



Date of Notice: Monday, April 18, 2011

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: Cal/EPA Building
Sierra Hearing Room (2nd Floor)
1001 I Street
Sacramento, California

DATE: Thursday, April 28, 2011

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

2. Consideration and approval of the minutes of the February 24, 2011, Governing Board meeting.

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.

3. Chief Executive Officer Glenn Pomeroy will present his executive report; assisted by CEA executive staff, Mr. Pomeroy's report will include an update for the Board on federal and state legislative activities of interest to the CEA. Mr. Pomeroy will request Board support of S.637, the "Earthquake Insurance Affordability Act", recently introduced in the U.S. Congress by Senators Dianne Feinstein and Barbara Boxer.
4. Chief Financial Officer Tim Richison will present a CEA financial report.
5. Chief Communications Officer Chris Nance will provide the Board with an update on the progress of the 2011 CEA Marketing Value Program.
6. Mr. Nance will update the Board on the status of the CEA's mitigation program.
7. 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.
8. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
9. 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

<p>To view this notice on the CEA Web site or to learn more about the CEA, please visit www.EarthquakeAuthority.com</p>
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Persons with disabilities may request special accommodations at this or any future Governing Board meeting or may request the accommodation necessary to receive agendas or materials the CEA prepares for its Board meetings.

Please contact 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 28, 2011

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

Recommended Action: Declare CEA Governing Board support for S.637 (the “Earthquake Insurance Affordability Act”) recently introduced in Congress

Chief Executive Officer Glenn Pomeroy will present his Executive Report. Assisted by CEA executive staff, Mr. Pomeroy will update the Board on federal and state legislative activities of interest to the CEA, including a request for Board support of S.637 (the “Earthquake Insurance Affordability Act”), recently introduced in the U.S. Congress by Senators Dianne Feinstein and Barbara Boxer.



FINANCIAL REPORT

**GOVERNING BOARD MEETING
THURSDAY, APRIL 28, 2011
1:00 P.M.**

**California Earthquake Authority
Base Capital Report**

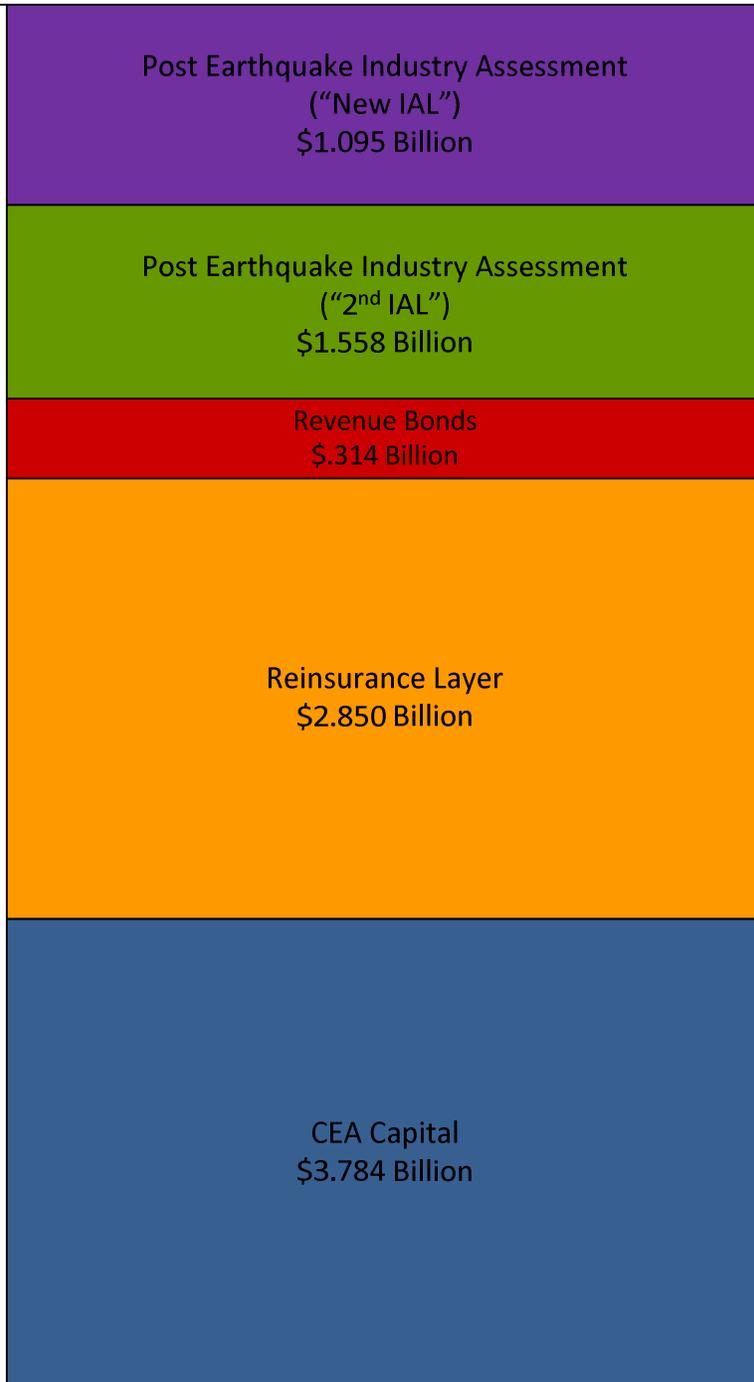
Capital as of February 28, 2011

Cash & Investments (includes capital contributions and premiums)	\$ 4,282,500,675 *
Investments from Revenue Bond Proceeds (at market value)	(314,085,647)
Debt Service (Interest, Principal & Debt Service (Min. Bal.))	(26,670,298)
Interest Receivable	12,961,444
Securities Receivable	0
Premium Receivable	40,992,656
Risk Capital Surcharge Receivable	0
Capital Contributions Receivable	2,279,162
Other Cash-Related Assets	5,963
Unearned Premium Collected	(208,500,442)
Securities Payable	(4,148,634)
Accounts Payable & Accrued Expenses	(1,234,881)
CEA Base Capital	<u><u>\$ 3,784,099,998</u></u>

