



Date of Notice: Monday, April 16, 2012

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 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, April 26, 2012

TIME: 1:00 p.m.

AGENDA:

- 1. 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 23, 2012, and March 26, 2012 (including April 10, 2012, 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 present and seek Board approval of a proposed reinsurance contract for the CEA risk-transfer program for 2012; Mr. Richison will also seek Board approval for prospective, additional transformer reinsurance contracts in 2012.
6. Chief Communications Officer Chris Nance will provide the Board with an update on the CEA's Marketing Value Program (MVP).
7. Chief Mitigation Officer Janiele Maffei will provide the Board with an update on the CEA's mitigation programming, including CEA's participation in the California Residential Mitigation Program (CRMP).
8. Chief Actuary Shawna Ackerman will seek Governing Board approval of a licensing agreement with EQECAT, Inc., for in-house use by CEA of EQECAT's earthquake-loss-modeling software.
9. 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.
10. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
11. Adjournment.

For further information about this notice or its contents:

General Information:

Susan Pitton
(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

To view this notice on the CEA Web site or to learn more about the CEA, please visit www.EarthquakeAuthority.com

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 Susan Pitton by telephone, toll free, at (877) 797-4300 or by email at pittons@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.



Draft Meeting Minutes are not available.

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

Governing Board Memorandum

April 26, 2012

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

Recommended Action: No action required – information only

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

**GOVERNING BOARD MEETING
THURSDAY, April 26, 2012
1:00 P.M.**

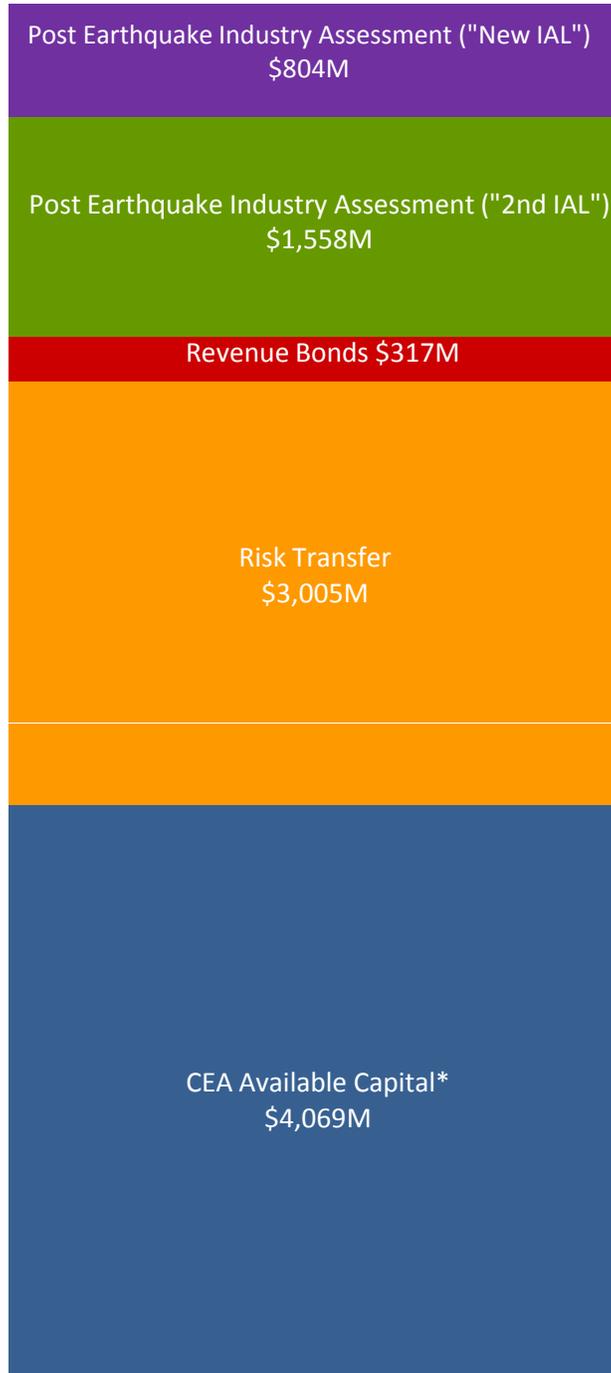
**California Earthquake Authority
Available Capital Report**

Capital as of February 29, 2012

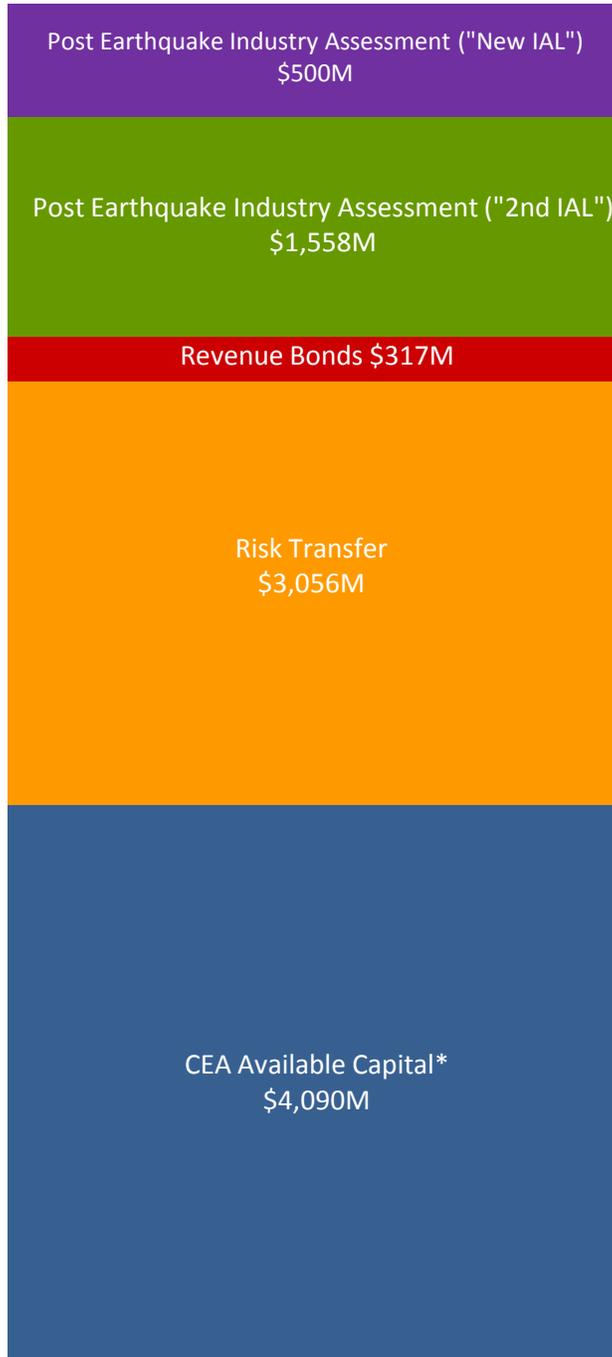
Cash & Investments (includes capital contributions and premiums)	\$ 4,561,628,411 *
Interest & Securities Receivable	12,306,443
Premium Receivable	41,732,102
Risk Capital Surcharge & Capital Contributions Receivable	13,848,000
Other Cash-Related Assets	18,087
Investments from Revenue Bond Proceeds	(316,864,840)
Debt Service (Interest, Principal & Debt Service (Min. Bal.))	(27,982,749)
Unearned Premium Collected	(212,781,657)
Accrued Reinsurance premium Expense	(1,720,574)
Accounts Payable & Accrued Expenses	(1,458,344)
CEA Available Capital	<u><u>\$ 4,068,724,879</u></u>

* Does not include Earthquake Loss Mitigation Fund cash and investments of \$23,976,550

**California Earthquake Authority
Claim-paying Capacity
as of February 29, 2012**



**California Earthquake Authority
Claim-paying Capacity
as of April 1, 2012**



Total Capacity \$9,521M

* Projected

**California Earthquake Authority
2012 Risk-Transfer Program**

Traditional Reinsurance Contracts	Contract Period	Reinsurance Limit	12-Month Rate-on-Line	12-Month Premium
Contract A	January 1, 2012 - December 31, 2012	655,220,000	7.00%	45,865,400
Contract A1	January 1, 2012 - December 31, 2012	400,000,000	7.30%	29,200,000
Contract A2	January 1, 2012 - December 31, 2012	200,000,000	7.15%	14,300,000
Contract A3	January 1, 2012 - December 31, 2012	250,000,000	7.20%	18,000,000
Contract 3	January 1, 2011 - March 31, 2012	500,000,000	6.20%	31,000,000
Contract 4	January 1, 2011 - March 31, 2012	650,000,000	5.50%	35,750,000
Contract 4a	April 1, 2011 - March 31, 2012	50,000,000	5.50%	2,750,000
Total Traditional Reinsurance January 1, 2012 - March 31, 2012		2,705,220,000		
Contract B	April 1, 2012 - March 31, 2013	1,251,464,950	6.20%	77,590,827
Total Traditional Reinsurance April 1, 2012 - December 31, 2012		2,756,684,950		
Transformer Reinsurance Contracts	Contract Period	Reinsurance Limit	12-Month Rate-on-Line	12-Month Premium
Contract 1	August 2, 2011 – August 1, 2014	150,000,000	7.78%	11,670,000
Contract 2	February 7, 2012 – February 6, 2015	150,000,000	8.39%	12,585,000
Total Transformer Reinsurance		300,000,000		

California Earthquake Authority
Balance Sheet
As of February 29, 2012

Assets

Cash and investments:	
Cash and cash equivalents	376,917,900
Restricted cash & equivalents	51,960,623
Restricted investments	316,865,095
Investments	<u>3,839,861,343</u>
Total cash and investments	4,585,604,961
Premiums receivable, net of allowance for doubtful accounts of \$10,561,115	41,732,102
Capital contributions receivable	13,848,000
Risk capital surcharge receivable	-
Interest receivable	12,306,443
Securities receivable	-
Prepaid reinsurance premium	15,138,783
Transformer reinsurance premium deposit	10,432,787
Prepaid transformer maintenance premium	5,654,376
Equipment, net	471,294
Deferred policy acquisition costs	39,247,242
Other assets	<u>18,087</u>
Total assets	<u>\$ 4,724,454,075</u>

Liabilities and Net Assets

Unearned premiums	\$ 292,235,609
Accounts payable and accrued expenses	1,458,344
Accrued reinsurance premium expense	1,720,574
Claim and claim expense reserves	-
Securities payable	-
Revenue bond payable	157,500,000
Revenue bond interest payable	<u>1,619,363</u>
Total liabilities	<u>454,533,890</u>
Net assets:	
Restricted, expendable	211,213,002
Unrestricted*	<u>4,058,707,183</u>
Total net assets	<u>4,269,920,185</u>
Total liabilities and net assets	<u>\$ 4,724,454,075</u>

* Includes Cumulative Participating Insurer Contributed Capital of \$777,384,796
and State of California Contributed Capital of \$170,987,261

California Earthquake Authority
Statement of Revenues, Expenses and Changes in Net Assets
For the Year-to-Date Ended February 29, 2012

Underwriting income:	
Premiums written	\$ 82,433,341
Less premiums ceded - reinsurance	(33,112,607)
Less risk capital surcharge	-
	<hr/>
Net premiums written	49,320,734
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Change in unearned premiums	17,663,723
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Net unearned premiums	17,663,723
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Net premiums earned	66,984,457
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Expenses:	
Claim and claims expense	246
Participating Insurer commissions	10,012,477
Participating Insurer operating costs	3,162,623
Reinsurance broker commissions	800,000
Pro forma premium taxes	1,937,184
Financing expenses, net	1,039,524
Earthquake Loss Mitigation Fund expenses	50,782
Other underwriting expenses	1,470,347
	<hr/>
Total expenses	18,473,183
	<hr/>
Underwriting profit	48,511,274
Net investment income	(1,134,232)
Other income	70,556
Participating Insurer Contributed Capital	-
State of California premium tax contribution	1,937,184
	<hr/>
Increase in net assets	49,384,782
Net assets, beginning of year	4,220,535,403
Net assets, end of year	<u>\$ 4,269,920,185</u>

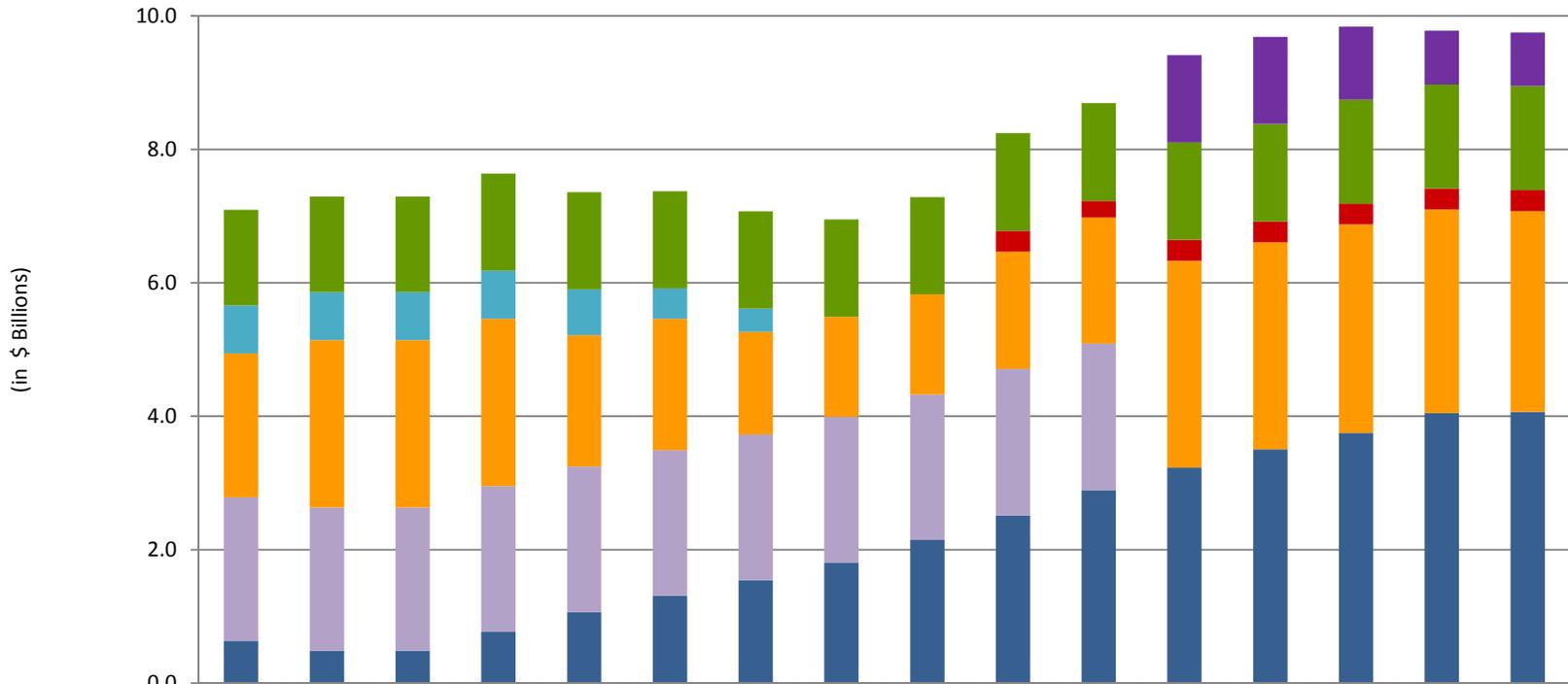
California Earthquake Authority
Insurance Services
Budgeted Expenditures and Actual Expenditures
2012 Budget Year

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<u>Approved 2012 Budget</u>	<u>Adjustments thru 2/29/2012</u>	<u>Augmentations thru 2/29/2012</u>	<u>2012 Budget after Augmentations and Adjustments</u>	<u>Actual Expenditures as of 2/29/12</u>	<u>Augmented & Adjusted Actual Expenses (e) at 2/29/12</u>	<u>Approved Budget (d) vs. Augmented & Adjusted Approved 2012 Budget</u>
Salaries & Benefits	\$ 8,015,623	-	-	\$ 8,015,623	\$ 1,248,957	\$ 6,766,666	15.58%
Rent	635,593	-	-	635,593	116,745	518,848	18.37%
Travel	335,402	-	-	335,402	32,953	302,449	9.82%
			-				
Non-paid Consultant Travel	8,066	-	-	8,066	376	7,690	4.66%
Telecommunications	232,707	-	-	232,707	7,731	224,976	3.32%
Training	161,668	-	-	161,668	37,904	123,764	23.45%
			-				
Insurance	143,078	-	-	143,078	-	143,078	0.00%
Board/Panel Services	19,781	-	-	19,781	2,936	16,845	14.84%
Administration & Office	1,037,706	-	-	1,037,706	111,855	925,851	10.78%
(Software Maint & Administrative Contracted Services			-				
Data Mgmt Services	493,170	-	-	493,170	131,876	361,294	26.74%
Other Administrative	37,780	-	-	37,780	3,550	34,230	9.40%
Furniture/Equipment	41,005	-	-	41,005	1,659	39,346	4.05%
EDP Hardware/Software	215,671	-	-	215,671	28,032	187,639	13.00%
Dept of Insurance Examination	28,954	-	-	28,954	-	28,954	0.00%
Total Operating Expenses	\$ 11,406,204	-	-	\$ 11,406,204	\$ 1,724,574	\$ 9,681,630	15.12%
Consulting Services							
Actuarial	25,000	-	-	25,000	-	25,000	0.00%
Administrative Consultir	-	-	-	-	-	-	0.00%
Executive Recruiting	45,000	-	-	45,000.00	-	45,000	0.00%
Financial Consulting	300,615	-	-	300,615.00	47,500	253,115	15.80%
Government Relations	217,301	-	-	217,301.00	-	217,301	0.00%
Information Systems	1,642,708	-	-	1,642,708.00	-	1,642,708	0.00%
Information Technology	6,000	-	-	6,000.00	-	6,000	0.00%
Internal Audit	86,843	-	-	86,843.00	-	86,843	0.00%
Investment Compliance	20,000	-	-	20,000.00	-	20,000	0.00%
Legal Consulting	5,395	-	-	5,395.00	-	5,395	0.00%
Public Relations	200,000	-	-	200,000.00	-	200,000	0.00%
Other Consulting Service	296,859	-	-	296,859.00	3,271	293,588	1.10%
Total Consulting Service	\$ 2,845,721	\$ -	\$ -	\$ 2,845,721	\$ 50,771	\$ 2,794,950	1.78%

**California Earthquake Authority
Insurance Services
Budgeted Expenditures and Actual Expenditures
2012 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<u>Approved 2012 Budget</u>	<u>Adjustments thru 2/29/2012</u>	<u>Augmentations thru 2/29/2012</u>	<u>2012 Budget after Augmentations and Adjustments</u>	<u>Actual Expenditures as of 2/29/12</u>	<u>Augmented & Adjusted Approved Budget (d) vs. Actual Expenses (e) at 2/29/12</u>	<u>Percentage used of Augmented & Adjusted Approved 2012 Budget</u>
Research	1,018,000	-	-	1,018,000	-	1,018,000	0.00%
Contracted Services							
Agent Services	-	-	-	-	-	-	0.00%
Audit Services	160,000	-	-	160,000	-	160,000	0.00%
Brochure/Information Products	175	-	-	175	-	175	0.00%
Consumer Services	-	-	-	-	-	-	0.00%
Contracted Marketing & Outreach	348,065	-	-	348,065	17,680	330,385	5.08%
Investment Compliance	-	-	-	-	-	-	0.00%
Legal Services-Claims Counsel	200,000	-	-	200,000	-	200,000	0.00%
Legal Services-Claims Counsel-PI	-	-	-	-	-	-	0.00%
Legal Service - Non-Claims	2,685,698	-	-	2,685,698	4,410	2,681,288	0.16%
Marketing Services	9,239,714	-	-	9,239,714	-	9,239,714	0.00%
Media Services	137,000	-	-	137,000	-	137,000	0.00%
Modeling Services	666,470	-	-	666,470	58,000	608,470	8.70%
Web Development/Maintenance	-	-	-	-	-	-	0.00%
Other Contracted Services	675,758	-	-	675,758	505	675,253	0.07%
Total Contracted Services	\$ 14,112,880	\$ -	\$ -	\$ 14,112,880	\$ 80,595	\$ 14,032,285	0.57%
Participating Insurer Operating Costs	68,573,084	-	-	68,573,084	8,246,105	60,326,979	12.03%
Participating Insurer Commissions	21,189,083	-	-	21,189,083	2,556,757	18,632,326	12.07%
Investment Expenses	2,077,067	-	-	2,077,067	330,143	1,746,924	15.89%
Financing Expenses	8,864,057	-	-	8,864,057	1,661,756	7,202,301	18.75%
Reinsurance	200,453,436	-	-	200,453,436	33,912,607	166,540,829	16.92%
Total Expenditures	\$ 330,539,532	\$ -	\$ -	\$ 330,539,532	\$ 48,563,308	\$ 281,976,224	14.69%

**California Earthquake Authority
Total Claim-paying Capacity (CPC)
as of February 29, 2012**

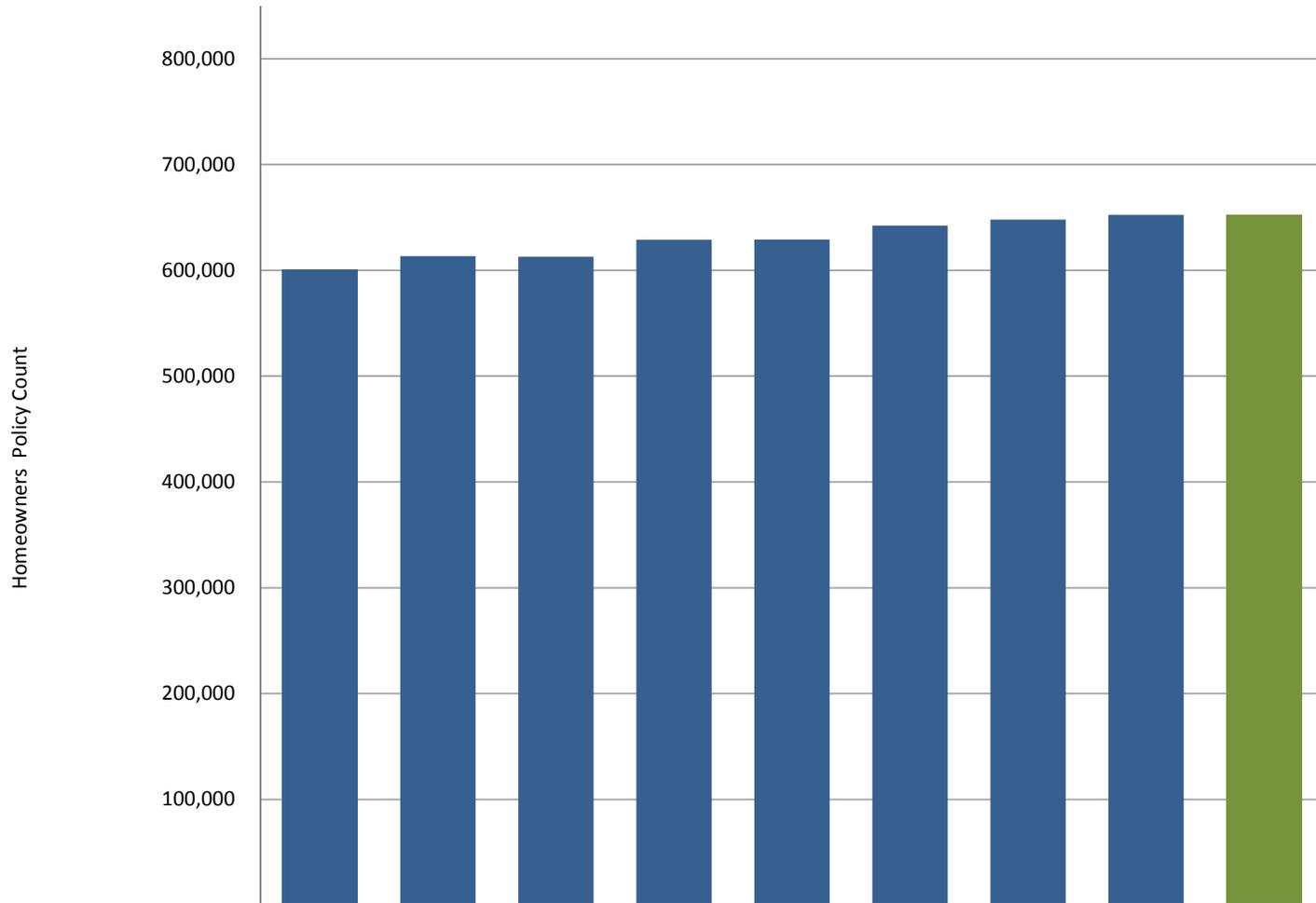


	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Total CPC	\$7.095	\$7.293	\$7.293	\$7.635	\$7.360	\$7.373	\$7.069	\$6.948	\$7.284	\$8.244	\$8.695	\$9.411	\$9.685	\$9.840	\$9.777	\$9.753
New Industry Assessment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.304	1.304	1.095	0.804	0.804
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
Revenue Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.311	0.254	0.311	0.311	0.311	0.317	0.317
Line of Credit	0.716	0.715	0.715	0.715	0.686	0.456	0.348	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Risk Transfer	2.160	2.509	2.509	2.509	1.971	1.971	1.538	1.500	1.500	1.756	1.885	3.100	3.100	3.123	3.050	3.005
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
CEA Available Capital	0.635	0.485	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	4.069

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

*as of February 29, 2012

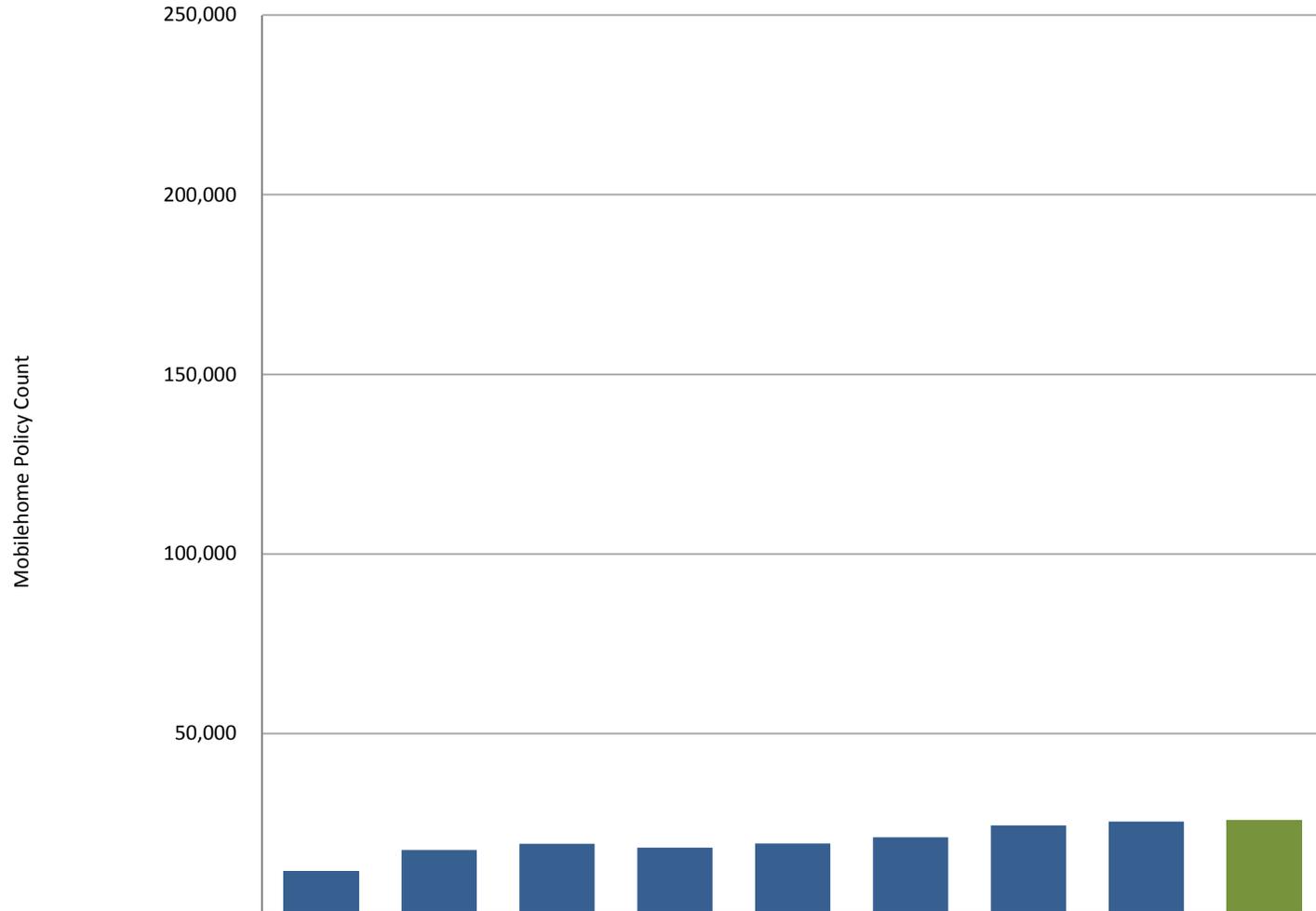
**California Earthquake Authority
Homeowners Policy Count
as of February 29, 2012**



