

**CALIFORNIA EARTHQUAKE AUTHORITY
GOVERNING BOARD MEETING
MINUTES**

Friday, April 10, 2020

Location: California Earthquake Authority
Teleconference Meeting Pursuant to Governor Newsom's Executive
Order N-29-20, issued March 17, 2020

Members of the Governing Board in attendance:

Kasey O'Connor, Designee of State Treasurer Fiona Ma
Michael Martinez, Designee of Insurance Commissioner Ricardo Lara
Jeff Wood, Designee of Speaker of the Assembly Anthony Rendon
Craig Fry, Designee of Chair of the Senate Rules Committee Tony Atkins

Members of the CEA staff in attendance:

Glenn Pomeroy, Chief Executive Officer
Sheri Aguirre, Strategic Initiatives & External Relations
Shawna Ackerman, Chief Risk & Actuarial Officer
Sonya Berry, Centralized Policy Processing Portfolio Manager
Tom Hanzel, Chief Financial Officer & Chief Insurance Operations Officer
Susie Hernandez, Legislative Director
Laurie Johnson, Enterprise and Strategic Risk Advisor
Janiele Maffei, Chief Mitigation Officer
Shannon McEuen, Governing Board Liaison
Michael Melavic, Chief Information Officer
Kim Owen, Chief Information Security Officer
Niki Wehling, Senior Creative Services Specialist
Tom Welsh, General Counsel & Acting Chief Operations Officer
Joe Zuber, Senior Counsel

Preliminary Matters

1. Meeting call to order.

As approved by the CEA Governing Board at its meeting on Thursday, June 11, 2020

Chief Executive Officer Pomeroy opened the meeting at 1:04 p.m.

Ms. O'Connor agreed to chair the meeting.

Mr. Pomeroy noted that this was the first teleconference board meeting that the CEA has held. He provided instructions for Board members to ask questions and for the public to make comments.

Ms. O'Connor called the meeting to order.

Ms. McEuen announced that a quorum was present.

2. Consideration and approval of the Minutes of the December 11, 2019 CEA Governing Board meeting.

MOTION: Mr. Martinez moved to adopt the December 11, 2019 meeting minutes. Ms. O'Connor seconded. Motion carried unanimously.

3. Consideration and approval of the minutes of the January 30, 2020 CEA Governing Board meeting.

MOTION: Mr. Martinez moved to adopt the January 30, 2020 meeting minutes. Ms. O'Connor seconded. Motion carried unanimously.

CEA Enterprise – Executive and Operations Reports

4. Executive Report by Chief Executive Officer Glenn Pomeroy, which will include among other things a report on CEA's response to the COVID-19 crisis and legislative activities of interest to the CEA.

Mr. Pomeroy reported that in response to Governor Newsom's initial press conference on February 27, the CEA immediately formed a COVID response team and began testing its capability to move to a telework platform. A Board meeting scheduled for March 12 had to be cancelled. By March 17, the CEA had moved all employees to a complete telework platform.

The organization has remained open for business. The internal communications capability is robust; weekly all-staff conference calls are a goal. The CEA staff – approximately 160 people – has been able to stay focused on its public mission of Educate, Mitigate, and Insure. The CEA response to an earthquake at this time would be the same as before.

Addressing an identified need for greater training, 30-35 staff held a simulated post-event earthquake drill on March 11. More drills are to follow in the future.

Ms. Hernandez reported on legislative outreach efforts. This year the CEA has focused on engaging more with legislative members to share information about the CEA and its role in the state.

- CEA staff met with legislative members and their staff to provide information about the Brace + Bolt program, which is now in 55 Assembly districts and 26 Senate districts. CEA staff encouraged them to help get the word out to their constituents about the sign-up period, which was late February through mid-March.

At the meetings in various districts, members were engaged and interested in getting more homes in their districts retrofitted and reaching out to their constituents.

- CEA staff has been planning legislative briefings at the Capitol to help educate legislative staff about the CEA and the newly-created Wildfire Fund. With the current crisis at hand, the briefings have been temporarily postponed.
- CEA staff is monitoring the Legislature as they figure out how to conduct their business in the midst of this crisis. The CEA will adapt to any changes as necessary.