** Does not include mitigation cash and investments of \$22,673,922*

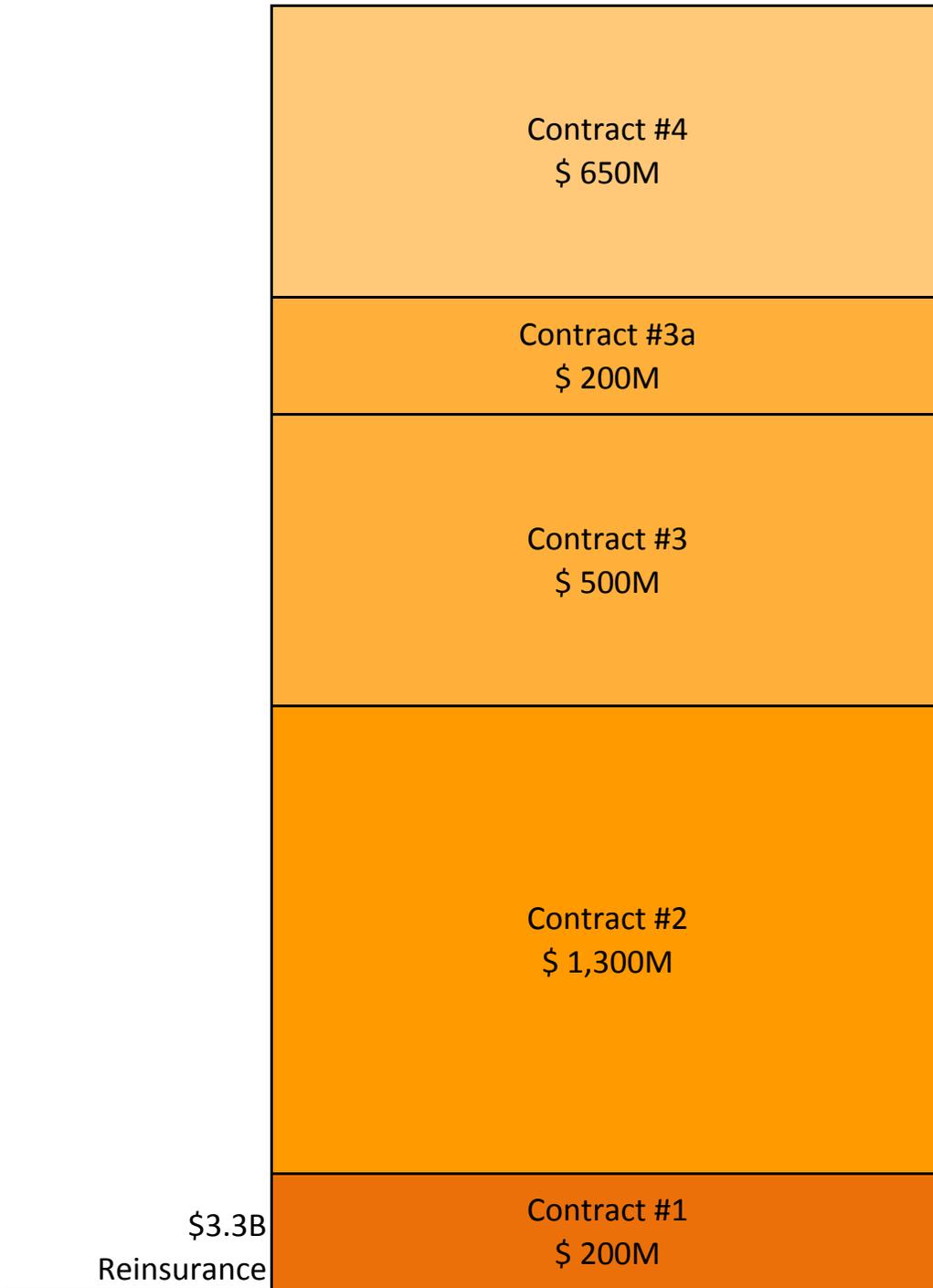
California Earthquake Authority Claim-paying Capacity as of February 28, 2011

1-in-580 years
Recurrence Interval



Total \$9.601 Billion

**California Earthquake Authority
Reinsurance Capacity
as of January 1, 2011**



Total \$2.850 Billion

California Earthquake Authority

Balance Sheet

As of February 28, 2011

Assets

Cash and investments:

Cash and cash equivalents	18,815,855
Restricted cash & equivalents	49,345,758
Restricted investments	314,085,757
Investments	<u>3,922,927,227</u>

Total cash and investments 4,305,174,597

Premiums receivable, net of allowance for doubtful accounts of \$10,533,225	40,992,656
Capital contributions receivable	2,279,162
Risk capital surcharge receivable	-
Interest receivable	12,961,444
Securities receivable	-
Prepaid reinsurance premium	16,445,834
Equipment, net	1,266,929
Deferred policy acquisition costs	39,191,338
Other assets	<u>5,963</u>

Total assets \$ 4,418,317,923

Liabilities and Net Assets

Unearned premiums	\$ 291,819,347
Accounts payable and accrued expenses	1,234,881
Claim and claim expense reserves	-
Securities payable	4,148,634
Revenue bond payable	189,000,000
Revenue bond interest payable	<u>1,943,235</u>

Total liabilities 488,146,097

Net assets:

Restricted, expendable	172,083,450
Unrestricted*	<u>3,758,088,376</u>

Total net assets 3,930,171,826

Total liabilities and net assets \$ 4,418,317,923

* Includes Cumulative Participating Insurer Contributed Capital of \$756,612,796 and State of California Contributed Capital of \$156,585,651.

California Earthquake Authority
Statement of Revenues, Expenses and Changes in Net Assets
For the Year-to-Date Ended February 28, 2011

Underwriting income:	
Premiums written	\$ 83,210,377
Less premiums ceded - reinsurance	(32,091,667)
Less risk capital surcharge	-
Net premiums written	<u>51,118,710</u>
Change in unearned premiums	<u>11,042,875</u>
Net unearned premiums	<u>11,042,875</u>
Net premiums earned	<u>62,161,585</u>
Expenses:	
Claim and claims expense	4,288
Participating Insurer commissions	9,431,307
Participating Insurer operating costs	3,235,065
Reinsurance broker commissions	800,000
Pro forma premium taxes	1,982,172
Financing expenses, net	1,413,193
Mitigation Fund expenses	14,111
Other underwriting expenses	<u>1,576,440</u>
Total expenses	<u>18,456,576</u>
Underwriting profit	43,705,009
Net investment income	2,483,563
Other income	62,477
Participating Insurer Contributed Capital	-
State of California premium tax contribution	<u>1,982,172</u>
Increase in net assets	48,233,221
Net assets, beginning of year	<u>3,881,938,605</u>
Net assets, end of year	<u><u>\$ 3,930,171,826</u></u>