	2004	2005	2006	2007	2008	2009	2010	2011	2012*
■ Policy Count	600,673	613,266	612,941	628,802	629,138	642,174	647,947	652,394	652,444
Annual Change in Policy Count	0.0%	2.1%	-0.1%	2.6%	0.1%	2.1%	0.9%	0.7%	0.0%

*as of February 29, 2012

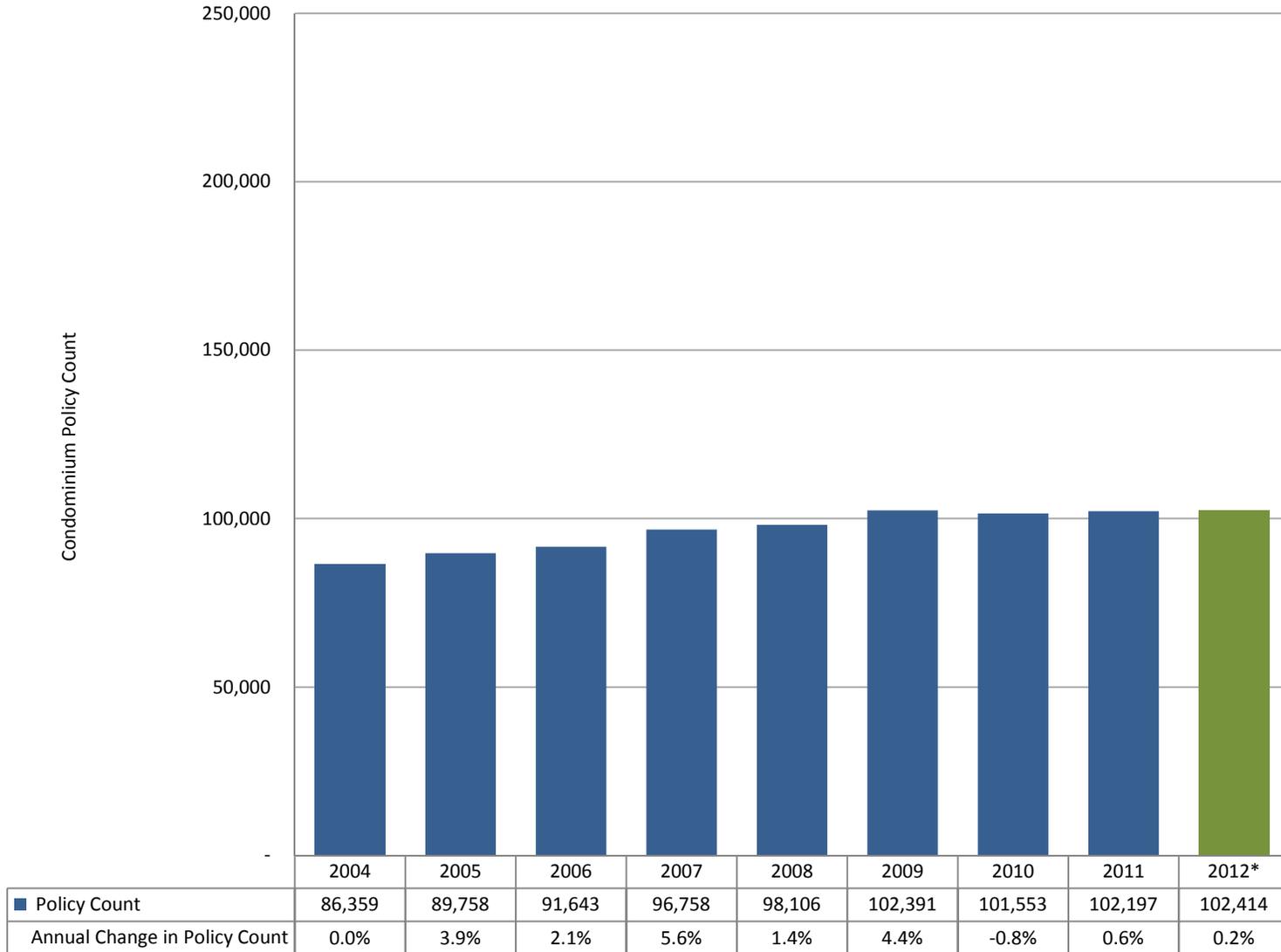
**California Earthquake Authority
Mobilehome Policy Count
as of February 29, 2012**



■ Policy Count	2004	2005	2006	2007	2008	2009	2010	2011	2012*
	11,585	17,631	19,289	18,257	19,437	21,118	24,423	25,518	25,848
Annual Change in Policy Count	0.0%	52.2%	9.4%	-5.4%	6.5%	8.6%	15.7%	4.5%	1.3%

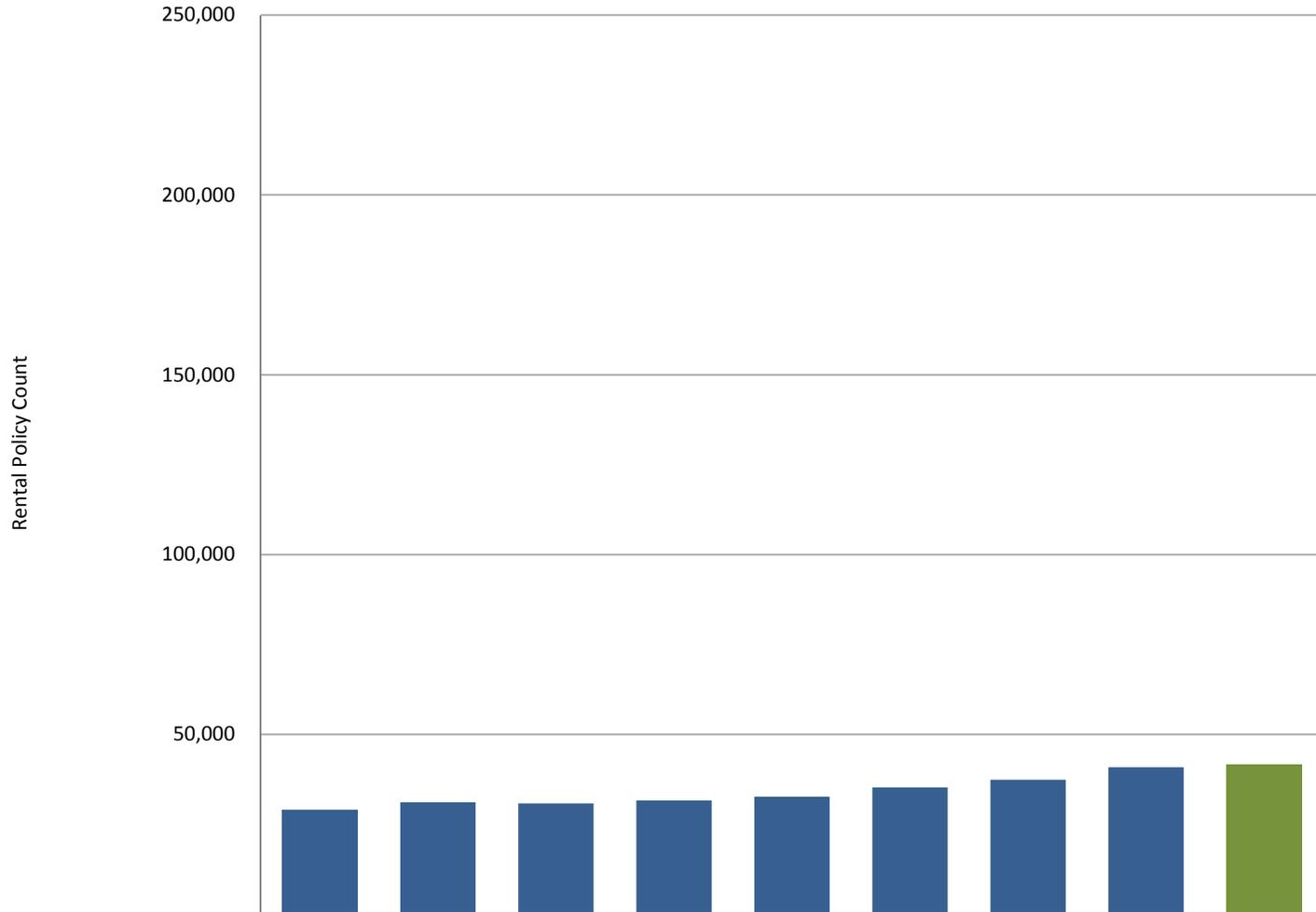
*as of February 29, 2012

**California Earthquake Authority
Condominium Policy Count
as of February 29, 2012**



*as of February 29, 2012

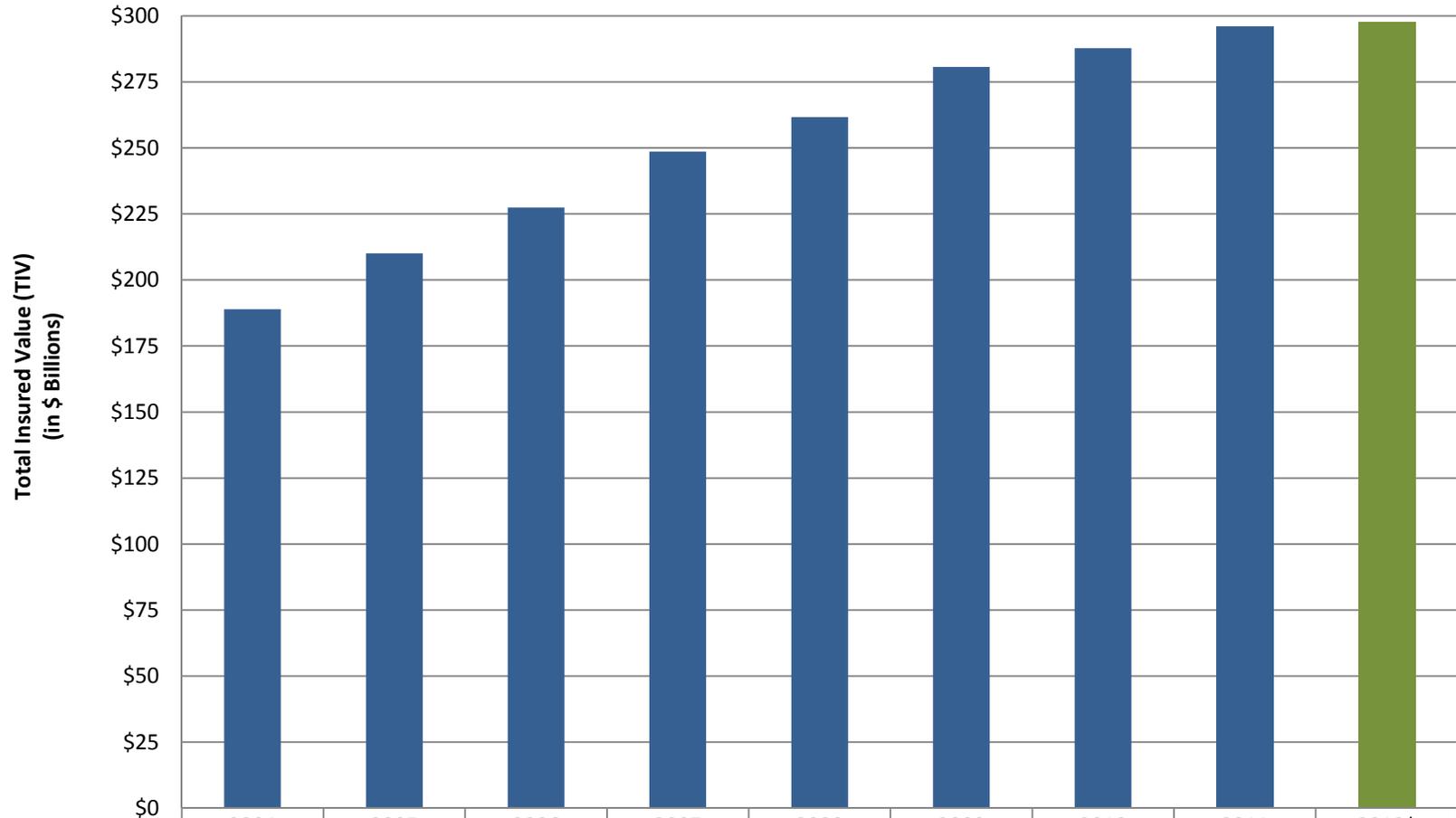
**California Earthquake Authority
Rental Policy Count
as of February 29, 2012**



■ Policy Count	29,058	31,112	30,799	31,647	32,681	35,247	37,394	40,823	41,635
Annual Change in Policy Count	0.0%	7.1%	-1.0%	2.8%	3.3%	7.9%	6.1%	9.2%	2.0%

*as of February 29, 2012

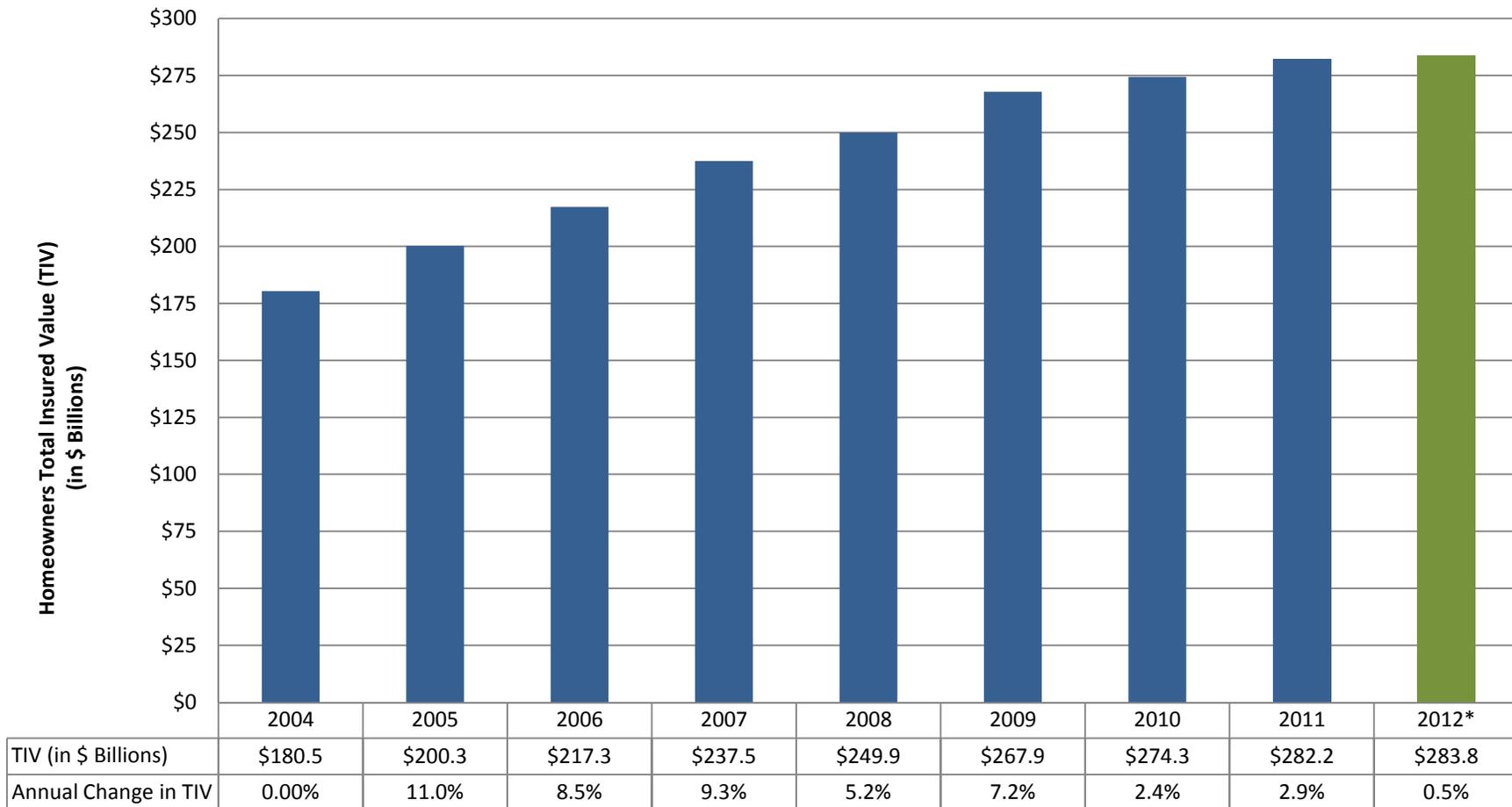
**California Earthquake Authority
All Policies Total Insured Value (TIV)
as of February 29, 2012**



	2004	2005	2006	2007	2008	2009	2010	2011	2012*
TIV (in \$ Billions)	\$188.9	\$210.0	\$227.4	\$248.6	\$261.7	\$280.7	\$287.7	\$296.0	\$297.7
Annual Change in TIV	9.6%	11.2%	8.3%	9.3%	5.3%	7.3%	2.5%	2.9%	0.5%

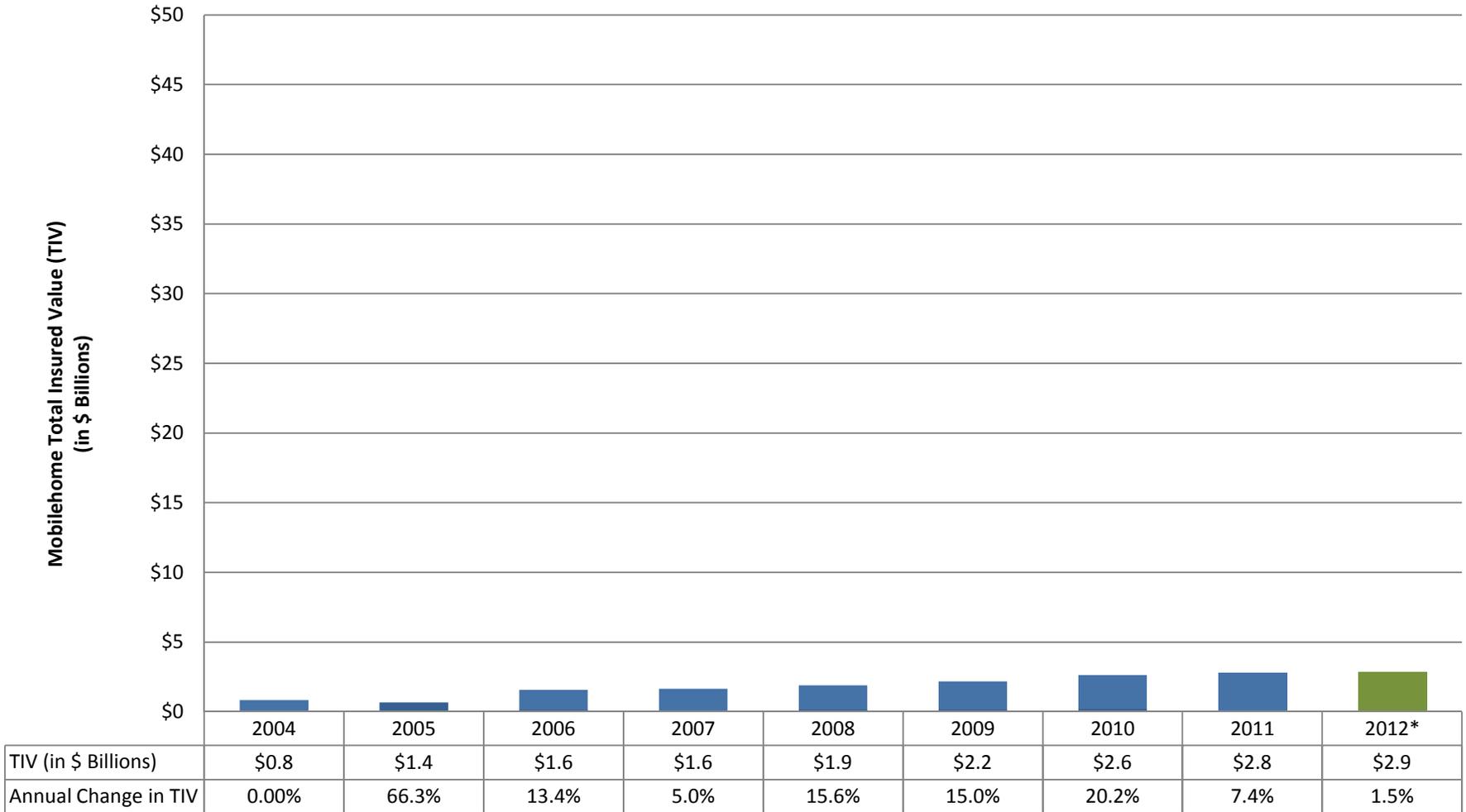
*as of February 29, 2012

**California Earthquake Authority
Homeowners Policy Total Insured Value (TIV)
as of February 29, 2012**



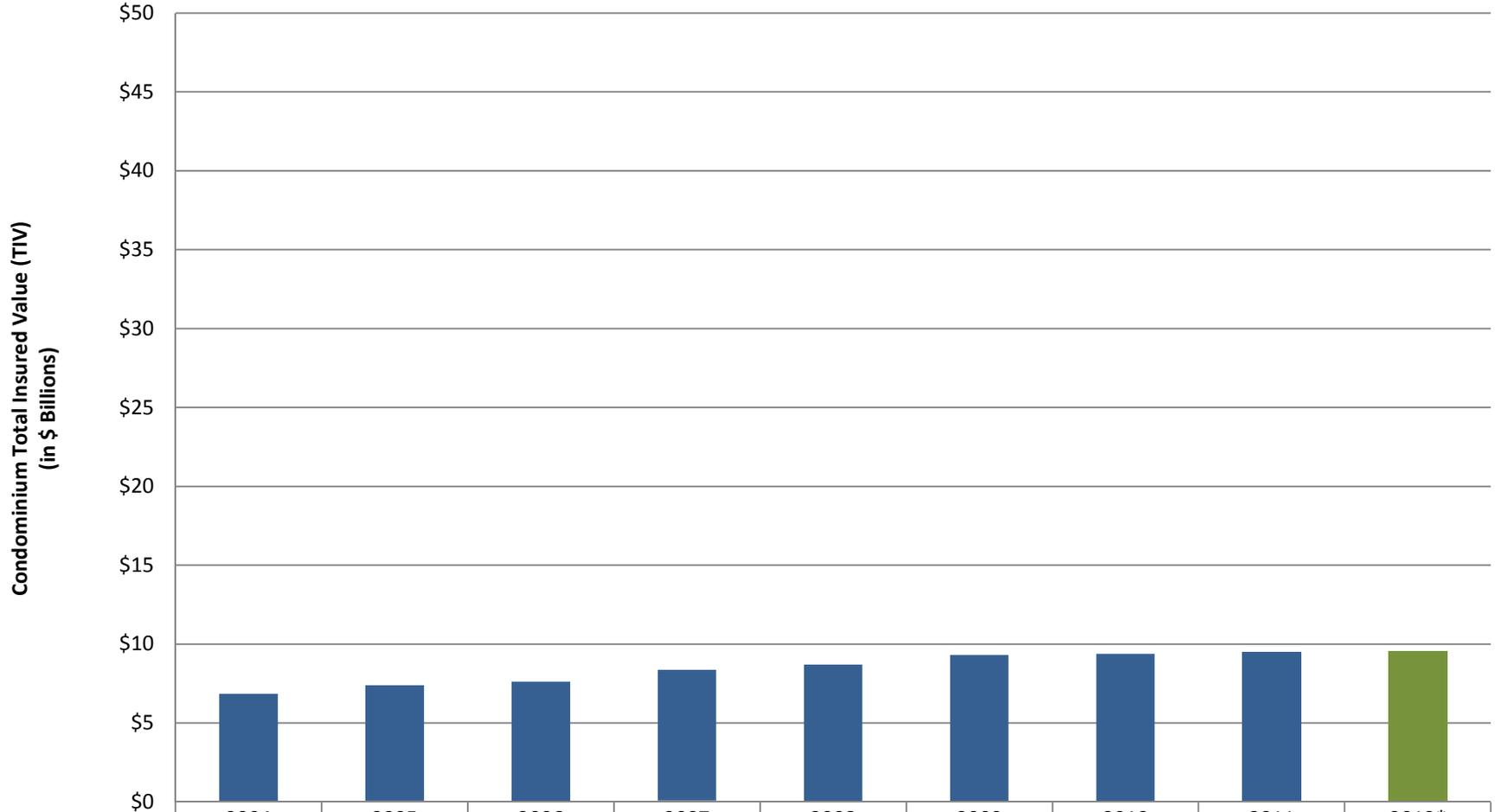
*as of February 29, 2012

**California Earthquake Authority
Mobilehome Policy Total Insured Value (TIV)
as of February 29, 2012**



*as of February 29, 2012

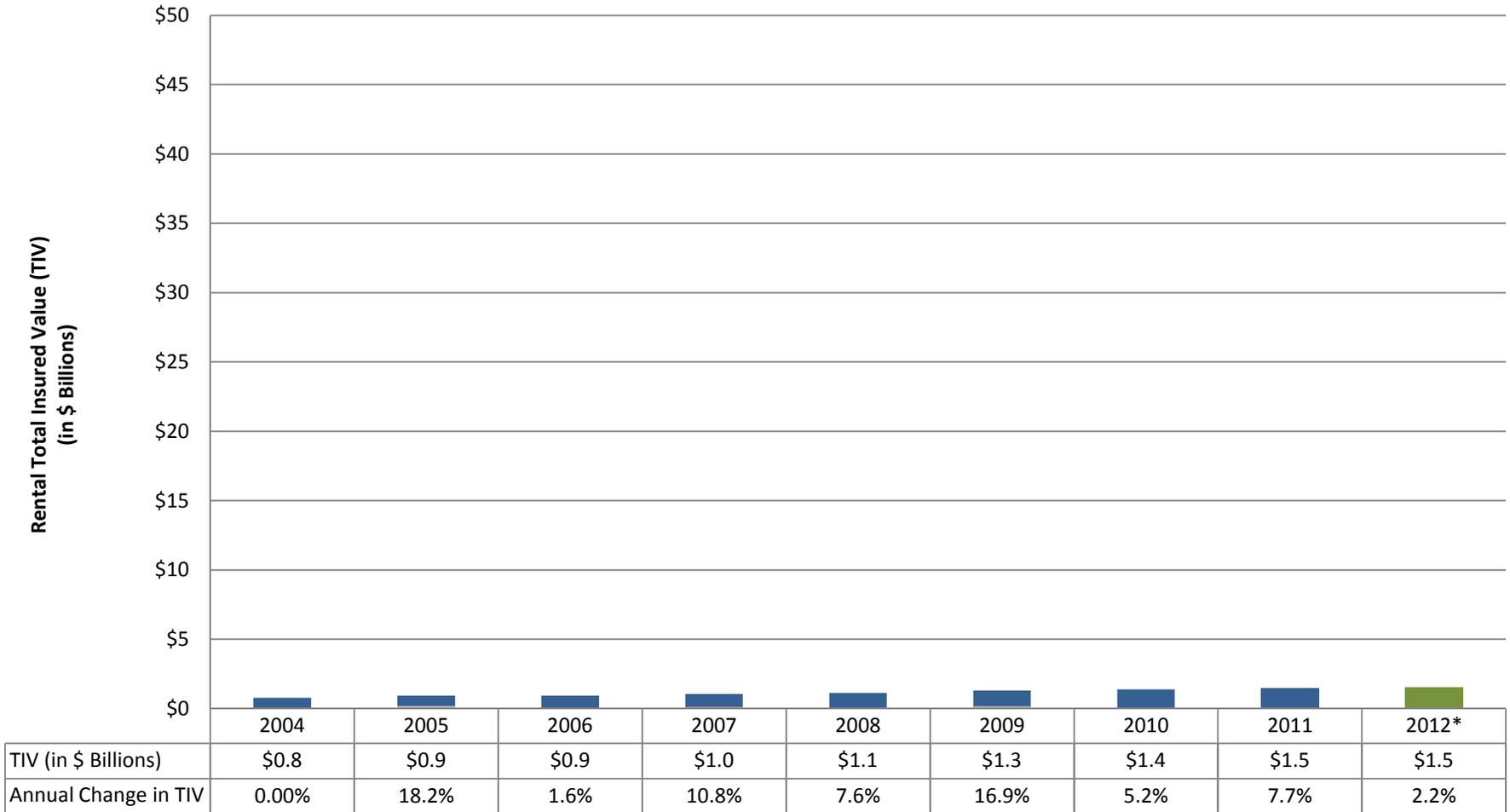
**California Earthquake Authority
 Condominium Policies Total Insured Value (TIV)
 as of February 29, 2012**



