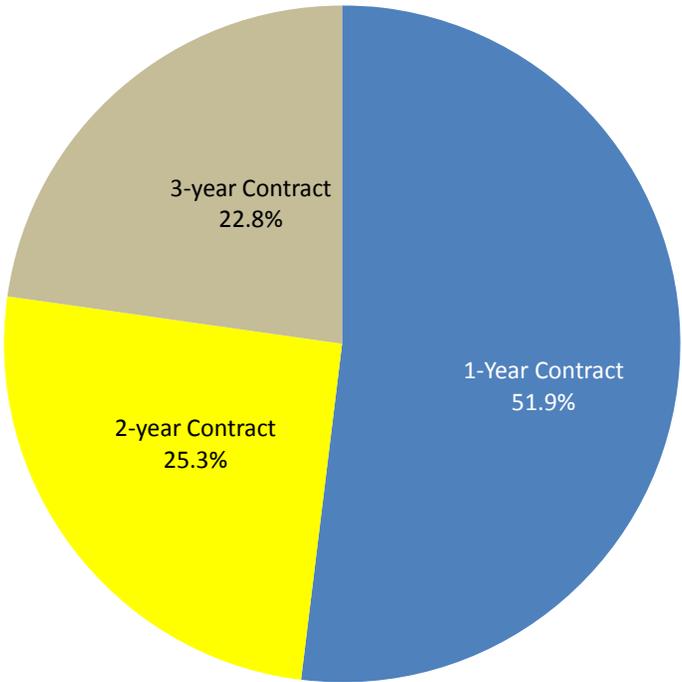


**California Earthquake Authority  
Risk-Transfer Program Summary  
As of March 31, 2014**

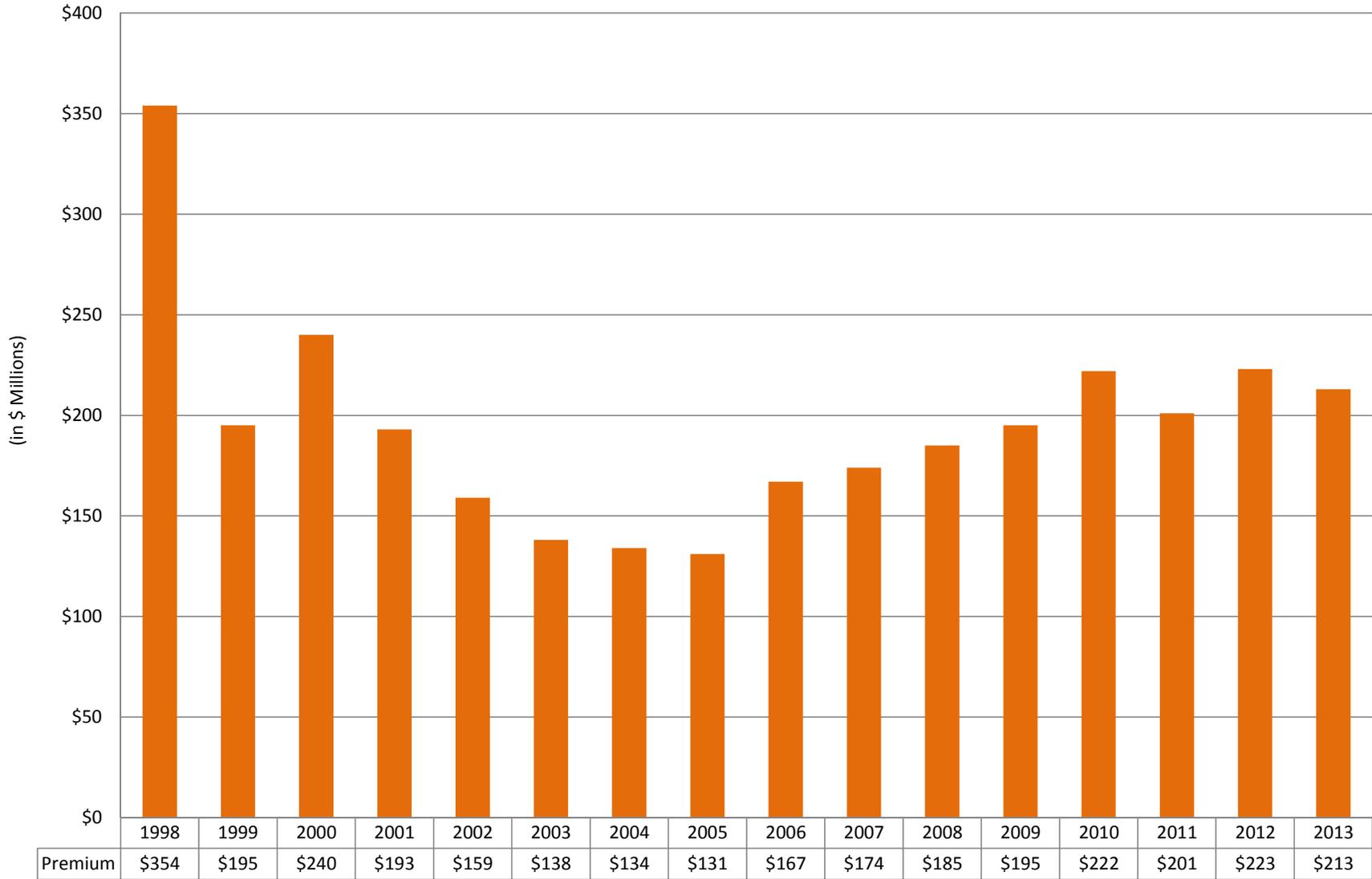
**Credit Enhancements**



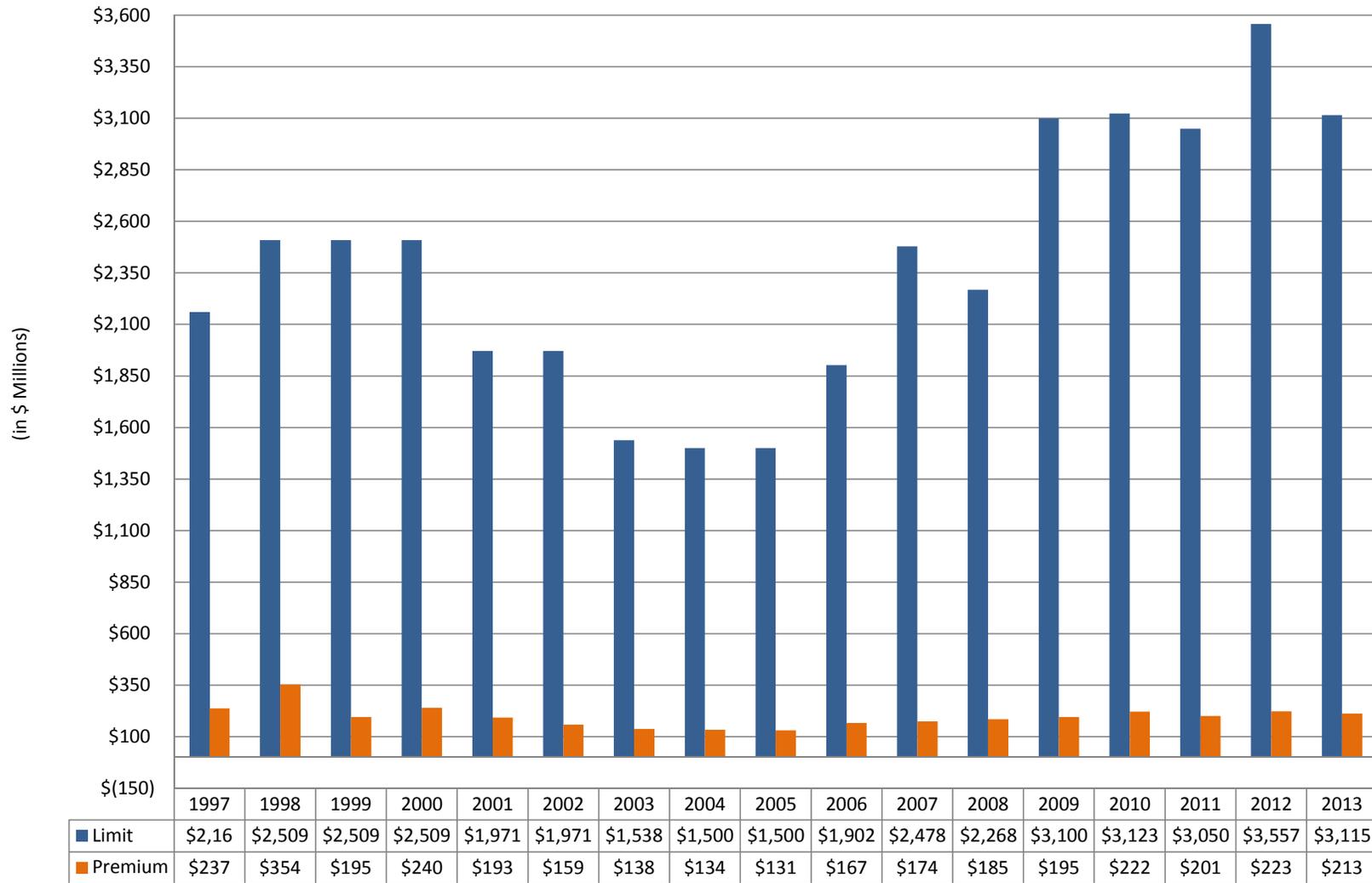
**Contract Terms**



**California Earthquake Authority  
Annual Risk-Transfer Premium  
As of December 31, 2013**



**California Earthquake Authority  
Annual Risk-Transfer Premium and Limit  
As of December 31, 2013**



NOTE: Limits through 2005 do not include supplemental coverage while 2006 forward include supplemental coverage.

## Governing Board Memorandum

May 15, 2014

Agenda Item 5: Contracting for services of additional investment managers  
(CEA procurement: RFQ#02-13)

Recommended Action: Approve staff recommendation to hire additional  
investment managers for the CEA Primary Fund

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### Background:

In December 2013, the CEA began a formal process of seeking additional Primary Fund investment managers. This memorandum describes those processes, as well as the decisions and results.

### Analysis:

CEA staff identified the need, from a best-practices standpoint, to replace or to retain Primary Fund investment managers to invest funds in CEA's growing investment portfolio.

On December 2, 2013, the CEA issued a Request for Qualifications ("RFQ#02-13"), seeking Primary Fund investment-manager services.

The RFQ was advertised on the websites of the following media:

*The Wall Street Journal*  
*The Bond Buyer*  
*San Francisco Chronicle*

The CEA received responses from four firms for the Primary Fund management services.

All RFQ responses were evaluated by a selection panel consisting of:

Tim Richison: CEA CFO  
Trudi Miller: CEA Accounting Manager  
Jeff Appel: CEA Associate Accounting Analyst  
Paolo Gonzalez: CEA Investment Analyst  
Kapil Bhatia: Raymond James & Associates, Inc. (CEA's independent financial advisor)

The selection panel ranked the firms that responded to the RFQ based on their proposals and then conducted site visits of those firms receiving the highest scores.

One of the respondents for the Primary Fund investment managers was an existing Primary Fund investment manager (American Beacon), whose contract with the CEA managing the Primary Fund expired on February 18, 2014. Evaluating American Beacon did not require a site visit, because CEA staff had recently visited American Beacon on September 23, 2013, as part of staff's periodic quality-assurance program, and the results of that site visit were satisfactory. Staff successfully brought the American Beacon contract to the Board for approval at its February meeting.