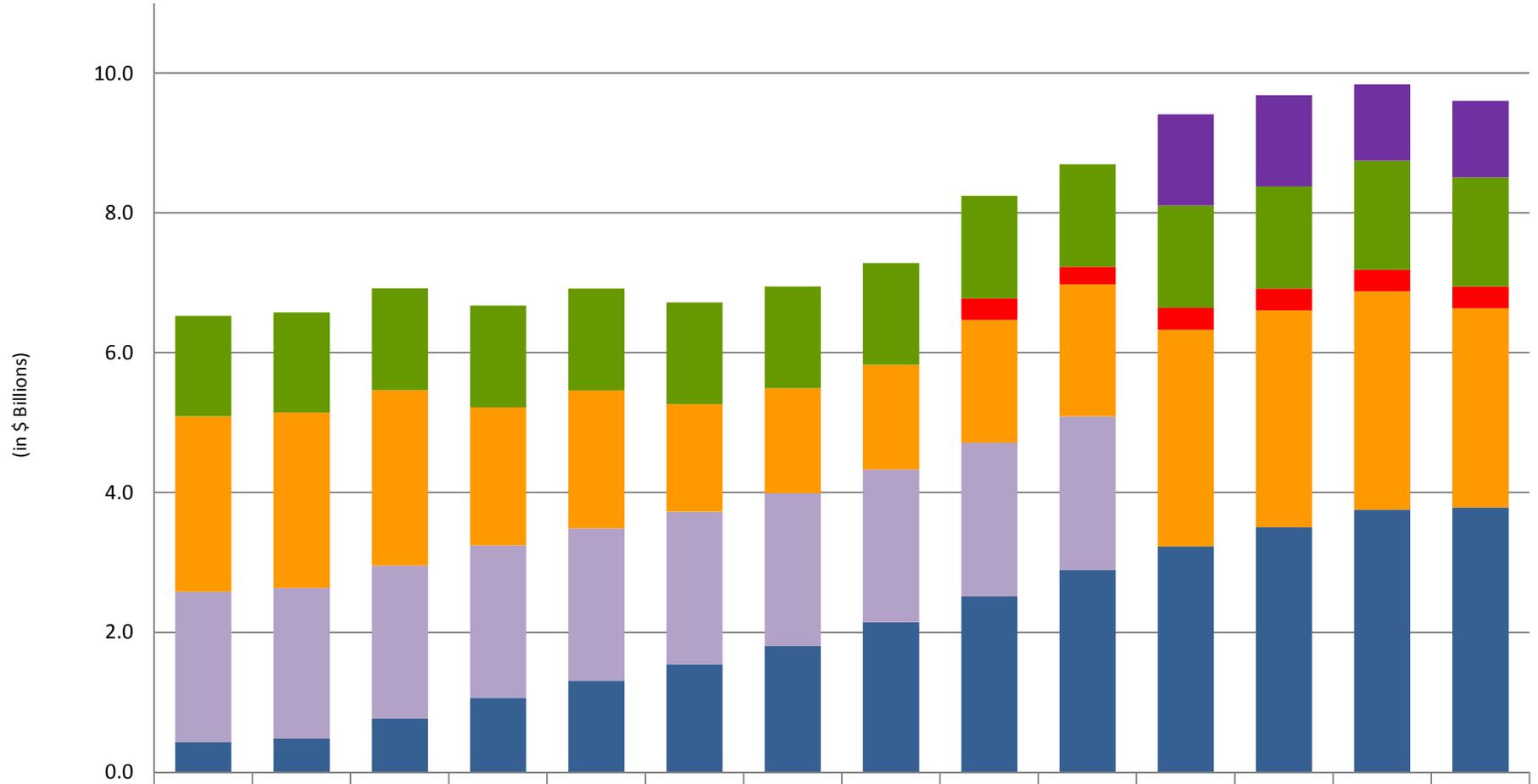
California Earthquake Authority
Insurance Services
Budgeted Expenditures and Actual Expenditures
2011 Budget Year

	(a)	(b)	(c)	(d)	(e)	(f)
	<u>Approved 2011 Budget</u>	<u>Budget Augmentation February 2011</u>	(c=a+b) <u>Augmented Approved 2011 Budget</u>	<u>Actual Expenditures as of 2/28/11</u>	(e=c-d) <u>Remaining Augmented Approved Budget as of 2/28/11</u>	(f=d/c) <u>Percentage of Augmented Approved Budget Used</u>
Salaries & Benefits	\$ 8,383,706	\$ -	\$ 8,383,706	\$ 962,359	\$ 7,421,347	11%
Rent	699,880	-	699,880	75,380	624,500	11%
Travel	381,152	-	381,152	17,859	363,293	5%
Non-paid Consultant Travel	842	-	842	-	842	0%
Telecommunications	191,986	-	191,986	19,441	172,545	10%
Training	122,923	-	122,923	24,059	98,864	20%
Insurance	126,362	-	126,362	541	125,821	0%
Board/Panel Services	19,015	-	19,015	4,503	14,512	24%
Administration & Office (Software Maint & Support, Printing & Stationery, Postage)	918,718	-	918,718	78,424	840,294	9%
Administrative Contracted Services						
Data Mgmt Services	778,096	-	778,096	11,119	766,977	1%
Other Administrative Contracted	40,208	-	40,208		40,208	0%
Furniture/Equipment						
Under \$500	8,300	-	8,300	6,665	1,635	80%
Over \$500	19,000	-	19,000	9,744	9,256	51%
EDP Hardware/Software						
Under \$500	26,238	-	26,238	1,056	25,182	4%
Over \$500	557,400	-	557,400	12,489	544,911	2%
Capital Lease Obligations	-	-	-	-	-	
Marketing & Outreach	-	-	-	-	-	
Legal Expenses - Intervenor's Fees	-	-	-	-	-	
Dept of Insurance Examination	55,000	-	55,000	2,376	52,624	4%
Total Operating Expenses	12,328,826	-	12,328,826	1,226,015	11,102,811	10%
Consulting Services						
Actuarial	25,000	-	25,000	-	25,000	0%
Claims	10,000	-	10,000	-	10,000	0%
Information Technology	50,000	-	50,000	-	50,000	0%
Information Tech. Security	-	-	-	-	-	0%
Financial Consulting	175,000	-	175,000	-	175,000	0%
Marketing Research	-	-	-	-	-	0%
Other Consulting Services	1,387,000	-	1,387,000	102,341	1,284,659	7%
Total Consulting Services	1,647,000	-	1,647,000	102,341	1,544,659	6%