	2004	2005	2006	2007	2008	2009	2010	2011	2012*
TIV (in \$ Billions)	\$6.8	\$7.4	\$7.6	\$8.4	\$8.7	\$9.3	\$9.4	\$9.5	\$9.5
Annual Change in TIV	0.00%	7.9%	3.3%	9.7%	3.9%	7.0%	0.9%	1.1%	0.3%

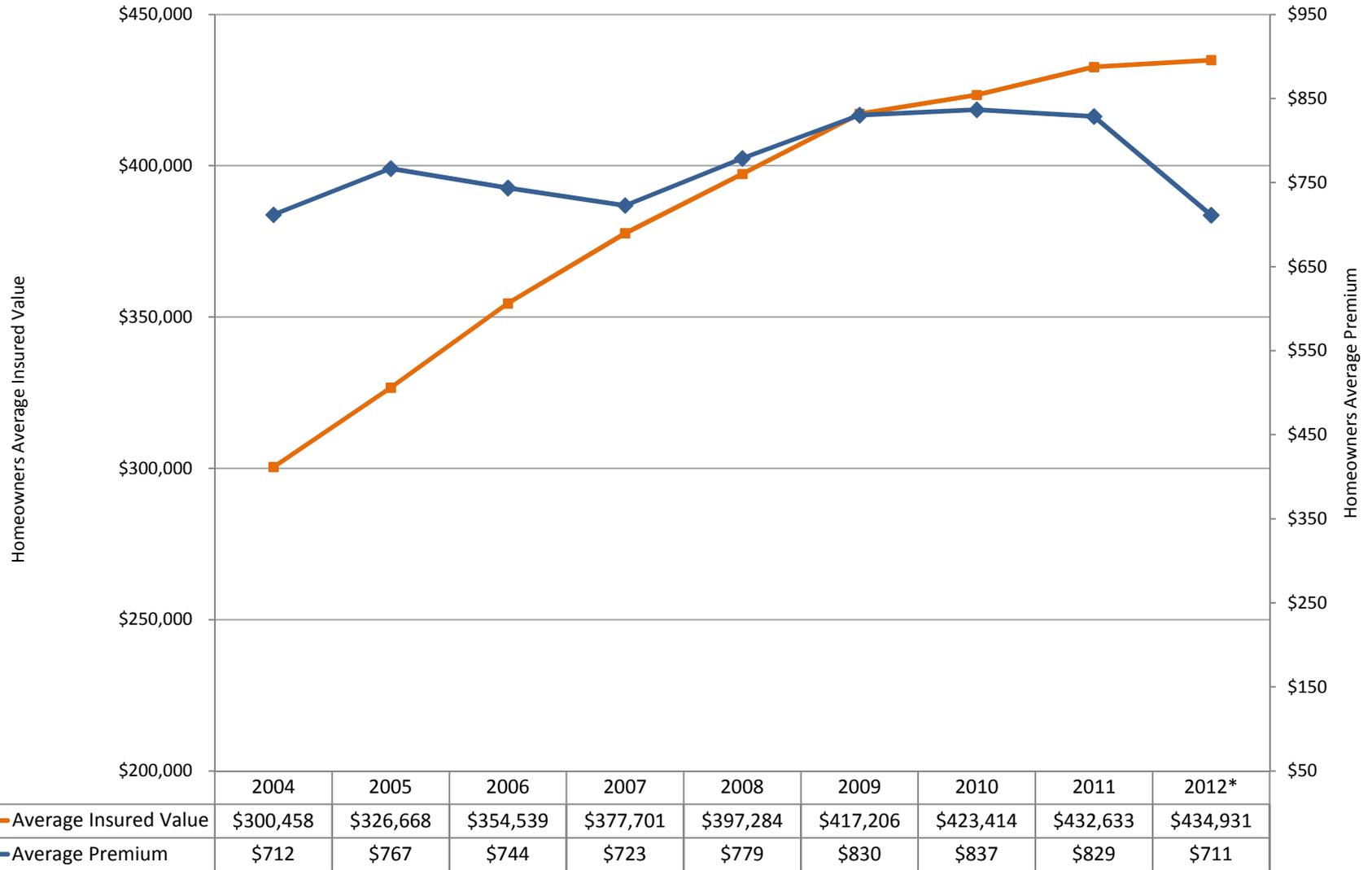
*as of February 29, 2012

**California Earthquake Authority
Rental Policies Total Insured Value (TIV)
as of February 29, 2012**



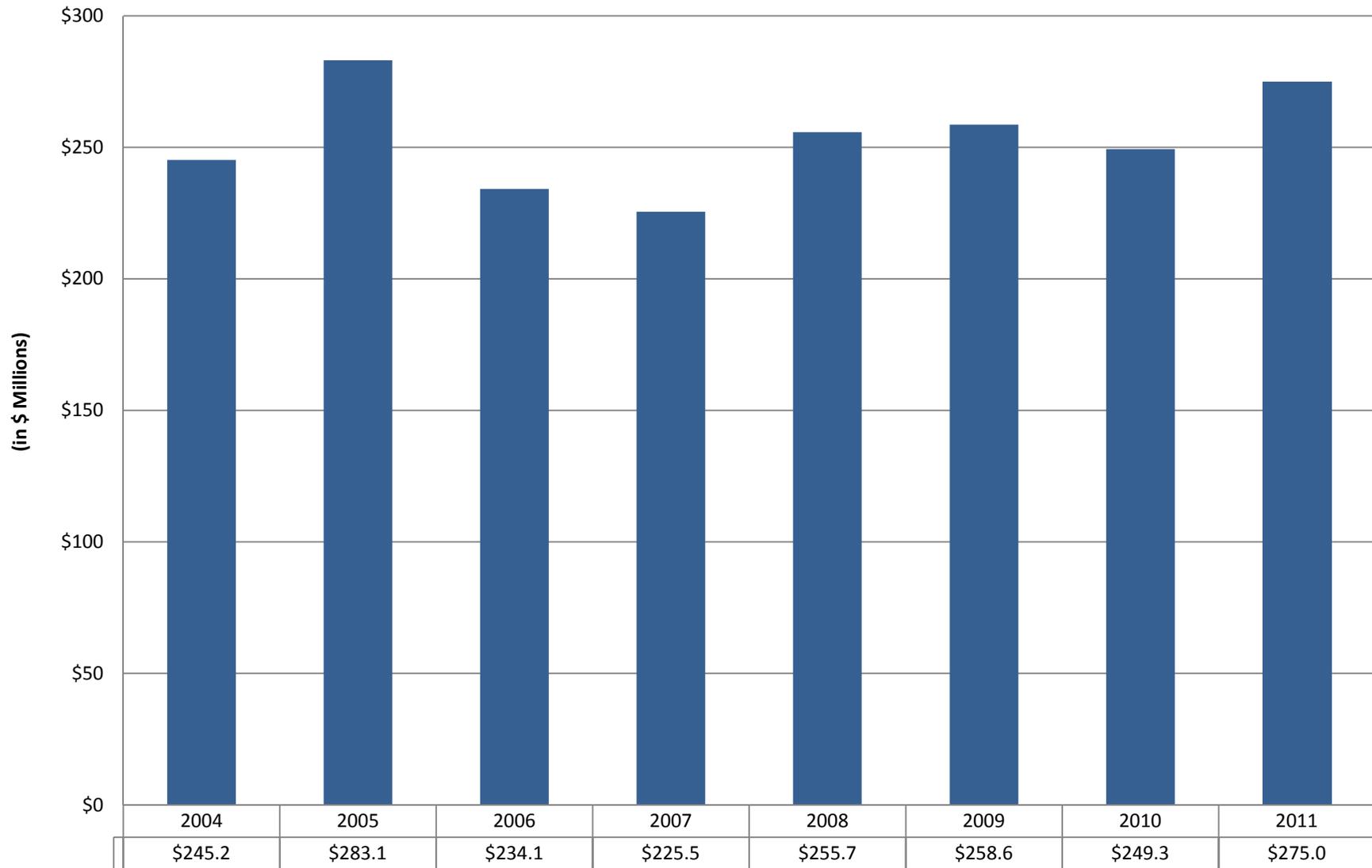
*as of February 29, 2012

**California Earthquake Authority
Average Homeowners Policy Premium and Insured Value
as of February 29, 2012**



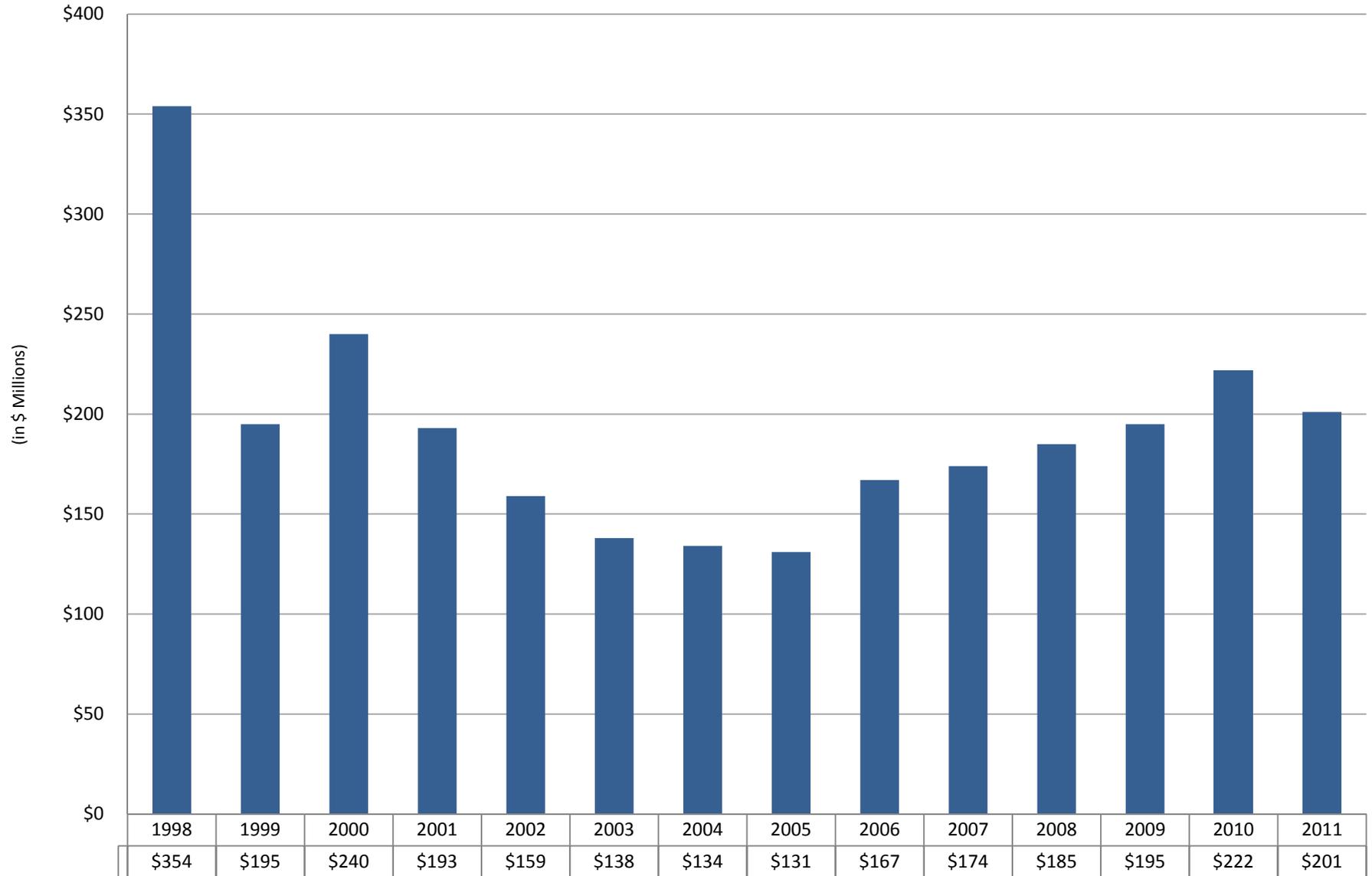
*as of February 29, 2012

**California Earthquake Authority
Annual Capital Accumulated from Premium
as of December 31, 2011**

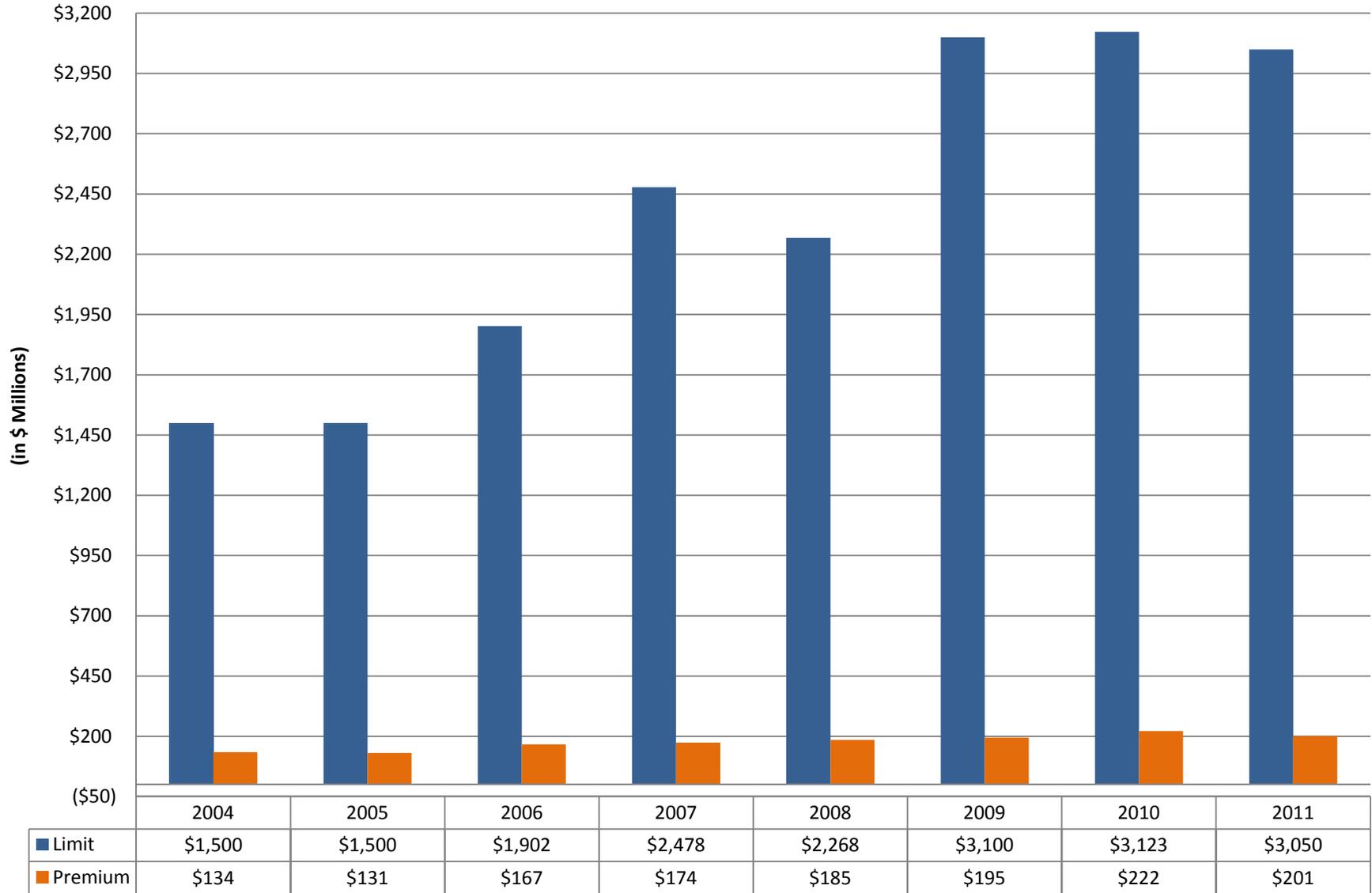


NOTE: From 2009 forward, figure is GASB underwriting profit. Prior to 2009, figure was FASB net premiums written minus total expenses.

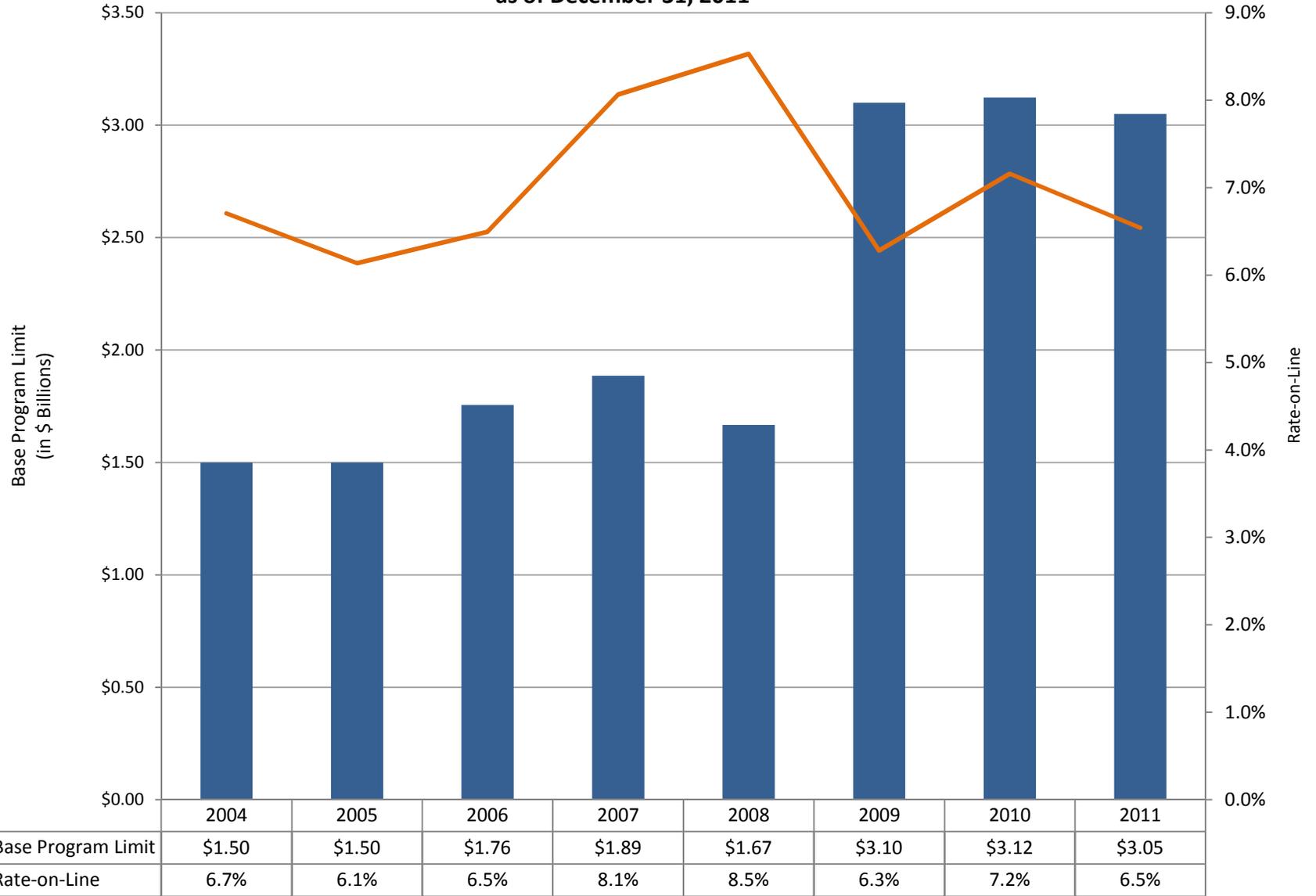
**California Earthquake Authority
Annual Risk Transfer Premium
as of December 31, 2011**



**California Earthquake Authority
Annual Risk Transfer Premium and Limit
as of December 31, 2011**

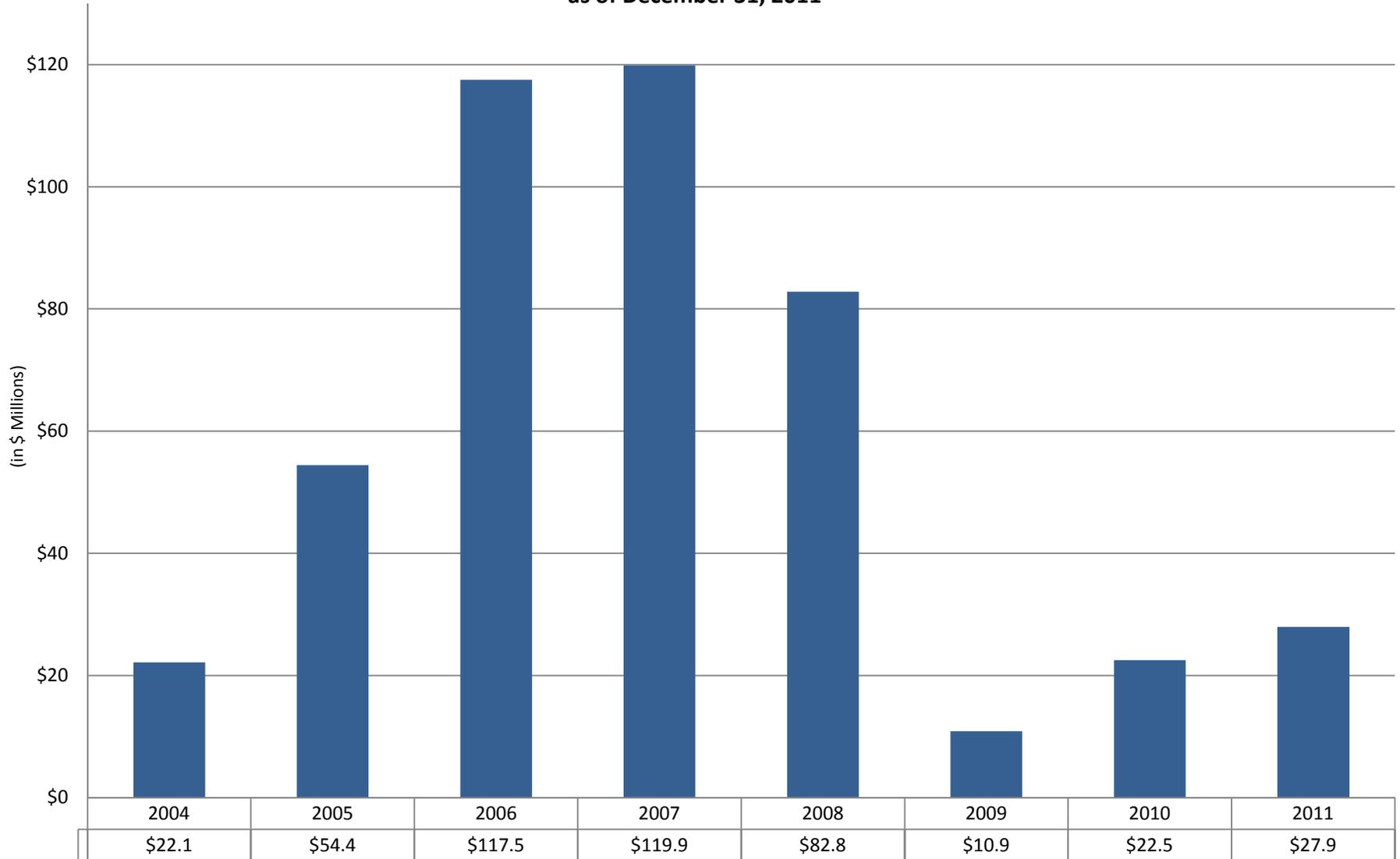


**California Earthquake Authority
Risk Transfer Base Program Limits and Rate-on-Line
as of December 31, 2011**



NOTE: The Rate on Line is an annual weighted average of the individual layers and their respective rates.

**California Earthquake Authority
Annual Investment Income
as of December 31, 2011**



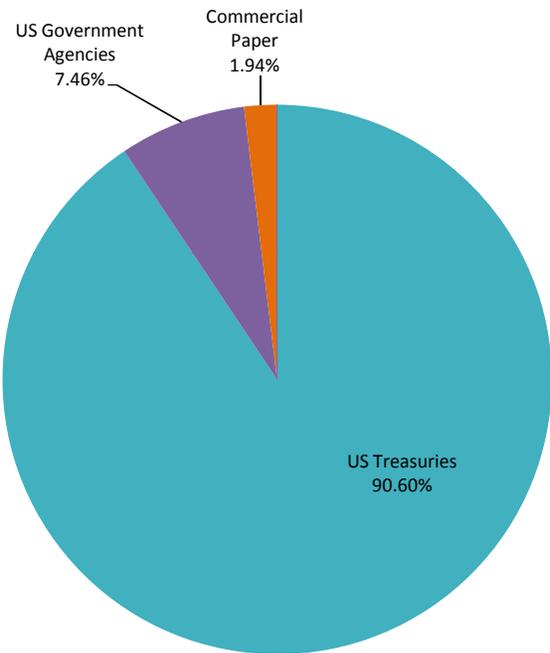
NOTE: Prior to 2009, investment income was reported from FASB financial statements which did not include unrealized gains or losses and were net of manager fees.

