



## CALIFORNIA EARTHQUAKE AUTHORITY (CEA)

### ANNUAL REPORT TO THE LEGISLATURE AND THE CALIFORNIA INSURANCE COMMISSIONER ON CEA PROGRAM OPERATIONS

Report for Calendar Year 2018  
(Pursuant to California Insurance Code section 10089.13, subdivision (a))

Date of Report: August 1, 2019

#### Brief Background: California Earthquake Authority

The California Earthquake Authority (CEA) was formed through legislation in 1995 and 1996 to address primarily a homeowners-insurance-availability crisis that followed the 1994 Northridge earthquake. After that earthquake, many homeowners found it difficult, and in some cases impossible, to find basic homeowners insurance. Many others were faced with the prospect of having their homeowners insurance non-renewed as insurance companies tried to shed their exposure to earthquake risk.

Because state law required (and still requires) insurers to offer earthquake insurance to both residential policy applicants and current residential policyholders, the insurers' retreat from the California market resulted in an availability crisis for both homeowners and residential earthquake insurance. The California Department of Insurance ("CDI") reported in summer 1996, at the height of the crisis, that 95 percent of the homeowners-insurance market had either stopped or severely restricted sales of new homeowners policies.

After CEA began operations on December 2, 1996, the recovery of the California homeowners-insurance market was dramatic and swift. A Department of Insurance report noted that at the peak of the availability crisis 82 insurers had restricted the sale of new homeowners policies—by contrast, by October 1997 and with CEA operations in full swing, only three insurers were restricting the sale of new homeowners policies.

Today, CEA is the largest earthquake insurer in California with over 65% of the residential-earthquake-insurance market. CEA participating insurers are responsible for almost 80% of California's residential property insurance.

## **Current Market Conditions**

### California's Residential Property Insurance Market

The CDI year-end-2018 data once again indicate an increase in policy numbers in the statewide residential property insurance market: In 2018, insurers sold more than 12 million homeowners policies, which is an expansion of the previous year's 11.59 million. (See Attachment A: *California Department of Insurance, Summary of 2018 Residential Market Totals.*)

Statewide totals, for all insurers that wrote residential property insurance in California in 2018:

- Residential Single-Family Dwelling Policies: 6,264,228
- Residential Condominium Policies: 924,763
- Mobilehome Policies: 269,851
- Residential Rental Policies: 2,481,303
- Dwelling Fire Policies: 2,123,144

### California's Residential Earthquake Insurance Market – 2018

Based on the total number of residential earthquake insurance policies written in 2018, CEA and non-CEA companies together accounted for 1.58 million earthquake insurance policies statewide—an increase from 2017's 1.54 million.

## **CEA Earthquake Response in 2018**

While California did experience some strong earthquakes in 2018, most struck off the coast with no reports of significant injuries or damage. Although there were no significant damaging earthquakes in 2018, CEA received a total of 154 claims with three paid claims totaling \$6,059, and remaining loss reserves totaling slightly over \$52,000.

CEA held its annual meeting and seminar for CEA Participating Insurer Claim and Operations Liaisons on May 22, 2018. The morning session covered the roles and responsibilities of a CEA claim liaison, coverage and deductible options, and the announcement of a 2019 Rate and Form Filing. CEA introduced the Nat Cat Planning Project and engaged in a discussion about lessons learned from the 2017 and 2018 disasters. This project included presentations on mitigation and research, claim technology, and claim handling procedures, along with a panel-led discussion on Insurance Industry Readiness. These key lessons learned in recent disasters are especially important and transferable to planning for industry readiness in response to a major California earthquake.

## **CEA Operational Developments in 2018**

### CEA Policy Growth and Development

CEA ended 2018 with 1,050,835 policies in force, a 2.85% increase over year-end 2017.