Mr. Pomeroy reported on federal legislation, HR 5494. Congress is now concentrating on COVID. However, the CEA-sponsored federal bill continues to move forward: last week the bill picked up another endorsement letter from the National Council of Insurance Legislators. The CEA challenge is to find a legislative vehicle upon which to attach the bill.

Laurie Johnson, this year's President of the Earthquake Engineering Research Institute (EERI), reported on the conference held last month in San Diego. It was cohosted with the Federal Alliance for Safe Homes (FLASH), and was done under the auspices of FEMA's role as a partner in the National Earthquake Hazards Reduction Program. The conference is a multi-disciplinary gathering for engineering, policy, and practice, as well as an exchange for scientists to learn from each other and develop earthquake program management.

A major piece of the technical content was the work of the San Diego chapter; they have been working on an earthquake planning scenario for San Diego for about five years, and they unveiled it at the conference. The scenario is for a magnitude 6.9 earthquake on the Rose Canyon fault, designated as active in 1991. It runs directly underneath downtown San Diego. An earthquake could generate building and infrastructure losses totaling \$38 billion. Another major

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issue is that this fault would bisect a number of infrastructure systems and render everything west of the fault line isolated for many months.

CEA was the lead sponsor for the conference Mr. Pomeroy noted that CEA Chief Mitigation Officer Janiele Maffei played an important leadership role at the conference as well. Nationally she is a leading residential earthquake mitigation expert.

Questions

Mr. Martinez asked about the status of HR 5494. Mr. Pomeroy answered that in February the lead author, Congressman Mike Thompson (Napa) had wanted a hearing on the bill to occur within the next 4 to 6 weeks. That plan was derailed by the COVID-19 crisis. However, CEA now has bipartisan co-sponsors from five different states. A hearing would allow the bill to get onto the House Ways and Means Committee calendar for this year. Once Congress returns to full functions, Congressman Thompson is going to look for a way to move the bill, hopefully this year.

Mr. Wood asked if any particular area of the state has been found where legislative outreach has not been made to the members. Mr. Pomeroy answered that strategically the CEA had focused this first wave on districts in which Earthquake Brace + Bolt grants were going to be available during the 30-day sign-up period. He noted that there has been a record number of sign-ups for grants this year, partly because of some legislators making outreach to their constituents. The next go-round will be an effort to pick up districts into which there has not yet been outreach.

Mr. Wood suggested keeping a spreadsheet of members that could be checked off. With himself and Mr. Fry representing the Assembly Speaker and the Senate President Pro Tem, they offered to share the information with those offices to assist in the effort. Mr. Pomeroy stated that he would distribute a list to the Board of all the legislators with whom the CEA has met.

Ms. O'Connor asked about the federal Ways and Means Committee: had the CEA started with the California delegation – it includes Congressman Panetta, Congressman Gomez, Congresswoman Chu and potentially Congresswoman Brownley. Ms. O'Connor stated that her office was available to help should any follow-up be needed in the future with those members of the California congressional delegation.

5. Chief Financial Officer & Chief Insurance Operations Officer Tom Hanzel will present to the Board the quarterly CEA financial report.

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Mr. Hanzel began with the five-year review of the financials. He stated that premium growth was up about 5%, while the policy count was up about 6%.

The CEA had a record year of investment income: \$125 million, an investment income return of about 1.8% on CEA's portfolio. Loss and LAE Reserves ended the year at 3.8%, really driven by the Ridgecrest earthquake. CEA had approximately 900 paid claims, and anticipates that \$2-3 million is going to be the ultimate loss amount paid for the Ridgecrest event.

Mr. Hanzel spoke about the impact of COVID on the CEA.