**California Earthquake Authority - Investment Portfolio Distribution
as of February 29, 2012**

The CEA has three different investment funds. The current market values of each fund are:

CEA Liquidity and Primary Fund:	\$4,215,332,509
Claim-paying Fund:	\$316,864,840
Mitigation Fund:	\$23,976,233

The asset allocation of the three funds are as follows:

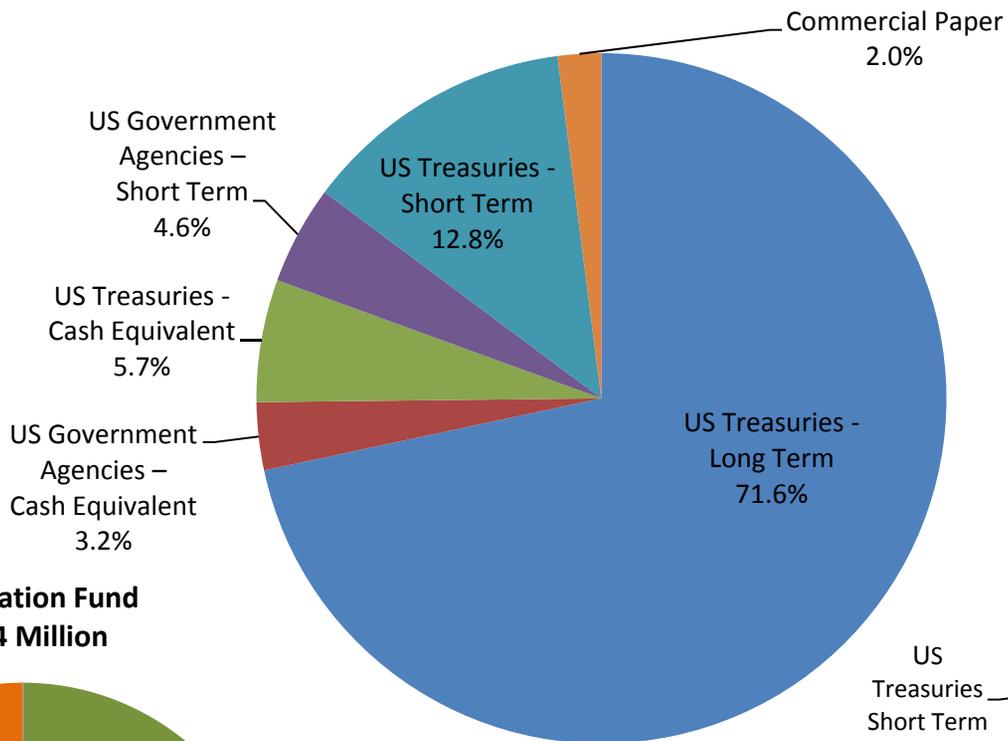


US Treasuries - Short Term		
US Treasuries - Long Term		
US Treasuries - Cash Equivalent		
US Government Agencies - Short Term		
US Government Agencies - Cash Equivalent		
Commercial Paper		
Cash		
Bankers Acceptance		
Totals		

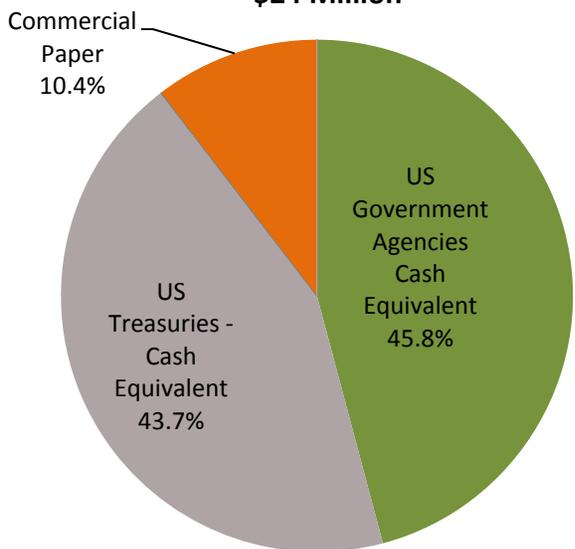
CEA Liq. & Prim. Fund	Claim-paying Fund	Mitigation Fund
12.8%	6.4%	0.0%
71.6%	93.6%	0.0%
5.7%	0.0%	43.7%
4.6%	0.0%	0.0%
3.2%	0.0%	45.9%
2.0%	0.0%	10.4%
0.0%	0.0%	0.0%
0.0%	0.0%	0.0%
100%	100%	100%

**California Earthquake Authority – Investment Portfolio Distribution
as of February 29, 2012**

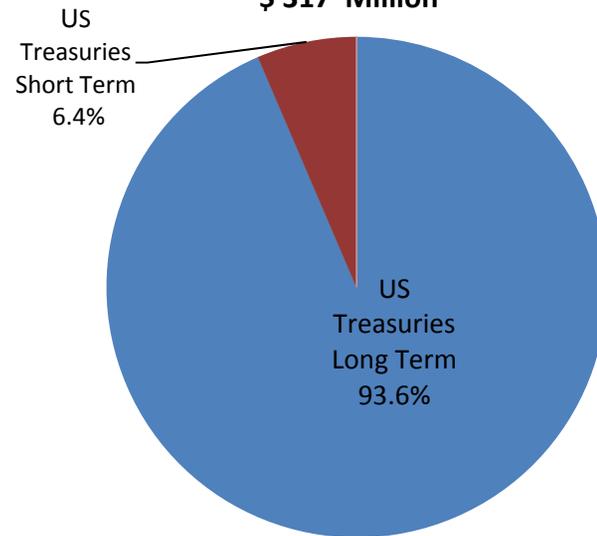
**CEA Liquidity & Primary Fund
\$4,215 Million**



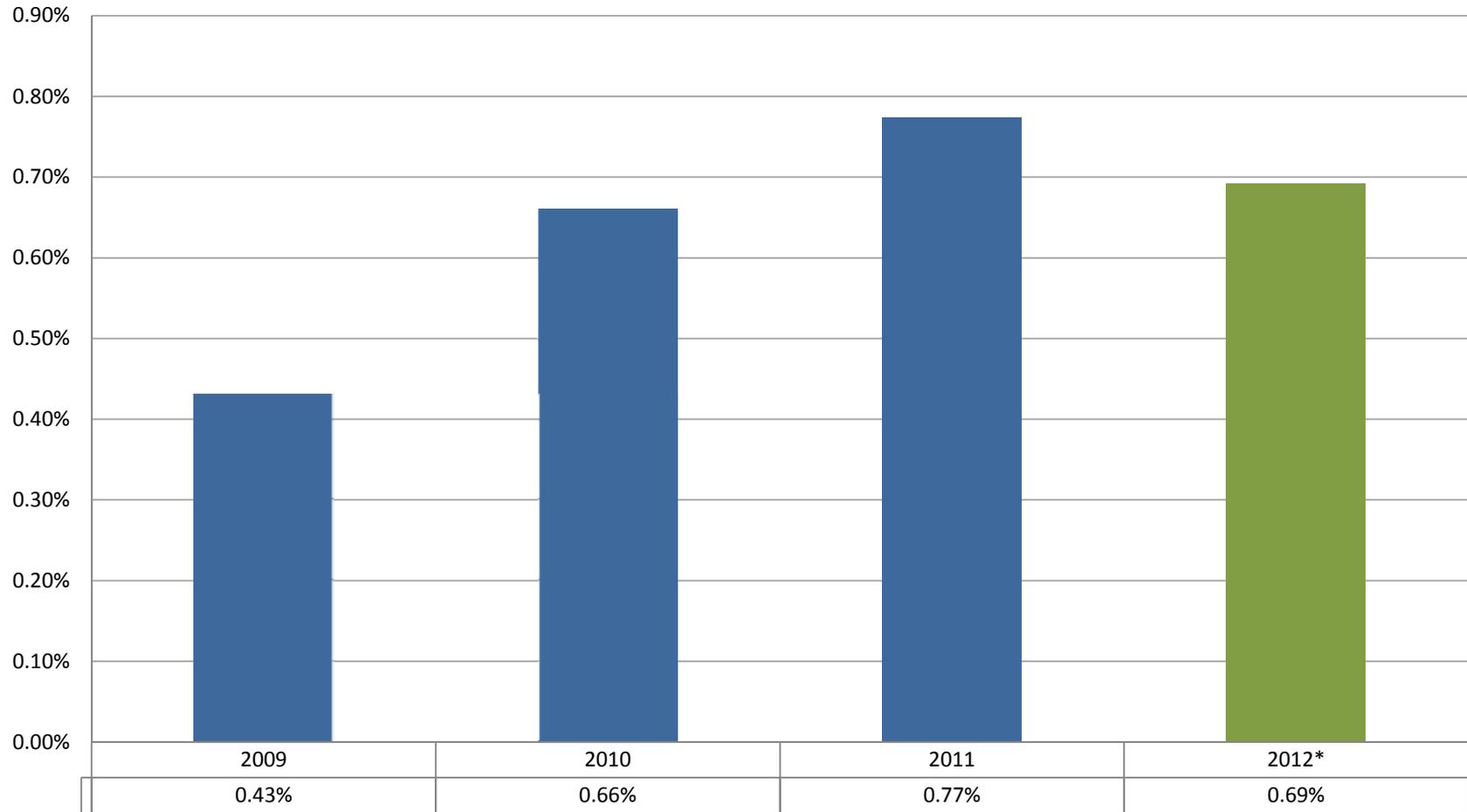
**Mitigation Fund
\$24 Million**



**Claim-Paying Fund
\$ 317 Million**

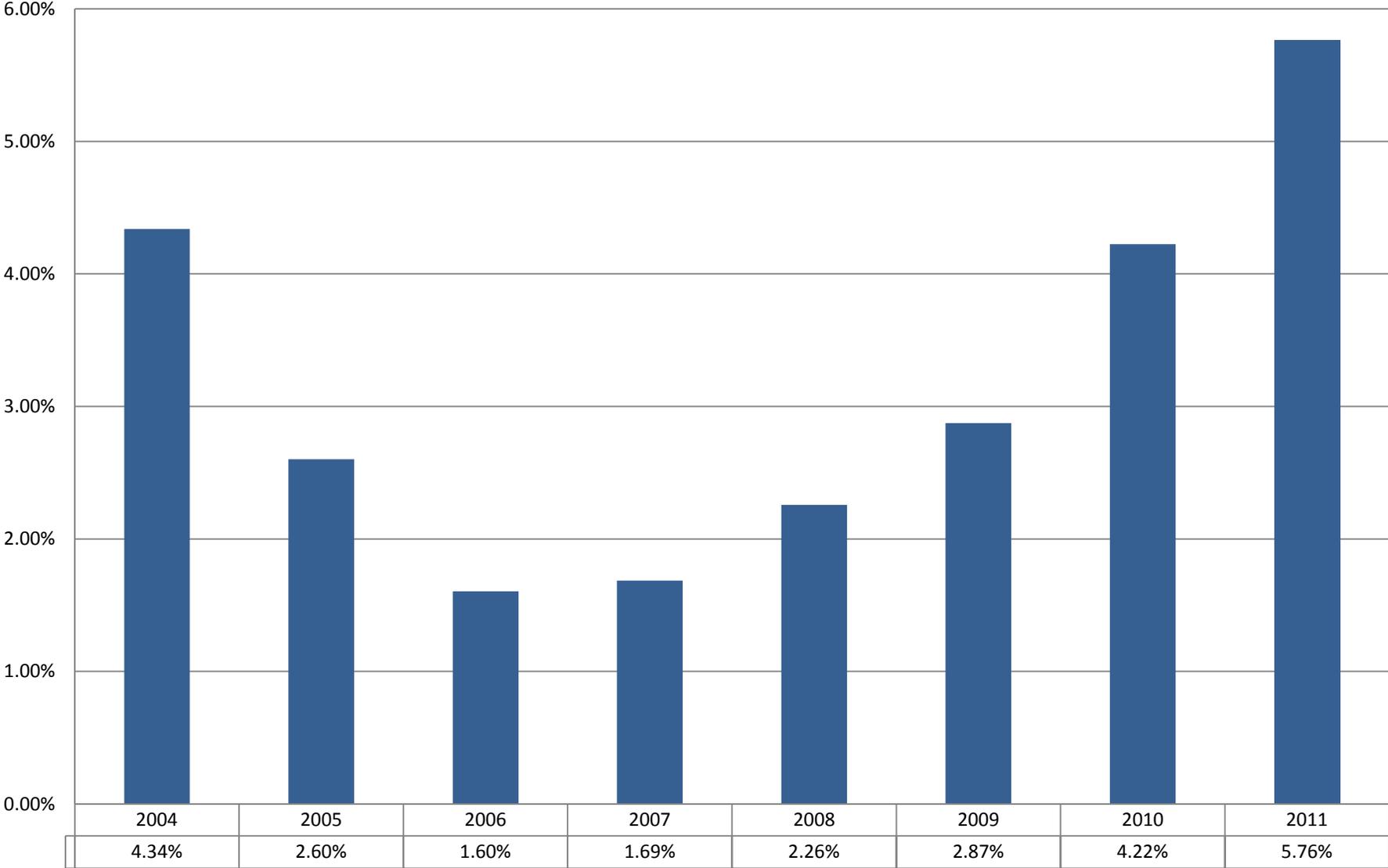


**California Earthquake Authority
12-Month Rolling Investment Return
as of February 29, 2012**



*as of February 29, 2012

**California Earthquake Authority
Investment Manager Fees as a Percentage of Investment Income
as of December 31, 2011**



**California Earthquake Authority
Schedule of Outstanding Debt**

DEBT	ISSUANCE AMOUNT	INTEREST RATE	NET PROCEEDS	OUTSTANDING PRINCIPAL	AS OF DATE
Series 2006 Revenue Bonds	\$ 315,000,000	6.169%	\$ 310,829,067	\$ 157,500,000	31-Dec-2011

DEBT-SERVICE SCHEDULE

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

Period Ending	Outstanding Principal	Principal	Interest	Debt Service	Annual Debt Service
1-Jan-12	\$157,500,000		\$4,858,088	\$4,858,088	
1-Jul-12	\$126,000,000	\$31,500,000	\$4,858,088	\$36,358,088	
2012					\$41,216,175
1-Jan-13	\$126,000,000		\$3,886,470	\$3,886,470	
1-Jul-13	\$94,500,000	\$31,500,000	\$3,886,470	\$35,386,470	
2013					\$39,272,940
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					\$37,329,705
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					\$33,443,235

Governing Board Memorandum

April 26, 2012

Agenda Item 5: 2012 CEA Risk-Transfer Program

Recommended Actions: Approve (1) a form of proposed reinsurance contract for 2012 and (2) authorize additional transformer-reinsurance transactions in 2012

Background:

At its October 28 and December 9, 2011, meetings, the Board approved the 2012 CEA Reinsurance Programs A and B, and at its June 30 and December 9, 2011, meetings, the Board approved executing two separate transformer-reinsurance catastrophe-bond transactions.

Following the Board's guidance, the CEA was able to execute two transformer-reinsurance catastrophe-bond transactions, the first effective August 2, 2011, and the second effective February 7, 2012.

As the Board is aware, CEA staff is continually seeking traditional reinsurance that meets CEA's requirements—the highest-quality financial products, at the best terms and at the lowest possible cost.

The two transformer-reinsurance catastrophe-bond transactions achieved three critical goals:

- 1. A multi-year, collateralized reinsurance contract**
 - ✓ The transformer-reinsurance contract is a vehicle for the CEA to access a multi-year, collateralized reinsurance contract.
- 2. Collateralized risk-transfer capacity, as part of a mechanism of indirect CEA access to the broader capital markets**
 - ✓ The transformer-reinsurance contract has terms similar to those of CEA's existing reinsurance contracts but with modifications for its multi-year, collateralized nature. The capital-markets sourcing of capital allows this favorable multi-year arrangement, and 100%-of-limit collateralization adds a strong security feature.
- 3. Diversified risk-transfer sources, in addition to traditional reinsurance markets**
 - ✓ The reinsurer will fund 100% of the reinsurance limit (\$150 million, in each transaction) through a capital-markets transaction, i.e., the issuance of a catastrophe bond. This method should enable CEA to buy risk-transfer at prices lower than for an equivalent limit of traditional reinsurance.

The CEA's successful completion of the second transaction supports establishing this risk-transfer method as a continuing program. Capital-markets investors are attracted to single-peril California earthquake coverage, and these transactions also provide opportunity to grow that investor base over time, which multiplies this risk-transfer capacity.

Analysis:

Transformer Reinsurance Program – Steps to Acquiring Necessary Flexibility

In the first five weeks of 2012, five catastrophe bonds hit the marketplace. This relatively high number of catastrophe-bond transactions stressed capital-markets investors to a degree, but the CEA was still able to achieve its objectives.

Coordinating CEA’s risk-transfer needs with market conditions is crucial, therefore, meaning the CEA needs to be positioned to execute additional transformer-reinsurance catastrophe-bond transaction when conditions in the capital markets are, in the judgment of CEA financial staff and CEA’s retained professional financial and risk-transfer experts, likely to be receptive to the CEA’s participation and unique requirements.

To accomplish this end in both a flexible and prudent manner, and so as to meet the tight time limits and deadlines inherent in highly time-sensitive capital-markets transactions, staff now seeks the Board’s authorization for staff to execute—under documented, stated conditions—additional levels of transformer-reinsurance transactions when market conditions are favorable, based on a principle of prudent pre-authorization by this Board.

Future transformer-reinsurance transactions, in order to be “conforming risk-transfer transactions” eligible to be executed by CEA staff under this approach, would be subject to the following requirements:

- Any conforming risk-transfer transaction must have an inception date of January 1, 2013, or earlier.
- No conforming risk-transfer transaction, or combination of such transactions, may exceed a total limit of \$300 million.
- The conforming risk-transfer transaction must be fully documented and then expressly certified by CEA executive management to be reasonably likely to achieve the three goals of CEA’s capital-markets risk transfer program, as described above:
 - A multi-year, collateralized reinsurance contract
 - Collateralized risk-transfer capacity, using a mechanism of indirect CEA access to the broader capital markets
 - Promoting diversified risk-transfer sources, in addition to traditional reinsurance markets (i.e., the reinsurer would fund 100% of the reinsurance limit through a capital-markets transaction, generally the issuance of a catastrophe bond).
- Considering all aspects of costs and benefits associated with risk transfer, its value in all respects to the CEA, and its effect on the CEA’s financial capacity and standing, the risk-adjusted cost of the conforming risk-transfer transaction is—in the reasonable judgment of CEA management, as informed by retained experts—less than or equal to the estimated cost to the CEA of acquiring equivalent traditional reinsurance.
- Within the existing legal information framework, staff must inform the Board of all essentials of any executed conforming risk-transfer transaction at the earliest possible time, but staff would not be required to seek the Board’s approval of a conforming risk-transfer transaction before it is executed and would not seek any sort of ratification of an executed conforming risk-transfer transaction since a ratification requirement would

likely create market disruption and be impracticable to achieve on a fully executed market transaction.

Conforming risk-transfer transactions, when conducted in compliance with these requirements, would be deemed to meet the risk-transfer-related requirements of Insurance Code section 10089.10.¹

2012 CEA Risk-Transfer Program

Splitting the CEA reinsurance program into multiple periods with separate contract-inception dates allows CEA to purchase reinsurance in multiple stages, reducing the potentially negative effects that market swings have on capacity and pricing. Staff is continually looking for traditional reinsurance that fulfills CEA commitment to seek the highest-quality financial products, at the best terms, and at the lowest possible cost.

Due to the significant size of roll-off of the “New” industry assessment layer, CEA staff has determined that additional risk-transfer was required in order that CEA’s capacity be at or above the required level of 1-in-500 years. Staff has negotiated a \$100 million traditional, fully collateralized reinsurance contract with one reinsurer, termed “Program C,” to become effective on May 1, 2012, and extend through April 30, 2013, at an annual premium of \$4.5 million. With Program C, CEA’s 2012 risk-transfer program would look like this:

- 2012 CEA Reinsurance “Program A”
 - Composed of four contracts, each of 12 months’ duration, with terms extending from January 1, 2012, through December 31, 2012.
 - Program A was approved by the Board on October 28, 2011.
- 2012 CEA Reinsurance “Program B”
 - Composed of a single multi-reinsurer** contract of 12 months’ duration, with terms extending from April 1, 2012, through March 31, 2013.
 - Program B was approved by the Board on December 9, 2011.
- 2012 CEA Reinsurance “Program C”
 - Composed of a single \$100 million reinsurer contract of 12 months’ duration with terms extending from May 1, 2012 through April 30, 2013.
 - Staff proposes Board approval of reinsurance contract.
- Transformer Reinsurance
 - Two transformer-reinsurance contracts are now in effect.
 - The first contract is a \$150 million transformer-reinsurance contract, in effect from August 2, 2011, through August 1, 2014.
 - The second contract is a \$150 million transformer-reinsurance contract, in effect from February 7, 2012, through February 6, 2015.
 - These transformer transactions supplement CEA reinsurance Program A.

¹ The relevant provisions of Section 10089.10 are (paraphrased) that reinsurance and capital-markets risk transfer transactions are to be accomplished (a) to expand the capacity of the authority and achieve maximum capacity for writing earthquake coverage; (b) at rates and on terms the Governing Board considers reasonable and appropriate; and (c) so that total annual expenditures for reinsurance contracts and capital market contracts do not exceed a reasonable and appropriate portion of annual CEA premiums collected.

2012 Risk Transfer Program	Contract Period	Reinsurance Limit
Traditional Reinsurance – Program A	1/1/2012 – 12/31/2012	\$1,505,220,000
Transformer Reinsurance – Program A	8/2/2011 – 8/1/2014	\$150,000,000
Transformer Reinsurance – Program A	2/7/2012 – 2/6/2015	\$150,000,000
Traditional Reinsurance – Program B	4/1/2012 – 3/31/2013	\$1,251,464,950
<i>Proposed</i> Traditional Reinsurance – Program C	5/1/2012 - 4/30/2013	\$100,000,000
Total Risk-Transfer Program		\$3,156,684,950

Contract Terms & Conditions—Proposed Traditional-Reinsurance Contract—Program C

1. The CEA will become obligated to pay the contractual one-year reinsurance premium upon binding the reinsurers’ commitments, payable according to the premium-payment schedule in the contracts.
2. As with CEA reinsurance contracts for the past several years, reinsurer commitments and proposed reinsurance contracts do not provide for mandatory “reinstatement” of coverage or require of the CEA a corresponding reinstatement premium. (If a reinsurance contract has a reinstatement clause, when reinsurance coverage under a contract is reduced by loss from one occurrence, the reinsurance limit is *automatically* “reinstated.” The reinstatement term usually incepts at the date of the last loss and runs only through the end of the original coverage period. An additional reinsurance premium is required for reinstating the reinsurance coverage that was reduced by reinsurance loss payment.)
3. The contract would provide that the reinsurance premium payable by CEA can adjust upward or downward by no more than 10%, based on stated, average, total CEA exposures of \$314,500,000,000 from May 1, 2012, through April 30, 2013.
4. When a reinsurer does not meet requirements stated in the CEA’s published *Guidelines for Sources of Claim-Paying Capacity* but nonetheless wishes to participate in CEA’s reinsurance program (and CEA is willing to accept that participation), that reinsurer must execute CEA’s “Collateral Account Control Agreement,” and, in conjunction with executing that Agreement, the reinsurer must deposit collateral *in an amount equal to 100% of the reinsurance limit* in the collateral account, held at a U.S. bank.

Recommendation:

Staff recommends that the Board:

1. Authorize staff to execute additional transformer-reinsurance transactions incepting on or before January 1, 2013, not to exceed \$300 million in total reinsurance limit, so long as each transaction is handled as stated above, and as elaborated on in the written resolution presented to the Board on this date, and that for each executed transaction, staff present appropriate transaction information to the Board.

2.
 - a. Approve staff's proposal for the 2012 CEA reinsurance Program C, effective May 1, 2012, for a total reinsurance limit of \$100,000,000, on the terms and conditions stated above for the respective contracts and elaborated on in the written resolution presented to the Board on this date;
 - b. Authorize staff to act immediately to bind the corresponding reinsurance commitment from the reinsurer on Program C, on the terms and conditions described above and elaborated on in the resolution presented to the Board on this date; and
 - c. Authorize CEO Glenn Pomeroy, acting under the guidance of the written resolution and on the advice of the CEA general counsel, to execute the resulting contract and related contract documents on behalf of the CEA.

Governing Board Memorandum

April 26, 2012

Agenda Item 6: Update on CEA's Marketing Value Program (MVP)

Recommended Action: No action required – information only

Background:

The CEA marks its second year of MVP implementation in 2012, according to a Board-approved budget of approximately \$9.5 million. New for 2012 are several MVP enhancements:

- Doubled television network participation;
- Expanded online-marketing capabilities; and
- Co-branded earthquake-preparedness materials and events through a new (marketing) alliance between CEA and American Red Cross.

Analysis:

The new alliance between the CEA and American Red Cross already is working to help more Californians prepare to survive and recover from California's next damaging earthquake. It is combining programs, expertise, resources, and messages, as appropriate, to:

- Fulfill social scientists' recommendations to share preparedness messages that combine "what to do" with "why to do it."
- Consider research-based messaging recommendations to help people "get prepared to survive and recover so they can get back to normal after California's next damaging earthquake."
- Integrate CEA's statewide media campaign with the Red Cross's community-resilience programs.
- Combine CEA's strength, experience, and expertise on residential earthquake insurance and mitigation with the Red Cross's expertise on preparing a kit, making a family disaster plan, and being informed.
- Merge CEA's resources to implement a statewide media campaign with the Red Cross's local-organization and outreach capabilities.
- Expand traditional Red Cross outreach to promote Red Cross disaster-preparedness training to CEA-participating-insurer agents and their policyholders.

For its first year of working together in 2012, the Alliance plans to develop integrated programming specifically to promote earthquake preparedness in California through:

- Co-branded print, online, and broadcast advertising (*Attachment A*);
- Co-branded direct mail and earthquake-preparedness starter kits (*Attachment B*);
- CEA promotion of a potentially annual auction to benefit Red Cross (*Attachment C*); and
- CEA promotion of Red Cross preparedness training to CEA-participating-insurer agents and their policyholders.

Alliance programming is based on research-based strategies that drive the creation and effectiveness of its co-branded preparedness-campaign communications. Social-science, branding, marketing, policyholder, and message research previously informed the creation of the campaign. And advertising performance research recently evaluated the effectiveness of its execution and messaging.

Results of CEA’s advertising performance were made available through CEA’s relationship with the CBS Television Group, which works with Frank N. Magid Associates, Inc. (Magid), to help clients analyze the effectiveness of their TV-advertising campaigns. Recently, in the Sacramento and Los Angeles TV-viewing markets, Magid evaluated four TV ads produced by the CEA: (1) *CEA Blueprint*, (2) *CEA CEO PSA*, (3) *TV News PSA*, and (4) *Great California ShakeOut PSA*.

Using national norms, Magid measured CEA TV ads for effectiveness and compared CEA TV-ad performance to other notable national brands airing in Sacramento and Los Angeles during the same period. National-brand ads Magid used in the CEA comparison included La-Z-Boy Furniture Galleries, Comcast, Goodwill Industries, Best Buy, Enterprise, and Apple (these national-brand ads had been tested in Boston, Miami, Denver, Minneapolis, Dallas, Chicago, Philadelphia, Seattle, and San Francisco).

CEA-produced TV-advertisement performance surpassed all local and (the aforementioned) national brands airing in the Sacramento and Los Angeles markets during the same period, by the following percentages (*Attachment D*):

Effectiveness of CEA-Produced TV Advertising

	Sacramento		Los Angeles	
	Overall Reaction	Net Brand Gain	Overall Reaction	Net Brand Gain
<i>CEA Blueprint</i>	87.1%	76.2%	85.7%	84.8%
<i>CEA CEO PSA</i>	92.0%	92.3%	79.1%	45.8%
<i>TV News PSA</i>	86.2%	75.3%	92.6%	81.9%
<i>ShakeOut PSA*</i>	64.5%	29.5%	95.1%	72.2%

**Technological difficulties compromised testing of this ad in Magid’s Sacramento-based study.*

CEA will continue to implement the MVP in 2012, committing about 55 percent of the combined direct-mail and paid-media budget to co-branding with the American Red Cross. The program potentially will deliver the following numbers of impressions:

2012: Potential MVP Impressions

Direct Mail	Traditional Media (Print, Broadcast)	Online	Total
4 million	286 million	303 million	593 million

Recommendation:

No action required – information only.

Co-Branded Station PSAs

Los Angeles



San Diego



San Francisco



Monterey



Santa Barbara



Sacramento



Station PSA Script

Station Talent:

I know that preparing to survive and recover from California's next damaging earthquake will help keep all of us safe.

Learn about the simple steps we can take to get ready at ([Station Website](#)) Preparing today also will help us get back to normal sooner after the next big quake strikes.

Let's work together to be one of the (region's i.e. Bay Area, Los Angeles, Sand Diego) next earthquake survival stories.

(Station Voice Over)

The California Earthquake Authority and American Red Cross have joined forces to help get California more prepared.



Co-Branded Radio Promotion

Los Angeles (8)



San Francisco (7)



San Diego (6)



Fresno / Visalia (6)



Stockton / Modesto (6)



Riverside / San Bernardino (5)



Monterey / Salinas (5)



Sacramento (5)



Bakersfield (4)



Insurance Journal Trade Ad

sign up
for CEA
MVP

**Last year, 4500 agents received
FREE marketing materials.**

Join the crowd – 96 percent of agents surveyed who signed up for CEA's Marketing Value Program (MVP) last year said they'd do it again.

This year, if you sign up for the MVP, you'll get free earthquake insurance marketing materials – a \$500 value.

- ✓ Free postage-paid mailers, with return addresses printed in your name.
- ✓ Free earthquake preparedness starter kits for your new CEA policyholders.
- ✓ Statewide TV, radio, newspaper and online advertising support.

All California-licensed agents employed or appointed by CEA's participating insurance companies are invited to join this program.

Participation is limited. The first 5,000 agents to sign up also get a free earthquake preparedness starter kit.

Sign up at www.EarthquakeAuthority.com/MVP

CEA CALIFORNIA
EARTHQUAKE
AUTHORITY™

**THE STRENGTH
TO REBUILD®**



California Earthquake Authority Kicks off Second Marketing Program for Agents

By Don Jergler February 21, 2012

The business of selling earthquake insurance to homeowners may have just gotten a bit easier.

The California Earthquake Authority has launched its annual "Marketing Value Program," in which the quasi-private earthquake insurer encourages agents to sign up to receive at least 200 pieces of direct mail marketing pre-printed with agents' names to send to potential clients.