**California Earthquake Authority
Insurance Services
Budgeted Expenditures and Actual Expenditures
2011 Budget Year**

	(a)	(b)	(c)	(d)	(e)	(f)
	<u>Approved 2011 Budget</u>	<u>Budget Augmentation February 2011</u>	<u>(c=a+b) Augmented Approved 2011 Budget</u>	<u>Actual Expenditures as of 2/28/11</u>	<u>(e=c-d) Remaining Augmented Approved Budget as of 2/28/11</u>	<u>(f=d/c) Percentage of Augmented Approved Budget Used</u>
Research	1,018,000		1,018,000	-	1,018,000	0%
Contracted Services						
Agent Services	50,000	-	50,000	-	50,000	0%
Audit Service	125,000	-	125,000	-	125,000	0%
Brochure/Information Products	25,000	-	25,000	-	25,000	0%
Business System Development	-	-	-	-	-	0%
Communications	110,000	-	110,000	-	110,000	0%
Consumer Services	50,000	-	50,000	-	50,000	0%
Contracted Marketing & Outreach	390,000	-	390,000	-	390,000	0%
Dynamic Financial Analysis	-	-	-	-	-	0%
Investment Compliance	-	-	-	-	-	0%
Legal Services-Claims Counsel	200,000	-	200,000	-	200,000	0%
Legal Service - Non-Claims	2,707,690	-	2,707,690	6,568	2,701,122	0%
Modeling Service	1,451,000	-	1,451,000	50,000	1,401,000	3%
Marketing Services	5,288,360	-	5,288,360	31,381	5,256,979	1%
Web Development/Maintenance	30,975	-	30,975	-	30,975	0%
Other Contracted Services	1,199,900	-	1,199,900	13,810	1,186,090	1%
Total Contracted Services	11,627,925	-	11,627,925	101,759	11,526,166	1%
Investment Expenses	2,455,000	-	2,455,000	300,309	2,154,691	12%
Financing Expenses	10,999,793	-	10,999,793	1,985,223	9,014,570	18%
Catastrophe Bonds	-	-	-	-	-	0%
Reinsurance - Base	225,555,000	-	225,555,000	32,891,667	192,663,333	15%
Total Expenditures	\$ 265,631,544	\$ -	\$ 265,631,544	\$ 36,607,314	\$ 229,024,230	14%

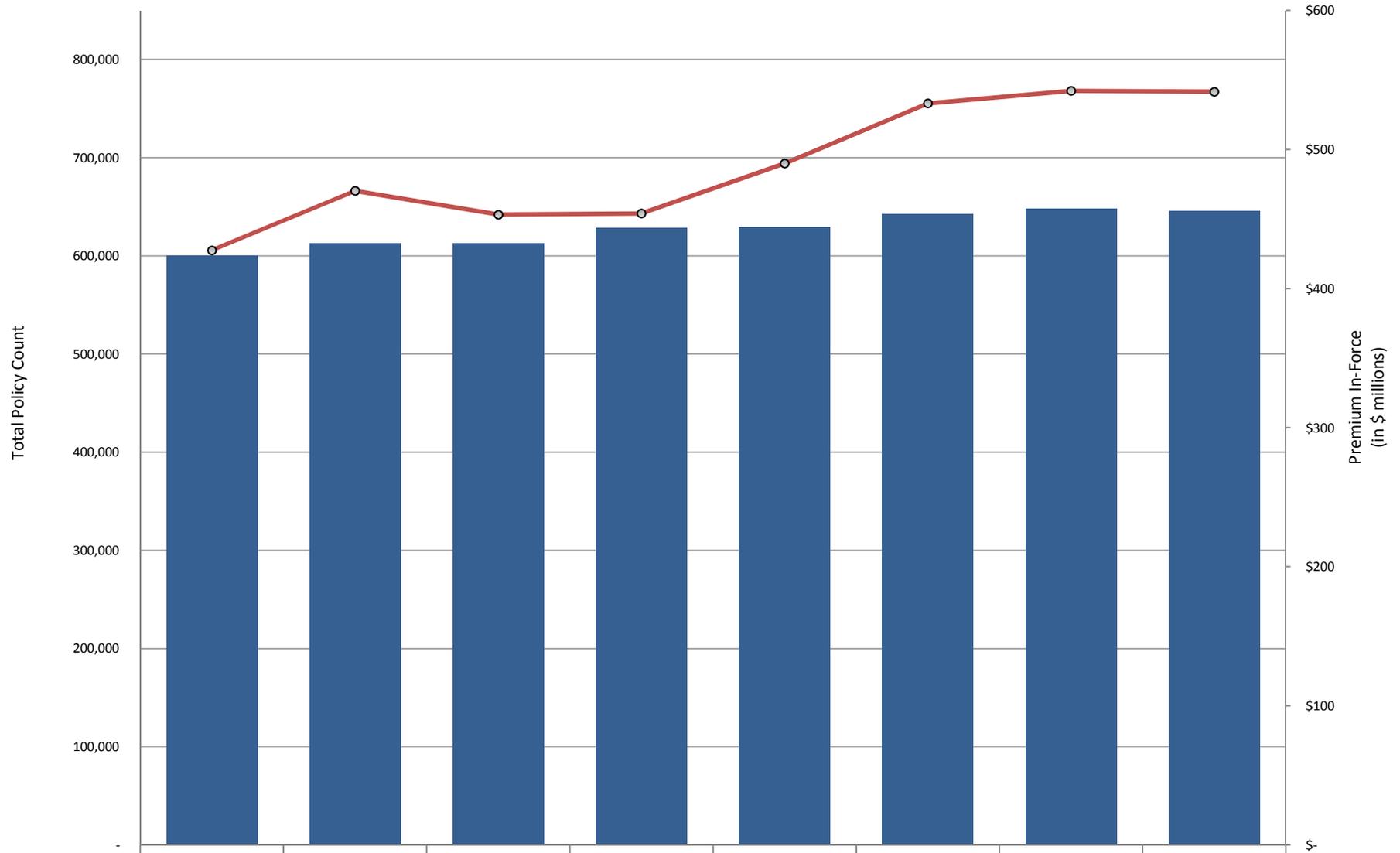
**California Earthquake Authority
Total Claim-Paying Capacity (CPC)
as of February 28, 2011**