CEA now offers more residential earthquake coverage choices, deductible options and affordable rates. Changes in CEA earthquake insurance that started in 2016 helped prompt record policy sales and in late 2017, CEA surged past the 1 million mark in total policies in force for the first time. CEA has maintained growth in 2018 despite the heightened wildfire activity across California. An increasing number of insurance companies are not renewing homeowner policies in high risk wildfire areas.

- At year-end 2018, the CEA had 110,770 “Homeowners Choice” policyholders, an increase of 22.32% from year-end 2017. CEA’s online and in-person agent training courses keep agents informed and have helped agents customize their policyholders’ policies by purchasing only the coverages they need.
- Increase in policyholders choosing the 5% deductible option for Coverage A.
- More policyholders continue to select higher coverage limits on their personal-property coverage and additional living expense protection.
- CEA’s endorsement options continue to prove favorable. In 2018, the purchase of coverage for breakage of personal property and for damage to exterior masonry veneer increased by over 24% ..

### **CEA Rate and Form filing – CDI approved in 2018 – Effective July 1, 2019**

The CDI approved a rate reduction of 1.7% overall for new and renewal policies for three consecutive years, beginning in July 1, 2019 and ending July 1, 2021.

#### Rate Changes:

- About 60% of our policyholders will see a premium decrease of more than 10%.
- About 15% of our policyholders will have premiums that remain stable or have a slight decrease (of 10% or less).
- About 10% of our policyholders will see a slight increase (of 10% or less).
- About 15% of our policyholders will see an increase of more than 10%.

#### Rating Factor Changes:

- A change in rating territories to reflect the increased risk associated with those locations, as determined by new information on fault system locations.
- Updates to include roof type as a rating factor for homeowners, because roof weight impacts the damageability of a house during an earthquake.
- Refinement in year-of-construction categories for homeowners policies:
  - 2005 or later
  - 1990-2004
  - 1980-1989

- 1960 – 1979
- 1940-1959
- 1939 or earlier
- This refinement recognizes improvements in construction beginning in 2005 that are reflective of updated construction techniques (due to code changes)—newer construction has a reduced earthquake risk.
- Mobilehome policies will now be rated based on the year of construction categories:
  - 1995 or later
  - 1975-1994
  - 1974 or earlier
- Verified credit of 10% to 25% mitigation reduction discount.
- Modifications to foundation-type definitions to recognize combination (or “other” type) foundations are more damageable but can be retrofitted and receive a hazard reduction discount.
- Removal of CEA’s self-verified 5% hazard reduction discount.

## Communications

CEA marketing and advertising in 2018 again responded through many outlets, reaching out to California consumers, a majority of whom who say they want more information about earthquake risk and earthquake insurance:

- CEA delivered over 900 million media impressions in English, Spanish, and Chinese through 27 TV stations, 45 radio stations, an email/direct-mail program to highly targeted prospects, and online platforms.
- CEA sponsored the *San Francisco Chronicle*’s Disaster Preparedness Guide and the San Luis Obispo Disaster Prep Expo in partnership with the American Red Cross. Additional sponsorships included the San Diego Successful Aging Expo, the Bay Area’s Sing Tao Expo, and the California Association of Realtor’s Expo.

### Annual Direct Mail

- 193,068 pieces of direct mail delivered to CEA policyholders
- 277,700 pieces of direct mail through agents to earthquake-insurance prospects
- 26,000 pieces of direct mail to licensed agents to launch the CEA’s Agent Portal
- 6.8 million emails and 686,000 pieces of direct mail through an email trigger campaign
- 519,229 Mandatory Marketing Documents

### Earthquake Risk Is Real

In 2018, CEA continued its advertising/creative approach of “Earthquake Risk Is Real,” responding to consumer research conducted by CEA and a desire to shift the marketing/advertising focus from preparedness to recovery.