This is the program's second year. Last year's program saw more than 4,500 agents participate and 10,000 policies sold as a result of the program, according to CEA. The intent is for the mailers, which are available in English, Chinese and Spanish, to get into the hands of 5,000 agents per round over two rounds, said Glenn Pomeroy, CEO of Sacramento, Calif.-based CEA.

Each agent signing up for the program receives 200 pieces of mail to send to homeowners who could be prospects for earthquake insurance. The mailers are post-marked by CEA, and custom printed with the agent's name. An additional 100 mailers each are available in Chinese and Spanish.

Agents must first visit EarthquakeAuthority.com, click on "Register for 2012 MVP," and fill out a form.

For the first round of mailings agents must be employed or appointed by participating insurers.

A second round, which requires agents to be employed or appointed by participating insurers, also requires agents to take a class on CEA's earthquake products, puts another 200 mailers in the hands of those agents. Mailers in the second round will be wrapped around Great California ShakeOut mailers that go out each year and they will be co-promoted with that popular annual event. Last year's Great Shakeout event drew more than 8.6 million participants. This year's Great California ShakeOut is set for Oct. 18.

"For agents who haven't concentrated on earthquake coverage in the past, it's absolutely valuable to spend two quick hours in a focused training to receive the information in terms of what our policy covers, how it works, how we respond following an event through the adjusters of the company, and so on," Pomeroy said.

Last year there were three rounds of mailings. The number of rounds this year has been narrowed to two to simplify things, he said. Also new this year, in select areas an additional 100 mailers are available to send to renters.

Last year CEA's MVP program more than doubled the amount of agents trained to sell through CEA, according to the organization. In 2010, from January through the fall, CEA trained 1,300 agents. In 2011 they trained over 3,000 agents.

"We recorded an additional 10,000 new policies issued as a result of that program," Pomeroy added.

At the end of 2011 they had 821,000 policies in force, Pomeroy said, adding, "That's more policies in force since 9/11."

"Here at the California Earthquake Authority, we're in a race against time," Pomeroy said. "The scientists have made it clear that it's not if the next big earthquake's going to strike, it's a matter of when."

He cited a study from the Working Group on California Earthquake Probabilities, showing there is a 99.7 percent probability of a 6.7 magnitude earthquake striking somewhere in California within the next 30 years.

"My take from this is it's going to happen," he said. "Earthquakes are entirely unpredictable, completely unstoppable."

That's where the need for marketing and awareness programs come in, Pomeroy said, adding that the potential catastrophe isn't the only obstacle faced by agents selling earthquake insurance products.

Less than 12 percent of California homeowners have purchased earthquake insurance, according to the Insurance Information Network of California.

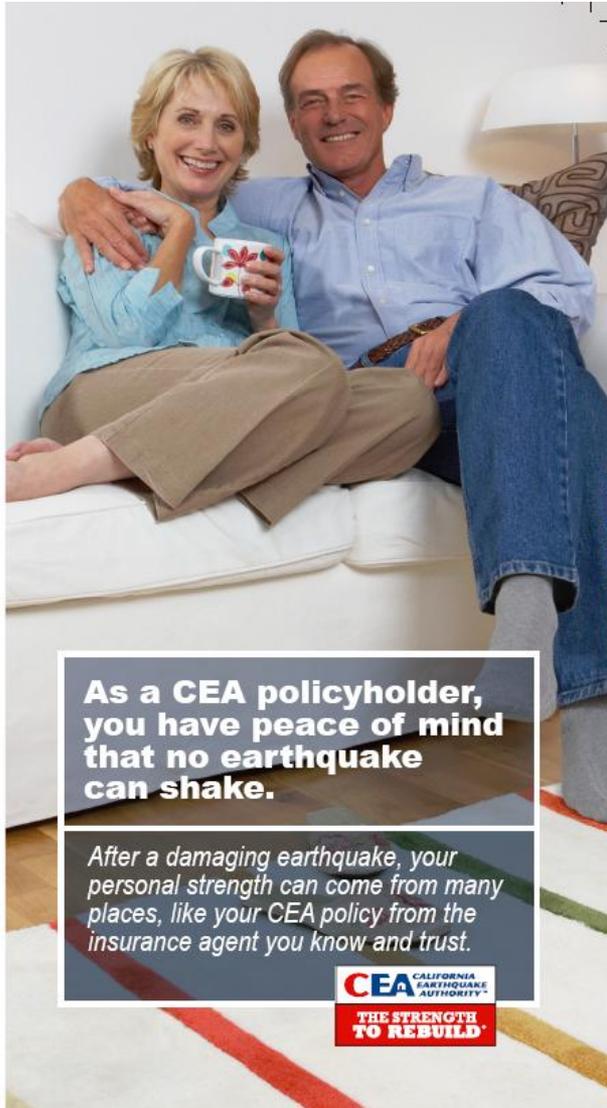
"As much as we're in a race against time, we're in a battle against indifference too," he said.

And there's some added incentive for those signing up.

The first 15,000 policies sold and reported through MVP will qualify people to receive an earthquake starter kit, which includes a backpack with putty to help secure things, picture hooks and television straps. The first 5,000 agents who sign up will get their own starter kit.

While it's going, the program will be supported by a marketing campaign on television, in newspapers and on the internet.

Policyholder/Homeowner



CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®

American Red Cross
AUCTION

Get Prepared California

Help support the American Red Cross in April, by bidding to win one of 28 amazing auction items, including:

- a flyaway to Paris to see Coldplay;
- the same Grammy gift package as the stars; or
- a celebrity-escorted visit to Six Flags Magic Mountain.

www.GetPreparedCalifornia.org

Learn about new CEA policy coverages and take action with the help of resources and tips from the American Red Cross.
www.EarthquakeAuthority.com

Your CEA policy will give you the financial strength to help get your life back to normal after the ground stops shaking.

The CEA is always working to help you prepare to survive and recover from California's next damaging earthquake.

New to your CEA coverage with your 2012 policy renewal is access to \$1,500 for emergency repairs – which is not subject to your deductible – to let you secure your property and avoid further damage after an earthquake.

CEA's new alliance with the American Red Cross can help you take simple steps to be ready when the time comes – like getting a preparedness kit, making a family disaster plan, and being more informed.

American Red Cross

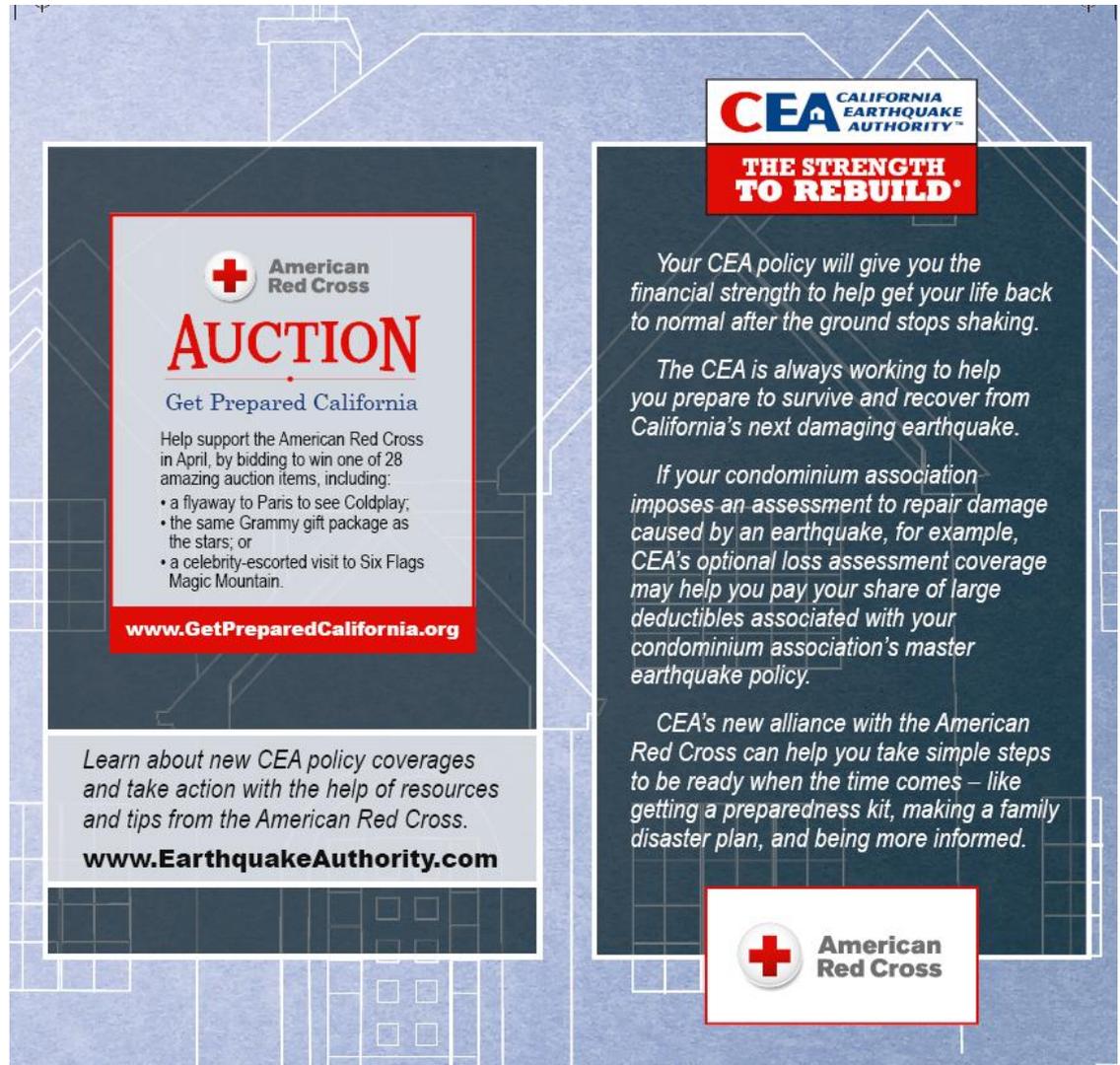
Policyholder/Condo Owner



As a CEA policyholder, you have peace of mind that no earthquake can shake.

After a damaging earthquake, your personal strength can come from many places, like your CEA policy from the insurance agent you know and trust.

CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®



CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®

 **American Red Cross**

AUCTION

Get Prepared California

Help support the American Red Cross in April, by bidding to win one of 28 amazing auction items, including:

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www.GetPreparedCalifornia.org

Learn about new CEA policy coverages and take action with the help of resources and tips from the American Red Cross.

www.EarthquakeAuthority.com

CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®

THE STRENGTH TO REBUILD®

Your CEA policy will give you the financial strength to help get your life back to normal after the ground stops shaking.

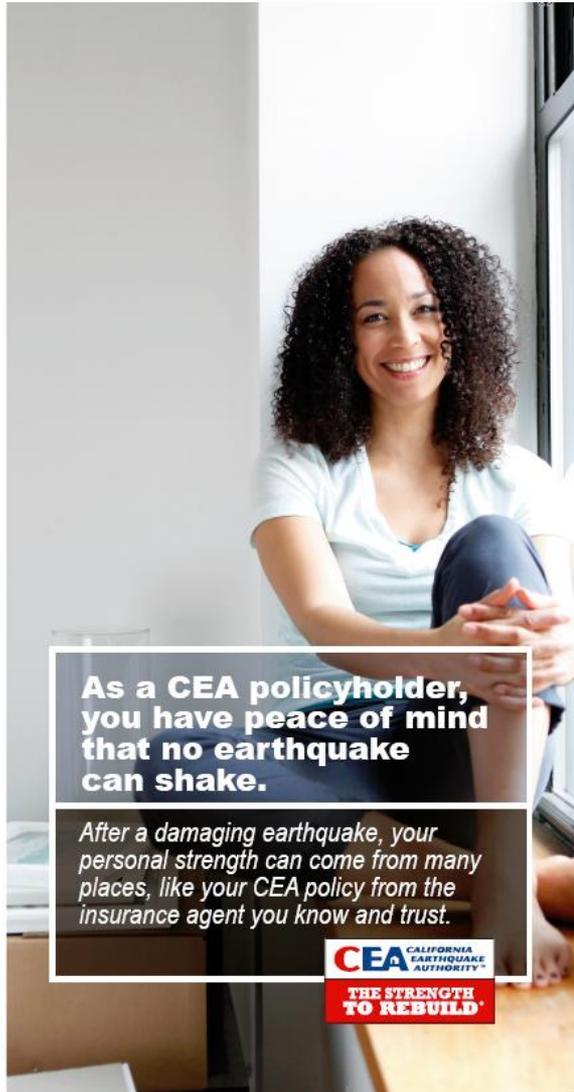
The CEA is always working to help you prepare to survive and recover from California's next damaging earthquake.

If your condominium association imposes an assessment to repair damage caused by an earthquake, for example, CEA's optional loss assessment coverage may help you pay your share of large deductibles associated with your condominium association's master earthquake policy.

CEA's new alliance with the American Red Cross can help you take simple steps to be ready when the time comes – like getting a preparedness kit, making a family disaster plan, and being more informed.

 **American Red Cross**

Policyholder/Renter



A graphic with a house outline background. At the top right is the CEA CALIFORNIA EARTHQUAKE AUTHORITY logo. Below it is a red box with the text "THE STRENGTH TO REBUILD". In the center is a white box with the American Red Cross logo and the text "AUCTION Get Prepared California". Below this is a list of auction items: "a flyaway to Paris to see Coldplay; the same Grammy gift package as the stars; or a celebrity-escorted visit to Six Flags Magic Mountain." At the bottom of this box is the website "www.GetPreparedCalifornia.org". Below the auction box is a white box with the text: "Learn about new CEA policy coverages and take action with the help of resources and tips from the American Red Cross." At the bottom of this box is the website "www.EarthquakeAuthority.com". At the bottom right is the American Red Cross logo.



THE STRENGTH TO REBUILD

 **American Red Cross**

AUCTION

Get Prepared California

Help support the American Red Cross in April, by bidding to win one of 28 amazing auction items, including:

- a flyaway to Paris to see Coldplay;
- the same Grammy gift package as the stars; or
- a celebrity-escorted visit to Six Flags Magic Mountain.

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Your CEA policy will give you the financial strength to help get your life back to normal after the ground stops shaking.

The CEA is always working to help you prepare to survive and recover from California's next damaging earthquake.

Renewal of your CEA policy will help you replace damaged furniture and household items, and if you cannot live in your home after an earthquake, you may also get help covering your additional living expenses.

CEA's new alliance with the American Red Cross can help you take simple steps to be ready when the time comes – like getting a preparedness kit, making a family disaster plan, and being more informed.



Non-Policyholder/Homeowner



Get peace of mind that no earthquake can shake.

Most residential insurance policies do not cover earthquake damage – a separate earthquake policy is required.



AUCTION

Get Prepared California

Help support the American Red Cross in April, by bidding to win one of 28 amazing auction items, including:

- a flyaway to Paris to see Coldplay;
- the same Grammy gift package as the stars; or
- a celebrity-escorted visit to Six Flags Magic Mountain.

www.GetPreparedCalifornia.org

Five reasons to buy earthquake insurance from CEA:

1. Financial security if an earthquake damages your home and belongings.
2. Service expertise through your homeowners insurance company.
3. Premiums based on science, not profit.
4. Qualifying claims paid with no cash out of your pocket.
5. Rated "excellent" for financial strength.



Prepare to survive and recover.

Without earthquake insurance to help you cover the costs of repairs and other expenses that come with catastrophic damage, you will pay out-of-pocket to fix your home, to replace your personal property, and to live and eat elsewhere.

If your home is damaged by an earthquake, the CEA can provide you with the strength to rebuild. With nearly \$10 billion in claim-paying power, combined with the service expertise provided by your homeowners insurance company, the CEA could cover all of its claims if the 1906 San Francisco, 1989 Loma Prieta, and 1994 Northridge earthquakes all reoccurred today.

By providing financial strength through the homeowners insurance agent you already know and trust, a CEA policy will help get your life back to normal after California's next damaging earthquake.

Contact your insurance agent for a quote, or visit www.EarthquakeAuthority.com

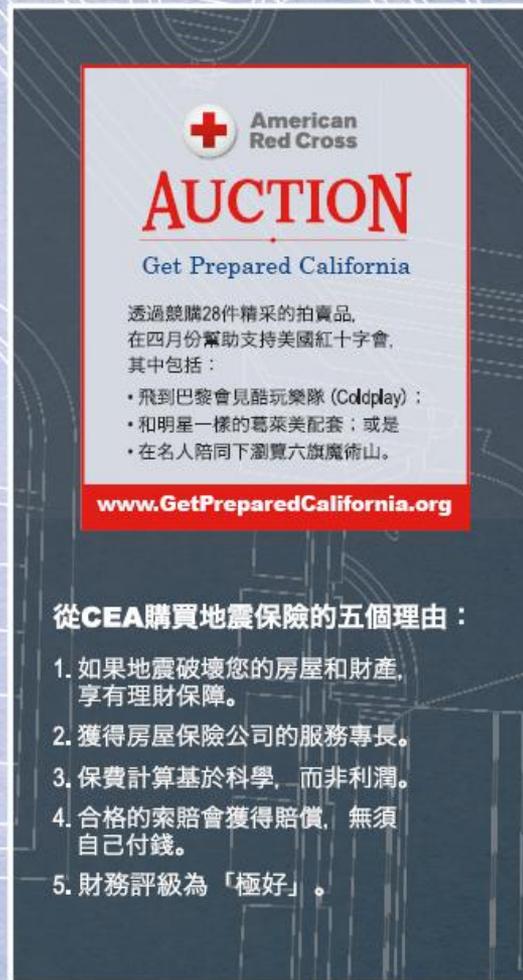
Non-Policyholder/Chinese Homeowner



不再擔心發生地震。

多數住宅保險承保單並不承保地震損壞——需要單獨投保地震保險。

CEA CALIFORNIA EARTHQUAKE AUTHORITY
THE STRENGTH TO REBUILD



American Red Cross

AUCTION

Get Prepared California

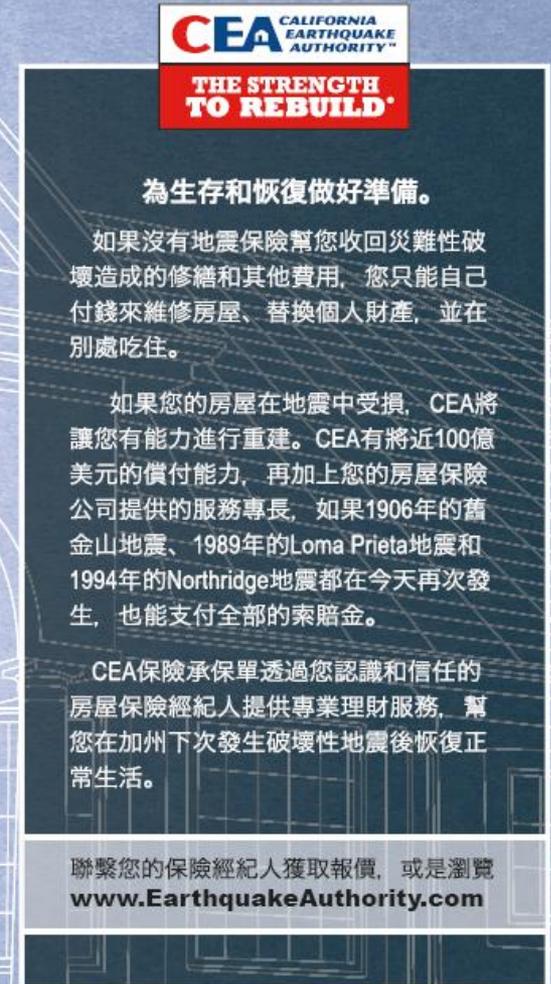
透過競購28件精采的拍賣品，在四月份幫助支持美國紅十字會，其中包括：

- 飛到巴黎會見酷玩樂隊 (Coldplay) ；
- 和明星一樣的葛萊美配套；或是
- 在名人陪同下瀏覽六旗魔術山。

www.GetPreparedCalifornia.org

從CEA購買地震保險的五個理由：

1. 如果地震破壞您的房屋和財產，享有理財保障。
2. 獲得房屋保險公司的服務專長。
3. 保費計算基於科學，而非利潤。
4. 合格的索賠會獲得賠償，無須自己付錢。
5. 財務評級為「極好」。



CEA CALIFORNIA EARTHQUAKE AUTHORITY
THE STRENGTH TO REBUILD

為生存和恢復做好準備。

如果沒有地震保險幫您收回災難性破壞造成的修繕和其他費用，您只能自己付錢來維修房屋、替換個人財產，並在別處吃住。

如果您的房屋在地震中受損，CEA將讓您有能力進行重建。CEA有將近100億美元的償付能力，再加上您的房屋保險公司提供的服務專長，如果1906年的舊金山地震、1989年的Loma Prieta地震和1994年的Northridge地震都在今天再次發生，也能支付全部的索賠金。

CEA保險承保單透過您認識和信任的房屋保險經紀人提供專業理財服務，幫您在加州下次發生破壞性地震後恢復正常生活。

聯繫您的保險經紀人獲取報價，或是瀏覽
www.EarthquakeAuthority.com

Non-Policyholder/Hispanic Homeowner



Goce de una tranquilidad que ningún terremoto le podrá quitar.

La mayoría de las pólizas de propietario de casa no cubren los daños causados por terremoto – para aquello, necesita una póliza por separado.





AUCTION

Get Prepared California

Apoye a la Cruz Roja en abril haciendo una oferta en su subasta de 28 artículos, incluyendo:

- un viaje a París para ver Coldplay,
- el mismo paquete de regalos que reciben las estrellas en los Grammy, o
- una visita a Six Flags Magic Mountain acompañada por una celebridad.

www.GetPreparedCalifornia.org

Cinco razones para comprar el seguro contra terremotos de CEA:

1. Seguridad financiera si un terremoto daña su hogar y sus bienes personales.
2. Servicios expertos por medio de su compañía de seguros de propietario de casa.
3. Primas basadas en la ciencia, no en las ganancias.
4. Las reclamaciones calificadas se pagan sin que usted gaste de su bolsillo.
5. Calificada "excelente" por su capacidad financiera.



THE STRENGTH TO REBUILD

Prepárese para sobrevivir y recuperarse.

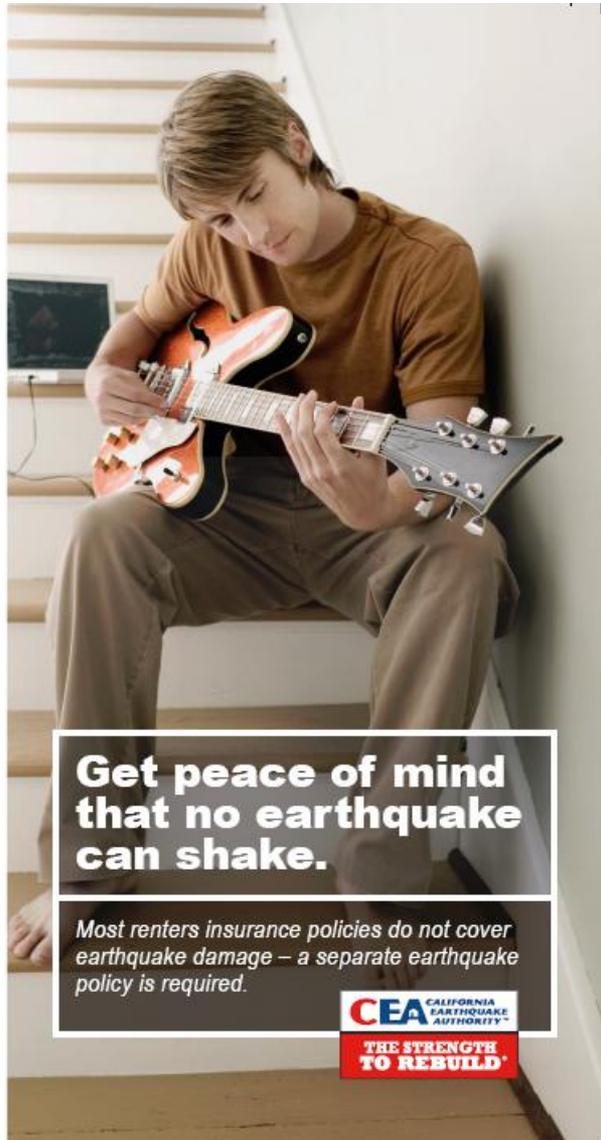
Sin seguro contra terremotos para ayudarle a cubrir los costos de las reparaciones y otros gastos que vienen con los daños catastróficos, usted tendrá que pagar de su bolsillo para reparar su vivienda, reemplazar sus bienes personales y vivir y comer en otro lado.

Si un terremoto daña su vivienda, la CEA le puede dar los medios para reconstruir. Con casi \$10 mil millones de capacidad de pago de reclamaciones y la capacidad de servicio que le proporciona su compañía de seguro de propietario de casa, la CEA podría cubrir todas sus reclamaciones incluso si volvieran a ocurrir hoy los terremotos de San Francisco de 1906, de Loma Prieta de 1989 y de Northridge en 1994.

Al proporcionar solidez financiera por medio del agente de seguros de propietario de casa que ya conoce y en quien confía, una póliza de CEA le ayudará a hacer que su vida vuelva a la normalidad después del próximo terremoto dañino de California.

Pídale a su agente de seguros una cotización de este seguro o visite
www.EarthquakeAuthority.com

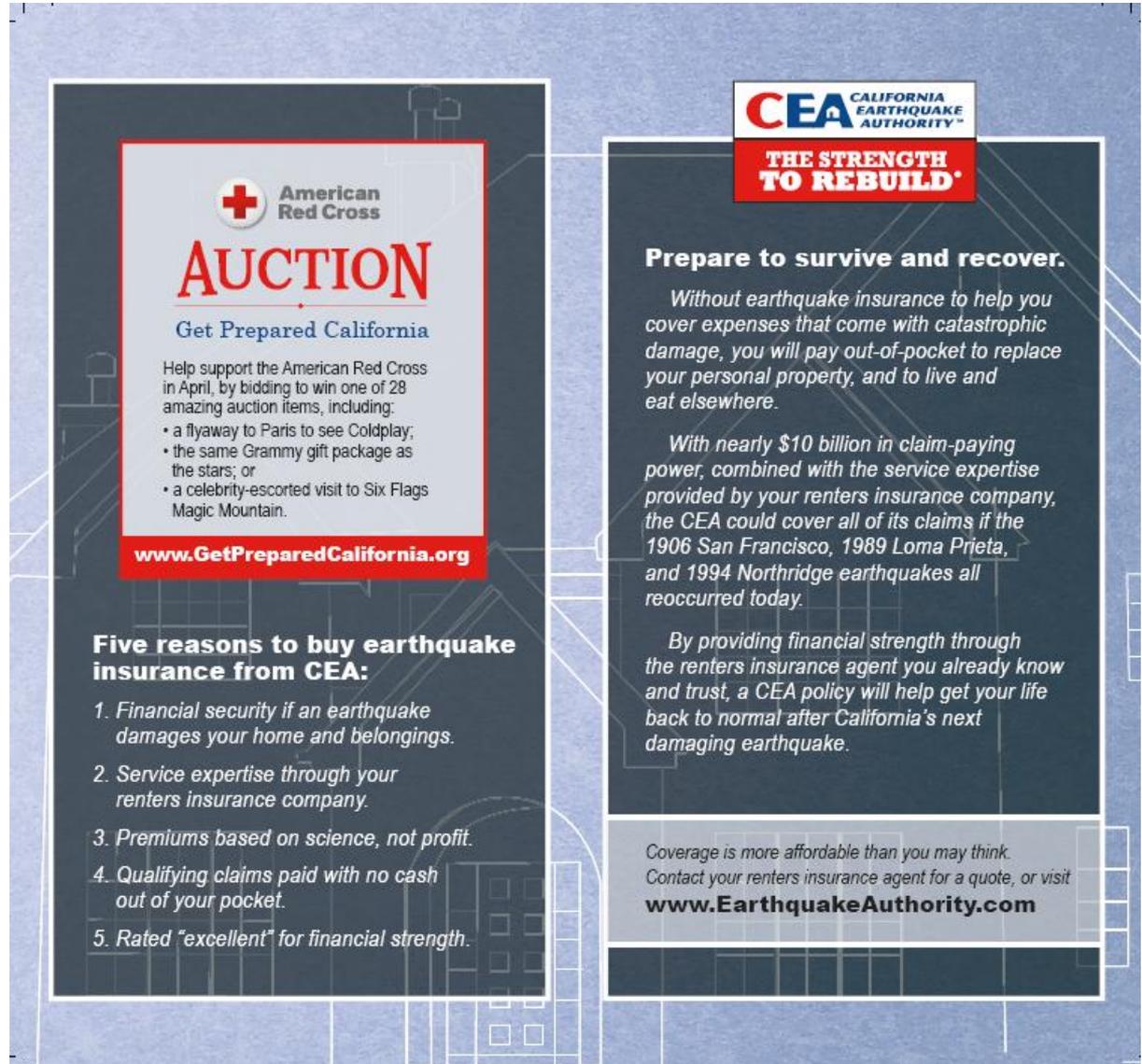
Non-Policyholder/Renter



Get peace of mind that no earthquake can shake.