The other three respondents to the Primary Fund investment-management services, Goldman Sachs, Cutwater Asset Management, and Schroder Investment Management North America Inc. were visited in March 2014 by members of the selection panel. All site visits revealed satisfactory systems for trading, compliance, reporting, and recovery, and it was determined that each would meet the CEA's stringent requirements, as set forth in the RFQ. In addition, the RFQ selection panel determined that it was comfortable with the expertise, performance, and depth of the team members who would be assigned to the CEA account.

After the site visit, the selection panel prepared final rankings of the firms based on the site visit and determined that all three firms should be recommended to the Board.

If the Board approves the recommendation, Goldman Sachs, Cutwater Asset Management, and Schroder Investment Management North America Inc. will be invited to negotiate a contract with the CEA.

#### Key Contractual Duties – Investment Management

Below is a summary of key investment-manager duties, which apply to Primary Fund investment managers:

- Contract term: Five years, with options by the CEA to extend for two additional years.
- Services to be performed:
  - Invest funds in accordance with California Government Code section 16430 and CEA's investment policies and guidelines.
  - Conduct thorough investment analysis and provide advice on market conditions, including both positive and negative trends.
  - Analyze the fixed-income financial markets.
  - Monitor the performance of investments in the relevant CEA portfolio.
  - Provide a Daily Holdings Report to the CEA.
  - Retain in their systems sufficient electronic data to allow the CEA to verify historical investment transactions and balances, and to measure historical portfolio performance.

The maximum annual compensation identified in the RFQ was four basis points of CEA investments under management, and all three potential firms proposed a fee of four basis points.

Recommendation:

Staff recommends that the Board:

1. Approve staff's recommendation to negotiate for investment-management services with Goldman Sachs, Cutwater Asset Management, and Schroder Investment Management North America Inc.
2. Authorize CEO Glenn Pomeroy to execute the resulting, final negotiated contracts on behalf of the CEA.

## **Governing Board Memorandum**

May 15, 2014

Agenda Item 6: CEA Advisory Panel update—Brian Deephouse

Recommended Action: No action required - information only

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CEA Advisory Panel Member Brian Deephouse will provide a summary of the proceedings from the April 24, 2014, Advisory Panel meeting.

## Governing Board Memorandum

May 15, 2014

Agenda Item 7: Proposed 2015 CEA Marketing Budget

Recommended Action: Approve proposed funds to implement 2015 CEA advertising program

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CEA Communications and External Affairs is poised to reach a significant milestone in 2015, which marks the fifth year of annualized advertising budgets. Advertising capabilities developed since 2011 have set a solid foundation on which future year-round impressions can be delivered.

Despite numerous barriers identified in social science, and in the sales funnel between CEA and its Participating Insurers (PIs), combined with an economic downturn worldwide lasting longer than five years, the total number of CEA policies sold by CEA's participating insurers in March 2014 reached the highest number since September 2000.

### Background:

CEA re-established its advertising priorities in mid-2008 after a communications director was hired to fill a year-long-vacant position. At the time of that hire, there was no advertising plan, no budget, and limited professional communication experience on-staff.

Since that time, however, CEA Communications & External Affairs staff has been working steadily to build a strategic advertising capability focused on promoting the value of CEA earthquake insurance policies sold by PIs.

2008: A project-based budget of \$840,000 for radio advertising, direct mail, and preparedness kits was approved to support the first "Great Southern California ShakeOut."

2009: A project-based budget of \$565,000 for limited radio advertising and direct mail was approved to support the first of ongoing "Great California ShakeOut™" drills; funding to support branding, marketing, and new-policyholder and message research also was approved.

2010: A project-based budget of \$1.67 million was approved for radio and (limited) TV advertising, direct mail, and preparedness kits; "Blueprint" campaign also was developed.

2011: CEA's first annualized budget of \$5 million was approved to support rollout of the Marketing Value Program (MVP) under the Blueprint campaign, which offered radio and TV (broadcast advertising), direct mail, and preparedness kits, all to help support agents' sales of CEA policies. CEA also partnered with numerous TV stations that produced PSAs and created microsites to deliver consistent preparedness messages.

2012: An annualized budget of \$7.7 million was approved to add online presence to the previous broadcast-advertising mix, direct mail, and preparedness kits. CEA also joined (advertising) forces with American Red Cross through [GetPreparedCalifornia.org](http://GetPreparedCalifornia.org). CEA's TV advertising outperformed 85 percent of ads tested in Sacramento and Los Angeles markets. Even though consumer traffic on CEA's website increased four times compared to 2011, people considering earthquake insurance who completed CEA's online premium calculator were not prompted on most PI websites to purchase a CEA policy.

2013: An annualized budget of \$7.1 million was approved for broadcast and reduced online advertising, direct mail, and preparedness kits. Online click-through-rates increased by 29 percent, and a record-high three million pieces of direct mail (supporting acquisition and retention) were delivered. CEA's Cooperative Marketing Venture (CMV) was created to help PIs remove online sales barriers, and consumer research supported creation and production of CEA's *California Rocks!* Campaign, planned for 2014.

2014: An annualized budget of \$7.93 million was approved for broadcast and online advertising, direct mail, and preparedness kits. CEA staff refined how future budgets were defined, to support additional marketing steps required to promote awareness of potential earthquake damage, and to prompt voluntary purchases through PIs. While the entire online advertising budget was allocated to support first-time CMV implementation, just five PIs committed to participate, and only three PIs launched on May 2, 2014. Of three PIs that launched on schedule, just two participated in the co-branded online advertising plan. In addition, year-over-year MVP registration has declined 33.5 percent.

Board-approved annualized advertising budgets from 2011 through 2014 averaged 1.28 percent of premium (P&C insurers average 3.4 percent of premium dedicated to advertising). CEA marketing from 2011 through 2013 delivered 1.85 billion advertising impressions and 8.25 million pieces of direct mail to promote the purchase of CEA policies. From 2011 through 2013, CEA also trained 5,782 agents to sell CEA policies.

Yet according to a statewide survey commissioned by the CEA in late 2013, a large majority of Californians want more information about earthquake risk and earthquake insurance, and misinformation about earthquake insurance is still pronounced.

#### Analysis:

##### *CEA marketing barriers:*

- Damaging earthquakes occur infrequently.
- Most people don't perceive risk even to high-consequence, low-probability events.
- People perceive their personal safety as mostly unaffected by natural disasters.
- Messages urging earthquake preparedness have low market penetration.
- Many people believe the government will pay to repair residential earthquake damage.
- Many people believe earthquake damage is covered by a homeowners policy.
- Every CEA policy purchased is joined by state law to the PI's homeowners policy.
- The statutory "mandatory offer" is written to satisfy state law, not any marketing strategy.

- CEA policy sales by PIs compete with PI resources they use to sell their profitable products.
- Consumers are not aware of the CEA, and they question how CEA can pay its claims.
- More than half of first-time CEA buyers have no awareness of the CEA.
- Agents have no relationship with the CEA and are not motivated to sell its policies.
- Only about one-third of CEA policies are purchased with an agent recommendation.
- People who use CEA's premium calculator and decide to consider earthquake insurance aren't linked to CEA or earthquake-insurance information on most PI websites.

*CEA advertising opportunities:*

While CEA Communications & External Affairs has worked quickly to build an advertising capability that seeks all reachable opportunities, there are no advertising strategies known to date that work as well as an earthquake with shaking strong enough to prompt Californians to consider the purchase of a CEA policy.

The Westwood earthquake on March 17, 2014, followed by the La Habra earthquake on March 28, 2014, provided the CEA with opportunities to swiftly refine pre-event *California Rocks!* radio advertising beginning on April 1 for appeal to potential policyholders who felt shaking and as a result may be considering a CEA policy.

News releases were distributed, and news interviews were delivered. Post-event radio scripts were re-purposed from previously scheduled pre-event "*California Rocks!*" advertising. And scripts for radio disc jockeys to promote CEA's Auction to Benefit American Red Cross were revised to promote preparedness, as planned, but through a more appropriate post-event tone.

As a result, CEA's website received immediate surges of interest. All CEA's communication and advertising tools were working to ensure affected policyholders, potential policyholders, and the news media received the information they required – with one significant exception.

CEA information could be found on just six of 19 PI websites, and earthquake insurance information could be found only on an additional four of 19 PI websites – despite Insurance Code 10089.28 that reads "...Authority policies shall be marketed and policyholders serviced by the participating insurer that writes the underlying policy of residential property insurance...."

Nonetheless, all CEA's future pre-event ads will direct potential policyholders seeking information on how to purchase a policy to [CaliforniaRocks.com](http://CaliforniaRocks.com). CEA's post-event ads will direct policyholders with questions about how to file a claim to [EarthquakeAuthority.com](http://EarthquakeAuthority.com).

*CEA 2015 advertising recommendations:*

Beginning in 2011 through 2014, CEA worked with an annualized budget to implement a business-through-business-to-consumer strategy, under a plan that included about one month of broadcast advertising in the spring and about one month of broadcast advertising in the fall, complemented by two rounds of direct mail and six months of online advertising.

In preparation for potential enactment of Assembly Bill 2064 in 2015, CEA is proposing to expand from two-month to year-round durations. Since PIs would be mailing updated offers of CEA earthquake insurance daily, and because the CEA policy is purchased or renewed just once annually, delivery of advertising impressions year-round will be necessary to support an updated offer and related material worded to communicate more effectively with consumers.

According to the Assembly Committee on Insurance, “current law requires insurers to make the offer of earthquake insurance in a form that is written at a twelfth-grade reading level, uses insurance-industry jargon, and intimidates many consumers. An updated offer that is written in a more consumer-friendly fashion may encourage more consumers to buy earthquake insurance.”

CEA plans to support year-round distribution of the PIs’ updated earthquake insurance offer letter with broadcast, online, and direct-mail advertising. For every potential CEA policyholder receiving an updated offer letter, CEA at the same time will be delivering other forms of CEA advertising. All CEA advertising tactics planned for 2015 will point consumers to [CaliforniaRocks.com](http://CaliforniaRocks.com) for more information on how to buy a CEA policy.

Recognizing that year-round broadcast advertising will never be affordable by the CEA, staff is proposing only year-round online advertising for 2015, combined with year-round direct mail for agents registered in CEA’s MVP. These subtle planning adjustments will minimize advertising-budget increases to support year-round message-delivery obligations and opportunities.

Similar to 2014, CEA again proposes for 2015 to deliver messages that educate consumers about California’s earthquake risk, combined with education about CEA’s policies, through broadcast advertising. The highly respected Ostrow Model of Effective (media) Frequency suggests key factors for CEA to consider when determining how much advertising should be purchased:

- New brand, low brand share, low brand loyalty, a long purchase cycle, less frequent usage, low share-of-voice, older demographics;
- High message complexity, high message uniqueness, a new campaign, image-focused messages, moderate message variety, low wearout, small advertising units; and
- High clutter, neutral editorial settings, low audience attentiveness, pulse or flight scheduling, more media vehicles, low repeat exposure media.

Through evaluation of these and other factors, CEA staff again has determined that an effective broadcast-media plan should reach 75 percent of its target audience (adults aged 35-64) once a week for eight weeks, to achieve 600 Gross Rating Points (GRPs).