The “Earthquake Risk Is Real” campaign has three key goals: 1) to drive home the message that the risk of damaging earthquakes is real; 2) to educate Californians about new, more flexible and affordable, policy offerings; and 3) to encourage Californians to buy earthquake insurance to

protect their family finances and to aid their family's recovery.

### Marketing Value Program

CEA's Marketing Value Program (MVP), which delivered about 479,000 pieces of direct mail through agents trained to sell CEA policies, completed its eighth year of operation in 2018.

Custom-fulfilled direct mail in the name of CEA participating-insurance-company agents focused on generating new CEA-policy sales and renewal of existing CEA policies. CEA offered agent training in-person, online, and through webinars, training a total of 2,291 agents (1,082 licensed and 1,209 unlicensed) and increasing the number enrolled in MVP to 1,712 agents.

### Supporting the *Great California ShakeOut*<sup>TM</sup>

CEA continued its significant role in promoting participation in the *Great California ShakeOut*<sup>TM</sup> statewide earthquake drill, which saw 10.3 million Californians participate in 2018.

### *Get Prepared, California!*

CEA joined forces with the American Red Cross again in 2018 to promote its seventh annual statewide auction at [GetPreparedCalifornia.org](http://GetPreparedCalifornia.org), which delivered more than 111 million media impressions promoting earthquake preparedness and generated \$176,000 to benefit Red Cross and earthquake-preparedness in California. Total money raised by the *Get Prepared, California!* Auction over the seven years now exceeds \$1,230,000.

### *Stakeholder Outreach*

Results from CEA's 2018 stakeholder outreach include:

- Delivering 90 presentations, in 72 cities, to Chambers of Commerce, Rotary Clubs, real estate agents, homeowner associations, neighborhood councils, rental-housing associations, and insurance-agent forums.
- Distributing news releases, media advisories, and public-service announcements.
- Coordinating statewide media spokespersons and a media database.
- Hosting press availabilities for preparedness stakeholders.
- Distributing direct mail in English, Spanish, and Chinese.
- Hosting information booths at ethnic-community festivals.
- Sponsoring a "preparedness team" at community events.

## Mitigation Program Development

The CEA law directs the CEA Governing Board to set aside annually five percent of the CEA’s investment income (as long as the set-aside is actuarially sound) up to five million dollars, to be used for activities that mitigate seismic risks of vulnerable residential structures in California. This includes programs to provide financial assistance to those who mitigate their homes against seismic risk.

In 2018, the CEA mitigation program coordinated projects in four focused areas:

### 1. Guidelines Development

Current guidelines—adopted into California’s existing-building code through CEA efforts in 2010—address one basic type of prescriptive seismic retrofit to single-family dwellings (other retrofits may come under that code provision, but only with guidance from a design professional (architect or engineer)).

- The CEA and the Applied Technology Council (<https://www.atccouncil.org/>) contracted in November 2013 to collaborate on “ATC-110,” to develop a pre-standard for the evaluation and retrofit of one- and two-family light-frame residential buildings.
- The work is co-funded by the CEA and the Federal Emergency Management Agency (“FEMA”).
- In 2015, the project team delivered a detailed outline for research and content-development for the next three years of the project.
- In 2016, the project team conducted simulation models to determine efficacy of standardized prescriptive-seismic-retrofit components, In 2017, the project team developed draft pre-standards based on prior-year simulations, scheduled for completion in 2018.

More guidelines were needed for additional seismic-retrofit types, to benefit other types of houses equally (or more) vulnerable to earthquake damage.

- In August 2018, FEMA published *FEMA P-1100, Prestandard for Evaluation and Retrofit of One and Two-story Wood Light-Frame Dwellings*.