Most renters insurance policies do not cover earthquake damage – a separate earthquake policy is required.

CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®



CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®

American Red Cross

AUCTION

Get Prepared California

Help support the American Red Cross in April, by bidding to win one of 28 amazing auction items, including:

- a flyaway to Paris to see Coldplay;
- the same Grammy gift package as the stars; or
- a celebrity-escorted visit to Six Flags Magic Mountain.

www.GetPreparedCalifornia.org

Five reasons to buy earthquake insurance from CEA:

1. Financial security if an earthquake damages your home and belongings.
2. Service expertise through your renters insurance company.
3. Premiums based on science, not profit.
4. Qualifying claims paid with no cash out of your pocket.
5. Rated "excellent" for financial strength.

Prepare to survive and recover.

Without earthquake insurance to help you cover expenses that come with catastrophic damage, you will pay out-of-pocket to replace your personal property, and to live and eat elsewhere.

With nearly \$10 billion in claim-paying power, combined with the service expertise provided by your renters insurance company, the CEA could cover all of its claims if the 1906 San Francisco, 1989 Loma Prieta, and 1994 Northridge earthquakes all reoccurred today.

By providing financial strength through the renters insurance agent you already know and trust, a CEA policy will help get your life back to normal after California's next damaging earthquake.

Coverage is more affordable than you may think. Contact your renters insurance agent for a quote, or visit www.EarthquakeAuthority.com

CEA CALIFORNIA EARTHQUAKE AUTHORITY™
THE STRENGTH TO REBUILD®

CEA Home Page



CEA CALIFORNIA EARTHQUAKE AUTHORITY™

THE STRENGTH TO REBUILD®

How to file a claim | Contact Us | Employment Opportunities | Terms of Use

About the CEA | Insurance Policy Information | Premium Calculator | Agent & Adjuster Information Center | Are You Prepared? | Public Information Center

Do you have the strength to rebuild after the next damaging earthquake?

Most residential insurance policies do not cover earthquake damage – a separate earthquake policy is required. Without earthquake insurance to help you cover the costs of repairs and other expenses that come with catastrophic damage, you will pay out-of-pocket to fix your home, to replace your personal property, and to live and eat elsewhere.

If your home is damaged by an earthquake, the CEA can provide you with the strength to rebuild. With nearly \$10 billion in claim-paying power, combined with the service expertise provided by your homeowners insurance company, the CEA could cover all of its claims if the 1906 San Francisco, 1989 Loma Prieta, and 1994 Northridge earthquakes all reoccurred today.

Earthquake Insurance Policy Information
[Click here](#) to learn which insurance policy is right for you.



Five reasons to buy CEA earthquake insurance

1. Financial security if an earthquake damages your home and belongings.
2. Service expertise through your homeowners or renters insurance company.

**American Red Cross**
AUCTION
Get Prepared California
Support the American Red Cross
Bid in April to win
28 AMAZING AUCTION ITEMS
www.GetPreparedCalifornia.org

**CEA CALIFORNIA EARTHQUAKE AUTHORITY™**
THE STRENGTH TO REBUILD®
**American Red Cross**
Joining forces to send an urgent message:
Get Prepared, California!

**Premium Calculator** →

AGENT SERVICES

Register for 2012 MVP Marketing Value Program →

CEA/Red Cross Alliance Page



THE STRENGTH TO REBUILD



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Agent & Adjuster Information Center
Are You Prepared?
Public Information Center

Are You Prepared?

[Alliance Call to Action](#)

[CEA Mitigation Program](#)

[7 Steps to Prepare Your Home](#)

[Learn More About Pre-Disaster Mitigation](#)

Alliance Call to Action



Joining forces to send an urgent message:
Get Prepared, California!



The California Earthquake Authority (CEA) and the American Red Cross (ARC) have aligned resources to help more people prepare to survive and recover from California's next damaging earthquake – by combining ARC's expertise on preparing a kit, making a family disaster plan, and being informed; with CEA's strength and experience on residential insurance and mitigation.

[California Earthquake Authority and American Red Cross Join Forces to Get Californians Prepared with Supplies/Online Euston \(.pdf\)](#)

Be Red Cross Ready



Get a kit.

- ❑ Keep supplies in an emergency preparedness kit that you take with you in case you must evacuate.
- ❑ Consider the needs of all family members and add supplies to your kit.

[Red Cross Ready checklist \(PDF\)](#)



Make a plan.

- ❑ Plan what to do in case you are separated during an emergency.
- ❑ Plan what to do if you have to evacuate.

[Disaster Safety checklist \(PDF\)](#)



Be informed.

- ❑ Learn what disasters or emergencies may occur in your area.
- ❑ Identify how local authorities will notify you during a disaster and how you will get information.

[Disaster Safety checklist \(PDF\)](#)

Get peace of mind that no earthquake can shake.

Homeowners	Renters	Condo Owners
New to CEA coverage for 2013 is access to \$1,500 for emergency repairs – which is not subject to your deductible – to let you secure your property and avoid further damage after an earthquake.	A CEA policy will help you replace damaged furniture and household items, and if you cannot live in your home after an earthquake, you may also get help covering your additional living expenses.	To repair damage to common areas, CEA's optional loss assessment coverage may help you pay your share of large deductibles associated with your condominium association's master earthquake policy.

LET YOUR FAMILY KNOW YOU'RE SAFE

Tell your loved ones about the American Red Cross Safe and Well website available through [RedCross.org](#). People in a disaster-affected area can register as "safe and well" so family and friends can search for messages posted by those who self-register.

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Alliance/Auction Announcement



American Red Cross

For Immediate Release: April 4, 2012

California Earthquake Authority
D'Anne Ousley
(916) 325-3845
ousleyd@calquake.com

Media Contacts:

American Red Cross
Cynthia Shaw
(408) 666-6857
Cynthia.Shaw@redcross.org

**California Earthquake Authority and American Red Cross
Join Forces to Get Californians Prepared with Support of Online Auction**

SACRAMENTO, Calif. – The California Earthquake Authority (CEA) and the American Red Cross have joined forces to help more people prepare to survive and recover from California’s next damaging earthquake, and to support a unique online auction that benefits local Red Cross preparedness and response programs.

April 4th marks the opening of this new statewide auction to support the American Red Cross – managed by Clear Channel Media + Entertainment, and promoted through the CEA’s earthquake preparedness campaign. From April 4 through April 27, Californians will have an opportunity to bid on 28 unique auction items including a Paris flyaway to see Coldplay, and a celebrity-escorted visit to Six Flags Magic Mountain. Every dollar donated through the auction will support American Red Cross preparedness and response programs in California. Auction details are available at www.GetPreparedCalifornia.org.

“Working with Red Cross to join forces has been exciting,” said CEA CEO Glenn Pomeroy. “We all know the Red Cross for its compassionate outreach in our own communities. By adding this new auction to CEA’s statewide media campaign, we hope to motivate more Californians to make earthquake preparedness a priority.”

To accomplish this goal, expertise from the American Red Cross on preparing a kit, making a family disaster plan, and being informed, has been combined with CEA’s residential-insurance expertise and loss-mitigation knowledge to promote a comprehensive preparedness plan for California residents.

This joint preparedness effort by the CEA and the Red Cross was partially prompted by a UCLA School of Public Health and Survey Research Center study that reported in 2010 that “relatively few (California) households have acted to mitigate losses and reduce injuries” resulting from earthquakes.

California has about two-thirds of the nation’s earthquake risk. Some 2,000 known faults crisscross the state, producing an average of 102 earthquakes a day – more than 37,000 a year.

According to the 2010 *State of California Multi-Hazard Mitigation Plan*, strong earthquakes of Magnitude 6 to 6.9 strike California an average of once every two to three years. An earthquake this size can cause major damage if the epicenter is near a densely populated area. The 1994 Northridge earthquake (magnitude 6.7) caused more than \$40 billion in disaster losses, 57 deaths, and 11,846 injuries.

“Working with the CEA to help more people learn how to take care of their families and neighbors will make our communities more resilient to damaging earthquakes,” said American Red Cross Bay Area Chapter CEO Harold Brooks. “The Red Cross is eager to work with the CEA to further promote a culture of earthquake preparedness through education campaigns to motivate more residents to ready themselves for disasters.”

CEA and Red Cross Join Forces
Get Prepared California
Page 2 of 2

About the CEA

With nearly \$10 billion in claim-paying power, combined with the service expertise provided by the CEA’s 17 participating insurance companies, the CEA could cover all of its claims if the 1906 San Francisco, 1989 Loma Prieta, and 1994 Northridge earthquakes all reoccurred today. Just 12 percent of California’s homeowners with fire insurance, however, also have a separate earthquake insurance policy. Visit www.EarthquakeAuthority.com for more information about the California Earthquake Authority.

About the American Red Cross

The American Red Cross shelters, feeds and provides emotional support to victims of disasters; supplies nearly half of the nation’s blood; teaches lifesaving skills; provides international humanitarian aid; and supports military members and their families. The Red Cross is a charitable organization, not a government agency, and depends on volunteers and the generosity of the American public to perform its mission. For more information, visit www.redcross.org or contact your local chapter.

#

Alliance/Auction Announcement



**American
Red Cross**

Background Information – April 2012
Alliance to Promote Earthquake Preparedness

California's earthquake preparedness problem:

- ✓ Earthquakes strike suddenly, without warning. They can occur at any time, and in any season of the year.
- ✓ California has two-thirds of the nation's earthquake risk. Some 2,000 known faults crisscross the state, producing an average of 102 earthquakes a day – more than 37,000 a year.
- ✓ According to the *2010 State of California Multi-Hazard Mitigation Plan*, strong earthquakes of Magnitude 6 to 6.9 strike California an average of once every two to three years. An earthquake this size can cause major damage if the epicenter is near a densely populated area. The 1994 Northridge earthquake (Magnitude 6.7), for example, caused more than \$40 billion of disaster losses, 57 deaths, and 11,846 injuries. (See chart on next page for more details)
- ✓ Yet *The Study of Household Preparedness: Preparing for California Earthquakes* completed in 2010 by the UCLA School of Public Health and Survey Research Center reported that "relatively few (California) households have acted to mitigate losses and reduce injuries" from earthquakes.

Part of California's earthquake preparedness solution:

- ✓ California Earthquake Authority (CEA) and the American Red Cross have joined forces to help more people prepare to survive and recover from California's next damaging earthquake by combining American Red Cross expertise on preparing a kit, making a family disaster plan, and being informed, with the CEA's residential-insurance expertise and loss-mitigation knowledge (securing contents / retrofitting structures).

Prepare to survive and recover from California's next damaging earthquake:

- ✓ **Get a kit:** Keep basic supplies in an easy-to-carry emergency preparedness kit that you can use at home or take with you in case you must evacuate.
- ✓ **Make a plan:** Identify out-of-area emergency contacts. Decide where to reunite with loved ones after a disaster in case phone lines are down. Write your plan on an emergency contact card and store in your phone along with important numbers for emergency resources in your area.
- ✓ **Be informed:** Discuss how to prepare and safely respond to emergencies that are most likely to happen where you live, work and play. Learn how notification systems in your area will work.
- ✓ **Consider earthquake insurance:** Most residential insurance policies do not cover earthquake damage – a separate earthquake policy is required. Without earthquake insurance to help cover the costs of repairs and other expenses that come with catastrophic damage, you will pay out-of-pocket to fix your home, to replace your personal property, and to live and eat elsewhere.
- ✓ **Secure your home's structure and contents:** Make sure your home is securely anchored to its foundation. Bolt and brace water heaters, gas appliances, bookcases, china cabinets and other tall furniture to wall studs. Hang heavy items such as pictures and mirrors, away from beds, couches, and anywhere people sleep or sit. Brace overhead light fixtures. Install strong latches or bolts on cabinets – store heavy items closest to floor.
- ✓ **Practice how to drop, cover and hold on:** During an earthquake, know how to drop to the ground, take cover under sturdy furniture, and hold on to that furniture until after the shaking stops. (www.ShakeOut.org)

Discussion Topics

Alliance to Promote Earthquake Preparedness
Page 2 of 2

About the Alliance to promote Earthquake Preparedness:

- ✓ California Earthquake Authority is a publicly managed, privately funded organization that provides catastrophic residential earthquake insurance and encourages Californians to reduce their risk of earthquake loss. It is governed by a board that consists of California's Governor, State Treasurer, and Insurance Commissioner. It is committed to getting more Californians financially protected against damaging earthquakes through education, mitigation and insurance. (www.EarthquakeAuthority.com)
- ✓ American Red Cross provides relief to people affected by disasters and empowers individuals and communities to prevent, prepare for and respond to emergencies. By helping people learn how to take care of their families and neighbors, it helps to make communities more resilient to disasters large and small. The Red Cross does this by fostering a volunteer network, and by forming partnerships with government entities, community organizations and businesses. (www.RedCross.org)

About recent damaging earthquakes in California:

Earthquake	Date	Magnitude	Direct Losses	Deaths	Injuries
San Fernando	02/09/1971	6.6	\$2.2 billion	58	2,000
Imperial Valley	10/15/1979	6.5	\$70 million	0	91
Coalinga	05/02/1983	6.4	\$18 million	1	47
Whittier Narrows	10/01/1987	6.0	\$522 million	9	200+
Loma Prieta	10/17/1989	6.9	\$10 billion	63	3,757
Cape Mendocino	04/25/1992	7.0	\$80 million	0	356
Landers/Big Bear	06/28/1992	7.3	\$120 million	1	402
Northridge	01/17/1994	6.7	\$46 billion	57	11,846
Hector Mine	10/16/1999	7.1	Minor	0	11
San Simeon	12/22/2003	6.5	\$263 million	2	46

*Source: *2010 State of California Multi-Hazard Mitigation Plan / Pages 133- 134 (print) or 159-160 (digital)*

- ✓ Earthquakes large enough to cause moderate damage to structures – those of Magnitude 5.5 or larger – occur in California three to four times a year.
- ✓ Strong earthquakes of Magnitude 6 to 6.9 strike in California an average of every two to three years.
- ✓ Major earthquakes of Magnitude of 7 to 7.9 occur in California once every 10 years.
- ✓ Two recent major earthquakes, the 1992 Landers earthquake (Magnitude 7.3) and the 1999 Hector Mine earthquake (Magnitude 7.1) caused extensive surface fault rupture but relatively little damage because they occurred in lightly populated areas of the Mojave Desert. In contrast, earthquakes of smaller magnitude but in densely populated areas, such as the 1989 Loma Prieta earthquake (Magnitude 6.9), have caused extensive damage over large areas.
- ✓ A major earthquake near one of California's urban centers could cause unprecedented losses.

#

Alliance/Auction Trade News Story

APRIL 16, 2012 | VOL. 90, NO. 8 WEST REGION

INSURANCE JOURNAL

THE NATIONAL PROPERTY CASUALTY MAGAZINE

CEA and Red Cross
Combine Forces

Hanover Retaking
Place as Industry Leader

YOUNG AGENTS SURVEY



How the Next Generation Is Leading the Way

WEST
COVERAGE

News & Markets

CEA and Red Cross Combine Forces to Raise Awareness

By Don Jergler

In what those involved say may bring about many more such pairings, the California Earthquake Authority and the American Red Cross have joined forces to try to boost preparedness and recovery when California's next damaging earthquake strikes.

The two groups are pairing up on an auction they believe will help raise a awareness of the need for earthquake preparedness and insurance. And both groups say more such partnerships are likely in the future.

"The value is immeasurable for a number of reasons," said Chris Nance, chief communications officer for CEA, referring to the pairing of the quasi-private insurer with Red Cross.

The Red Cross and CEA have combined in an alliance in the past to promote earthquake preparedness in California with the Great California ShakeOut, which takes place in October, but "We're envisioning this as a long-term relationship," Nance said. He added: "One of first products of this relationship is this auction."

He's referring to a new statewide auction to support the American Red Cross, which is being promoted through CEA's earthquake preparedness campaign.

The auction runs through April 27. Roughly 30 items will be up for bid, including a Paris flyway to see Coldplay, a celebrity-escorted visit to Six Flags Magic Mountain in Southern California, a new car, tickets to see and meet Celine Dion at Caesars Palace in Las Vegas, and L.A. Dodger dugout tickets.



Money from the auction goes to American Red Cross' preparedness and response programs in California. Auction details are available at GetPreparedCalifornia.org.

"I think it's a great alliance," said Harold Brooks, CEO of the American Red Cross Bay Area Chapter. "It puts the energy and focus on something we think is very important: coping with and recovering from disasters and earthquakes."

He added, "I think it's a partnership that can only get stronger and better as time goes on."

American Red Cross has lent its expertise on preparing a kit, making a family disaster plan, and being informed, while CEA has lent its residential insurance expertise and loss-mitigation knowledge to promote a comprehensive preparedness plan for California residents, Brooks said.

California has about two-thirds of the nation's earthquake risk, with roughly 2,000 known faults that crisscross the state and produce an average of 302 earthquakes a day, according

to CEA.

According to the 2010 State of California Multi-Hazard Mitigation Plan, earthquakes of Magnitude 6 to 6.9 on average strike California once every two to three years.

While Red Cross' role is often in response to such disasters, Brooks believes insurance is a large part of the preparedness equation.

"A community is going to recover obviously more quickly if a population has insurance," Brooks said.

To help promote earthquake preparedness, and earthquake insurance, CEA in February launched its annual "Marketing Value Program," which encourages agents to sign up and receive hundreds of pieces of direct mail marketing pre-printed with agents' names to send to potential clients.

As for the CEA-Red Cross connection, Nance said the two groups are already looking at more ways to work together.

"We're working on additional ideas," he said. ■

2012 INSURANCE JOURNAL - WEST REGION April 16, 2012

www.insurancejournal.com

Alliance/Auction Homepage

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American Red Cross
AUCTION
Get Prepared California
Supported by CEA THE STRONGER TO REBUILD

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Get peace of mind that no earthquake can shake from CEA.

**American Red Cross Auction:
Get Prepared California**

Support the American Red Cross' effort to help get more Californians prepared to survive and recover from the next damaging earthquake by bidding in April for one of 28 amazing auction items.

[Celeste Dion Meet & Greet](#)

Bid + Win = Save Lives

Clear Channel Media + Entertainment is responsible for all auction activities, including the solicitation and processing of auction items and the handling and delivery of auction proceeds.

[MORE](#)



2012 Chevy Cruze Eco

[BED NOW](#)

American Red Cross

Be Red Cross Ready
Get a Kit. Make a Plan. Be Informed.

- 1 Get a Kit
- 2 Make a Plan
- 3 Be Informed

[MORE](#)

Joining Forces to send an urgent message:
Get Prepared California!

CEA THE STRONGER TO REBUILD | American Red Cross

The California Earthquake Authority (CEA) and the American Red Cross have aligned resources to help more people prepare to survive and recover from California's next damaging earthquake - by combining the expertise of Red Cross on disaster preparation and CEA on residential insurance and mitigation.

[MORE](#)

CEA THE STRONGER TO REBUILD

Get peace of mind that no earthquake can shake.

Without earthquake insurance to help you cover the costs of repairs and other expenses that come with catastrophic damage, you will pay out-of-pocket to fix your home, to replace your personal property, and to live and eat elsewhere.

[MORE](#)

For more information about the Red Cross, please visit www.redcross.org. The American Red Cross name and emblem are used with its permission, which in no way constitutes an endorsement, express or implied, of any product, service, company, opinion, or political position.

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Promotion and auction items are provided or secured by Clear Channel Media + Entertainment

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Media + Entertainment

Auction Prizes

Current Auction Items

POWERED BY **charitybuzz**



Drive Off in a Brand New 2012 Chevy Cruze Eco

CURRENT PRICE **\$15,000.00**
 MINIMUM BID: \$16,000.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 6

BID NOW



The Ultimate Paris Vacation - Roundtrip Airfare for 2, a 4-Night Stay in the City of Light, 2 Tickets to See Coldplay on Sept 2, and Tour the Nicolas Feuillatte Vineyard

CURRENT PRICE **\$6,500.00**
 MINIMUM BID: \$7,000.00
 BID ENDS: 2012/04/27 18:00:00 -0400
 BIDS SO FAR: 14

BID NOW



Meet Celine Dion with 2 Tickets to See Her Perform at Caesars Palace in Las Vegas and a 2-Night Stay in a Luxury Suite

CURRENT PRICE **\$6,000.00**
 MINIMUM BID: \$6,500.00
 BID ENDS: 2012/04/27 13:00:00 -0400
 BIDS SO FAR: 9

BID NOW



Meet Teen Heartthrobs One Direction with 4 Tickets to Their Concert on June 16 in LA, Stay at the Four Seasons Westlake and Enjoy a Spa Day for 4

CURRENT PRICE **\$5,250.00**
 MINIMUM BID: \$5,750.00
 BID ENDS: 2012/04/27 13:00:00 -0400
 BIDS SO FAR: 10

BID NOW



The Ultimate Bachelorette Experience - Lunch with Chris Harrison, 2 Tickets to the Men Tell All Taping and More!

CURRENT PRICE **\$2,350.00**
 MINIMUM BID: \$2,500.00
 BID ENDS: 2012/04/27 13:00:00 -0400
 BIDS SO FAR: 3

BID NOW



Meet Maroon 5 with 2 Tickets to Their Lake Tahoe Concert, a 2-Night Hotel Stay at the Resort at Squaw Creek and a \$1,000 Private Shopping Experience at Fine N Funky

CURRENT PRICE **\$4,000.00**
 MINIMUM BID: \$4,250.00
 BID ENDS: 2012/04/28 03:00:00 -0400
 BIDS SO FAR: 7

BID NOW



Look Fabulous in a Custom Couture Gown Designed by Katayoun Hajiannia and Take Home an Exclusive 2012 Awards Show Gift Basket

CURRENT PRICE **\$2,250.00**
 MINIMUM BID: \$2,500.00
 BID ENDS: 2012/04/28 03:00:00 -0400
 BIDS SO FAR: 2

BID NOW



The Ultimate LA Dodgers Experience Including 4 Dugout Tickets to any Regular Season Home Game, a Photo Opportunity with Tommy Lasorda and More!

CURRENT PRICE **\$2,805.00**
 MINIMUM BID: \$3,055.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 3

BID NOW



Meet Taylor Swift with 2 Tickets to Her Concert on August 11 in Ottawa, Canada Including Roundtrip Airfare

CURRENT PRICE **\$7,500.00**
 MINIMUM BID: \$8,000.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 12

BID NOW



Meet Nikki Sixx Backstage with 2 Tickets to a KISS/Mötley Crüe Concert in LA and Take Home an Autographed Guitar Used on Tour

CURRENT PRICE **\$3,250.00**
 MINIMUM BID: \$3,500.00
 BID ENDS: 2012/04/27 21:00:00 -0400
 BIDS SO FAR: 5

BID NOW



Go Shopping with Disney Channel Super-Star Roshon Fegan and Enjoy 4 Tickets to the Teen Choice Awards on July 22 with VIP Party Access

CURRENT PRICE **\$2,750.00**
 MINIMUM BID: \$3,000.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 8

BID NOW



Enjoy 2 Orchestra Tickets to the 2012 Pantages Theater Season Opening Night Shows for Chicago, The Addams Family, Million Dollar Quartet, La Cage Aux Folles and Memphis in LA

CURRENT PRICE **\$1,600.00**
 MINIMUM BID: \$1,850.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 7

BID NOW



Record Your First Hit Album with a 3-Day Full Studio Recording Session with Engineer at World Famous Serenity West Recording in Hollywood

CURRENT PRICE **\$950.00**
 MINIMUM BID: \$1,050.00
 BID ENDS: 2012/04/27 18:00:00 -0400
 BIDS SO FAR: 3

BID NOW



Meet Soccer Star Landon Donovan with this Incredible LA Galaxy VIP Experience

CURRENT PRICE **\$1,100.00**
 MINIMUM BID: \$1,350.00
 BID ENDS: 2012/04/27 17:00:00 -0400
 BIDS SO FAR: 2

BID NOW



Enjoy a Private Cooking Lesson with Tyler Florence, Dinner at One of His Restaurants, a 2-Night Stay at the InterContinental San Francisco and More!

CURRENT PRICE **\$2,250.00**
 MINIMUM BID: \$2,500.00
 BID ENDS: 2012/04/27 13:00:00 -0400
 BIDS SO FAR: 2

BID NOW

Auction Prizes



A VIP Suite for 30 at Wango Tango 2012 on May 12 with Special Guests Deena Cortese and Ronnie Ortiz-Magro from Jersey Shore

CURRENT PRICE: **\$3,000.00**
 MINIMUM BID: \$3,250.00
 BID ENDS: 2012/04/27 18:00:00 -0400
 BIDS SO FAR: 1

BID NOW



Propose to Your Fiancé on the Goodyear Blimp Including \$2,000 Towards the Ring of Your Choice!

CURRENT PRICE: **\$2,500.00**
 MINIMUM BID: \$2,750.00
 BID ENDS: 2012/04/28 03:00:00 -0400
 BIDS SO FAR: 2

BID NOW



4 Tickets to Any US Sporting Event of Your Choice Including Roundtrip Airfare Courtesy of Southwest Airlines

CURRENT PRICE: **\$3,500.00**
 MINIMUM BID: \$3,750.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 6

BID NOW



Visit the NFL on FOX Petros & Money Show in LA and Travel to an NFL Game of Your Choice During the Regular Season

CURRENT PRICE: **\$1,350.00**
 MINIMUM BID: \$1,600.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 3

BID NOW



2 Tickets to the iHeartRadio Music Festival 2012 on September 21-22 in Las Vegas and a 2-Night Luxury Hotel Stay

CURRENT PRICE: **\$1,600.00**
 MINIMUM BID: \$1,850.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 4

BID NOW



Be a Los Angeles King for a Day and Enjoy Dinner with NHL Hall of Famer Luc Robitaille, 2 Tickets to an LA Kings Game and More!

CURRENT PRICE: **\$1,600.00**
 MINIMUM BID: \$1,850.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 4

BID NOW



Recently Updated! Get Ready for an Adventure with 100 Tickets to Six Flags Magic Mountain in LA, Early Entry to Experience LEX LUTHOR: Drop of Doom and a Meet and Greet with Ariana Grande

CURRENT PRICE: **\$1,800.00**
 MINIMUM BID: \$2,050.00
 BID ENDS: 2012/04/28 01:00:00 -0400
 BIDS SO FAR: 4

BID NOW



A \$5,000 Citadel Shopping Spree with Sheryl Underwood and 2 Tickets to a Taping of The Talk in Los Angeles

CURRENT PRICE: **\$2,600.00**
 MINIMUM BID: \$2,850.00
 BID ENDS: 2012/04/27 17:00:00 -0400
 BIDS SO FAR: 4

BID NOW



Take Home 4 Annual Movie Passes to Any Regency Theatres in California

CURRENT PRICE: **\$1,350.00**
 MINIMUM BID: \$1,600.00
 BID ENDS: 2012/04/27 13:00:00 -0400
 BIDS SO FAR: 2

BID NOW



Get Ready for an Adventure with 100 Tickets to Six Flags Magic Mountain in LA and Early Entry to Experience LEX LUTHOR: Drop of Doom

CURRENT PRICE: **\$1,600.00**
 MINIMUM BID: \$1,850.00
 BID ENDS: 2012/04/28 01:00:00 -0400
 BIDS SO FAR: 4

BID NOW



Grab a Friend and Enjoy Dinner with Bill Carroll on June 14 in LA Take Home a Platinum 21pc Cookware Set

CURRENT PRICE: **\$500.00**
 MINIMUM BID: \$550.00
 BID ENDS: 2012/04/27 18:00:00 -0400
 BIDS SO FAR: 1

BID NOW



Have Dinner with KFI AM 640's John & Ken on June 14 in Los Angeles

CURRENT PRICE: **\$3,401.00**
 MINIMUM BID: \$3,651.00
 BID ENDS: 2012/04/27 22:00:00 -0400
 BIDS SO FAR: 10

BID NOW



Dinner for 2 with LA Radio Icon Tim Conway Jr. on June 14 in LA Take Home a Platinum 21pc Cookware Set

CURRENT PRICE: **\$550.00**
 MINIMUM BID: \$650.00
 BID ENDS: 2012/04/28 01:00:00 -0400
 BIDS SO FAR: 2

BID NOW



Dinner with Radio Host George Noory on June 14 in Burbank, CA and Take Home a Platinum 21pc Cookware Set

CURRENT PRICE: **\$500.00**
 MINIMUM BID: \$550.00
 BID ENDS: 2012/04/28 01:00:00 -0400
 BIDS SO FAR: 1

BID NOW

Wango Tango Program Ad



Wango Tango is an annual day-long concert produced on by local Los Angeles radio station KIIS-FM. The concert series has been staged at various venues around southern California including Dodger Stadium in Los Angeles, the Rose Bowl in Pasadena, Angel Stadium in Anaheim, Verizon Wireless Amphitheatre in Irvine, Staples Center in Los Angeles and now at the Home Depot Center in Carson, CA.

