

**CALIFORNIA EARTHQUAKE AUTHORITY
GOVERNING BOARD MEETING
MINUTES**

**Monday, November 16, 2009
10:00 a.m.**

Location: California Earthquake Authority
801 K Street, Suite 1000
Sacramento, California

Members of the Governing Board in attendance:

Clark Kelso, designee of Governor Arnold Schwarzenegger, Chairperson
Bruce Patton, designee of Insurance Commissioner Steve Poizner
Reid McClaren, designee of Insurance Commissioner Steve Poizner
Grant Boyken, designee of State Treasurer Bill Lockyer
Pedro Reyes, designee of Speaker of the Assembly Karen Bass
Dietrich Stroeh, designee of Chair of the Senate Rules Committee Darrell Steinberg

Members of the CEA Staff in attendance:

Glenn Pomeroy, Chief Executive Officer (via teleconference)
Bob Stewart, Chief Operations Officer
Chris Nance, Director of Communications and External Affairs
Susan Pitton, Governing Board and Advisory Panel Liaison
Danny Marshall, General Counsel

- 1. The meeting was called to order at 10:00 a.m. A quorum was established.**
- 2. 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.**
 - Mr. Pomeroy began by stating that the purpose of the meeting is to see if the Board is comfortable and in a position to be able to endorse two more pieces of federal legislation that are now in the pipeline: H.R.2555 and H.R.4014. He provided a short history of the legislative process thus far:
 - Senate Bill (SB) 886 was introduced by Senator Bill Nelson. The Congressional Budget Office (CBO) has scored it at a maximum impact of \$25 million over 10 years. It will transform the CEA in ways that are truly exciting, by reducing insurance rates by 30–40 percent, lowering deductibles by half, and providing greater choice for consumers.

- It is also known as the Catastrophe Obligation Guarantee Act (COGA). SB 886 is currently not moving forward in the Senate.
- H.R.2555, introduced this past spring by Congressman Ron Klein of Florida, is similar to last session's Klein bill but now contains language very close to S.886 (COGA).
- H.R.4014, recently introduced by Congresswoman Loretta Sanchez of Orange County, is in most respects a mirror image of S.886.
- Mr. Pomeroy concluded his comments by asking the Board to approve two motions today that endorse H.R.4014 and H.R.2555.

3. Staff will seek Board Support of two bills now pending in Congress which, if signed into law, would provide for more flexible capital use by qualified state catastrophe-insurance programs, including the California Earthquake Authority: H.R.2555 and H.R.4014.

- Upon **motion** by Mr. Boyken, seconded by Mr. Patton, the Board unanimously adopted the following:
 1. *The Governing Board of the California Earthquake Authority generally supports the concepts embodied in H.R.2555 and specifically endorses the creation of a federal guarantee for natural-catastrophe post-event debt issued by qualified public entities; and*
 2. *The Governing Board of the California Earthquake Authority authorizes CEA staff to continue working with Congress, as well as with public entities of other states, to pass federal legislation that supports these objectives.*
- Upon **motion** by Mr. Patton, seconded by Mr. Boyken, the Board unanimously adopted the following:
 1. *The Governing Board of the California Earthquake Authority generally supports the concepts embodied in H.R.4014 and specifically endorses the creation of a federal guarantee for natural-catastrophe post-event debt issued by qualified public entities; and*
 2. *The Governing Board of the California Earthquake Authority authorizes CEA staff to continue working with Congress, as well as with public entities of other states, to pass federal legislation that supports these objectives.*

4. The Board will meet in Closed Session to discuss personnel and litigation matters, as permitted by California Government Code Section 11126, subdivisions (a) and (e), respectively.

- The Board entered closed session at 10:18 a.m. and resumed its proceedings in open session at 10:39 a.m.

5. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

- There were no questions or comments from the public.

6. Adjournment.

- The meeting was adjourned at 10:40 a.m.