The project was managed by the Applied Technology Council (ATC) and jointly sponsored and managed by the California Earthquake Authority (CEA) and the Federal Emergency Management Agency (FEMA). Various members of the project technical team for FEMA P-1100 published a technical paper describing the project titled *Vulnerability Based Seismic Assessment and Retrofit of One- and Two-family Dwellings (ATC 110 Project)*.<sup>2</sup>

FEMA P-1100 has an extensive chapter on the assessment and retrofit of the seismic vulnerability described as “house-over-garage” (HOG) that causes the soft-story condition. The three-year ATC 110 project included extensive numerical analysis of un-retrofitted and

retrofitted prototypical HOG structures resulting in backbone curves and nonlinear incremental dynamic analyses (IDAs), and where needed, extracted detailed information on load path forces and displacement histories. The numerical studies used the Timber3D analysis software, a three-dimensional (3D) computer program originally developed as part of the NEES-Soft project (Pang et al. 2012).

FEMA P-1100 will provide both engineering and prescriptive methodologies for the seismic retrofit of the HOG seismic vulnerability. The FEMA P-1100 retrofit design methodology uses International Building Code (IBC) (ICC, 2015) and ASCE 7-10 (ASCE, 2010) equivalent lateral force seismic design methods.

The FEMA P-1100 findings of the analysis of the HOG structure showed that the soft-story single-family house has a very high probability of collapse in the risk-targeted maximum considered earthquake ( $MCE_R$ ). The findings also indicated that the code-compliant retrofit significantly reduced this probability of collapse. CEA submitted an application for FEMA funds (DR 4407 Multi-County Earthquake Soft-Story Project) that utilizes user-modified seismic parameters that represent the findings of FEMA P-1100.

## 2. Verification Program

CEA continued promotion of the use and training of FEMA P-50 (*Simplified Seismic Assessment of Detached, Single-Family, Wood-Frame Dwellings*) and FEMA P-50-1 (*Seismic Retrofit Guidelines for Detached, Single-Family, Wood-Frame Dwellings*) through collaboration with Applied Technology Council (ATC) and the California Real Estate Inspection Association (CREIA).

In February 2018, due to funding reductions, the USGS ceased support of their shaking hazard calculator. The calculator played a critical part in providing data for determining the seismic hazard score in the FEMA P-50 assessment, and in CEA's *QuakeGrade*® web-based application. As a result, *QuakeGrade*® was placed on hiatus while efforts were made to identify an alternative source for the data, and to then update the application. As the USGS data was determined from a static table versus a progressively updated data source, CEA was able to access the data table and reformat the program to calculate shaking hazards.

## 3. Earthquake Brace + Bolt Program

Through a joint powers authority established by the CEA (a public instrumentality of the state) and the California Governor's Office of Emergency Services (a state agency)—the JPA is called the California Residential Mitigation Program (CRMP)—a mitigation-incentive program called Earthquake Brace + Bolt (EBB) operates, offering eligible Californians a grant of up to \$3,000 to make their houses more resistant to earthquake damage.

In 2013, the EBB pilot program randomly selected houses in two ZIP Codes in Los Angeles and two ZIP Codes in Oakland. Between the two areas, eight houses completed seismic retrofits by April 2014, in whole or in part using EBB grants. By 2018, the program had expanded to 185 ZIP Codes and by year's end had completed about 7,000 retrofits.

In addition to CRMP funding, EBB has received \$6 million (provided through two appropriations from the State of California to the California Department of Insurance) and a \$300,000 grant (provided through FEMA’s Hazard Mitigation Grant Program). This grant was directed to 100 “Napa EBB” retrofits: code-based mitigation measures for houses located within the City of Napa, administered under a separate CRMP EBB program. The Napa program closed in June 2018 with 84 completed retrofits. CEA also has applied for several more HMGP grants and was awarded a \$3 million grant that will be used in 2019 to retrofit up to 1,000 houses statewide.

In October 2016, CEA piloted the CEA Brace + Bolt (CEA BB) program, which unlike CRMP programs (which are aimed at all house-owning members of the public, without regard to whether they are CEA policyholders), is available solely to CEA policyholders. While operating similarly to the CRMP EBB programs, CEA BB is funded directly from CEA capital. By the end of 2018, 96 CEA policyholders had completed retrofits on their homes.