While the Ostrow Model of Effective Frequency remains a key driver for CEA’s broadcast strategy, it does not directly translate to online strategy. In place of calculating traditional frequency rates, a variety of other factors will be used to determine appropriate online impressions for the CEA:

- Branding vs. direct-response objectives;
- CEA’s AdServer historical data, prior (non) partner performance; and
- Industry/landscape trends such as recent high-profile earthquakes.

Current best practices seek to identify a prospect, follow them throughout their Internet experience, and then re-serve messages to generate desired action.

To satisfy a mix of brand awareness and direct-response campaign objectives, the industry-standard range currently is a 14x-15x frequency. For straight awareness campaigns, however, frequency can be reduced to 8x-12x. For more heavily focused direct-response campaigns, through the CMV after a high-profile event, frequency should increase to 18x-20x.

Direct-mail marketing, though a seeming old-school approach to reaching consumers compared to newer technologies, will remain a contributor to CEA’s advertising strategy.

According to the *Direct Mail Association Factbook* for 2013, “65 percent of consumers of all ages have made a purchase as a result of direct mail.” And according to *Direct Mail News*, “in 2012 the average response rate for direct mail was 4.4 percent for both business-to-business and business-to-consumer mailings – considerably higher than industry expectations, and surging past electronic mail’s response rate of just 0.12 percent.”

Beginning in 2015, CEA will offer year-round direct-mail availability for agents who participate in the MVP. While offering personalized direct mail in the name of each MVP agent will not change, the method for ordering and the timeline for availability will be expanded significantly.

CEA currently is developing an online portal for exclusive access by MVP agents that will open in 2015 with year-round availability of direct mail (and other information) for agents to promote earthquake insurance for homeowners, condo owners, and renters. CEA also will retain a round of direct mail designed to promote participation in the Great California ShakeOut™.

And finally, CEA staff proposes (1) modifications to its previous trade-advertising plan, to reduce print to link only with major industry conventions where publications with CEA ads will circulate to agents, and (2) extending online ads to achieve reach and frequency year-round.

Content for broadcast, online, direct mail, and trade advertising proposed by CEA staff for 2015 will be written to address social-science-identified barriers through year-round communication of earthquake-preparedness messages that combine “what to do” with “why to do it.” And CEA seeks to help minimize sales-channel barriers for PIs by expanding its MVP and CMV offerings.

CEA staff recommends an advertising budget for 2015 at 1.65 percent of premium, which will promote awareness of potential earthquake damage and prompt voluntary purchases through PIs, yet not approach the P&C industry standard for advertising at 3.4 percent of premium.

Television	.	.	.	.	.	\$2,929,294
Radio	.	.	.	.	.	\$1,737,043
Online	.	.	.	.	.	\$2,362,140
Direct Mail	.	.	.	.	.	\$2,300,750
Trade	.	.	.	.	.	<u>\$ 74,448</u>
<b>TOTAL 2015 ADVERTISING BUDGET</b>						<b>\$9,403,675</b>

Recommendation:

Approve proposed budget up to \$9,403,675 to implement CEA's 2015 advertising program.

## Governing Board Memorandum

May 15, 2014

Agenda Item 8: CEA Mitigation Program: Pre-Standard and Research Projects

Recommended Action: No action required – information only

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### Background and Analysis:

The California Earthquake Authority (“CEA”) and the Applied Technology Council (“ATC”) contracted in November 2013 to collaborate on a project entitled *ATC-110: Development of a Prestandard for the Evaluation and Retrofit of One and Two Family Light Frame Residential Buildings*.

The objective of this multi-year project is to develop a pre-standard for the evaluation and retrofit of one- and two-family light-frame residential buildings.

As currently envisioned, work will build on available technical-resource documents, extending them beyond their current reach to develop a single, standalone engineering-resource document that addresses both structural and nonstructural evaluation and retrofit of wood light-frame residential buildings. The beneficiaries will be homeowners who wish to improve the expected seismic performance of their houses.

The work is co-funded by the CEA and the Federal Emergency Management Agency (FEMA).

In cooperation with FEMA’s Mike Mahoney and Chief Mitigation Officer Janiele Maffei of the CEA, ATC has assembled a project team and steering committee and prepared a 2014 work plan.

Since the February planning call, the project team has begun work on a preliminary scope and outline for the eventual residential pre-standard document. Work on developing the scope and outline will continue through May.

Progress to date on the research projects has been satisfactory and is proceeding on schedule.

Recommendation: No action required – information only

# Governing Board Memorandum

May 15, 2014

Agenda Item 9: Update: California Residential Mitigation Program

Recommended Action: No action required – information only

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## Background and Analysis:



The California Residential Mitigation Program (CRMP) incentive pilot program was officially launched in September 2013.

The program is called the “Earthquake Brace + Bolt – Funds to Strengthen Your Foundation” seismic-retrofit incentive program (Earthquake Brace + Bolt or EBB, for short).

The pilot launched in two ZIP Codes in the Rockridge/Temescal community in Oakland and in two ZIP Codes in the Eagle Rock/Highland Park community in Los Angeles. Twenty houses were initially selected from a list of over 200 applicants. Program inspectors determined that 16 of the 20 were qualified for the program.

As of March 31, 2014, the end of the pilot:

- Retrofits have been completed on eight of the sixteen houses that qualified for the pilot.
- All but one has received their financial incentive payment.

The CRMP-contracted program evaluator is in the process of reviewing all program components and conducting interviews with program applicants and participants, contractors, and community stakeholders. CRMP anticipates the report on EBB program-performance report to be delivered in late May or early June, with a final report available to the CRMP Governing Board in July.

Program expansion will begin after the CRMP board has reviewed and accepted the final evaluation report and any recommended program modifications have been approved and made.

The timeframe for expansion is expected to be third or fourth quarter 2014.

Recommendation: No action required – information only

## **Governing Board Memorandum**

May 15, 2014

Agenda Item 10:                      Progress Report on the 2014 CEA IT Project Portfolio

Recommended Action:              No action required – information only

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Chief Information Officer Todd Coombes will present an update on the 2014 CEA IT Project Portfolio including progress, changes, expenditures, and risk assessment.

## CEA Project Portfolio 2014 - Planned Schedules and Cost

April 2014

Completed
Active
Planned

	HOLD
	Cancelled

													2014				
Portfolio #	Project Name	Description													Estimated External Cost	Actual External Cost	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
2014-01	Claims Reimbursement	EPICenter capacity testing of Claims														\$163,800	\$0
2014-02	2015 Rate Adjustment & New Coverages	Implementation of product/policy changes														\$324,800	\$0
2014-03	Allstate/Encompass Split	Splitting out Encompass EPICenter data from Allstate														\$0	\$0
2014-04	User Password Management	Managing users and security across CEA applications														\$0	\$0
2014-05	New PI CEA Setup	Addition of a new PI in EPICenter and appl. systems														\$16,240	\$0
2014-06	CMV - Cooperative Marketing Venture	Comms co-marketing campaign with PIs														\$0	\$0
2014-07	Premium Calculator	Make premium calculator reusable for CMV, PIs, etc.														\$0	\$0
2014-08	Public Website	Replacing the current public website														\$61,320	\$0
2014-09	CEA Employee Portal / Internal Website ("Shockwave")	Implementing an Employee Portal / Intranet														\$73,920	\$0
2014-10	Marketing Value Program (MVP) 2014	Updates to the Marketing Value Program														\$0	\$0
2014-11	Customer Relationship Management Tool (CRM)	Implementation of a new CRM tool														\$61,320	\$0
2014-12	Social Media Software/Program	Implementation of a new tool and program														\$14,000	\$0
2014-13	Concentric Data Warehouse	Implementation of remaining functional areas														\$0	\$0
2014-14	CEA Policy Lineage Tracing	Leveraging business intelligence of policy data														\$0	\$0
2014-15	Convert Legacy Reports to Source from Concentric	Migrating BoB reports to the Concentric platform														\$0	\$0
2014-16	EPICenter 2.0 (Post Process Rules Model)	Acceptance of all policy data into EPICenter														\$273,700	\$0
2014-17	EPICenter 3.0 (Data Warehouse Model)	Leveraging the Data Warehouse as a service platform														\$28,000	\$0
2014-18	Centralized Policy Processing - Business Case	Investigating reqmts. for CEA to originate policies														\$22,400	\$0
2014-19	CEA Event Walkthrough	End-to-end business walkthrough of a major event														\$28,000	\$0
2014-20	Great Plains (POC) / Upgrade	Upgrading CEAs Accounting System														\$16,800	\$0
2014-21	2013 Internal Audit Closure	Managing the controls and action plans for IT audit														\$0	\$0
2014-22	Human Resources System Implementation	Implementation of a new HR system														\$10,360	\$0
2014-23	Policy Tech Implementation	Implementation of Policytech & dept. policies/proc.														\$12,320	\$0
2014-24	Enterprise Content Management System (ECMS)	Implementation of a new document mgmt. tool/proc.														\$235,200	\$0
2014-25	Mobile Device Management	Implementation of a phone/device tool														\$0	\$0
2014-26	Disaster Recovery Plan - Rewrite	IT disaster recovery plan and testing														\$0	\$0
2014-27	Infrastructure Managed Services Implementation	Implement contract for facilities and equipment														\$0	\$0
2014-28	Project 1 - EPICenter Maintenance Fixes	EPICenter maintenance fixes														\$0	\$0
2014-29	PMO / IT Governance Tool (Clarizen)	Implement PM and resource management tool														\$0	\$0
2014-30	Learning Management System	Implement continuing education system for agents														\$0	\$0
2014-31	Reinsurance Management Software Acquisition	Implement management tool for reinsurance partners														\$0	\$0
2014-32	Plan B (Claims Processing)	Contingency plan for claims reimbursement process														\$0	\$0
2014-33	Infrastructure Upgrade	Upgrade hardware/software in Data Center														\$170,800	\$0
2014-34	Marketing Value Program (MVP) 2015	Updates to the Marketing Value Program														\$0	\$0
													<b>\$1,512,980</b>	<b>\$0</b>			