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total CPC	\$7.240	\$7.293	\$7.635	\$7.360	\$7.373	\$7.069	\$6.948	\$7.284	\$8.244	\$8.695	\$9.411	\$9.685	\$9.840	\$9.601
New Industry Assessment	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	1.095
2nd Industry Assessment	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
Revenue Bonds	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	0.314
Reinsurance	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	2.850
1st Industry Assessment	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
CEA Available Capital	0.432	0.485	0.772	1.064	1.307	1.544	1.809	2.145	2.515	2.894	3.231	3.505	3.753	3.784

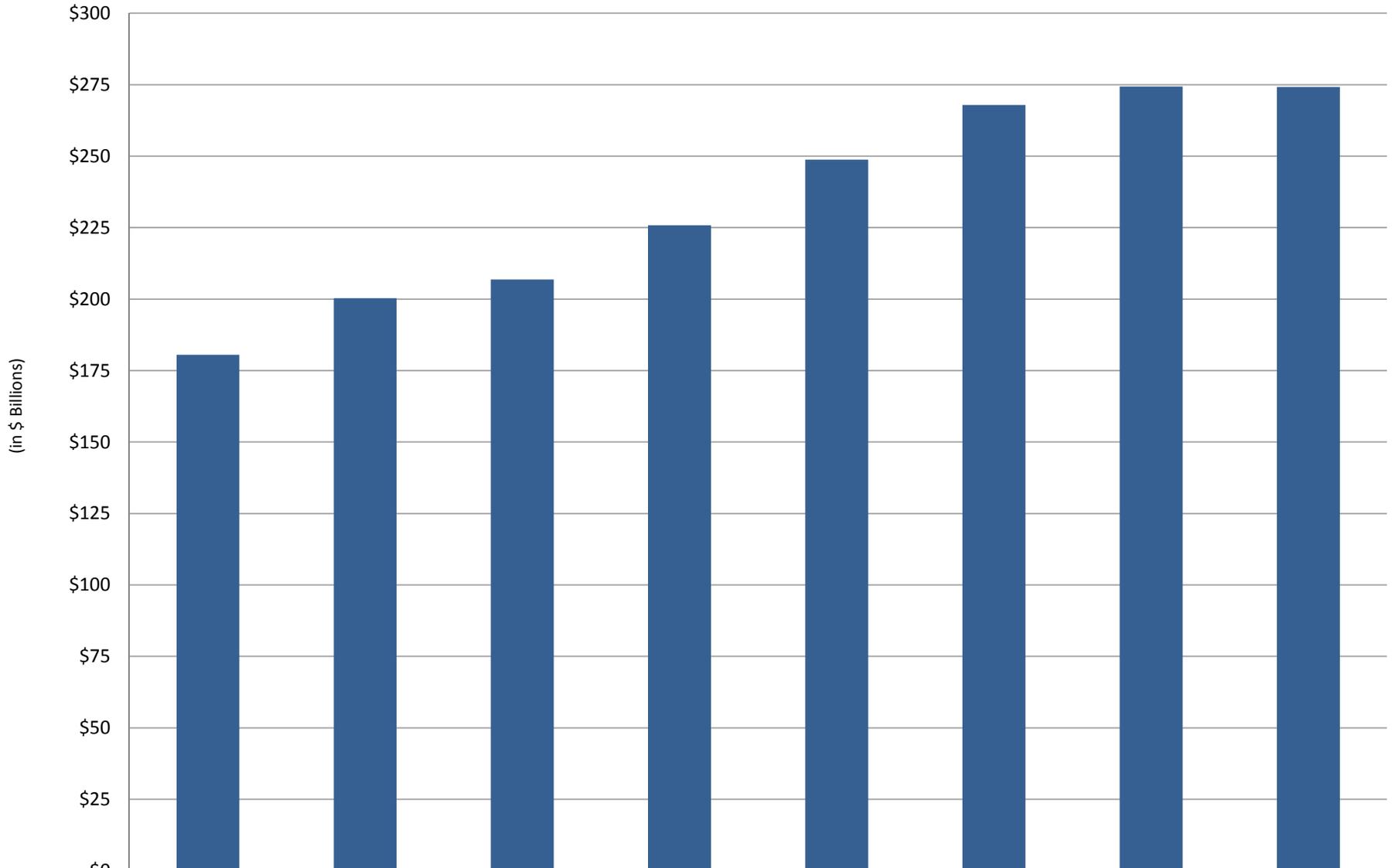
NOTE: In 2007 Revenue Bond proceeds were split between the Base and Supplement programs.

California Earthquake Authority Homeowner Policy Count and Premium In-Force as of February 28, 2011