The concert series is noted for featuring several marquee performers in a day long series of sets.



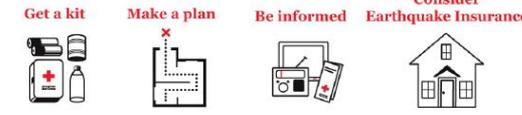
Get peace of mind that no earthquake can shake.

CEA CALIFORNIA EARTHQUAKE AUTHORITY
THE STRENGTH TO REBUILD™

American Red Cross

Joining forces to send an urgent message:
Get Prepared, California!

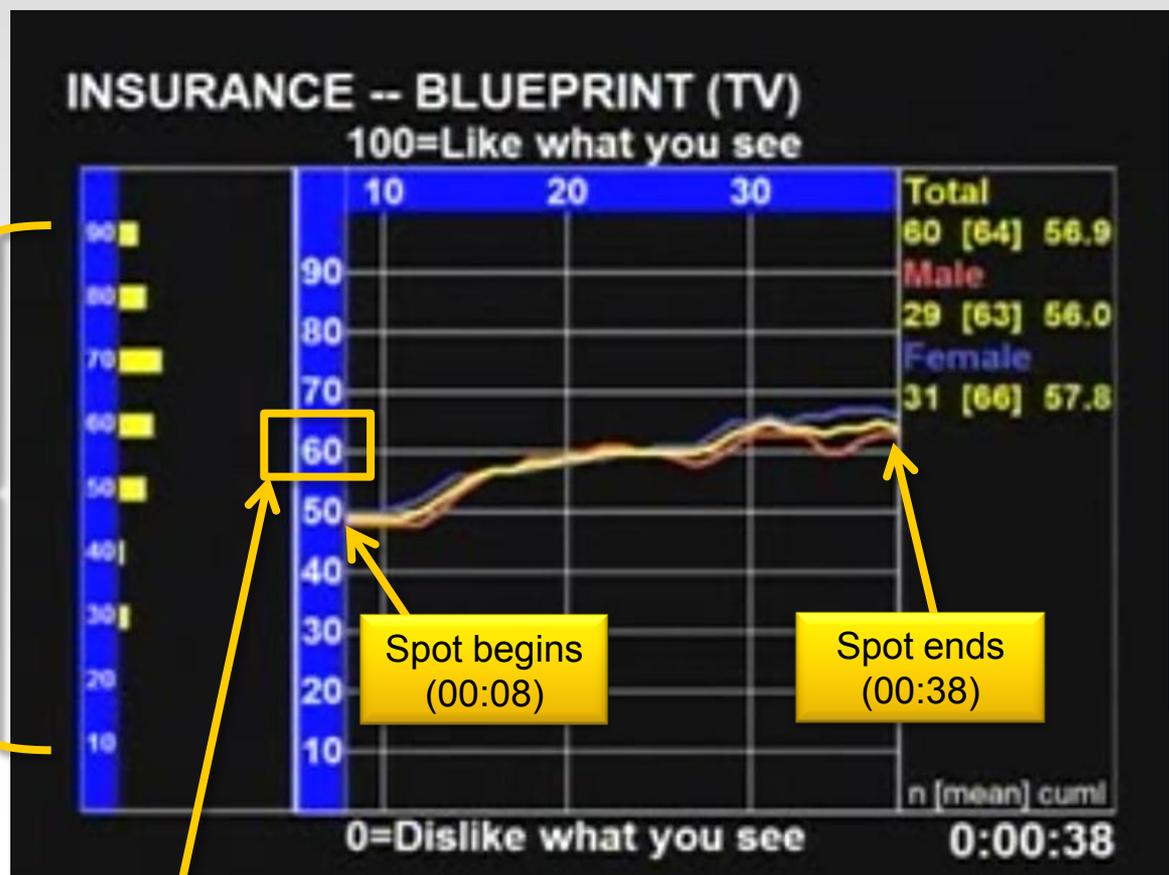
Get a kit **Make a plan** **Be informed** **Consider Earthquake Insurance**



Earthquake insurance is more affordable than you may think. Contact your agent for a quote or visit www.EarthquakeAuthority.com.

Everyone can take simple steps to prepare for possible disasters to ensure the well being of their family. Visit www.RedCross.org to get prepared.

Moment-to-Moment Trace For CEA – Blueprint (Sacramento)



Histograms on left-hand side indicate distribution of scores at that moment (in this case, at the 00:38 second mark).

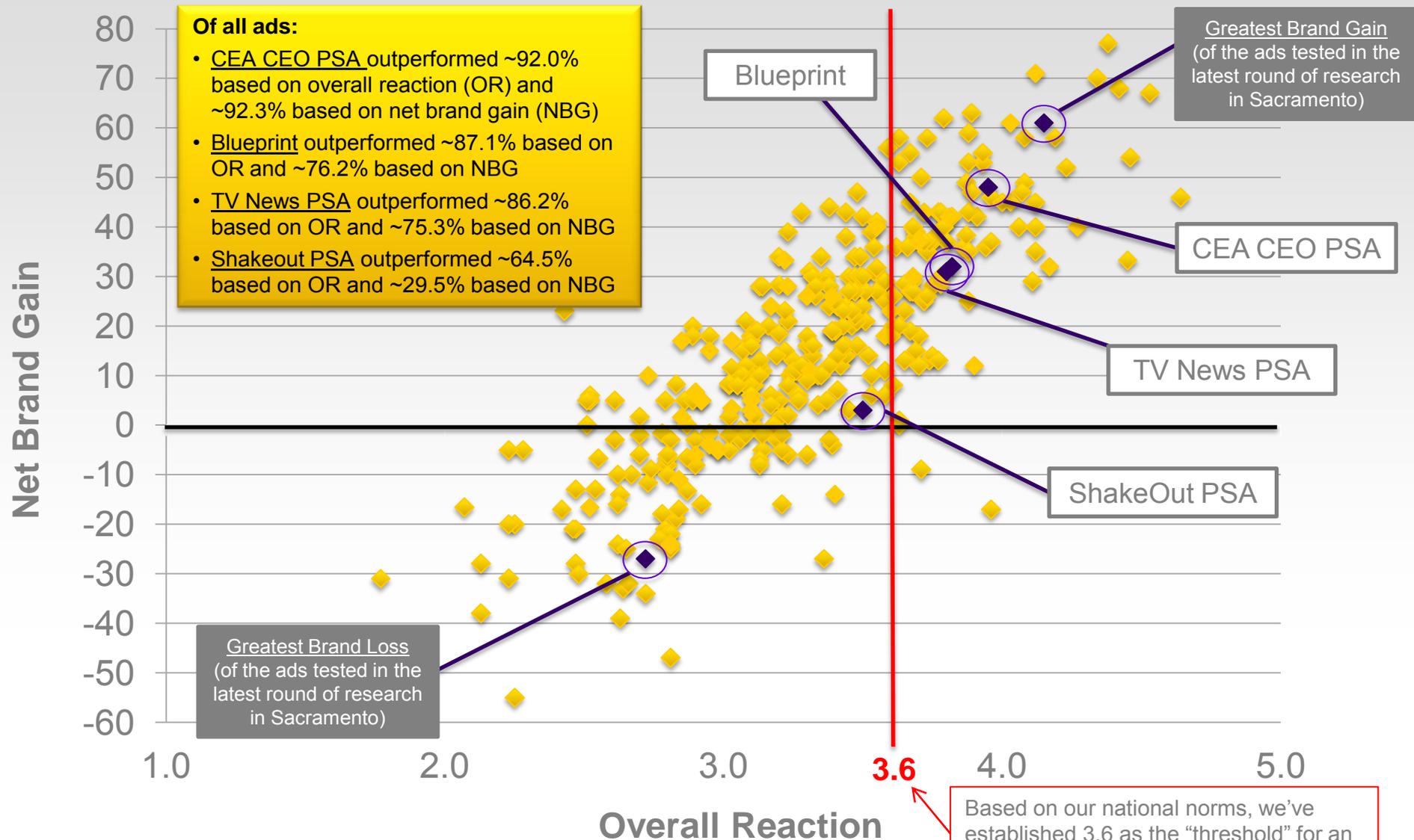
Participants turned their hand-held, wireless dials up (as high as 100) or down (as low as 0) as they reacted to the spot.

- The yellow line is the total group.
- The red line is men, and the blue line is women.

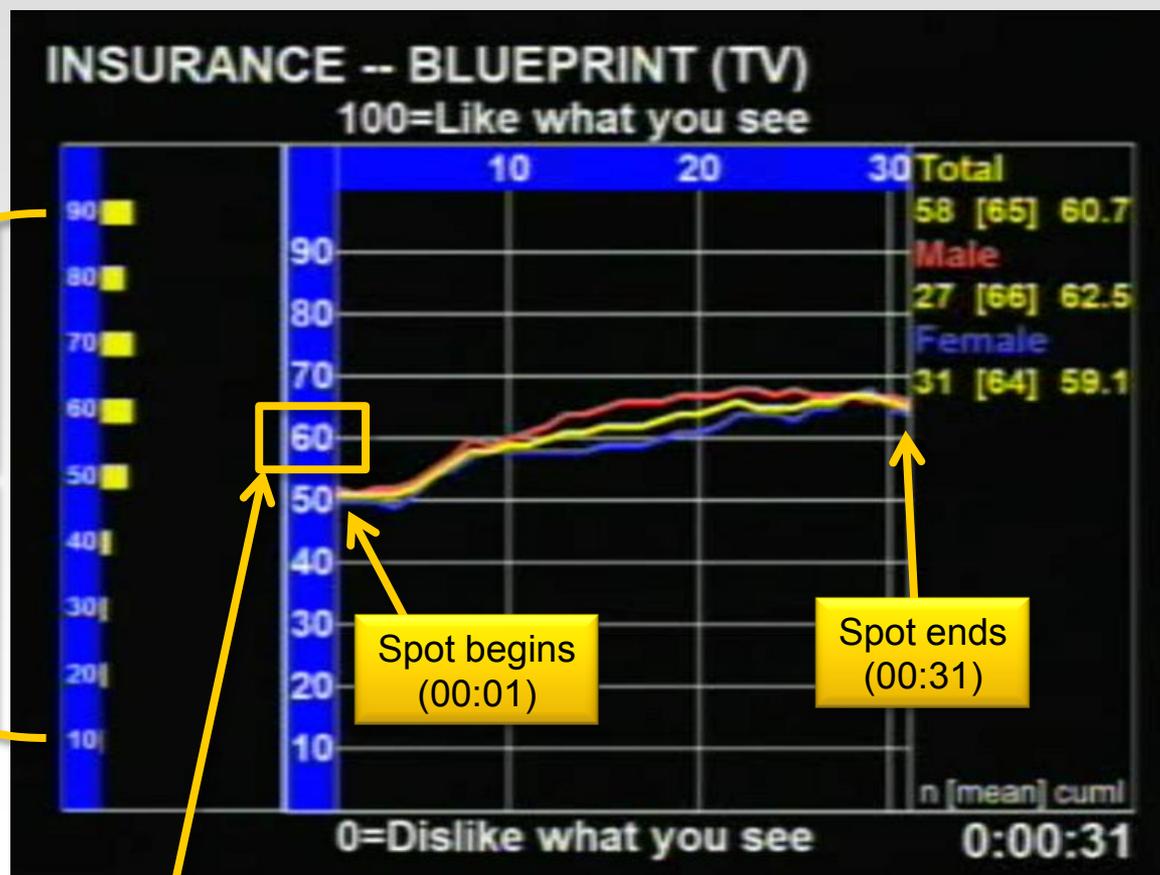
In comparison to our national normative data, Magid considers “Blueprint” to be an effective ad* because:

- From the “midpoint” at 50, it reaches a mean score of 60 or higher within 10 to 12 seconds.
- The mean remains above 60 and continues to climb throughout spot.

All Ads* - Overall Reaction vs. Net Brand Gain (Sacramento)



Moment-to-Moment Trace For CEA – Blueprint (Los Angeles)



Histograms on left-hand side indicate distribution of scores at that moment (in this case, at the 00:31 second mark).

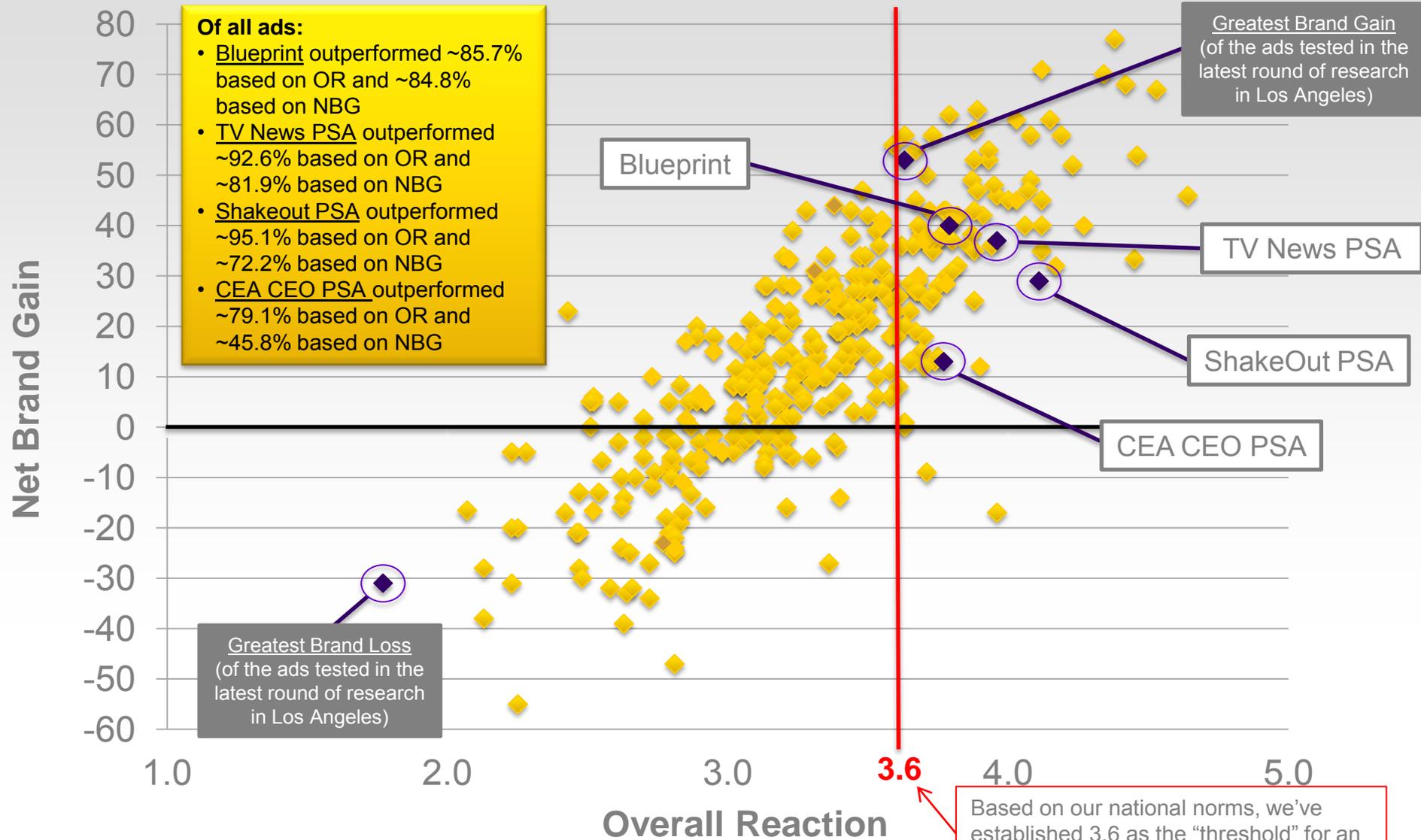
Participants turned their hand-held, wireless dials up (as high as 100) or down (as low as 0) as they reacted to the spot.

- The yellow line is the total group.
- The red line is men, and the blue line is women.

In comparison to our national normative data, Magid considers “Blueprint” to be an effective ad* because:

- From the “midpoint” at 50, it reaches a mean score of 60 or higher within 10 to 12 seconds.
- The mean remains above 60 and continues to climb throughout spot.

All Ads* - Overall Reaction vs. Net Brand Gain (Los Angeles)



Radio and Television Advertising

TV Markets	Stations/Networks
Sacramento	KOVR, KMAX, KTXL
San Francisco	KPIX, KBCW, KGO, KNTV, CABLE
Los Angeles	KCBS, KCAL, KTLA, KCBS, KNBC, CABLE
San Diego	KSWB, KFMB, KNSD, KGTV, CABLE
Monterey	KSWB, NSWB, CABLE
Santa Barbara	KEYT, KKFX, KCOY, CABLE

Radio Market	Radio Stations
Bakersfield	KERN, KNZR (KBFP-FM Spanish), KDFO, KRAB,
Chico	KPAY, KFBK, KSTE
Fresno	KMJ (KFSO-FM Spanish), KSOF, KBOS, KALZ, KHGE
Los Angeles	KFI, KLAC, KNX (KLVE-FM Spanish), KFVB, KMRB (Chinese), KOST, KISS, KTLK
Merced	KJSN, KMJ
Modesto	KFIV, KJSN, KSTE
Monterey-Salinas-Santa Cruz	KION, KCBS, KGO (KPRC-FM Spanish)
Oxnard/Ventura	KFI, KLAC, (KLVE-FM Spanish)
Palm Springs	KPSI, KFI
Redding	KQMS, KFBK, KSTE
Riverside-San Bernardino	KDIF, KTDD, KFI, KLAC, (KLVE-FM Spanish), KGGI, KMYT
Sacramento	KFBK, KSTE, KGO, KSFO, KQJK, KHYL,
San Diego	KGB, KOGO, KFI, KHTS, KMYI
San Francisco	KGO, KISQ, KKSF, KNEW, KUFV, KSFO, KVTO (Chinese), KYLD, KMEL, KISS
San Jose	KGO, KKSF, KNEW, KUFV, KSFO
San Luis Obispo	KVEC, KYNS, KMJ
Santa Barbara	KTMS, KFI
Santa Maria-Lompoc	KSMX, KSNI
Santa Rosa	KGO, KNEW, KSRO, KSTE, KSFO
Stockton	KJOY, KFBK, KFIV, KGO, KSTE, KSFO, KWSX, KOSO, KMRQ, KFIV
Victor Valley	KATJ, KNX, KFI (KLVE-FM Spanish)
Visalia-Tulare-Hanford	KMJ (KFSO-FM Spanish)



California Newspaper Publishers Association

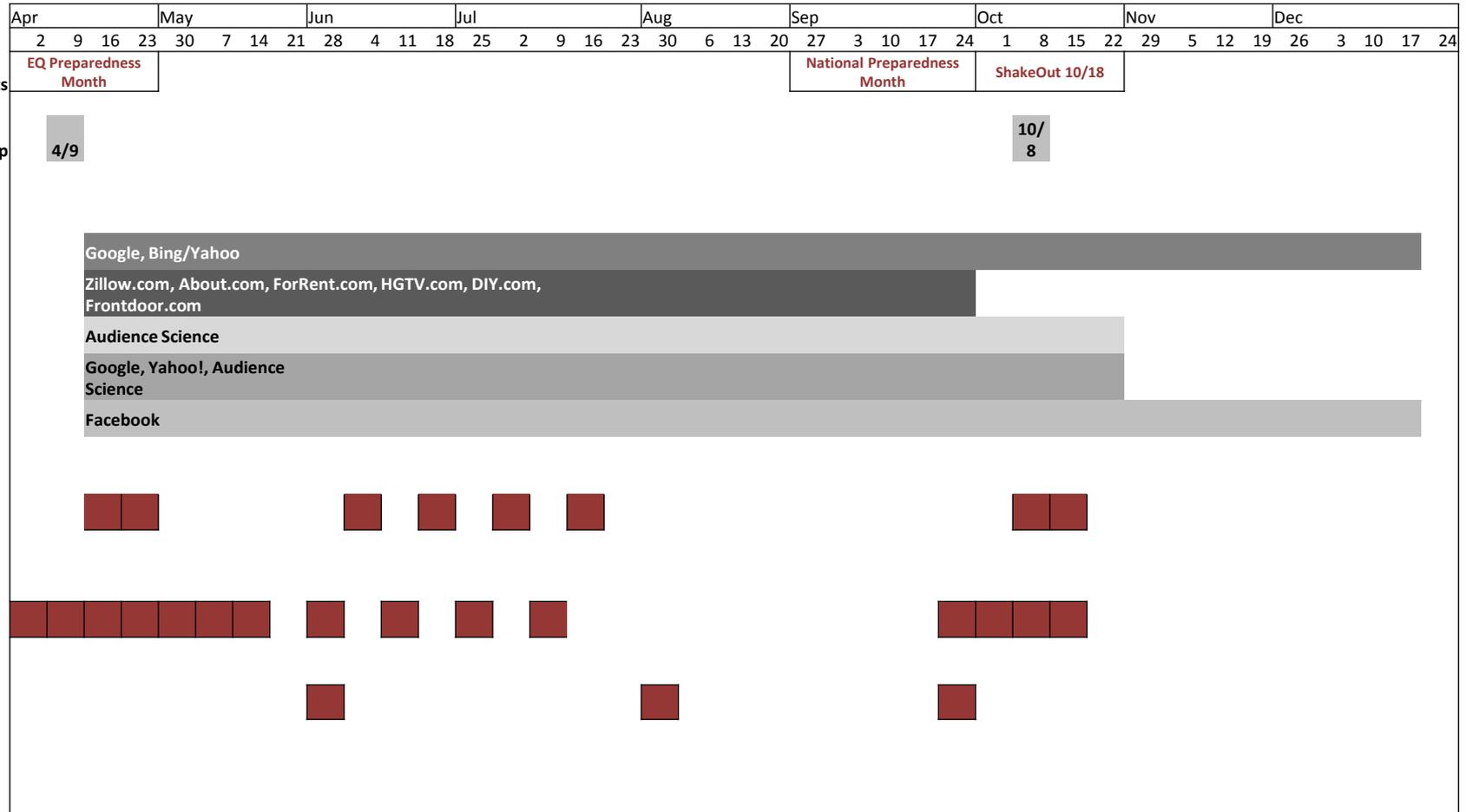
<p>Auburn Chico Covina Crescent City El Centro Eureka Fresno Gilroy Lodi Lompoc Long Beach Los Angeles Los Angeles Marysville Merced Modesto Monterey Napa Novato Ontario Orville Palm Springs Palm Dale</p>	<p>www.auburnjournal.com www.chicoer.com www.sgvtribune.com www.triplicate.com www.ivpressonline.com www.times-standard.com www.fresnobee.com www.gilroydispatch.com www.lodinews.com www.lompocrecord.com www.presstelegram.com www.latimes.com www.losangelesdailynews.com www.appealdemocrat.com www.mercedstar.com www.modbcc.com www.montereyherald.com www.napaalleyregister.com www.marini.com www.dailybulletin.com www.oroville.com www.mydesert.com www.avpress.com</p>	<p>Pasadena Red Bluff Redlands Riverside Sacramento Salinas San Bernardino San Diego San Francisco San Luis Obispo Santa Ana Santa Maria Santa Rosa Sonoma Stockton Torrance Ukiah Vacaville Vallejo Visalia Whittier Woodland</p>	<p>www.pasadenastarnews.com www.redbluffdailynews.com www.redlandsdailyfacts.com www.pe.com www.sacbee.com www.thecalifornian.com www.sbsun.com www.signonsandiego.com www.sfgate.com www.sanluisobispo.com www.ocregister.com www.santamaratimes.com www.pressdemocrat.net www.uniondemocrat.com www.recordnet.com www.dailybreeze.com www.ukiahdailyjournal.com www.therporter.com www.timesheraldonline.com www.visaliatimesdelta.com www.whittierdailynews.com www.dailydemocrat.com</p>	45 Daily newspaper websites
<p>Arroyo Grande Artesia Banning Big Bear Lake Brentwood Barney Chino/Chino Hills Chula Vista Citrus Heights Colfax Dana Point Danville Del Mar Desert Hot Springs El Dorado Elk Grove Fall River Mills Folsom Fontana Granite Bay Hemet Highland La Jolla Lincoln Loomis Malibu Menlo Park</p>	<p>www.timespressrecorder.com www.loscerritosnews.net www.recordgazette.net www.bigbeargrizzly.net www.thepress.net www.thelmnnews.com www.championnews.com www.laprensa-sandiego.org www.AmericanRiverMessenger.com www.colfaxrecord.com www.danapointtimes.com www.DanvilleWeekly.com www.delmartimes.net www.desertvalleystar.com www.edhtelegraph.com www.egcitizen.com www.mountainecho.com www.folsomtelegraph.com www.fontanaheraldnews.com www.granitebaypt.com www.thevalleychronicle.com www.highlandnews.net www.lajollalight.com www.lincolnnewsmessenger.com www.theloomisnews.com www.malibutimes.com www.almanacnews.com</p>	<p>Mill Valley Mountain View Newman Novato Palo Alto Pasadena Pleasanton Poway Quincy Rocklin Roseville Ross Valley San Andreas San Clemente San Diego San Fernando San Francisco San Francisco San Juan Capistrano Santa Cruz Santa Maria Santa Ynez Sausalito Susanville Twin Cities Ventura Yucaipa</p>	<p>www.pacificsun.com www.wvvoice.com www.westsideconnect.com www.marinscope.com www.paloaltoonline.com www.pasadenaweekly.com www.pleasantonweekly.com www.mylocalnews.com www.plumasnews.com www.placerherald.com www.rosevillept.com www.marinscope.com www.calaverasenterprise.com www.sanclementemes.com www.sdcitybeat.com www.sanfernandosun.com www.sfbg.com www.sfoxaminer.com www.thecapistranodispatch.com www.gtweekdy.com www.santamariatimes.com www.sylvnews.com www.marinscope.com www.plumasnews.com www.marinscope.com www.vcreporter.com www.newsmirror.net</p>	54 Weekly newspaper websites



PRINT PUBLICATION	CITY	ETHNICITY
El Mensajero	San Francisco	Latino
Sing Tao Daily SF	San Francisco	Chinese
Philippine News	San Francisco	Filipino
Korea Times - SF	San Francisco	Korean
India West	San Leandro	South Asian
Cali Today	San Jose	Vietnamese
Sun Reporter	San Francisco	African American
Nichi Bei Weekly	San Francisco	Japanese
The World Journal	Los Angeles	Chinese
Asian Journal - LA	Los Angeles	Filipino
Korea Daily -LA	Los Angeles	Korean
Viet Bao Daily News	Los Angeles	Vietnamese
La Opinion	Los Angeles	Latino
L.A. Watts Times	Los Angeles	African American
Rafu Shimpō	Los Angeles	Japanese
La Prensa San Diego	San Diego	Latino
Enlace	San Diego	Latino
El Latino San Diego	San Diego	Latino
San Diego Voice & Viewpoint	San Diego	African American
Nguoi Viet Tu Do	San Diego	Vietnamese
Two Rivers Tribune	Eureka	Native American

ONLINE PUBLICATION	WEB SITE	ETHNICITY
L.A. Watts Times	www.lawattstimes.com	African American
The Globe	www.globenewspapers.com	African American
Yo! Youth Outlook	www.youthoutlook.org	African American
India Currents	www.indiacurrents.com	Asian-Indian
Carib Press	www.caribpress.com	Caribbean
Sing Tao	www.singtaousa.com	Chinese
Asian Journal L.A.	www.Asianjournal.com	Filipino
The Inquirer	www.inquirer.net	Filipino
Koream Journal	www.koreamjournal.com	Korean
Impulso	www.impulsonoticias.com	Hispanic
Alianza Metropolitan News	www.alianzanews.com	Latino
Impre Media	www.impre.com	Latino
La Oferta	www.laoferta.com	Latino
Two Rivers Tribune	www.tworivertribune.com	Native American
Silicon Valley De-Bug	www.siliconvalleydebug.org	Multi
San Jose Beez	www.sjbeez.org	Multi
Los Angeles Beez	www.labeez.org	Multi
New America Media	www.newamericamedia.org	Multi

CEA 2012 Media Plan



Governing Board Memorandum

April 26, 2012

Agenda Item 7: Update on CEA's mitigation-related programming

Recommended Action: No action required – information only

Background:

Consistent with its statutory authority and earthquake-insurance operations, the CEA has long conducted a variety of mitigation activities. Most recently, CEA joined with the California Emergency Management Agency ("CalEMA") in a formal joint powers authority to operate the California Residential Mitigation Program ("CRMP"). Reporting to a governing board composed equally of CEA and CalEMA officials, CEA's chief mitigation officer, Janiele Maffei, serves as the CRMP's executive director.