## 2014 Project Portfolio - Scorecard

April 2014

Schedule	Scope	External Resources	Project Cost	Overall Score	Status Flag	Portfolio #	Project Name	PM	Status	Target	Start Date	Project %	Target End	End Date	Planned	Actual
										Start Date	Complete	Date	Cost	Cost		
●	●	TBD	●	●	▲	2014-01	Claims Reimbursement	Jeremy Pine	Active	09/03/13	01/24/14	83%	05/15/14	10/06/14	\$163,800	\$0
●	●	TBD	●	●	▲	2014-02	2015 Rate Adjustment & New Coverages	Charlie Pfeiffer	Planned	06/02/14	06/02/14	0%	05/31/15	05/31/15	\$324,800	\$0
●	●	n/a	●	●	▲	2014-03	Allstate/Encompass Split	Jeremy Pine	Active	01/24/14	01/24/14	37%	06/26/14	12/26/14	\$0	\$0
●	●	n/a	●	●	▲	2014-04	User Password Management	Charlie Pfeiffer	Active	11/01/13	02/04/14	90%	03/31/14	04/28/14	\$0	\$0
*	*	n/a	*	*	*	2014-05	New PI CEA Setup	n/a	Cancelled	07/01/14	07/01/14	0%	07/01/14	12/31/14	\$16,240	\$0
●	●	n/a	●	●	▲	2014-06	CMV - Cooperative Marketing Venture	Jeremy Pine	Active	11/18/13	11/18/13	82%	04/01/14	05/05/14	\$0	\$0
●	●	n/a	●	●	▲	2014-07	Premium Calculator	Jeremy Pine	Completed	11/01/13	02/05/14	100%	03/18/14	03/27/14	\$0	\$0
●	●	TBD	●	●	▲	2014-08	Public Website	Leslie Gazeley	Active	01/01/14	01/01/14	70%	04/01/14	07/15/14	\$61,320	\$0
●	●	TBD	●	●	▲	2014-09	CEA Employee Portal / Internal Website ("Shockwave")	Leslie Gazeley	Active	10/01/13	10/01/13	33%	04/01/14	06/15/14	\$73,920	\$0
●	●	n/a	●	●	▲	2014-10	Marketing Value Program (MVP) 2014	Jeremy Pine	Completed	10/01/13	10/01/13	100%	01/30/14	03/24/14	\$0	\$0
●	●	TBD	●	●	▲	2014-11	Customer Relationship Management Tool (CRM)	PM TBD	Planned	07/01/14	07/01/14	0%	12/31/14	12/31/14	\$61,320	\$0
●	●	TBD	●	●	▲	2014-12	Social Media Software/Program	PM TBD	Planned	07/01/14	07/01/14	0%	12/31/14	12/31/14	\$14,000	\$0
●	●	n/a	●	●	▲	2014-13	Concentric Data Warehouse	Charlie Pfeiffer	Active	10/01/13	10/01/13	58%	06/30/14	06/30/14	\$0	\$0
●	●	n/a	●	●	▲	2014-14	CEA Policy Lineage Tracing	PM TBD	Planned	07/01/14	07/01/14	0%	12/31/14	12/31/14	\$0	\$0
●	●	n/a	●	●	▲	2014-15	Convert Legacy Reports to Source from Concentric	Charlie Pfeiffer	Planned	04/01/14	04/01/14	0%	09/30/14	09/30/14	\$0	\$0
●	●	TBD	●	●	▲	2014-16	EPICenter 2.0 (Post Process Rules Model)	Jeremy Pine	Active	01/01/14	04/01/14	1%	12/31/14	12/31/14	\$273,700	\$0
●	●	TBD	●	●	▲	2014-17	EPICenter 3.0 (Data Warehouse Model)	PM TBD	Planned	10/01/14	10/01/14	0%	12/31/14	12/31/14	\$28,000	\$0
●	●	TBD	●	●	▲	2014-18	Centralized Policy Processing - Business Case	PM TBD	Planned	07/01/14	07/01/14	0%	12/31/14	12/31/14	\$22,400	\$0
*	●	TBD	●	●	▲	2014-19	CEA Event Walkthrough	PM TBD	On Hold	02/04/14	TBD	0%	12/31/14	TBD	\$28,000	\$0
●	●	TBD	●	●	▲	2014-20	Great Plains (POC) / Upgrade	Charlie Pfeiffer	Active	11/01/13	11/01/13	40%	06/01/14	06/01/14	\$16,800	\$0
●	●	n/a	●	●	▲	2014-21	2013 Internal Audit Closure	Jeremy Pine	Completed	11/01/13	11/01/13	100%	03/03/14	03/03/14	\$0	\$0
*	●	TBD	●	●	▲	2014-22	Human Resources System Implementation	Jeremy Pine	On Hold	11/01/13	TBD	48%	03/31/14	TBD	\$10,360	\$0
●	●	●	●	●	▲	2014-23	Policy Tech Implementation	Jeremy Pine	Completed	12/03/13	12/03/13	100%	04/07/14	04/07/14	\$12,320	\$0
●	●	TBD	●	●	▲	2014-24	Enterprise Content Management System (ECMS)	PM TBD	Planned	11/01/13	05/01/14	0%	12/31/14	12/31/14	\$235,200	\$0
●	●	n/a	●	●	▲	2014-25	Mobile Device Management	PM TBD	Planned	04/01/14	05/15/14	0%	06/27/14	06/27/14	\$0	\$0
●	●	n/a	●	●	▲	2014-26	Disaster Recovery Plan - Rewrite	Charlie Pfeiffer	Planned	04/15/14	04/15/14	0%	12/31/14	12/31/14	\$0	\$0
*	*	n/a	*	*	*	2014-27	Infrastructure Managed Services Implementation	Charlie Pfeiffer	Cancelled	11/01/13	11/01/13	35%	07/31/14	07/31/14	\$0	\$0
●	●	n/a	●	●	▲	2014-28	Project 1 - EPICenter Maintenance Fixes	Leslie Gazeley	Completed	11/01/13	11/01/13	100%	01/30/14	01/30/14	\$0	\$0
●	●	n/a	●	●	▲	2014-29	PMO / IT Governance Tool (Clarizen)	Charlie Pfeiffer	Active	10/01/13	10/01/13	70%	04/30/14	06/05/14	\$0	\$0
●	●	n/a	●	●	▲	2014-30	Learning Management System	Jeremy Pine	Completed	11/01/13	11/01/13	100%	06/30/14	03/12/14	\$0	\$0
●	●	n/a	●	●	▲	2014-31	Reinsurance Management Software Acquisition	Charlie Pfeiffer	Active	04/01/14	04/01/14	0%	07/31/14	07/31/14	\$0	\$0
●	●	n/a	●	●	▲	2014-32	Plan B (Claims Processing)	Jeremy Pine	Active	11/01/13	11/01/13	24%	03/31/14	07/14/14	\$0	\$0
●	●	TBD	●	●	▲	2014-33	Infrastructure Upgrade	Charlie Pfeiffer	Planned	09/01/14	09/01/14	3%	12/31/14	12/31/14	\$170,800	\$0
●	●	n/a	●	●	▲	2014-34	Marketing Value Program (MVP) 2015	PM TBD	Planned	06/01/14	06/01/14	0%	12/31/14	12/31/14	\$0	\$0
															<b>\$1,512,980</b>	<b>\$0</b>

## 2014 Project Portfolio - Risk Summary

April 2014

Portfolio #	Project Title	Risk Category	Risk Description	Risk Response (Strategy)	Risk Response	Probability (%)	Impact	P&I Score
2014-01	Claims Reimbursement	Schedule Risk	Schedule Risk: EpiCenter development may impact the claims reimbursement project schedule. EpiCenter PIUAT must be available and functional to accommodate high volume testing	Tracking work items associated with EpiCenter, resolving dependencies in the near term and adjusting accordingly	Mitigated	75	4	300
2014-03	Allstate/Encompass Split	Resource Risk	Resource Risk: Due to the schedule delay on the part of Allstate with their development, CEA testing of the split will be pushed further out. Resources will have to be allocated to this effort if and when the Allstate development is complete.	Work with CEA QA/Ops to plan for the new schedule and reserve resources for testing	Mitigated	50	4	200
2014-04	User Password Management	Schedule Risk	<p>There is a risk to obtain UAT signoff for a Production Release because all features for the release must be signed off on, or the release will be pushed.</p> <p>User Password Management was delivered to UAT 1 week prior to the targeted release date at the end of March, but this was not enough time for the UAT signoff. Ops determined User Password Management was not a high enough priority for an off-cycle release, so it was pushed to the 4/24/14 release.</p> <p>The 4/24 release was then pushed out 1 week due to items included in the release not being signed off by UAT.</p> <p>Until the release happens there will continue to be a risk for obtaining UAT signoff.</p>	This is an accepted risk. The process is that UAT signoff must be received in order to push a production release.	Accepted	100%	3	300
2014-06	CMV - Cooperative Marketing Venture	Schedule Risk	Schedule Risk: QA Testing of the Premium Calculator via the third party UI was originally planned to be completed by the third party. Due to gaps in the calculator functionality, CEA QA has performed minimal testing to assist in the QA efforts. CEA QA is estimating that they have only tested approximately 15% of the total calculator functionality. There is a risk that additional issues with the premium calculator may exist.	Accept: CEA QA has assisted with testing per the scenarios provided by Comms. The third party has insisted that they have tested against multiple scenarios but do not have the capability to report and are not required to provide test results back to the CEA.	Accepted	75	5	375
2014-06	CMV - Cooperative Marketing Venture	Schedule Risk	2 of the 5 planned PI micro sites may not go live on 5/2/2014 as planned. Risks are not due to technical issues. One PI needs to have links put on their corporate site before the micro site goes live. Another PI still needs to move through their legal department for approval of the content and establishment of the new links before their micro site goes live. All CEA work has been completed on schedule as planned.	The project will accept the risk as documented above. The risks are out of CEA control and the project schedule will need to be extended. The risk, if realized, will not have a financial impact on the project.	Accepted	90	4	360

## 2014 Project Portfolio - Risk Summary

April 2014

Portfolio #	Project Title	Risk Category	Risk Description	Risk Response (Strategy)	Risk Response	Probability (%)	Impact	P&I Score
2014-08	Public Website	Schedule Risk	Schedule impact due to delays on determining content entry process	Comms to reassess content entry process & responsible parties	Mitigated	5	5	25
2014-08	Public Website	Schedule Risk	The Purpose of this project is to build out a new www.earthquakeauthority.com public site, that has a more modern look and feel than the existing site, and allows the Communications Affairs department to control the content.	Comms SME to escalate to executive management	Mitigated	4	5	20
2014-08	Public Website	Schedule Risk	Schedule impact if competing Comms priorities (microsites) impede further progress on requirements/functional clarification for CMS/workflow	Comms to assess SME priorities & determine if alternate resource is an option	Accepted	5	4	20
2014-08	Public Website	Schedule Risk	Schedule impact/Quality Impact if sufficient technical docs cannot be provided for Premium Calculator	Comms SME to provide necessary documentation to IT	Accepted	5	5	25
2014-09	CEA Employee Portal / Internal Website ("Shockwave")	User Adoption Risk	Impact to employee engagement due to delayed availability/access (P-09501-01)	Working Group will begin active work on Feb 4 to cultivate ambassadorship of core team members to help fine tune and advocate the deployed solution	Mitigated	50	3	150
2014-09	CEA Employee Portal / Internal Website ("Shockwave")	Schedule Risk	Schedule delayed to due to reinstatement and training of core team (department representatives), as well as reassessment of delivered solution design by vendor	Weekly working sessions in progress with core team	Mitigated	75	3	225
2014-13	Concentric Data Warehouse	Quality Risk	The existing environments not being 100% in synch may cause Data Warehouse development team issues during testing.	Plan to switch Concentric data to source from Production (targeted for mid-June)	Mitigated	75	3	225
2014-15	Convert Legacy Reports to Source from Concentric	Schedule Risk	The Convert Legacy Reports project is dependent on the completion of the Concentric Data Warehouse project, which is not scheduled to be complete until end of June 2014. Convert Legacy Reports was targeted to start in April, which is not possible due to the dependency.	The Convert Legacy Reports project will need to be re-baselined to start in July. This may or may not push the end date of the project out.	Accepted	100	3	300
2014-16	EPICenter 2.0	Schedule Risk	Schedule Risk: The team must reach a consensus on the project scope. The project scope needs to be clear, defined and distinctively different from what is considered EpiCenter maintenance.	Mitigate: PM and BA are working towards defining the specific scope for EpiCenter 2.0.	Mitigated	75	5	375