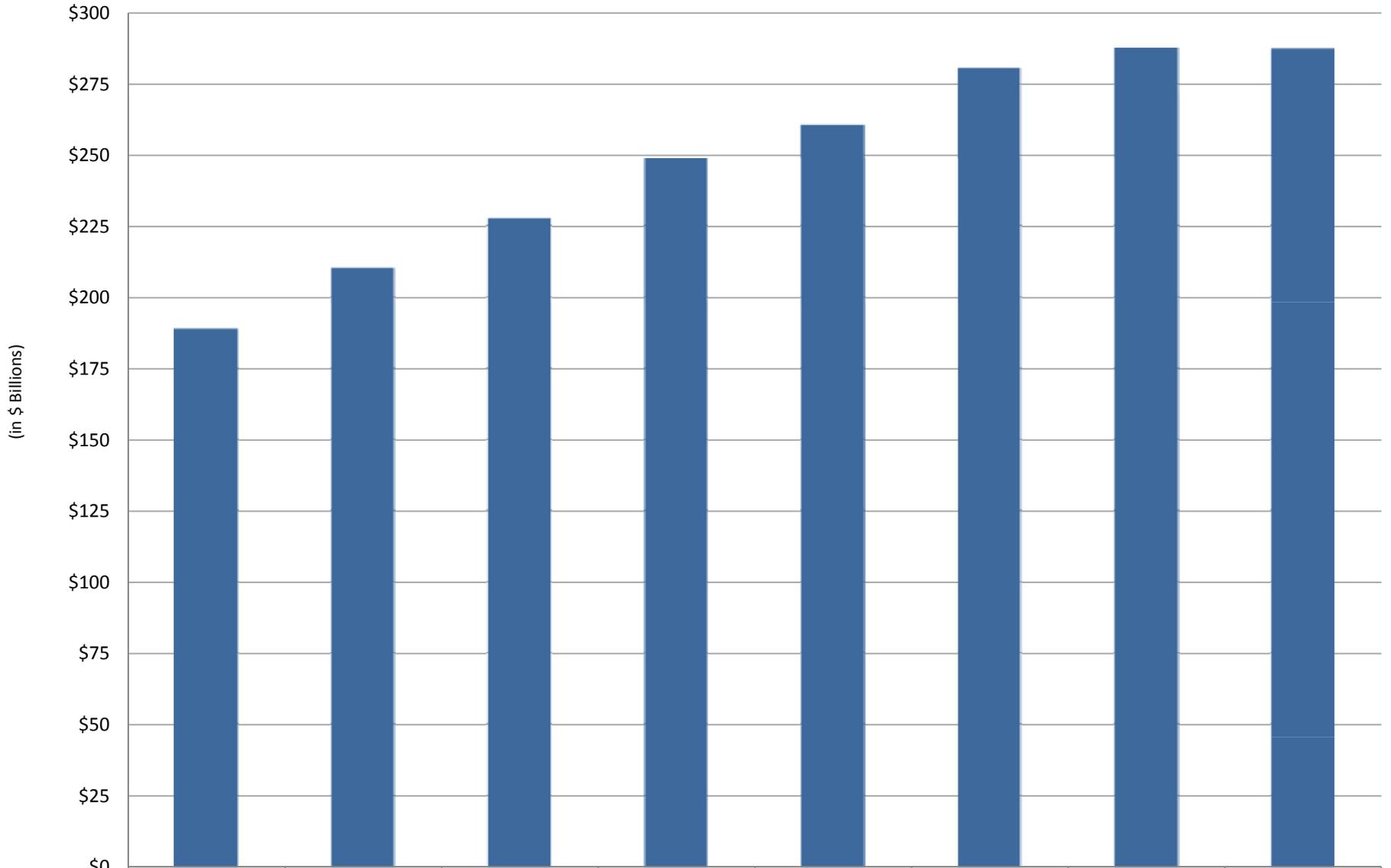
Total Policy Count	600,673	613,266	612,941	628,802	629,138	642,174	647,947	646,068
Total Premium in Force	\$427.5	\$470.2	\$453.2	\$454.0	\$489.9	\$533.1	\$542.1	\$541.5
Annual Change in Policy Count	0.0%	2.1%	-0.1%	2.6%	0.1%	2.1%	0.9%	-0.3%
Annual Change in Premium	0.0%	10.0%	-3.6%	0.2%	7.9%	8.8%	1.7%	-0.1%

**California Earthquake Authority
Homeowner Policy Total Insured Value (TIV)
as of February 28, 2011**



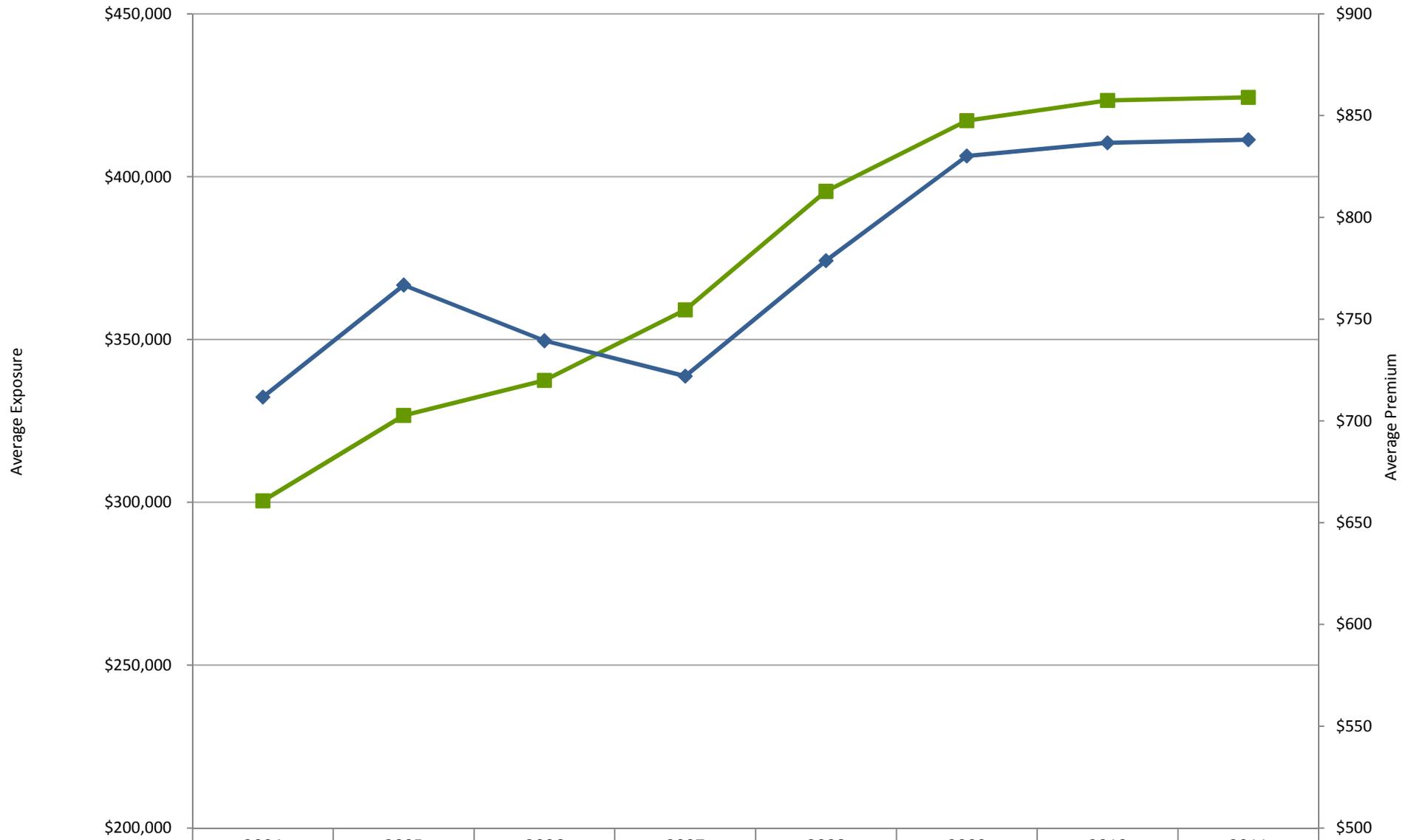
	2004	2005	2006	2007	2008	2009	2010	2011
Total Insured Value (TIV)	180.5	200.3	206.8	225.8	248.8	267.9	274.3	274.2
Annual Change in TIV	0.00%	11.00%	3.25%	9.17%	10.19%	7.68%	10.26%	2.33%