#### 4. Research Program Development

##### Cripple-Wall-Performance Effects

The CEA contracted with the Pacific Earthquake Engineering Research (PEER) Center in September 2016 to lead the CEA’s research project, “Quantifying the Performance of Retrofit of Cripple Walls and Sill Anchorage in Single Family Wood-frame Buildings.” With this project, CEA will have refined scientific data to inform CEA rate levels and premium discounts. This project is scheduled to be completed in Q2 2020.

##### CEA Damage-Assessment Guidelines

In 2007, CEA provided major funding for the Consortium of Universities for Research in Earthquake Engineering (CUREE), whose work produced the “Assessment and Repair of Earthquake Damage” project—a set of guidelines for “...a sound technical basis for use by engineers, contractors, owners, the insurance industry, building officials, and others in the post-earthquake context. Based on experimental and analytical research and a broad discussion of the issues involved, the guidelines...facilitate improved consistency in the evaluation of building damage and the associated need for repairs.”

CUREE disbanded in December 2016, leaving a void in maintaining and updating the Guidelines. To ensure Guidelines continuity, CEA contracted with Applied Technology Council in May 2018 to update the existing CUREE Guidelines (renaming them to the “CEA Damage Assessment Guidelines”) and to develop companion engineering guidelines.

Drafting the General Guidelines and Engineering Guidelines is currently underway and is expected to be completed December 2019.

## **Financial Report**

### Revenue Bonds

In 2014 the CEA issued \$350,000,000 in investment-grade (non-full-faith-and-credit of the State of California) revenue bonds, with varying maturities.

- On July 1, 2016, the two-year bond (in the amount of \$40,000,000) matured, leaving an outstanding balance of \$310,000,000.
- On July 1, 2017, the three-year bond (in the amount of \$60,000,000) matured, and the CEA reduced the principle balance on the five-year bond by \$40,000,000.
- On July 1, 2018, the CEA reduced the principle balance of the five-year bond (in the amount of \$250,000,000) by \$105,000,000.

At year-end 2018, the total outstanding principal balance of this issuance was \$105,000,000.

### Financial-Stability Ratings

During 2018, CEA continued to be rated by the A. M. Best Co. as “A-Minus (Excellent), with a stable outlook.”

Best’s rating framework continues to recognize the CEA’s “excellent risk-adjusted capitalization, financial flexibility, extensive risk modeling capabilities, sophisticated management practices, and conservative investment policy.”