## 2014 Project Portfolio - Risk Summary

April 2014

Portfolio #	Project Title	Risk Category	Risk Description	Risk Response (Strategy)	Risk Response	Probability (%)	Impact	P&I Score
2014-20	Great Plains (POC) / Upgrade	Schedule Risk	The projected schedule to complete the GP upgrade by June 2014 is at risk due to the contract process.	Contract process has completed. The project was kicked off on 4/24/14; however, the impact to the schedule is still unknown. The project is broken into 4 phases with the 1st phase being requirements gathering. The vendor will provide an implementation schedule for phases 2-4 after they complete phase 1. Until phase 1 is complete we will not know the impact of the contract delays to the project schedule. Once the dates are known, then the project can be re-baselined.	Accepted	100	4	400
2014-24	Enterprise Content Management System (ECMS)	Schedule Risk	Schedule delay due to need for further requirements analysis and solution assessment by Legal, Finance, and Comms	Requirements clarification meetings underway with Finance, Legal, and Comms	Mitigated	75	4	300
2014-24	Enterprise Content Management System (ECMS)	Scope Risk	Consensus on scope definition of records management and content management, as well as process approval from Legal needed from key stakeholders	Requirements clarification meetings underway with Finance, Legal, and Comms	Mitigated	75	4	300
2014-25	Mobile Device Management	Schedule Risk	The schedule is at risk due to Infrastructure evaluating, assessing and researching project	Infrastructure still in process of assessing and researching project	Accepted	75	3	225
2014-25	Mobile Device Management	Scope Risk	The scope is at risk due to Infrastructure still in process of assessing and researching project	Infrastructure still in process of assessing and researching project	Accepted	75	3	225
2014-26	Disaster Recovery Plan - Rewrite	Scope Risk	The scope of the DR re-write could change as a result of the Infrastructure Managed Service project being cancelled. If the project is postponed until after the Infrastructure Upgrade project is completed, then the scope would not change. If the DR re-write needs to happen prior to the Infrastructure Upgrade project, then the scope would be a DR re-write of CEA's current Infrastructure (and would then need to be re-written again after the Infrastructure Upgrade is complete).	A decision needs to be made on the scope of the project.	Contingent	50	3	150
2014-26	Disaster Recovery Plan - Rewrite	Schedule Risk	The schedule for this project is at risk due to the Infrastructure Managed Services project being cancelled, and the Infrastructure upgrade project projected to go to the end of 2014. The Infrastructure Managed Services project was going to include a DR plan from the vendor, but the project was cancelled. There may be DR plans from the vendors for the Infrastructure Upgrade project, but the vendor selection and vendor contract process will not take place until July 2014 (the vendor proposals should describe their contribution to the DR plans).	A decision needs to be made regarding if the DR project should proceed without the Infrastructure Upgrade project, which may be a scope change, or if the project should be postponed until after the Infrastructure Upgrade, which would require a re-baseline to the schedule.	Contingent	100	3	300

## 2014 Project Portfolio - Risk Summary

April 2014

Portfolio #	Project Title	Risk Category	Risk Description	Risk Response (Strategy)	Risk Response	Probability (%)	Impact	P&I Score
2014-29	PMO / IT Governance Tool (Clarizen)	Scope Risk	There is a scope risk to the project for finalizing what the request processes will be, what systems will be used, and who will use the systems. There have been changes to utilize SpiceWorks and SharePoint for request processes that were not part of the original scope. This has added complexity, and introduced challenges to locking down what the scope of the Clarizen implementation is.	Continue working through the RFC and Help Desk request processes with functional managers and SMEs to identify how Clarizen should be used.	Accepted	100	3	300
2014-29	PMO / IT Governance Tool (Clarizen)	Schedule Risk	There is a risk to the project schedule due to the complexity of the TFS integration, and the lack of clear documentation provided by Clarizen for the integration.	CEA Technology resources have worked through many challenges to install TFS successfully. Many issues arose that required vendor assistance, but the installation has been completed. CEA Technology is now focused on implementing the integration, but like the installation, the process has been challenging. We will continue to work through these challenges to get the integration functional and testable. Once testing is successful the project can be re-baselined.	Accepted	100	3	300
2014-31	Reinsurance Management Software Acquisition	Schedule Risk	Schedule risk for completing the RFP process. The RFP was documented and provided to legal after the projected 4/1/14 start date. There is still the process for legal to approve the RFP, then there is the vendor selection process, and then there will be the contract process.	The true impact to the schedule will not be known until the contract process is complete. At that time the project schedule should be known, and the schedule can be re-baselined.	Accepted	100	3	300
2014-32	Plan B (Claims Processing)	Schedule Risk	Schedule Risk: The proposed solution will require web development. Depending on CEA priorities, the project schedule will need to be extended upon approval of the <u>Solution Design proposal</u>	Accept: A schedule extension will be necessary to support the new solution design	Accepted	50	4	200
2014-33	Infrastructure Upgrade	Schedule Risk	Schedule Risk: The RFQ and RFP will be sent out after the 5/15 board meeting (assuming the board gives approval). CEA will need to select the vendors and finalizing contracts with the vendors before the August board meeting, so the board can approve the contracts. There is a risk of getting through the contract process in time for the August board meeting.	Created a schedule to send the RFQ and RFB out on 5/16, and then select the vendors by 6/27. Selecting vendors by 6/27 will give a little more than one month to complete the contract process prior to the August board meeting.	Mitigated	75	5	375
2014-33	Infrastructure Upgrade	Budget Risk	Budget Risk: The costs for the Data Center and Hardware / Software will be known once proposals are received from vendors. Dependent on the costs, there is a risk to obtain Board Approval at the August board meeting.	Response plan TBD. Pending receipt of vendor proposals.	Accepted	50	5	250

## 2014 Project Portfolio - Risk Summary

April 2014

Portfolio #	Project Title	Risk Category	Risk Description	Risk Response (Strategy)	Risk Response	Probability (%)	Impact	P&I Score
2014-33	Infrastructure Upgrade	Schedule Risk	Schedule Risk: The RFQ and RFP must be approved by legal prior to the 5/15 board meeting. If they are not approved by legal, then they cannot be presented to the board, which would push getting approval from the board out to the August board meeting.	Complete the drafts for the RFQ and RFP by 4/11 to give legal a reasonable amount of time to complete their approval process.	Mitigated	75	5	375

## 2014 Project Portfolio - Change Summary

April 2014

Portfolio #	Change Summary	Description of Change	Reason
2014-01	Claims Reimbursement	Scheduled end date changed from 5/15/2014 to 10/6/2014	Accounting for 60-90 day waiting period following conversations with PI's prior to test execution
2014-03	Allstate/Encompass Split	Scheduled end date changed from 6/26/2014 to 12/26/2014	PI's requiring additional development time on PI systems
2014-04	User Password Management	Scheduled end date changed from 3/31/2014 to 4/28/2014	Additional UAT time required. CEA release process
2014-05	New PI CEA Setup	Project cancelled	No new PI's identified for 2014
2014-06	CMV - Cooperative Marketing Venture	Scheduled end date changed from 4/1/2014 to 5/5/2014	Account for development of PI micro sites
2014-07	Rate Calculator	Name changed to Premium Calculator; Scheduled end date changed from 3/18/2014 to 3/27/2014; Project completed	Schedule changed due to CEA release process
2014-08	Public Website	Scheduled end date changed from 4/1/2014 to 7/15/2014	Content entry training and execution delayed by Comms. Premium Calculator work dependent on CMV production release.
2014-09	CEA Employee Portal / Internal Website ("Shockwave")	Scheduled end date changed from 4/1/2014 to 6/15/2014	Re-assessment of site map and design by newly delegated core team (department representatives)
2014-10	Marketing Value Program (MVP) 2014	Scheduled end date changed from 1/30/2014 to 3/24/2014; Project completed	Application fixes required for production release
2014-15	Convert Legacy Reports to Source from Concentric	Project planned to be active in April and not yet active	Project start dependent on completion of Concentric Data Warehouse project
2014-16	EPICenter 2.0	Scheduled start date changed from 1/1/2014 to 4/1/2014	Project scope redefined per business needs
2014-19	CEA Event Walkthrough	Project on hold	Scope needs to be defined for project to be initiated
2014-21	2013 Internal Audit Closure	Project completed	
2014-22	Human Resources System Implementation	Project on hold	Project on hold per CEA workforce planning
2014-23	Policy Tech Implementation	Project completed	
2014-24	Enterprise Content Management System (ECMS)	Scheduled start date changed from 11/1/2013 to 5/1/2014	Project start dependent on progress of the Internal Website (Shockwave) and requirements clarification for records and content management by Legal
2014-25	Mobile Device Management	Scheduled start date changed from 4/1/2014 to 5/15/2014	Assessment and research on solutions
2014-27	Infrastructure Managed Services Implementation	Project cancelled; Budget moved to Infrastructure Upgrade	CEA unable to find a vendor that met minimum requirements
2014-29	PMO / IT Governance Tool (Clarizen)	Scheduled end date changed from 4/30/2014 to 6/5/2014	Delays due to TFS integration challenges
2014-30	Learning Management System (LMS)	Scheduled end date changed from 6/30/2014 to 3/12/2014; Project completed	After evaluation of software tools, business decided to retain existing tool
2014-31	Reinsurance Management Software Application	Baseline schedule created	RFP process started by Finance in April
2014-32	Plan B (Claims Processing)	Scheduled end date changed from 3/31/2014 to 7/14/2014	Solution design change
2014-33	Infrastructure Upgrade	Project added; Budget obtained from cancelled Infrastructure Managed Services project	Project replaced Infrastructure Managed Services project

# 2014 Project Portfolio - Change Summary

April 2014

Portfolio #	Change Summary	Description of Change	Reason
2014-34	Marketing Value Program (MVP) 2015	Project added	Business needs identified, and project prioritized for adoption in the 2014 Project Portfolio

## Project Dictionary

Portfolio #	Project Name	Description
2014-01	Claims Reimbursement	Simulate high-volume claims processing in EPICenter
2014-02	2015 Rate Adjustment & New Coverages	Update EPICenter to reflect new products, coverages and/or pricing models
2014-03	Allstate / Encompass Split	Update EPICenter to show data from Encompass and Allstate as separate and distinct. Currently, Encompass's data is represented by EPICenter as part of Allstate's business.
2014-04	User Password Management	Implement tool to enable our Participating Insurers and our internal business customers to reset the passwords for their EPICenter and Windows accounts. The tool will also proactively alert users of pending expiry of accounts.
2014-05	New PI CEA Setup	Once a new participating insurer is contracted with CEA, the participating insurer will be enabled in EPICenter to send policy and claims submissions to CEA.
2014-06	CMV - Cooperative Marketing Venture	A cooperative marketing campaign between Communications and partnering participating insurers to collect and share data by way of lead-generating websites.
2014-07	Premium Calculator	Create a reusable premium calculator mechanism that can be used by third parties, such as Communication's marketing vendors, to support lead-generating activities.
2014-08	Public Website	Update CEA web site to support maintenance, workflow, and publishing, and maintenance of web content from a collaborative environment.
2014-09	CEA Employee Portal / Internal Website ("Shockwave")	Establish an internal web site to support and promote information exchange, collaboration and organizational communication among CEA staff.
2014-10	Marketing Value Program (MVP) 2014	This project is to implement this year's enhancements to the MVP web software tool. MVP is a free marketing material registration/ sign-up tool for PI agents. PI agents must meet CEA training requirements in order to qualify and receive the free CEA marketing material.
2014-11	Customer Relationship Management Tool (CRM)☒	Implement a system to enable Communications to manage interactions with current and future participating insurers, agents and customers. This system also tracks and measures campaigns over multiple communication channels, such as email, search, social media, telephone and direct mail.
2014-12	Social Media Software/Program	The original scope of this project was to research and select a software tool that would enable Comms to execute the CEA social media campaign.
2014-13	Concentric Data Warehouse	Continue development of data warehouse platform and develop dashboards to support monitoring of key performance indicators relevant to CEA's objectives and/or business processes
2014-14	CEA Policy Lineage Tracing	Create a process to enable the CEA to establish relationships between policies and policyholders across products, insurers and property locations