**California Earthquake Authority
Total Insured Value (TIV)
as of February 28, 2011**



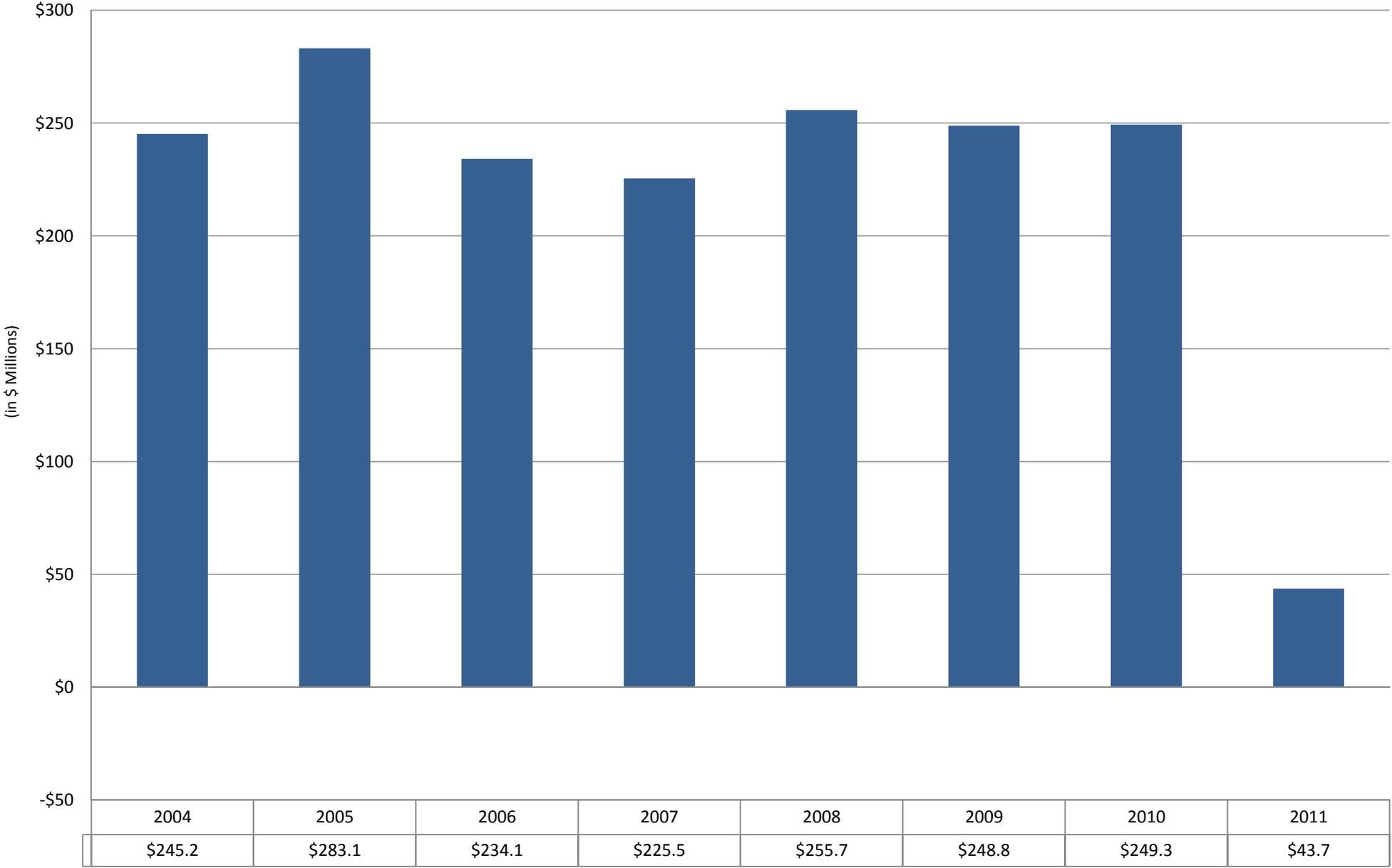
	2004	2005	2006	2007	2008	2009	2010	2011
Total Insured Value (TIV)	188.9	210.0	227.4	248.6	260.5	280.7	287.6	287.5
Annual Change in TIV	9.6%	11.2%	8.3%	9.3%	4.8%	7.8%	10.4%	2.4%