- Reinvestment rate. Last year CEA was able to reinvest maturing bonds at a yield of between 1.6% to 1.8%. Due to the disruption in the market, CEA's current reinvestment rate has dropped to just 0.25%. With the material reduction of Treasury market yields, the Treasury and the Federal Reserve have acted. Nonetheless, CEA is planning for markedly lower investment income in the future until the markets recover from the COVID situation.
- Premium Revenue. Predicting total premium revenue for 2020 and beyond has become increasingly difficult due to COVID-related economic and market disruptions. Based on history, in particular the 2008 recession, CEA does not currently expect a material change in annual premium revenue.
- Risk transfer. The reinsurance and risk transfer markets are still functioning and CEA staff is closely monitoring the markets to manage through unexpected changes that may occur.

Mr. Hanzel gave a wrap-up of the Ridgecrest event and discussed how such an event can drive growth. CEA was seeing less than 1% growth in the first six months of the year prior to the Ridgecrest earthquake. Thereafter, growth was closer to 6%, mainly in the three to four months after the event. The pace of growth has now dropped less than 1% per month. This simply illustrates that a significant magnitude earthquake event that gets big headlines does drive growth.

The claims-paying tower shows that CEA continues to have greater than the 1-in-400-year claim-paying capacity. Year over year CEA increase total claim-paying capacity by about \$680 million. In January, the CEA risk-transfer team was able to renew an expiring \$242.4 billion reinsurance layer and add almost \$700 million of additional reinsurance limit, for a combined increase in capacity of about \$3.1 billion, which included the addition of three new reinsurers to CEA.

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With regard to CEA's strength rating, AM Best re-rated CEA and confirmed its existing rating: A- Excellent with a Stable outlook.

Mr. Hanzel also addressed the budget. CEA has a statutory cap on basic administrative expenditures of no more than 6% of premium in any year. CEA ended 2019 at about 4.3%, having spent approximately 92% of the 2019 budgeted expenses. The largest favorable variances on spending were compensation and benefits, with budget savings driven by open and unfilled staff positions, and a timing issue with the purchase of some IT hardware that was received paid for in January 2020 rather than in Q4 2019.

Non-statutory expenditures were up by about \$13 million versus the CEA's midyear budget revision, which was driven by the need to purchase more reinsurance to keep pace with the unexpected growth in the second half of 2019 following the Ridgecrest earthquake.

All expenses in the mitigation budget are in line with expectations. The mitigation and research department spent a little less than 100% of its budget, with no material variances on any line items.

CEA closed the issuance of \$400 million of short duration revenue bonds on March 17, after pricing them on March 5. The interest rate CEA will pay on these bonds was significantly more favorable to CEA than had been planned, due to a rally in the bond markets just prior to pricing. The planned September 1 maturity date was also shortened to a July 1 maturity, resulting in addition interest savings. Issuing the short-term debt resulted in a one-year push of any reduction in the second Industry Assessment Layer (IAL), enabling a net savings on reinsurance premiums of almost \$9 million for 2021. Fitch rated our bonds with an F1+ which is their highest short-term rating.

CEA postponed the proposed 2020 long-term bond issuance and will probably revisit those in the third quarter. CEA is looking at potential alternative structures of how to issue that debt.

Regarding the future issuance of short-term debt, at the January meeting of the Board, the Board requested that CEA engage with our various stakeholders by forming a working group. CEA is developing this idea and has located a number of Participating Insurers who wish to participate.

Mr. Hanzel then reported the status of the work of consulting firm Ernst & Young (EY), approved by the Board in September 2019, to do a claims review process

and advise on CEA's readiness to handle a high-volume claim event. EY completed its evaluation and provided 12 recommendations. A cross-functional team within CEA has been meeting every two to three weeks reviewing, prioritizing, staffing, and working through the implementation phase of the recommendations.

Projects currently underway:

- Dr. Laurie Johnson is taking the lead on revising and updating CEA's earthquake Guidelines and Response plan.
- CEA is undertaking holistic stress tests, looking at them from the perspective of technology, focused on CEA's centralized policy and claims administration system (CPP) and the systems of the participating insurers.
- CEA is enhancing communication capabilities including its phone system.