Analysis:

- Ms. Maffei will update the Board on the activities of the CRMP.
- The CEA's strategic mitigation plan.
 - At the February 23, 2012, CEA Governing Board meeting, Ms. Maffei discussed in broad outlines the two foundational strategies of a successful mitigation plan: (1) the characterization of earthquake risk and (2) the implementation of mitigation programs to minimize that risk.
 - At the Board's June 2012 meeting, Ms. Maffei will associate the broad underpinnings of CEA's strategic mitigation plan with examples of specific tactics, all toward achieving the goal of reducing risks of earthquake loss in California homes.

Recommendation:

No action – information only.

Governing Board Memorandum

April 26, 2012

Agenda Item 8: Staff seeks Governing Board approval of agreement with EQECAT, Inc., to license use of earthquake-loss-modeling software

Recommended Action: Approve CEA-EQECAT licensing agreement for earthquake loss-modeling software – ratify supporting 2012-CEA-budget augmentation

Background:

There are three widely recognized, commercial earthquake models/modelers: AIR Worldwide Corporation (AIR), EQECAT, and Risk Management Solutions (RMS.) Although the CEA has contracted for portfolio-modeling services from each of these modelers since 2004, since its inception the CEA has worked only with EQECAT to secure detailed rate-development and product-development analyses.

EQECAT's loss-modeling software platform, WORLDCAEnterprise (WCE), is available for license. With recently added qualified staff, the CEA is in the position to bring some of its loss-modeling in-house, which will allow greater flexibility and more timely—it will also save money over the current arrangement.

A three-year licensing arrangement with EQECAT has been proposed, negotiated, and reduced to contract terms, and the resulting agreement is now presented to the Board for approval.

To support that in-house EQECAT-model use, staff asks that the Board augment CEA's 2012 EDP-Hardware/Software budget to buy the equipment needed for the loss-modeling-software installation. Future CEA budgets will necessarily provide for the annual fees associated with the EQECAT-software license.

Analysis:

In keeping with the CEA's mission and the Board's express wishes, the CEA has become active in developing innovative products and rating structures that are attractive to consumers. But under its current product-development processes, every time the CEA explores a new product option, it must submit a request to contracted outside modeling firm EQECAT to produce modeled losses and related information, undeniably necessary to product development. And depending on how many alternatives are being tested and examined, the outside-modeling process can be costly and quite time-consuming, which can easily place a damper on the CEA's moving innovative products to market.

As important, with in-house modeling CEA will be better situated to design and develop an optimal *financial-structure*: Use of the in-house model will give CEA a deeper understanding of how modeled loss events affect claim-paying capacity, thus enhancing the ability to monitor exposure growth and assess portfolio changes. And instead of paying EQECAT twice a year for needed portfolio analyses, the CEA can use in-house modeling to monitor its portfolio on a quarterly, or even a monthly, basis—more portfolio analysis is key to CEA’s ability to expand its products and ramp up its marketing.

In-house-model licensing would give the CEA significant added benefit and flexibility, allowing more product testing and rating-structure development—with no extra “per-alternative” cost—and would permit CEA to complete financial and rating analyses much more quickly, all at a cost comparable to the CEA’s historical modeling costs.

To introduce a direct price comparison, the earthquake loss-modeling needed to design, refine, submit, and circulate the Homeowner’s Choice insurance policy cost CEA more than \$325,000 over a period of just four months, while over the past eight years the CEA has paid EQECAT, on average, over \$375,000 each year for loss-modeling services.

Fees under the new, in-house-modeling proposal would be:

- A one-time fee of \$12,500 for initial system installation and training, with annual license fees of \$340,000 for years one and two, and \$360,000 for year three.
- For each license year, EQECAT would credit CEA up to \$100,000, determined by the loss-modeling services EQECAT would provide directly (in addition to CEA’s in-house EQECAT model use).
- Additional computer hardware CEA would require to operate the EQECAT model in-house is estimated to cost \$120,000.

Three-year cost to implement and use in-house EQECAT model		Three-year cost – outside EQECAT loss-modeling	
Licensing Fees		Modeling fees	
Year one	340,000		375,000
Year two	340,000		375,000
Year three	360,000	Est. 6% increase	397,500
Subtotal – licensing fees	1,040,000		
(Training/Installation)	(one-time) 12,500		
(Equipment)	(one time) 120,000		
Total	1,172,500	Total	1,147,500

Although this simple table assumes that portfolio analyses will stay constant with the EQECAT model brought in-house, it actually effectively *understates* the actual worth to CEA of in-house modeling: By having for the first time an *in-house* modeling capability, the CEA would receive *significant* increased value from more frequent and timely analyses.

Recommendation:

CEA staff recommends that the Governing Board (1) approve the CEA-EQECAT licensing agreement and (2) approve a supporting 2012 CEA-budget augmentation.

California Earthquake Authority

Losses & Loss Adjustment Expenses (LAE) Paid - Cumulative to February 29, 2012

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				1	4,839.51	435.56	\$5,275.07
10330	Ferndale	1/9/2010	6.5	27 mi W of Ferndale	2	22,379.08	2,014.12	\$24,393.20
10360	Baja California Mexico	4/4/2010	7.2	16 mi SW from Guadalupe Victoria, Mexico	16	74,392.57	6,695.34	\$81,087.91
	Total				174	\$3,725,707.57	\$334,451.38	\$4,060,158.95

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 3/23/2012 - Policies in Force on: 2/29/2012

TOTALS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Homeowner							
15% Total	591,268	71.87%	254,837,160,362	85.54%	486,771,498	81.2%	823
10% Total	61,670	7.5%	29,165,528,129	9.79%	62,850,382	10.54%	1,019
Homeowner Total	652,938	79.36%	284,002,688,491	95.33%	549,621,880	91.74%	842
Manufactured Homes (Mobilehomes)							
15% Total	21,742	2.64%	2,260,466,424	0.76%	2,232,364	0.37%	103
10% Total	4,093	0.5%	601,505,943	0.2%	531,929	0.09%	130
Manufactured Homes (Mobilehomes) Total	25,835	3.14%	2,861,972,367	0.96%	2,764,293	0.46%	107
Condo Total	102,409	12.45%	9,527,654,500	3.2%	40,794,233	6.67%	398
Renter Total	41,555	5.05%	1,510,186,000	0.51%	6,851,783	1.13%	165
Grand Total	822,737	100.0%	297,902,501,358	100.0%	600,032,189	100.0%	729

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2012 - Policies in Force on: 2/29/2012

HOMEOOWNER	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Deductible - 15%							
CovA/C5k/D1.5k/BCU10k	591,268	90.6 %	247,337,972,862	87.1 %	378,899,563	81.8 %	641
BCU 20k	62,813	9.6 %	628,130,000	0.2 %	1,417,556	0.3 %	23
Coverage C 25k	31,015	4.8 %	620,300,000	0.2 %	4,496,082	1.0 %	145
Coverage C 50k	21,091	3.2 %	949,095,000	0.3 %	4,418,394	1.0 %	209
Coverage C 75k	10,138	1.6 %	709,660,000	0.2 %	2,697,217	0.6 %	266
Coverage C 100k	33,268	5.1 %	3,160,460,000	1.1 %	11,122,857	2.4 %	334
Coverage D 10k	38,787	5.9 %	329,689,500	0.1 %	1,669,375	0.4 %	43
Coverage D 15k	79,314	12.1 %	1,070,739,000	0.4 %	5,424,592	1.2 %	68
Coverage D 25k	1,324	0.2 %	31,114,000	0.0 %	0	0.0 %	0
15% Total	591,268	90.6 %	254,837,160,362	89.7 %	410,145,636	88.5 %	694
Deductible - 10%							
CovA/C5k/D1.5k/BCU10k	61,670	9.4 %	26,061,597,629	9.2 %	42,657,175	9.2 %	692
BCU 20k	13,801	2.1 %	138,010,000	0.0 %	280,403	0.1 %	20
Coverage C 25k	9,994	1.5 %	199,880,000	0.1 %	1,346,908	0.3 %	135
Coverage C 50k	7,484	1.1 %	336,780,000	0.1 %	1,292,600	0.3 %	173
Coverage C 75k	4,218	0.6 %	295,260,000	0.1 %	888,610	0.2 %	211
Coverage C 100k	17,118	2.6 %	1,626,210,000	0.6 %	4,920,889	1.1 %	287
Coverage D 10k	13,358	2.0 %	113,543,000	0.0 %	433,473	0.1 %	32
Coverage D 15k	28,079	4.3 %	379,066,500	0.1 %	1,422,546	0.3 %	51

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2012 - Policies in Force on: 2/29/2012

Coverage D 25k	646	0.1 %	15,181,000	0.0 %	0	0.0 %	0
10% Total	61,670	9.4 %	29,165,528,129	10.3 %	53,242,603	11.5 %	863
Homeowner Total	652,938	100.0 %	284,002,688,491	100.0 %	463,388,239	100.0 %	710

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2012 - Policies in Force on: 2/29/2012

MANUFACTURED HOMES (MOBILEHOMES)	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Deductible - 15%							
CovA/C5k/D1.5k/BCU10k	21,742	84.2 %	2,067,530,924	72.2 %	1,770,408	76.4 %	81
Coverage C 25k	1,668	6.5 %	33,360,000	1.2 %	19,526	0.8 %	12
Coverage C 50k	1,139	4.4 %	51,255,000	1.8 %	16,328	0.7 %	14
Coverage C 75k	343	1.3 %	24,010,000	0.8 %	5,728	0.2 %	17
Coverage C 100k	484	1.9 %	45,980,000	1.6 %	9,731	0.4 %	20
Coverage D 10k	1,756	6.8 %	14,926,000	0.5 %	20,385	0.9 %	12
Coverage D 15k	1,671	6.5 %	22,558,500	0.8 %	26,150	1.1 %	16
Coverage D 25k	36	0.1 %	846,000	0.0 %	0	0.0 %	0
15% Total	21,742	84.2 %	2,260,466,424	79.0 %	1,868,254	80.6 %	86
Deductible - 10%							
CovA/C5k/D1.5k/BCU10k	4,093	15.8 %	433,036,443	15.1 %	389,602	16.8 %	95
Coverage C 25k	1,249	4.8 %	24,980,000	0.9 %	10,695	0.5 %	9
Coverage C 50k	1,004	3.9 %	45,180,000	1.6 %	10,930	0.5 %	11
Coverage C 75k	334	1.3 %	23,380,000	0.8 %	3,850	0.2 %	12
Coverage C 100k	435	1.7 %	41,325,000	1.4 %	6,450	0.3 %	15
Coverage D 10k	1,294	5.0 %	10,999,000	0.4 %	9,856	0.4 %	8
Coverage D 15k	1,624	6.3 %	21,924,000	0.8 %	17,772	0.8 %	11
Coverage D 25k	29	0.1 %	681,500	0.0 %	0	0.0 %	0
10% Total	4,093	15.8 %	601,505,943	21.0 %	449,154	19.4 %	110
Manufactured Homes (Mobilehomes) Total	25,835	100.0 %	2,861,972,367	100.0 %	2,317,409	100.0 %	90

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2012 - Policies in Force on: 2/29/2012

CONDO	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage A/BCU 10k	72,690	71.0 %	2,544,150,000	26.7 %	5,245,681	15.6 %	72
Coverage C 5k/D 1.5k	36,022	35.2 %	234,143,000	2.5 %	2,647,993	7.9 %	74
Coverage C 5k ¹	8,131	7.9 %	40,655,000	0.4 %	627,286	1.9 %	77
Coverage C 25k	13,904	13.6 %	347,600,000	3.6 %	2,229,419	6.6 %	160
Coverage C 50k	11,984	11.7 %	599,200,000	6.3 %	2,194,985	6.5 %	183
Coverage C 75k	5,826	5.7 %	436,950,000	4.6 %	1,185,201	3.5 %	203
Coverage C 100k	11,499	11.2 %	1,149,900,000	12.1 %	2,400,609	7.1 %	209
Coverage D 1.5k ²	7,241	7.1 %	10,861,500	0.1 %	40	0.0 %	0
Coverage D 10k	14,782	14.4 %	147,820,000	1.6 %	161,113	0.5 %	11
Coverage D 15k	28,775	28.1 %	431,625,000	4.5 %	382,522	1.1 %	13
Coverage D 25k	546	0.5 %	13,650,000	0.1 %	18	0.0 %	0
Coverage E 25k	2,990	2.9 %	74,750,000	0.8 %	577,792	1.7 %	193
Coverage E 50k	61,482	60.0 %	3,074,100,000	32.3 %	14,260,012	42.4 %	232
Coverage E 75k	5,630	5.5 %	422,250,000	4.4 %	1,756,558	5.2 %	312
Condo Total	102,409	100.0 %	9,527,654,500	100.0 %	33,669,230	100.0 %	329

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

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

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2012 - Policies in Force on: 2/29/2012

RENTER	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage C 5k/D 1.5k	16,099	38.7 %	104,643,500	6.9 %	1,187,221	20.7 %	74
Coverage C 5k ¹	3,426	8.2 %	17,130,000	1.1 %	272,346	4.8 %	79
Coverage C 25k	9,712	23.4 %	242,800,000	16.1 %	1,572,865	27.5 %	162
Coverage C 50k	6,437	15.5 %	321,850,000	21.3 %	1,207,649	21.1 %	188
Coverage C 75k	2,045	4.9 %	153,375,000	10.2 %	431,278	7.5 %	211
Coverage C 100k	3,836	9.2 %	383,600,000	25.4 %	797,601	13.9 %	208
Coverage D 1.5k ²	4,845	11.7 %	7,267,500	0.5 %	0	0.0 %	0
Coverage D 10k	7,149	17.2 %	71,490,000	4.7 %	80,036	1.4 %	11
Coverage D 15k	12,852	30.9 %	192,780,000	12.8 %	177,904	3.1 %	14
Coverage D 25k	610	1.5 %	15,250,000	1.0 %	0	0.0 %	0
Renter Total	41,555	100.0 %	1,510,186,000	100.0 %	5,726,901	100.0 %	138

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

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

California Earthquake Authority Historical Risk-Transfer Costs

Risk-Transfer Limits

Contract Year	Contract	Limit	Rate On Line (ROL)	Premium	
April 1, 2012	Traditional Reinsurance				
	Contract #A (1/1/2012 - 12/31/2012)	\$655,220,000	8.1500%	\$53,400,430	
	Contract #A1 (1/1/2012 - 12/31/2012)	\$400,000,000	7.5000%	\$30,000,000	
	Contract #A2 (1/1/2012 - 12/31/2012)	\$200,000,000	6.2000%	\$12,400,000	
	Contract #A3 (1/1/2012 - 12/31/2012)	\$250,000,000	6.0000%	\$15,000,000	
	Contract #B (4/1/2012 - 12/31/2013)	\$1,251,464,950	5.5000%	\$68,830,572	
	Total Traditional Reinsurance	\$2,756,684,950	6.5162%	\$179,631,002	
	Traditional Reinsurance Percent Change from Previous Year	-4.94%	-2.90%	-7.70%	
		Transformer Reinsurance			
	Contract #1 (8/2/2011 - 8/8/2014) ²	\$150,000,000	7.78%	\$11,670,000	
Contract #2 (2/7/2011 - 2/15/2015) ²	\$150,000,000	8.39%	\$11,533,500		
Total Transformer Reinsurance	\$300,000,000		\$23,203,500		
	Total Risk-Transfer	\$3,056,684,950		\$202,834,502	
January 1, 2012	Traditional Reinsurance				
	Contract #3 (1/1/2011 - 3/31/2012)	\$500,000,000	6.2000%	\$31,000,000	
	Contract #4 (65% placed) (1/1/2011 - 3/31/2012)	\$650,000,000	5.5000%	\$35,750,000	
	Contract #4a (5% placed) (4/1/2011 - 3/31/2012)	\$50,000,000	5.5000%	\$2,062,500	
	Contract #A (1/1/2012 - 12/31/2012)	\$655,220,000	8.1500%	\$53,400,430	
	Contract #A1 (1/1/2012 - 12/31/2012)	\$400,000,000	7.5000%	\$30,000,000	
	Contract #A2 (1/1/2012 - 12/31/2012)	\$200,000,000	6.2000%	\$12,400,000	
	Contract #A3 (1/1/2012 - 12/31/2012)	\$250,000,000	6.0000%	\$15,000,000	
	Total Traditional Reinsurance	\$2,705,220,000	6.6395%	\$179,612,930	
	Traditional Reinsurance Percent Change from Previous Year	-6.72%	-1.06%	-7.71%	
	Transformer Reinsurance				
Contract #1 (8/2/2011 - 8/8/2014) ²	\$150,000,000	7.78%	\$11,670,000		
Total Risk-Transfer	\$2,855,220,000		\$191,282,930		
2011	Traditional Reinsurance				
	Contract #1 (1/1/2011 - 12/31/2011)	\$200,000,000	8.1500%	\$16,300,000	
	Contract #2 (1/1/2011 - 12/31/2011)	\$1,300,000,000	7.5000%	\$97,500,000	
	Contract #3 (1/1/2011 - 3/31/2012)	\$500,000,000	6.2000%	\$31,000,000	
	Contract #3a (1/1/2011 - 12/31/2011)	\$200,000,000	6.0000%	\$12,000,000	
	Contract #4 (65% placed) (1/1/2011 - 3/31/2012)	\$650,000,000	5.5000%	\$35,750,000	
	Contract #4a (5% placed) (4/1/2011 - 3/31/2012)	\$50,000,000	5.5000%	\$2,062,500	
	Total	\$2,900,000,000	6.7108%	\$194,612,500	
	Traditional Reinsurance Percent Change from Previous Year	-7.13%	-6.24%	-12.92%	
		Transformer Reinsurance			
Contract #1 (8/2/2011 - 8/8/2014) ²	\$150,000,000	7.78%	\$11,670,000		
Total Risk-Transfer	\$3,050,000,000		\$206,282,500		

Contract Year	Contract	Limit	Rate On Line (ROL)	Premium
2010	Contract #1	\$202,500,000	9.2500%	\$18,731,250
	Contract #2	\$1,000,000,000	8.5500%	\$85,500,000
	Contract #3	\$275,000,000	7.7000%	\$21,175,000
	Contract #4	\$300,000,000	6.8000%	\$20,400,000
	Contract #5 (97.10% placed)	\$200,000,000	6.5000%	\$12,623,000
	Contract #6 (94.05% placed)	\$250,000,000	6.2500%	\$14,695,313
	Contract #7 (79.62619% placed)	\$1,150,000,000	5.5000%	\$50,363,565
	Total		\$3,122,526,185	7.1573%
Percent Change from Previous Year		0.73%	13.96%	14.79%
2009	Contract #1	\$500,000,000	7.7500%	\$38,749,846
	Contract #2	\$500,000,000	6.9999%	\$34,999,384
	Contract #3	\$200,000,000	5.9600%	\$11,920,000
	Contract #4	\$100,000,000	5.8000%	\$5,800,000
	Contract #5	\$200,000,000	5.5400%	\$11,080,000
	Contract #6	\$200,000,000	5.3100%	\$10,620,000
	Contract #7 Backup Reinsurance for Transformer	\$250,000,000	6.9900%	\$17,475,000
	Contract #8	\$650,000,000	4.9938%	\$32,460,000
	Contract #9 Backup Reinsurance for Transformer	\$400,000,000	6.6500%	\$26,600,000
	Contract #10	\$100,000,000	4.9938%	\$4,993,846
	Total		\$3,100,000,000	6.2806%
Percent Change from Previous Year		85.96%	-26.36%	5.71%
				(Combined base & Supplemental)

Base-Limits				
2008	Combined Reinsurance Contract #1	\$300,000,000	9.8000%	\$29,400,000
	Combined Reinsurance Contract #2	\$1,367,000,000	8.2500%	\$112,777,500
	Total	\$1,667,000,000	8.5289%	\$142,177,500
Percent Change from Previous Year		-11.58%	5.77%	-6.48%
2007	Collateralized Reinsurance Contract (2006-2007)	\$350,000,000	6.9500%	\$24,325,000
	Reinsurance Layer 1	\$150,000,000	15.0000%	\$22,500,000
	Reinsurance Layer 2	\$50,000,000	12.5000%	\$6,250,000
	Collateralized Reinsurance Contract (2007)	\$125,000,000	11.5000%	\$14,375,000
	Reinsurance Layer 3	\$20,000,000	11.0000%	\$2,200,000
	Reinsurance Layer 4 (79.45953% placed)	\$1,200,000,000	7.1000%	\$0
	Reinsurance Layer 5 (79.47738% placed)	\$298,000,000	6.2000%	\$0
Total		\$1,885,356,952	8.0639%	\$152,033,760
Percent Change from Previous Year		7.37%	24.19%	33.33%

Contract Year	Contract	Limit	Rate On Line (ROL)	Premium
2006	Collateralized Reinsurance Contract (2005-2006)	\$300,000,000	7.0000%	\$21,000,000
	Collateralized Reinsurance Contract (2006-2007)	\$350,000,000	6.9500%	\$24,325,000
	Collateralized Reinsurance Contract	\$30,000,000	6.8000%	\$2,040,000
		\$680,000,000	6.9654%	\$47,365,000
	Base-Limit Coverage Reinsurance Contract Insurance In Force Adjustment	\$1,076,000,000	6.0000%	\$64,560,000 \$2,100,000
	Total	\$1,756,000,000	6.4935%	\$114,025,000
Percent Change from Previous Year		17.07%	5.83%	23.89%
2005	Collateralized Reinsurance Contract (2005-2006)	\$300,000,000	7.0000%	\$21,000,000
	First Transformer Layer (2004-2005)	\$150,000,000	7.2500%	\$10,875,000
	MLCRC First Reinsurance Layer	\$550,000,000	5.7500%	\$31,625,000
		\$1,000,000,000	6.3500%	\$63,500,000
	Second Transformer Layer (2004-2005)	\$200,000,000	5.5000%	\$11,000,000
	MLCRC Second Reinsurance Layer	\$300,000,000	4.3500%	\$13,050,000
		\$500,000,000	4.8100%	\$24,050,000
Insurance In Force Adjustment ¹			\$4,484,662	
	Total	\$1,500,000,000	6.1356%	\$92,034,662
Percent Change from Previous Year		0.00%	-8.51%	-8.51%
2004	MLCRC First Reinsurance Layer	\$700,000,000	7.8500%	\$54,950,000
	First Transformer Layer (2004-2005)	\$150,000,000	7.2500%	\$10,875,000
	MLCRC Second Reinsurance Layer	\$150,000,000	6.3500%	\$9,525,000
		\$1,000,000,000	7.5350%	\$75,350,000
	Second Transformer Layer (2004-2005)	\$200,000,000	5.5000%	\$11,000,000
	MLCRC Third Reinsurance Layer	\$300,000,000	4.7500%	\$14,250,000
		\$500,000,000	5.0500%	\$25,250,000
	Total	\$1,500,000,000	6.7067%	\$100,600,000
Percent Change from Previous Year		-2.47%	-6.40%	-8.72%

Contract Year	Contract	Limit	Rate On Line (ROL)	Premium
2003	MLCRC Coverage A	\$600,000,000	8.8000%	\$52,800,000
	MLCRC Coverage B	\$400,000,000	7.2500%	\$29,000,000
		\$1,000,000,000	8.1800%	\$81,800,000
	Transformer Layer	\$200,000,000	5.5000%	\$11,000,000
	MLCRC Coverage C	\$338,000,000	5.1500%	\$17,407,000
		\$538,000,000	5.2801%	\$28,407,000
	Total	\$1,538,000,000	7.1656%	\$110,207,000
Percent Change from Previous Year		-21.98%	6.99%	-16.53%
2002	First Aggregate	\$1,433,620,000	7.2500%	\$82,187,450
	First Aggregate (\$200M part of)	\$1,433,620,000	7.1400%	\$14,280,000
	First Aggregate (\$100M part of)	\$1,433,620,000	5.9900%	\$5,990,000
		\$1,433,620,000	7.1468%	\$102,457,450
	Second Aggregate	\$537,607,500	5.5000%	\$29,568,413
		\$1,971,227,500	6.6976%	\$132,025,863
Percent Change from Previous Year		0.00%	-13.69%	-13.69%
2001	First Aggregate	\$1,433,620,000	8.5000%	\$96,357,700
	First Aggregate (\$200M part of)	\$1,433,620,000	7.5000%	\$15,000,000
	First Aggregate (\$100M part of)	\$1,433,620,000	5.9900%	\$5,990,000
		\$1,433,620,000	8.1854%	\$117,347,700
	Second Aggregate	\$537,607,500	6.6250%	\$35,616,497
		\$1,971,227,500	7.7598%	\$152,964,197
Percent Change from Previous Year		-21.43%	-17.31%	-35.03%
2000	First Aggregate	\$1,433,620,000	8.5000%	\$104,857,697
	First Aggregate (\$200M part of)	\$1,433,620,000	7.5000%	\$15,000,002
		\$1,433,620,000	8.3605%	\$119,857,699
	Second Aggregate	\$1,075,215,000	10.7500%	\$115,585,613
		\$2,508,835,000	9.3846%	\$235,443,311
	Percent Change from Previous Year		0.00%	3.02%

Contract Year	Contract	Limit	Rate On Line (ROL)	Premium
1999	First Aggregate	\$1,433,620,000	11.0000%	\$157,698,200
	No Claims Bonus Paid to CEA			(\$28,970,456)
	Exposure Adjustment			(\$15,769,820)
	Revised ROL and Premium	\$1,433,620,000	7.8792%	\$112,957,924
	Second Aggregate	\$1,075,215,000	10.7500%	\$115,585,613
	Total	\$2,508,835,000	9.1095%	\$228,543,537
Percent Change from Previous Year		0.00%	-23.56%	-23.56%
1998	First Aggregate	\$1,433,620,000	14.3750%	\$206,082,875
	No Claims Bonus Paid to CEA			(\$22,687,734)
	Revised ROL and Premium	\$1,433,620,000	12.7925%	\$183,395,141
	Second Aggregate	\$1,075,215,000	10.7500%	\$115,585,613
		Total	\$2,508,835,000	11.9171%
Percent Change from Previous Year		16.13%	-4.19%	11.27%
1997	First Aggregate	\$1,433,620,000	14.3750%	\$206,082,875
	No Claims Bonus Paid to CEA			(\$14,430,600)
	Revised ROL and Premium	\$1,433,620,000	13.3684%	\$191,652,275
	Second Aggregate (1/1/98 - 3/31/98)	\$1,075,215,000	10.7500%	\$28,896,403
	Second Aggregate (7/1/97 - 12/31/97)	\$716,810,000	10.7500%	\$38,528,538
	Second Aggregate (4/1/97 - 6/30/97)	\$358,405,000	10.7500%	\$9,632,134
			10.7500%	\$77,057,075
	Total	\$2,160,430,000	12.4378%	\$268,709,350

¹ Based on IIF of \$198,926,424,765 at 12/31/05

² Twelve month annualized premium

³ Includes average limit for Second Aggregate of \$716.810M