## Attachment A: California Department of Insurance Summary: 2018 Residential Market Totals

### EARTHQUAKE PREMIUM AND POLICY COUNT DATA CALL

#### SUMMARY OF 2018 RESIDENTIAL MARKET TOTALS

2018 Experience Year	Written Premiums Excluding EQ	No. of Policies Excluding EQ	Exposure (\$) Excluding EQ	Avg Prem Per Policy	Avg Rate Per \$1,000 Insurance	Market Share *	EQ Premiums	No. of EQ Policies	Exposure (\$) Including CEA	Avg Prem Per Policy	Avg Rate Per \$1,000 Insurance	Market Share *	% with EQ **
Insurers with EQ coverage provided by California Earthquake Authority (CEA)	6,759,881,491	9,369,246	2,718,087,693,292	\$ 721.50	\$ 2.49	77.67%	761,266,574	1,050,835	474,073,263,076	\$ 724.44	\$ 1.61	66.34%	11.22%
Insurers with EQ coverage provided by Non-CEA	2,203,235,848	2,694,043	975,010,749,633	\$ 817.82	\$ 2.26	22.33%	436,977,143	533,298	236,212,164,020	\$ 819.39	\$ 1.85	33.66%	19.80%
<b>Total Residential Market</b>	<b>8,963,117,339</b>	<b>12,063,289</b>	<b>3,693,098,442,925</b>	<b>\$ 743.01</b>	<b>\$ 2.43</b>	<b>100.00%</b>	<b>1,198,243,717</b>	<b>1,584,133</b>	<b>710,285,427,096</b>	<b>\$ 756.40</b>	<b>\$ 1.69</b>	<b>100.00%</b>	<b>13.13%</b>
<b>Total Homeowners Market</b>	<b>6,896,150,601</b>	<b>6,264,228</b>	<b>2,907,484,432,263</b>	<b>\$ 1,100.88</b>	<b>\$ 2.37</b>	<b>51.93%</b>	<b>1,033,222,726</b>	<b>951,801</b>	<b>645,204,568,521</b>	<b>\$ 1,085.54</b>	<b>\$ 1.60</b>	<b>60.08%</b>	<b>15.19%</b>
<b>Total Renters Market</b>	<b>417,124,802</b>	<b>2,481,303</b>	<b>71,279,657,030</b>	<b>\$ 168.11</b>	<b>\$ 5.85</b>	<b>20.57%</b>	<b>29,789,581</b>	<b>356,783</b>	<b>11,260,298,157</b>	<b>\$ 83.49</b>	<b>\$ 2.65</b>	<b>22.52%</b>	<b>14.38%</b>
<b>Total Condominium Market</b>	<b>505,253,242</b>	<b>924,763</b>	<b>49,818,637,875</b>	<b>\$ 546.36</b>	<b>\$ 10.14</b>	<b>7.67%</b>	<b>74,725,884</b>	<b>139,687</b>	<b>17,328,781,114</b>	<b>\$ 534.95</b>	<b>\$ 4.31</b>	<b>8.82%</b>	<b>15.11%</b>
<b>Total Dwelling Fire Market</b>	<b>957,643,856</b>	<b>2,123,144</b>	<b>638,589,892,456</b>	<b>\$ 451.05</b>	<b>\$ 1.50</b>	<b>17.60%</b>	<b>49,203,765</b>	<b>76,809</b>	<b>29,137,572,152</b>	<b>\$ 640.60</b>	<b>\$ 1.69</b>	<b>4.85%</b>	<b>3.62%</b>
<b>Total Mobilehome Market</b>	<b>186,944,838</b>	<b>269,851</b>	<b>25,925,823,301</b>	<b>\$ 692.77</b>	<b>\$ 7.21</b>	<b>2.24%</b>	<b>11,301,761</b>	<b>59,053</b>	<b>7,354,207,153</b>	<b>\$ 191.38</b>	<b>\$ 1.54</b>	<b>3.73%</b>	<b>21.88%</b>
<b>Total Residential Market</b>	<b>8,963,117,339</b>	<b>12,063,289</b>	<b>3,693,098,442,925</b>	<b>\$ 743.01</b>	<b>\$ 2.43</b>	<b>100.00%</b>	<b>1,198,243,717</b>	<b>1,584,133</b>	<b>710,285,427,096</b>	<b>\$ 756.40</b>	<b>\$ 1.69</b>	<b>100.00%</b>	<b>13.13%</b>
<b>California FAIR Plan</b>	<b>82,636,870</b>	<b>122,687</b>	<b>49,977,757,821</b>	<b>\$ 673.56</b>	<b>\$ 1.65</b>	<b>5.78%</b>	<b>4,233,866</b>	<b>4,264</b>	<b>2,258,406,061</b>	<b>\$ 992.93</b>	<b>\$ 1.87</b>	<b>5.55%</b>	<b>3.48%</b>
<b>Total Dwelling Fire (Excluding CA FAIR Plan)</b>	<b>875,006,986</b>	<b>2,000,457</b>	<b>588,612,134,635</b>	<b>\$ 437.40</b>	<b>\$ 1.49</b>	<b>94.22%</b>	<b>44,969,899</b>	<b>72,545</b>	<b>26,879,166,091</b>	<b>\$ 619.89</b>	<b>\$ 1.67</b>	<b>94.45%</b>	<b>3.63%</b>
<b>Total Dwelling Fire Market</b>	<b>957,643,856</b>	<b>2,123,144</b>	<b>638,589,892,456</b>	<b>\$ 451.05</b>	<b>\$ 1.50</b>	<b>100.00%</b>	<b>49,203,765</b>	<b>76,809</b>	<b>29,137,572,152</b>	<b>\$ 640.60</b>	<b>\$ 1.69</b>	<b>100.00%</b>	<b>3.62%</b>