Questions and Discussion

Mr. Martinez asked about the overall impact on investments during this time period given COVID-19, and asked if CEA should revisit anything pertaining to investment policy strategy. Mr. Hanzel answered that the investment policy authorizes investments only in US Treasuries with very limited highly rated corporate securities, so the policy is already low risk and protective of principle. COVID-19 has resulted, short-term, in an unrealized gain in CEA's portfolio. Ultimately that gain will come off as bonds mature. Internally CEA has been debating its conservative investment policy to assess whether to expand options to increase investment earnings. CEA is governed by Government Code 16430, which does provide some latitude of investing in different types of government securities. If CEA management determines that changes can be made to the investment policy without materially increased investment risks, CEA will come back to the Board those recommendations.

Mr. Fry asked what CEA is doing for the people who are going to be faced with paying earthquake insurance versus putting food on the table. How will this impact our organization? Mr. Hanzel answered that one of our Board members – the Commissioner – had recently come out with a memorandum requesting that all insurance carriers in the state place a 60-day moratorium during which no policies could be canceled for non-payment. The CEA has been engaging with participating insurers and analysts to understand how they are interpreting and managing that request. The CEA fully supports the request and will be enacting it.

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Mr. Martinez stated that the Commissioner has issued a series of notices that are sent out publicly on this topic. He suggested that CEA staff look at the website for additional notices of interest.

6. Mr. Hanzel will seek Board authorization to set the CEA participating insurers' respective maximum earthquake-loss funding assessment levels, effective April 30, 2020.

Mr. Hanzel stated that this is an annual statutory process of advising each participating insurer of its share of the Industry Assessment Layer based on each company's California market share. This time a new participating insurer – Amica – has rolled all of its earthquake insurance policies onto the CEA platform, which changes the calculation and the size of the total assessment layer.

Mr. Hanzel showed the calculation of the assessment layer looking at the historic market share. When Amica started their process of joining at the end of December 2017, the market share was 0.3886, resulting in a \$7.8 million increase in the size of the industry assessment layer, which as of April 30, 2020 is \$1,663,357,614. Mr. Hanzel explained the annual process by which this amount is allocated between the PIs.

Ms. O'Connor asked if this year is consistent with the past few years. Mr. Hanzel replied that the only thing that changed the absolute dollar amount was the addition of Amica. There is not material movement at all in the allocation among the PIs.

Mr. Hanzel requested approval of the second IAL maximum earthquake-loss-funding amount of \$1,663,357,614.

Ms. O'Connor confirmed the request as shown in Attachment A, effective April 30, 2020. She requested a motion for the Board to adopt the CEA market-share percentages shown in Attachment B, also effective April 30, 2020, which are going to be used to determine the maximum earthquake-loss-funding assessment levels for CEA participating insurers. Lastly she requested a motion for the Board to authorize CEA staff to notify each participating insurer of its respective April 30, 2020 maximum earthquake-loss-funding assessment level responsibility.

MOTION: Mr. Martinez moved to accept the recommendations as stated on slide 33 of Mr. Hanzel's presentation and verbalized by the Acting Chair. Ms. O'Connor seconded.

There was no public comment.

VOTE: Motion carried unanimously with a vote of 2.

7. Senior Staff Counsel Joe Zuber will seek Board approval for statutory revisions to CEA earthquake policy contracts and CEA claim manual.

Mr. Zuber stated that the request was for some technical changes to the language of the CEA insurance policy forms and corresponding changes to the claim manual. The policy changes do not require any changes in rates. They all result from recent statutory changes that affect insurance policy requirements for all California residential property insurance policies.

The requirements have followed the losses and issues that came out of the devastating wildfires over the last few years.

The changes to the policy forms fall into three buckets:

- A clarification to the building code upgrade coverage provisions to explicitly enable policyholders to recover that building code upgrade coverage where they are buying or building a different home in a different location, instead of rebuilding their destroyed home.
- A change to the conditions of the policy that provides policyholders whose losses arise out of a state of emergency with an additional year, which would result in a total of two years, to bring a legal action based on the policy.
- A technical change to the conditions of the policy to provide a longer notice period for any non-renewal by the CEA of an existing policy. Mr. Zuber noted that non-renewals at the discretion of the CEA are rare.

Mr. Zuber mentioned that the changes are all related to recent amendments to the California Insurance Code. The CEA is going to comply with those new statutory requirements and apply them to our existing policy forms, and will interpret our existing policy forms in a manner consistent with those new statutory provisions.