## Project Dictionary

Portfolio #	Project Name	Description
2014-15	Convert legacy reports to source from Concentric	Modify all legacy EPICenter reports to source data from data warehouse instead of the EPICenter production database in order to support centralized reporting
2014-16	EPICenter 2.0 (Post Process Rules Model)	Improve EPICenter to support optimal synchronization of earthquake policy data reported to CEA by the participating insurers and the earthquake policy data held within each participating insurers own systems. This project is first phase of a two-phase effort intended to require little or no IT resources from CEA participating insurers.
2014-17	EPICenter 3.0 (Data Warehouse Model)	This project follows-up to changes made to EPICenter 2.0. The goal of this project is to create robust reporting and ad hoc query capabilities within EPICenter to provide PI's with tools to substantially simplify reconciliation and improve policy submission activities.
2014-18	Centralized Policy Processing-Business Case	This project is a first phase of Centralized Policy Processing system implementation. During this phase the business case that describes the need and reasons for this system is developed.
2014-19	CEA Event Walkthrough	A simulated end-to-end major event intended to stress test CEA business processes and technical systems including event initiation, inner organization communication, impact reporting, external communication, claims processing and reimbursement, post event assessment, etc.
2014-20	Great Plains (POC) / Upgrade	This project includes the vendor selection, and the implementation of the hosted version of Great Plains.
2014-21	2013 Internal Audit Closure	This project's objective was to manage task and people through series of testing, reviews and scoring activities related to internal audit of IT General Controls (ITGC).
2014-22	Human Resources System Implementation	This project is to coordinate activities around selection and implementation of CEA HR system. The HR system will serve as a multifunctional HR software tool supporting activities such as onboarding, off boarding, benefits management, and performance reviews among others.
2014-23	Policy Tech Implementation	This project includes the Implementation of CEA policies and procedures management software tool. It will serve CEA as a centralized database for all CEA policies and procedures.
2014-24	Enterprise Content Management System (ECMS)	This project is to coordinate selection and implementation of CEA's ECM software tool. This tool will allow us to successfully classify and manage CEA records.
2014-25	Mobile Device Management	Identify and implement a management program for all types of mobile devices, including but not limited to mobile phones, smartphones and tablet computers for company-owned and employee-owned devices across the CEA enterprise. This program is intended to increase security for both the devices and the enterprise they connect to.
2014-26	Disaster Recovery Plan - Rewrite	This project includes the review and updates to the existing Disaster Recovery Plan. Disaster Recovery Plan defines the critical IT systems, and the recovery processes related to a local disaster / catastrophe.
2014-27	Infrastructure Managed Services Implementation	This project includes vendor selection process, and implementation of outsourced infrastructure services, and hardware, for CEA IT.
2014-28	Project 1 - EPICenter Maintenance Fixes	This project incorporated deployment of EPICenter software fixes necessary for CEA to proceed with Claims Stress Test activities, as part of Claims Reimbursement Project.

## Project Dictionary

Portfolio #	Project Name	Description
2014-29	PMO / IT Governance Tool (Clarizen)	This project includes the implementation of the project portfolio management and IT governance software tool, as well as management of CEA Helpdesk and other IT work request tickets.
2014-30	Learning Management System (LMS)	This project includes the selection and implementation of training software tool to be leveraged for Comms, OPS and IT training activities.
2014-31	Reinsurance Management Software Acquisition	This project includes the providing consulting services to Finance for vendor selection and implementation of reinsurance management tool that will enable Finance team to proactively manage and track the reinsurance activities.
2014-32	Plan B (Claims Processing)	Establish a non-technical solution to access claim submissions data and alternatively manage the claim life cycle in the event that EPICenter is unavailable.
2014-33	Infrastructure Upgrade	Upgrades to (1) Data Center (including a secondary site for disaster recovery), (2) Hardware/Software, (3) Connectivity, (4) Support (*this project replaces 2014-27 Infrastructure Managed Services project)
2014-34	Marketing Value Program (MVP) 2015	This project is to implement next year's enhancements to the MVP web software tool. MVP is a free marketing material registration/ sign-up tool for PI agents. PI agents must meet CEA training requirements in order to qualify and receive the free CEA marketing material.

## Governing Board Memorandum

May 15, 2014

Agenda Item 11: CEA IT Infrastructure Upgrade Approach

Recommended Action: Approve approach to upgrading CEA IT infrastructure

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### Background:

IT infrastructure upgrades are essential to meet the growing technology demands of the CEA business.

The upgrades must include providing effective and secure computing environments for production, testing, and development, and critically, enhancing disaster-recovery functionality.

On December 6, 2013, the CEA issued a request for qualifications (“RFQ #12-13”) for IT Infrastructure Managed Services, seeking qualified responses for providing functional and resilient computing environments to meet the CEA’s technology-infrastructure needs.

The RFQ sought qualified vendors to provide a bundled approach to managing data-center, hardware, data-communications, and technical support services in collaboration with CEA IT staff.

The CEA received one qualified response to the RFQ and attempted to contract with the respondent, but after extensive negotiations and due diligence, was unable to reach an acceptable agreement.

As a result, CEA IT proposes unbundling infrastructure managed services into its components and approaching IT infrastructure upgrades, and the associated competitive-bid procurements, at a more granular level. This new approach should attract more respondents who specialize in the components of infrastructure managed services, but do not or cannot offer the entire bundled managed-services package. These components include:

- Data center colocation services
- Hardware procurement
- Data communications management
- Managing technical support

The CEA proposes issuing a request for qualifications (“RFQ #5-14B”) for data center colocation services using data-center requirements similar to those included in the original managed services RFQ. In addition, the CEA proposes issuing a request for proposals (“RFP #5-14A”) to procure the necessary hardware to deploy at the colocation data centers. CEA IT staff will manage the data communications and technical support components in collaboration with colocation data center staff and existing telecommunications provider staff, so no additional

procurements will be necessary for these two components.

### Analysis:

#### *Data Center Colocation Services*

The CEA would seek a three-year contract with a data center colocation facility that can furnish an “SSAE-16 level 2 reporting” primary-data-center in the Sacramento area and a similar, secondary data center in an area with low risks of floods and earthquakes. Colocation services would consist of providing secured data-center space and access to shared facility resources that will include electrical power, air conditioning, fire suppression, communications, and support. Authorized CEA IT staff must have 24/7 physical and remote access.

CEA production and development environments would be housed in the primary data center in Sacramento, and the testing and disaster recovery environments would be housed in the secondary data center. The production and testing environments would be configured identically, for consistency.

To address disaster-recovery requirements in the event of a primary-data-center shutdown, the most current production data backed up at the secondary data center, together with testing-environment equipment (which would be identical to the production-environment equipment), would create a temporary production environment until the primary data center is restored.

#### *Hardware Procurement*

The CEA would seek to procure by competitive bid a three-year lease for provisioning new, high-performance network, server, data-storage, and related equipment. Production and test environments would be configured identically. The development environment will include existing CEA equipment meeting minimum acceptable standards in addition to other new equipment as specified. Also included will be backup storage equipment necessary to support disaster recovery.

#### *Data Communications Management*

High-speed data communications between the CEA headquarters and the colocation data centers will be necessary for network connectivity and data transport. Data-communications performance and reliability are important factors in the effective use of the production, test, and development computing environments and the disaster-recovery functionality.

CEA IT staff will work with colocation-data-center staff and existing telecommunications-provider staff to configure services necessary to support data-communication requirements. The CEA will not need additional sourcing or procurements for data communications.

#### *Managing Technical Support*

CEA IT infrastructure upgrades have been designed so that most of the technical support necessary to maintain the hardware and computing environments can be accomplished remotely and will not require extensive physical access to the colocation data centers. When physical

access to the colocation data center is needed, CEA staff will have 24/7 access and data center staff will be available to assist as needed. The CEA will require no additional sourcing or procurements for technical support.

### *Third-Party Validation of this Approach*

In order to provide an enhanced level of assurance to support careful review of these plans, the CEA contracted with global business-consulting firm Protiviti, to review both the within proposal for a new approach to IT infrastructure upgrades and interim improvements in the current CEA IT disaster-recovery procedures.

Protiviti's analysis and findings are in accord with the CEA-staff-recommended IT-infrastructure-upgrade approach for the longer term, as well as with the interim disaster-recovery improvements that CEA IT has already implemented.

### *Next Steps and Timeframes*

- If the new approach to IT infrastructure upgrades is approved by the Governing Board, the next step will be to issue RFQ #5-14B for data-center colocation and issue RFP #5-14A for procurement of hardware.

The competitive-bid procurement process and resulting contract negotiations would be targeted for completion in July 2014.

- Based on this schedule and the anticipated level of annual and one-time expenditures, the CEA staff would request Board approval of these contracts—and bring forward any necessary, related 2014 budget augmentation—at the August 2014 Board meeting.
- If Board approvals are received in August, contracts will be executed and IT data-center upgrades will commence in September 2014, to be completed before the end of 2014.

### Recommendation:

1. Support and approve the approach to upgrading CEA IT infrastructure based on separating the effort into data center colocation, hardware procurement, managing data communications, and managing technical support.
2. Support and approve the next steps laid out in the conclusion of this memorandum.

## **Governing Board Memorandum**

May 15, 2014

Agenda Item 12:                   Development of organizational performance metrics

Recommended Action:        No action required – information only

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Chief Executive Officer Glenn Pomeroy will lead a discussion with the Board on planning for the development of organizational performance metrics.