\* Market share represents the percentage of policies to total residential market.

\*\* Percent with EQ represents the percentage of policies that also have EQ coverage.

Attachment B: Financial Statement  
California Earthquake Authority: Annual Financial Report

In accordance with California Insurance Code sec. 10089.13, subdivision (b), the California Earthquake Authority reports its finances as of December 31, 2018:

<b>Assets</b>		
	Cash on hand	\$224,271,110
	Stocks or bonds	6,385,806,434
	Premiums receivable	69,456,437
	Assessments receivable	7,742,000
	Interest receivable	25,314,888
	Prepaid reinsurance premiums	19,854,113
	Prepaid reinsurance maintenance premium	1,268,123
	Equipment, net of depreciation	208,044
	Other assets	326,008
<b>Liabilities</b>		
	Losses due and unpaid	-
	Claims for losses resisted by the CEA	-
	Losses in the process of adjustment or suspense	-
	Reported losses	\$15,114
	Supposed losses	-
	Revenue bonds Payable	105,000,000
	Revenue bonds Interest Payable	1,472,625
	Unearned premium	417,448,201
	Accounts payable	10,632,005
<b>Income</b>		
	Premiums received	\$778,340,984
	Interest money received	92,745,187
	Installment fees	468,363
	Supplemental commissions	
<b>Expenses</b>		
	Losses and loss adjustment expenses	\$148,833
	Participating insurer commissions	77,838,382
	Participating insurer operating costs	25,280,833
	Reinsurance broker commissions	2,800,000
	Financing expenses	(1,262,290)
	Reinsurance premium	366,630,729
	Other underwriting expenses	53,300,281

## Attachment C: Summary of CEA Claim-Paying Capacity

In accordance with California Insurance Code sec. 10089.13, subdivision (c), the California Earthquake Authority reports this separate financial summary of its claim-paying capacity as of December 31, 2017.

<b>Available Capital</b>		
		<b>Base</b>
	Cash & Investments	\$6,610,077,544
	EQ Loss mitigation Fund Cash & Investments	(11,751,892)
	Revenue Bond Proceeds	(690,258,518)
	Less: Debt Service	(53,972,628)
	Interest Receivable	25,314,888
	Premiums receivable	69,456,437
	Capital Contribution receivable	7,742,000
	Other Cash-Related Assets	326,008
	Accounts Payable & Accrued Expenses	(10,632,004)
	Unearned premium Collected	(287,951,372)
	Loss Reserve	(115,114)
	<b>Total Available Capital</b>	<b>\$5,658,235,349</b>
<b>Assessments</b>		
	Available for assessment in 2 <sup>nd</sup> IA layer	\$1,656,000,000
<b>Reinsurance</b>		
	Available in all layers	\$8,132,119,027
<b>Bonds</b>		
	Revenue bonds that may be issued	-
	Revenue bonds issued 07/2006	\$315,000,000
	Revenue bonds issued 11/06/2014	350,000,000
	Revenue bonds outstanding 12/31/2018	105,000,000
<b>Policyholder Surcharges</b>		
	Surcharges assessed	-
	Surcharges outstanding	-
<b>Capital Markets</b>		
	Capital committed from capital markets	-
<b>Debt</b>		
	Line of credit available	-