Mr. Zuber requested approval of the newly revised policy forms and the claim manual, and requested that staff be instructed to submit those materials to the Insurance Commissioner for regulatory approval.

Questions and Discussion

Mr. Martinez noted that the memo provided to Board members and the public indicated that policy changes would become effective July 1, 2020, anticipating that these changes could be approved by the California Department of Insurance

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and subsequently implemented by the CEA on or before that statutory deadline. Mr. Martinez asked if that would be feasible given the current state of emergency. Mr. Zuber confirmed that the changes will not have a rate impact which would affect the amount of time needed to review and approve the amended policies and manual. The July date is actually aspirational because of the current crisis. However, CEA will deem these provisions to be in force even if not approved and implemented by that date.

Mr. Martinez commented that he would support moving this forward. He kindly reminded the Board that the Department of Insurance does review all of these filed policy forms and manuals. His subsequent motion and vote to approve was to send the forms to the Department as part of that process and not to presuppose or predetermine any subsequent Department staff decision of deliberative process. Mr. Zuber concurred that the Commissioner has a regulatory duty to look at the changes.

MOTION: Mr. Martinez moved to approve the proposed revisions to the CEA policy forms, and to instruct staff of the CEA to submit these proposed revised policy forms to the Insurance Commissioner/Department of Insurance for regulatory review and approval; as well as to approve the proposed revisions to the CEA claim manual, and instruct staff to submit the proposed revised Claim Manual also to the Insurance Commissioner/Department of Insurance for regulatory review and approval. Ms. O'Connor seconded.

There was no public comment.

VOTE: Motion passed unanimously with a vote of 2.

8. Mr. Pomeroy will propose, for Board approval, a routine update to CEA's Governing Board resolutions pertaining to certain CEA bank accounts.

Mr. Pomeroy stated that periodically the Board confers upon certain members of the CEA staff the authority to perform banking transactions by means of signing authority with the various banks. Mr. Pomeroy referred to Attachment A, the standard resolution that the Board has used.

Signing authority would go to CFO Tom Hanzel, General Counsel Tom Welsh, and Chief Executive Officer Pomeroy. The resolution confers to them the ability to transact business with the banks, subject to all the internal controls that have been developed in the CEA over time.

MOTION: Ms. O'Connor moved to adopt the staff recommendation that the Governing Board adopt the banking resolution in substantially the form provided by CEA's custodial bank. Mr. Martinez seconded.

There was no public comment.

VOTE: Motion passed unanimously with a vote of 2.

9. Chief Information Security Officer Kim Owen will seek Board authorization to contract for cyber insurance.

Ms. Owen reported that the CEA has been looking into cyber insurance for a couple of years now. At this point the cyber insurance industry has matured a great deal. Although the number of data breaches has increase significantly, insurance companies have gained a lot of experience and they have a financial incentive to ensure that their customers minimize the damage.

Ms. Owen pointed out that cyber insurance companies offer a lot of resources and skill sets that the CEA does not have in-house, such as forensics expertise.

She stated that the last major milestone that staff had completed in the process was submitting our insurance application. It was done last week, and is currently being shopped out by our broker (Willis). After they give a recommendation of three policies to choose from, staff will do an internal review, selection, and completion of the purchase. The target date has been moved to May 30.

Ms. Owen requested authorization to move forward with the purchase by May 30. This action has been analyzed by a cross-organizational team that includes finance, legal and IT. Staff was requesting to move forward with the purchase with coverage limits of up to \$150 million, then annual aggregate premiums not to exceed \$1.5 million.

Questions and Discussion

Ms. O'Connor asked if the amount were to exceed \$150 million – would it be in staff's capacity to restructure? Mr. Melavic confirmed that staff could renegotiate to keep it under \$150 million. If it went beyond the \$150 million or the \$1.5 million in premiums, staff would have to come back to the Board.

Mr. Martinez asked if this was already in the Board-approved budget, or if it would be considered a variance or something needing to be updated in the current existing budget. Mr. Hanzel answered that it would be a variance so it would come through via the adjustment/augmentation process in a subsequent Board meeting.