**California Earthquake Authority**

**Losses & Loss Adjustment Expenses (LAE) Paid - Cumulative to March 31, 2014**

Event Code	Event Name	Date of Event	Magnitude	Location	# of Paid Claims	Losses Paid	LAE Paid	Total Paid Losses & LAE
98010	Chino	1/5/1998	4.3	3 mi. W of Chino	1	\$1,385.72	\$124.71	\$1,510.43
98050	San Juan Bautista	8/12/1998	5.3	7 mi. SSE of San Juan Bautista	1	161,204.93	13,643.13	\$174,848.06
98070	Redding	11/26/1998	5.2	3 mi. NNW of Redding	1	4,029.72	362.67	\$4,392.39
	1998 Minor Quakes				2	4,199.20	377.93	\$4,577.13
99050	Hector Mine	11/16/1999	7.0	28 mi. N of Joshua Tree (near Palm Springs)	25	137,361.81	12,362.47	\$149,724.28
	1999 Minor Quakes				1	4,037.26	363.35	\$4,400.61
00030	Napa	9/3/2000	5.2	17 mi. ESE of Santa Rosa; 6 mi. NNE of Sonoma; 3 mi. WSW of Yountville	15	278,130.07	25,031.71	\$303,161.78
01010	Ferndale	1/13/2001	5.4	53 mi. WNW of Ferndale	1	34,764.54	3,128.79	\$37,893.33
	2001 Minor Quakes				1	52,896.82	4,760.70	\$57,657.52
01040	West Hollywood	9/9/2001	4.2	West Hollywood	10	67,044.15	6,033.94	\$73,078.09
	2002 Minor Quakes				1	8,361.24	752.51	\$9,113.75
03090	San Simeon	12/22/2003	6.4	7 mi. NE of San Simeon	84	2,692,628.02	242,339.74	\$2,934,967.76
04120	Parkfield	9/28/2004	6.0	7 mi SSE of Parkfield	1	7,032.59	632.93	\$7,665.52
07240	Chatsworth	8/9/2007	4.5	4 mi NNW of Chatsworth	1	7,813.88	703.24	\$8,517.12
07250	Alum Rock	10/30/2007	5.6	5 mi NNE of Alum Rock	1	6,149.20	553.42	\$6,702.62
08280	Chino Hills	7/29/2008	5.4	5.5 mi SE of Diamond Bar	8	156,781.38	14,110.29	\$170,891.67
09320	Calexico	12/30/2009	5.9	22.7 mi SE of Calexico	1	275.88	24.83	\$300.71
	2009 Minor Quakes				2	8,627.67	776.49	\$9,404.16

## California Earthquake Authority

### Losses & Loss Adjustment Expenses (LAE) Paid - Cumulative to March 31, 2014 (continued)

Event Code	Event Name	Date of Event	Magnitude	Location	# of Paid Claims	Losses Paid	LAE Paid	Total Paid Losses & LAE
10330	Ferndale	1/9/2010	6.5	27 mi W of Ferndale	3	23,901.50	2,151.13	\$26,052.63
10360	Baja California Mexico	4/4/2010	7.2	16 mi SW from Guadalupe Victoria, Mexico	17	81,066.58	7,296.00	\$88,362.58
	2010 Minor Quakes				1	225,000.00	0.00	\$225,000.00
12410	Brawley	8/26/2012	5.3	4 mi North of Brawley, CA	2	23,833.24	2,145.00	\$25,978.24
	2012 Minor Quakes				2	7,819.09	703.72	\$8,522.81
14460	Westwood	3/17/2014	4.4	6mi NNW of Westwood, CA	0	0.00	0.00	\$0.00
14470	La Habra	3/28/2014	5.1	1mi S of La Habra, CA	0	0.00	0.00	\$0.00
	2014 Minor Quakes				0	0.00	0.00	\$0.00
<b>Total</b>					<b>182</b>	<b>\$3,994,344.49</b>	<b>\$338,378.70</b>	<b>\$4,332,723.19</b>

## Claims History Report Glossary

**Event Code:** A 5 digit code that the CEA assigns to all earthquakes expected to produce paid losses. This code is used to track statistics for a particular earthquake.

**Event Name:** This is generally the name given to the earthquake by the USGS (United States Geological Survey).

**Date of Event:** Date that the earthquake occurred.

**Magnitude:** Richter scale magnitude assigned by USGS.

**Location:** This is assigned by USGS and is usually a city close to the earthquake.

**# of Paid Claims:** A numeric count of the claims that received a payment for damage caused by a particular earthquake.

**Losses Paid:** Total dollar amount of all claims paid to the policyholders for a particular earthquake.

**LAE Paid:** "LAE" stands for Loss Adjustment Expense which is always 9% of paid losses. This is the amount paid to the Participating Insurers for handling the claim.

**Total Paid Losses and ALE:** The sum of Losses Paid and LAE Paid.

**Minor Quakes:** Losses paid for damage from minor earthquakes that were initially not expected to generate a claim and therefore were not issued a CEA event code.

# California Earthquake Authority

## Operations - Governing Board Report

All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

TOTALS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
<b>Homeowners</b>							
15% Total	577,112	68.2 %	263,915,377,139	81.3 %	450,584,510	78.4 %	781
10% Total	72,158	8.5 %	35,454,082,322	10.9 %	59,010,908	10.3 %	818
<b>Homeowners Total</b>	<b>649,270</b>	<b>76.7 %</b>	<b>299,369,459,461</b>	<b>92.3 %</b>	<b>509,595,417</b>	<b>88.7 %</b>	<b>785</b>
<b>Homeowners Choice</b>							
15% Total	10,349	1.2 %	6,092,227,298	1.9 %	10,505,764	1.8 %	1,015
10% Total	6,925	0.8 %	3,941,323,004	1.2 %	6,060,574	1.1 %	875
<b>Homeowners Choice Total</b>	<b>17,274</b>	<b>2.0 %</b>	<b>10,033,550,302</b>	<b>3.1 %</b>	<b>16,566,338</b>	<b>2.9 %</b>	<b>959</b>
<b>Manufactured Homes (Mobilehomes)- Homeowners</b>							
15% Total	21,967	2.6 %	2,393,109,604	0.7 %	2,504,397	0.4 %	114
10% Total	4,567	0.5 %	697,143,390	0.2 %	625,684	0.1 %	137
<b>Manufactured Homes (Mobilehomes)- Homeowners Total</b>	<b>26,534</b>	<b>3.1 %</b>	<b>3,090,252,994</b>	<b>1.0 %</b>	<b>3,130,081</b>	<b>0.5 %</b>	<b>118</b>
<b>Manufactured Homes (Mobilehomes)- Homeowners Choice</b>							
15% Total	190	0.0 %	28,883,020	0.0 %	34,329	0.0 %	181
10% Total	243	0.0 %	40,692,227	0.0 %	31,978	0.0 %	132
<b>Manufactured Homes (Mobilehomes)- Homeowners Choice Total</b>	<b>433</b>	<b>0.1 %</b>	<b>69,575,247</b>	<b>0.0 %</b>	<b>66,307</b>	<b>0.0 %</b>	<b>153</b>
<b>Condo Total</b>	<b>103,966</b>	<b>12.3 %</b>	<b>9,993,467,000</b>	<b>3.1 %</b>	<b>39,489,078</b>	<b>6.9 %</b>	<b>380</b>
<b>Renters Total</b>	<b>49,105</b>	<b>5.8 %</b>	<b>1,886,330,500</b>	<b>0.6 %</b>	<b>5,910,559</b>	<b>1.0 %</b>	<b>120</b>
<b>Grand Total</b>	<b>846,582</b>	<b>100.0 %</b>	<b>324,442,635,504</b>	<b>100.0 %</b>	<b>574,757,780</b>	<b>100.0 %</b>	<b>679</b>

# California Earthquake Authority

## Operations - Governing Board Report

All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

HOMEOWNERS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
<b>Deductible - 15%</b>							
CovA/C5k/D1.5k/BCU10k	577,112	88.9 %	255,899,732,639	85.5 %	421,128,459	82.6 %	730
BCU 20k	72,056	11.1 %	720,560,000	0.2 %	1,193,571	0.2 %	17
Coverage C 25k	33,054	5.1 %	661,080,000	0.2 %	4,532,765	0.9 %	137
Coverage C 50k	21,109	3.3 %	949,905,000	0.3 %	4,749,650	0.9 %	225
Coverage C 75k	9,294	1.4 %	650,580,000	0.2 %	2,649,492	0.5 %	285
Coverage C 100k	34,150	5.3 %	3,244,250,000	1.1 %	11,865,231	2.3 %	347
Coverage D 10k	38,201	5.9 %	324,708,500	0.1 %	950,646	0.2 %	25
Coverage D 15k	67,126	10.3 %	906,201,000	0.3 %	2,481,265	0.5 %	37
Coverage D 25k	23,760	3.7 %	558,360,000	0.2 %	1,033,430	0.2 %	43
<b>15% Total</b>	<b>577,112</b>	<b>88.9 %</b>	<b>263,915,377,139</b>	<b>88.2 %</b>	<b>450,584,510</b>	<b>88.4 %</b>	<b>781</b>
<b>Deductible - 10%</b>							
CovA/C5k/D1.5k/BCU10k	72,158	11.1 %	31,802,760,322	10.6 %	47,512,139	9.3 %	658
BCU 20k	20,799	3.2 %	207,990,000	0.1 %	282,841	0.1 %	14
Coverage C 25k	11,444	1.8 %	228,880,000	0.1 %	1,639,200	0.3 %	143
Coverage C 50k	8,253	1.3 %	371,385,000	0.1 %	1,580,175	0.3 %	191
Coverage C 75k	4,028	0.6 %	281,960,000	0.1 %	981,628	0.2 %	244
Coverage C 100k	19,377	3.0 %	1,840,815,000	0.6 %	5,808,551	1.1 %	300
Coverage D 10k	13,537	2.1 %	115,064,500	0.0 %	242,385	0.0 %	18
Coverage D 15k	23,760	3.7 %	320,760,000	0.1 %	623,860	0.1 %	26
Coverage D 25k	12,105	1.9 %	284,467,500	0.1 %	340,129	0.1 %	28
<b>10% Total</b>	<b>72,158</b>	<b>11.1 %</b>	<b>35,454,082,322</b>	<b>11.8 %</b>	<b>59,010,908</b>	<b>11.6 %</b>	<b>818</b>
<b>Homeowners Total</b>	<b>649,270</b>	<b>100.0 %</b>	<b>299,369,459,461</b>	<b>100.0 %</b>	<b>509,595,417</b>	<b>100.0 %</b>	<b>785</b>

# California Earthquake Authority

## Operations - Governing Board Report

All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

HOMEOWNERS CHOICE	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
<b>Deductible - 15%</b>							
CovA/C5k/D1.5k/BCU10k <sup>1</sup>	10,349	59.9 %	5,719,053,298	57.0 %	8,923,184	53.9 %	862
BCU 20k	3,614	20.9 %	36,140,000	0.4 %	64,538	0.4 %	18
Coverage C 25k	1,373	7.9 %	27,460,000	0.3 %	287,385	1.7 %	209
Coverage C 50k	1,024	5.9 %	46,080,000	0.5 %	268,689	1.6 %	262
Coverage C 75k	348	2.0 %	24,360,000	0.2 %	103,866	0.6 %	298
Coverage C 100k	1,423	8.2 %	135,185,000	1.3 %	536,842	3.2 %	377
Coverage D 10k	1,176	6.8 %	9,996,000	0.1 %	47,810	0.3 %	41
Coverage D 15k	752	4.4 %	10,152,000	0.1 %	39,791	0.2 %	53
Coverage D 25k	3,566	20.6 %	83,801,000	0.8 %	233,660	1.4 %	66
<b>15% Total</b>	<b>10,349</b>	<b>59.9 %</b>	<b>6,092,227,298</b>	<b>60.7 %</b>	<b>10,505,764</b>	<b>63.4 %</b>	<b>1,015</b>
<b>Deductible - 10%</b>							
CovA/C5k/D1.5k/BCU10k <sup>1</sup>	6,925	40.1 %	3,551,588,004	35.4 %	4,744,050	28.6 %	685
BCU 20k	2,979	17.2 %	29,790,000	0.3 %	42,696	0.3 %	14
Coverage C 25k	1,300	7.5 %	26,000,000	0.3 %	224,814	1.4 %	173
Coverage C 50k	1,121	6.5 %	50,445,000	0.5 %	238,797	1.4 %	213
Coverage C 75k	399	2.3 %	27,930,000	0.3 %	91,554	0.6 %	229
Coverage C 100k	1,724	10.0 %	163,780,000	1.6 %	527,757	3.2 %	306
Coverage D 10k	1,162	6.7 %	9,877,000	0.1 %	31,306	0.2 %	27
Coverage D 15k	640	3.7 %	8,640,000	0.1 %	22,549	0.1 %	35
Coverage D 25k	3,118	18.1 %	73,273,000	0.7 %	137,051	0.8 %	44
<b>10% Total</b>	<b>6,925</b>	<b>40.1 %</b>	<b>3,941,323,004</b>	<b>39.3 %</b>	<b>6,060,574</b>	<b>36.6 %</b>	<b>875</b>
<b>Homeowners Choice Total</b>	<b>17,274</b>	<b>100.0 %</b>	<b>10,033,550,302</b>	<b>100.0 %</b>	<b>16,566,338</b>	<b>100.0 %</b>	<b>959</b>