Mr. Martinez asked if cyber liability risks are covered by CEA's existing organizational insurance. Mr. Welsh stated that the CEA's underlying suite of corporate insurance policies generally exclude these kinds of risks; that is why the cyber insurance market arose. Commercial general liability and other types of insurance policies normally maintained by businesses exclude these kinds of asymmetrical cyber risks. He added that another driver for this need is that as the CEA continues to roll participating insurers onto its CPP platform, the larger insurers want assurance that CEA is carrying high-quality cyber insurance – we are potentially creating an additional cyber risk for the PIs.

Mr. Fry asked if staff had looked at piggybacking off another agency's current insurance claims. Mr. Welsh answered that in a normal governmental agency there are those opportunities, but here the CEA is not part of the state budget. If were to suffer a loss from a cyber intrusion, CEA could not pay the loss from state treasury funds, and that by purchasing cyber insurance, CEA is protecting policyholder assets from losses.

Ms. O'Connor commented that in this current situation, with teleworking due to COVID, CEA faces greater risk and needs to ensure that all cyber security and cyber insurance are up to the task of protecting policyholder assets.

MOTION: Ms. O'Connor moved to authorize the purchase of cyber insurance with coverage limits of up to \$150 million and annual aggregate premiums not to exceed \$1.5 million. Mr. Martinez seconded.

There was no public comment.

VOTE: Motion passed unanimously with a vote of 2.

10. General Counsel and Acting Chief Operations Officer Tom Welsh will report on the procurement and implementation of a Human Resource Management Team.

Mr. Welsh reported that a couple of years ago a project began for exploring the opportunity to purchase enterprise-wide software solutions where a single platform from a single software vendor would integrate the entire set of CEA's operational software needs. The price point had been high, so staff solved this requirement through the acquisition of smaller function-specific software solutions and through upgrades of existing software.

The final resource software requirement was the purchase of a system to automate many of the manual HR functions at CEA. Staff has procured a system

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called Dayforce by Ceridian that CEA is implementing and should go into service later this summer.

11. Chief Risk and Actuarial Officer Shawna Ackerman will deliver a quarterly report to the Board on the CEA enterprise-risk-management-program.

Ms. Ackerman stated that the ERM program continues to monitor the 12 priority risks in a steady-state or a current view, through a stressed post-earthquake perspective.

Ms. Ackerman displayed the ERM quarterly report.

She stated that the California Department of Insurance completed their Consumer Complaint Study which showed that CEA had no justified complaints in 2019.

She displayed a report conveying CEA's current status and outlook on each of the 12 priority risks in relation to COVID-19. CEA has been able to maintain normal and necessary business functions while all staff work from home. We have a negative outlook on risk-transfer, and are monitoring surplus and ratings to ensure that our partners continue to meet our risk-transfer guidelines.

CEA has reached out to all its critical vendors, including participating insurers, to ensure that they are available and able to understand the measures taken to respond to the pandemic. This is part of the business continuity process.

For the retrofitting programs, CEA has a negative outlook because of the limits on construction that are in place due to COVID-19.

Insure – Matters Related to CEA's Insurance Business

12. CPP Portfolio Manager Sonya Berry will provide a status report on CEA's Centralized Policy Processing program (CPP).

Ms. Berry stated that the CPP program provides the policy administration system for participating insurers to allow for the servicing of their policies. Currently nine PIs use the system – that comprises 13% of the CEA book of business. The goal is to have the remaining PIs on CPP by 2026.

Ms. Berry summarized the progress of the PIs in adopting the program.

- Toggle (an affiliate of Farmers) is a few weeks away from going live.

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- State Farm is in the contract review cycle and is expected to start in late summer.
- Farmers is wrapping up discovery meetings and is soon to move into the contract review cycle.
- USAA is exploring CPP's capability and has inquired about timelines and implementation. As yet it has no projected timeline.

Ms. Berry gave further details on the four PIs.

The ticketing system (Desk.com) used by the CPP team to manage software tasks for the PIs who are using CPP will be retiring at the end of the first quarter of 2020, and staff has taken the opportunity to review available replacement software. CEA has acquired software from ServiceNow, and is currently implementing that new ticketing system; it is about four weeks away from launching. ServiceNow will enhance the tracking of work, metrics, and service-level agreements with PIs, as well as enabling PIs to submit and monitor status of their tickets.

CPP experienced a limited data security incident on February 28: one PI notified CEA of several reports that were producing results containing data from other PIs. The team quickly validated the report and worked with Insuresoft to mitigate the incident. Within 45 minutes all reports were disabled and analyses of the incident were conducted. The root cause was a set of optional reports that were unintentionally enabled for use on the system. Upon investigation, CEA determined that no other PIs had executed the vulnerable reports, which indicated that there had been no unaddressed compromise or release of any PI data.

CEA notified the impacted PIs and worked with the initial PI to ensure that any data from other PIs that it obtained when it identified the vulnerability was properly returned to CEA and otherwise not retained by that PI. CEA and Insuresoft identified immediately and implemented corrective actions and new controls to prevent this error from occurring in the future.

Ms. Berry displayed a slide representing the CPP budget as of the close of 2019. There were no changes and the expected expenditure through 2036 is on target.

13. Chief Mitigation Officer Janiele Maffei will update the Board on developments in the CEA mitigation programs (CRMP Earthquake Brace + Bolt and CEA Brace + Bolt) and the CEA Research Program.

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Ms. Maffei stated that in February, the CEA had held a press conference in Pasadena to announce the 2020 Earthquake Brace + Bolt program. A homeowner volunteered to be part of the promotion of the program; his participation will be an effective addition. Local television, radio, and print media were a strong presence at the press conference. Assembly Member Holden and State Senator Portantino joined the event.

11,926 people registered during the month; the goal had been 10,000. However, the global pandemic was gaining momentum at that time.

In 2019 we had experienced 10 months of delay to work out some details with FEMA; the 2019 and 2020 programs are being funded by their Hazard Mitigation Grant Program. However, during the last months of 2019 we got 1,731 homeowners retrofitted.

We set the next goal for 4,400; but the challenges are now severe to the program from the state and county orders to stay home. The determination of the type of construction currently allowed is done by counties and local building departments. CEA customer service staff has called our major contractors as well as local building departments, and there was a wide spectrum of answers regarding construction allowed.

The city of Los Angeles is the least restrictive; building departments in smaller cities and towns have shut down. The program is going to be ready when the state is ready to proceed with construction. We have registrants at all different stages in the program. We are not sure when we can let the 4,400 people know that they have been selected for the next program.

The research programs can continue more easily because the majority are being done by engineers and academic professionals who can work at home. We have provided the capability for them to extend deadlines.

The expansion of the plan sets that we have is in the process of being converted to code. FEMA is closely involved, but their people have all been deployed to help with the pandemic so that is delayed.

The PEER project is delayed but not significantly.

The update of the CUREE document (guidelines for assessment and repair) is finished and is going to be uploaded to the CEA website, to be presented at our claim managers meeting.

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The bridge project between the UCERF 3 and UCERF 4 project creates the probabilistic earthquake risk maps used to design new buildings, retrofit existing buildings, and establish our rates. It is slightly delayed.

Questions and Discussion

Ms. O'Connor asked if the deadlines for the grants to Californians for the Brace + Bolt program have been extended. Ms. Maffei answered that those in the 2019 program have had sufficient time to do the work. Those who have not been able to start the work are going to be in the same position as those whom we are going to let in this time. CEA will definitely be providing extensions.

Conclusion

14. Public Comment on matters that do not appear on this agenda and requests by the public that those matters be placed on a future agenda.

Mr. Pomeroy thanked the 162 people working at the CEA for the way they have taken on the changes of the past four weeks with determination and renewed commitment to the mission. He also thanked the members of the Board for taking the time today to help move this organization forward.

15. Adjournment

MOTION: Ms. O'Connor motioned to adjourn the meeting. Mr. Martinez seconded. Motion carried unanimously.

The meeting was adjourned at 2:58 p.m.