<sup>1</sup>Includes policies with Coverage A, C and D, Coverage A and C, Coverage A and D, and Coverage A only

# California Earthquake Authority

## Operations - Governing Board Report

All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

MANUFACTURED HOMES (MOBILEHOMES)- HOMEOWNERS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
<b>Deductible - 15%</b>							
CovA/C5k/D1.5k/BCU10k	21,967	82.8 %	2,195,222,104	71.0 %	2,381,100	76.1 %	108
Coverage C 25k	1,666	6.3 %	33,320,000	1.1 %	37,293	1.2 %	22
Coverage C 50k	1,100	4.1 %	49,500,000	1.6 %	36,290	1.2 %	33
Coverage C 75k	352	1.3 %	24,640,000	0.8 %	13,359	0.4 %	38
Coverage C 100k	486	1.8 %	46,170,000	1.5 %	21,303	0.7 %	44
Coverage D 10k	1,580	6.0 %	13,430,000	0.4 %	5,838	0.2 %	4
Coverage D 15k	1,347	5.1 %	18,184,500	0.6 %	6,297	0.2 %	5
Coverage D 25k	538	2.0 %	12,643,000	0.4 %	2,917	0.1 %	5
<b>15% Total</b>	<b>21,967</b>	<b>82.8 %</b>	<b>2,393,109,604</b>	<b>77.4 %</b>	<b>2,504,397</b>	<b>80.0 %</b>	<b>114</b>
<b>Deductible - 10%</b>							
CovA/C5k/D1.5k/BCU10k	4,567	17.2 %	498,472,890	16.1 %	539,125	17.2 %	118
Coverage C 25k	1,485	5.6 %	29,700,000	1.0 %	24,844	0.8 %	17
Coverage C 50k	1,083	4.1 %	48,735,000	1.6 %	24,038	0.8 %	22
Coverage C 75k	341	1.3 %	23,870,000	0.8 %	9,716	0.3 %	28
Coverage C 100k	522	2.0 %	49,590,000	1.6 %	17,097	0.5 %	33
Coverage D 10k	1,346	5.1 %	11,441,000	0.4 %	3,303	0.1 %	2
Coverage D 15k	1,324	5.0 %	17,874,000	0.6 %	4,468	0.1 %	3
Coverage D 25k	743	2.8 %	17,460,500	0.6 %	3,094	0.1 %	4
<b>10% Total</b>	<b>4,567</b>	<b>17.2 %</b>	<b>697,143,390</b>	<b>22.6 %</b>	<b>625,684</b>	<b>20.0 %</b>	<b>137</b>
<b>Manufactured Homes (Mobilehomes)-Homeowners Total</b>	<b>26,534</b>	<b>100.0 %</b>	<b>3,090,252,994</b>	<b>100.0 %</b>	<b>3,130,081</b>	<b>100.0 %</b>	<b>118</b>

# California Earthquake Authority

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All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

MANUFACTURED HOMES (MOBILEHOMES)- HOMEOWNERS CHOICE	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
<b>Deductible - 15%</b>							
CovA/C5k/D1.5k/BCU10k <sup>1</sup>	190	43.9 %	22,272,520	32.0 %	28,236	42.6 %	149
Coverage C 25k	50	11.5 %	1,000,000	1.4 %	1,807	2.7 %	36
Coverage C 50k	34	7.9 %	1,530,000	2.2 %	1,782	2.7 %	52
Coverage C 75k	12	2.8 %	840,000	1.2 %	565	0.9 %	47
Coverage C 100k	12	2.8 %	1,140,000	1.6 %	647	1.0 %	54
Coverage D 10k	27	6.2 %	229,500	0.3 %	264	0.4 %	10
Coverage D 15k	15	3.5 %	202,500	0.3 %	155	0.2 %	10
Coverage D 25k	71	16.4 %	1,668,500	2.4 %	873	1.3 %	12
<b>15% Total</b>	<b>190</b>	<b>43.9 %</b>	<b>28,883,020</b>	<b>41.5 %</b>	<b>34,329</b>	<b>51.8 %</b>	<b>181</b>
<b>Deductible - 10%</b>							
CovA/C5k/D1.5k/BCU10k <sup>1</sup>	243	56.1 %	28,273,727	40.6 %	25,606	38.6 %	105
Coverage C 25k	94	21.7 %	1,880,000	2.7 %	2,022	3.0 %	22
Coverage C 50k	56	12.9 %	2,520,000	3.6 %	1,513	2.3 %	27
Coverage C 75k	21	4.8 %	1,470,000	2.1 %	590	0.9 %	28
Coverage C 100k	29	6.7 %	2,755,000	4.0 %	885	1.3 %	31
Coverage D 10k	48	11.1 %	408,000	0.6 %	309	0.5 %	6
Coverage D 15k	21	4.8 %	283,500	0.4 %	129	0.2 %	6
Coverage D 25k	132	30.5 %	3,102,000	4.5 %	924	1.4 %	7
<b>10% Total</b>	<b>243</b>	<b>56.1 %</b>	<b>40,692,227</b>	<b>58.5 %</b>	<b>31,978</b>	<b>48.2 %</b>	<b>132</b>
<b>Manufactured Homes (Mobilehomes)-Homeowners Choice Total</b>	<b>433</b>	<b>100.0 %</b>	<b>69,575,247</b>	<b>100.0 %</b>	<b>66,307</b>	<b>100.0 %</b>	<b>153</b>

<sup>1</sup>Includes policies with Coverage A, C and D, Coverage A and C, Coverage A and D, and Coverage A only

# California Earthquake Authority

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CONDO	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage A/BCU 10k	76,942	74.0 %	2,692,970,000	26.9 %	8,090,947	20.5 %	105
Coverage C 5k/D 1.5k	33,845	32.6 %	219,992,500	2.2 %	2,410,247	6.1 %	71
Coverage C 5k <sup>1</sup>	10,453	10.1 %	52,265,000	0.5 %	644,311	1.6 %	62
Coverage C 25k	15,257	14.7 %	381,425,000	3.8 %	1,723,268	4.4 %	113
Coverage C 50k	12,423	11.9 %	621,150,000	6.2 %	1,544,396	3.9 %	124
Coverage C 75k	5,564	5.4 %	417,300,000	4.2 %	744,851	1.9 %	134
Coverage C 100k	12,008	11.5 %	1,200,800,000	12.0 %	1,657,155	4.2 %	138
Coverage D 1.5k <sup>2</sup>	7,173	6.9 %	10,759,500	0.1 %	93,221	0.2 %	13
Coverage D 10k	14,103	13.6 %	141,030,000	1.4 %	360,490	0.9 %	26
Coverage D 15k	23,395	22.5 %	350,925,000	3.5 %	638,256	1.6 %	27
Coverage D 25k	11,034	10.6 %	275,850,000	2.8 %	300,992	0.8 %	27
Coverage E 25k	3,233	3.1 %	80,825,000	0.8 %	718,043	1.8 %	222
Coverage E 50k	58,743	56.5 %	2,937,150,000	29.4 %	17,468,819	44.2 %	297
Coverage E 75k	8,147	7.8 %	611,025,000	6.1 %	3,094,081	7.8 %	380
<b>Condo Total</b>	<b>103,966</b>	<b>100.0 %</b>	<b>9,993,467,000</b>	<b>100.0 %</b>	<b>39,489,078</b>	<b>100.0 %</b>	<b>380</b>

<sup>1</sup>Policies that have a Coverage C limit of 5k and a Coverage D limit >1.5k

<sup>2</sup>Policies that have a Coverage D limit of 1.5k and a Coverage C limit >5k

# California Earthquake Authority

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All Companies - As Of 4/23/2014 - Policies in Force on: 03/31/2014

RENTERS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage C 5k/D 1.5k	18,635	37.9 %	121,127,500	6.4 %	1,372,882	23.2 %	74
Coverage C 5k <sup>1</sup>	3,765	7.7 %	18,825,000	1.0 %	256,564	4.3 %	68
Coverage C 25k	12,302	25.1 %	307,550,000	16.3 %	1,504,880	25.5 %	122
Coverage C 50k	7,477	15.2 %	373,850,000	19.8 %	1,000,783	16.9 %	134
Coverage C 75k	2,240	4.6 %	168,000,000	8.9 %	321,179	5.4 %	143
Coverage C 100k	4,686	9.5 %	468,600,000	24.8 %	659,340	11.2 %	141
Coverage D 1.5k <sup>2</sup>	5,232	10.7 %	7,848,000	0.4 %	70,861	1.2 %	14
Coverage D 10k	8,122	16.5 %	81,220,000	4.3 %	226,469	3.8 %	28
Coverage D 15k	8,859	18.0 %	132,885,000	7.0 %	257,766	4.4 %	29
Coverage D 25k	8,257	16.8 %	206,425,000	10.9 %	239,836	4.1 %	29
<b>Renters Total</b>	<b>49,105</b>	<b>100.0 %</b>	<b>1,886,330,500</b>	<b>100.0 %</b>	<b>5,910,559</b>	<b>100.0 %</b>	<b>120</b>

<sup>1</sup>Policies that have a Coverage C limit of 5k and a Coverage D limit >1.5k

<sup>2</sup>Policies that have a Coverage D limit of 1.5k and a Coverage C limit >5k



## **CEA GOVERNING BOARD MEETING DATES FOR - 2014**

**February 10, 2014 – Monday - Added**

**February 27, 2014 – Thursday**

**March 25, 2014 – Tuesday – Added**

**March 28, 2014 – Friday - Added**

**May 15, 2014 – Thursday**

**August 28, 2014 – Thursday**

**~~December 11, 2014 – Thursday~~ – Rescheduled for ~~December 17, 2014 –~~  
Wednesday**

## **CEA ADVISORY PANEL MEETING DATES FOR - 2014**

**~~January 23, 2014 – Thursday~~ – Cancelled**

**April 24, 2014 – Thursday**

**July 24, 2014 – Thursday**

**October 23, 2014 – Thursday**

[IMPORTANT NOTE: *This schedule is for future meetings that have been proposed and approved by the respective bodies named. Meeting dates, times, and locations are subject to change. The final dates, times, and locations will be announced on official Public Notice, issued by the CEA 10 or more days before the date of the meeting. Public Notices are also posted on the CEA Web site [www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com) ]*