**California Earthquake Authority
Average Homeowner Policy Premium and Insured Value
as of February 28, 2011**



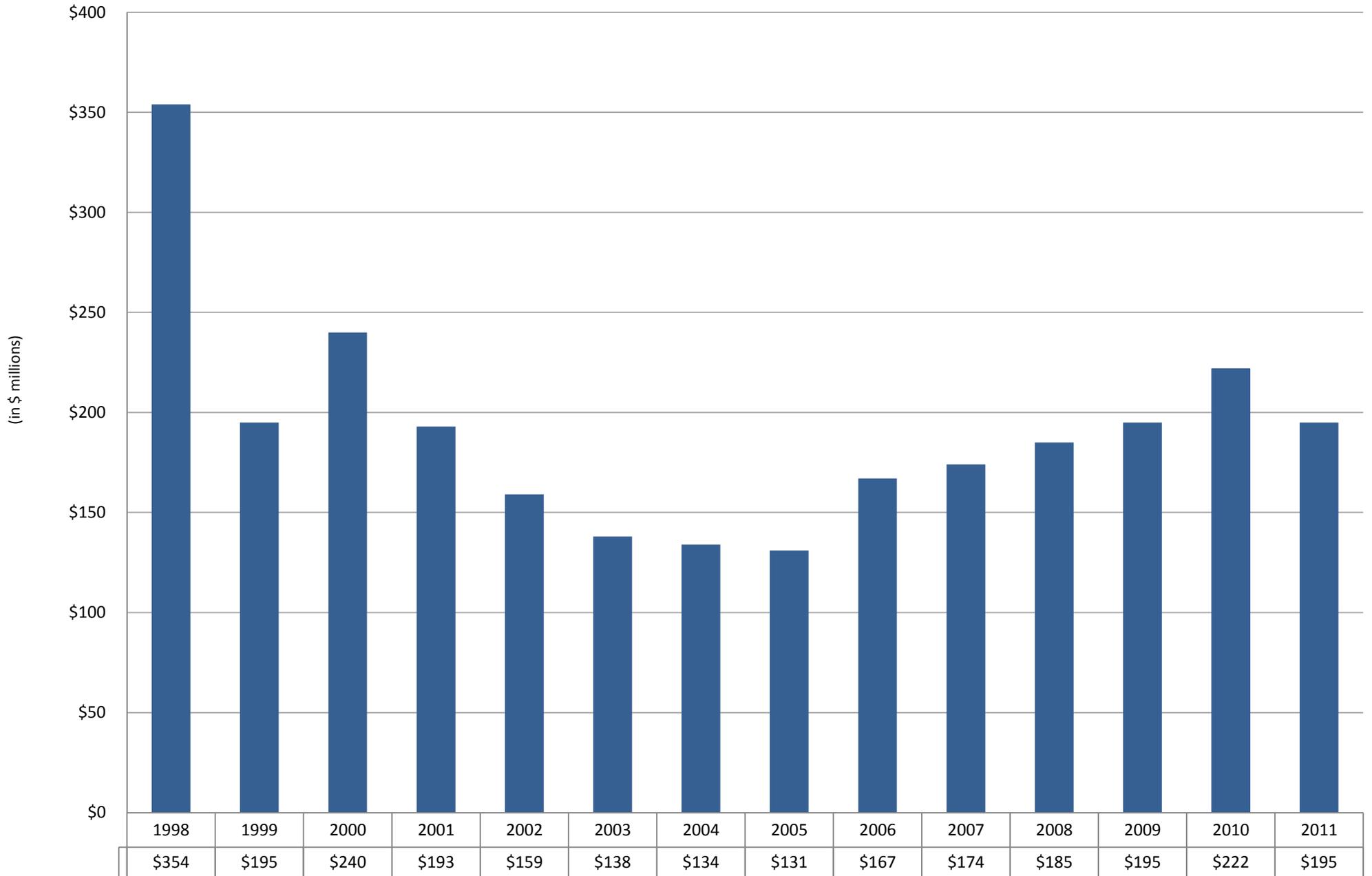
■ Average Insured Value	\$300,458	\$326,668	\$337,455	\$359,110	\$395,483	\$417,206	\$423,414	\$424,354
◆ Average Premium	\$712	\$767	\$739	\$722	\$779	\$830	\$837	\$838

**California Earthquake Authority
Annual Capital Accumulated from Premium
as of February 28, 2011**

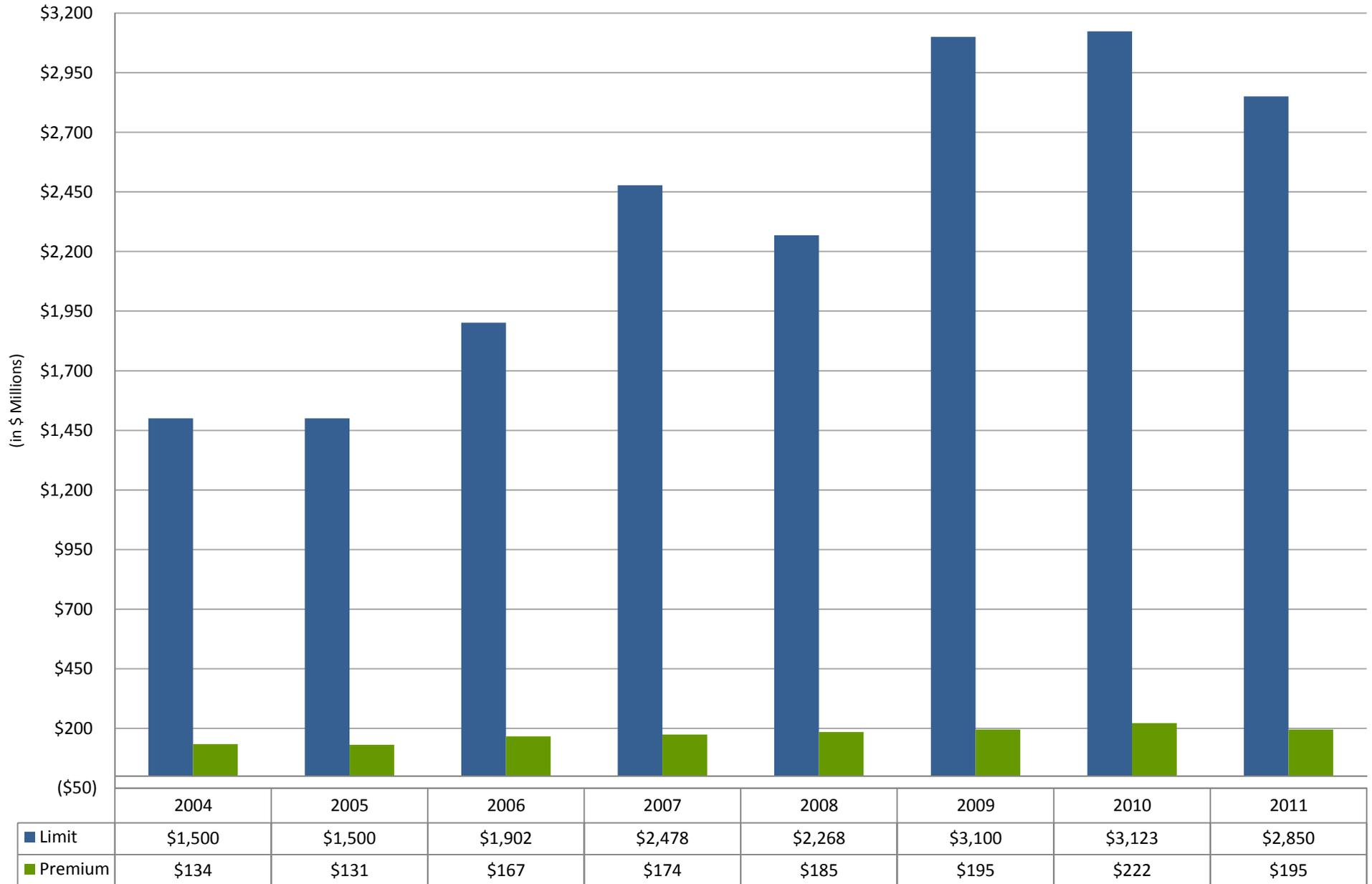


NOTE: From 2010 forward, figure is GASB underwriting profit. Prior to 2010, figure was FASB net premiums written minus total expenses.

California Earthquake Authority Annual Reinsurance Premium Expense

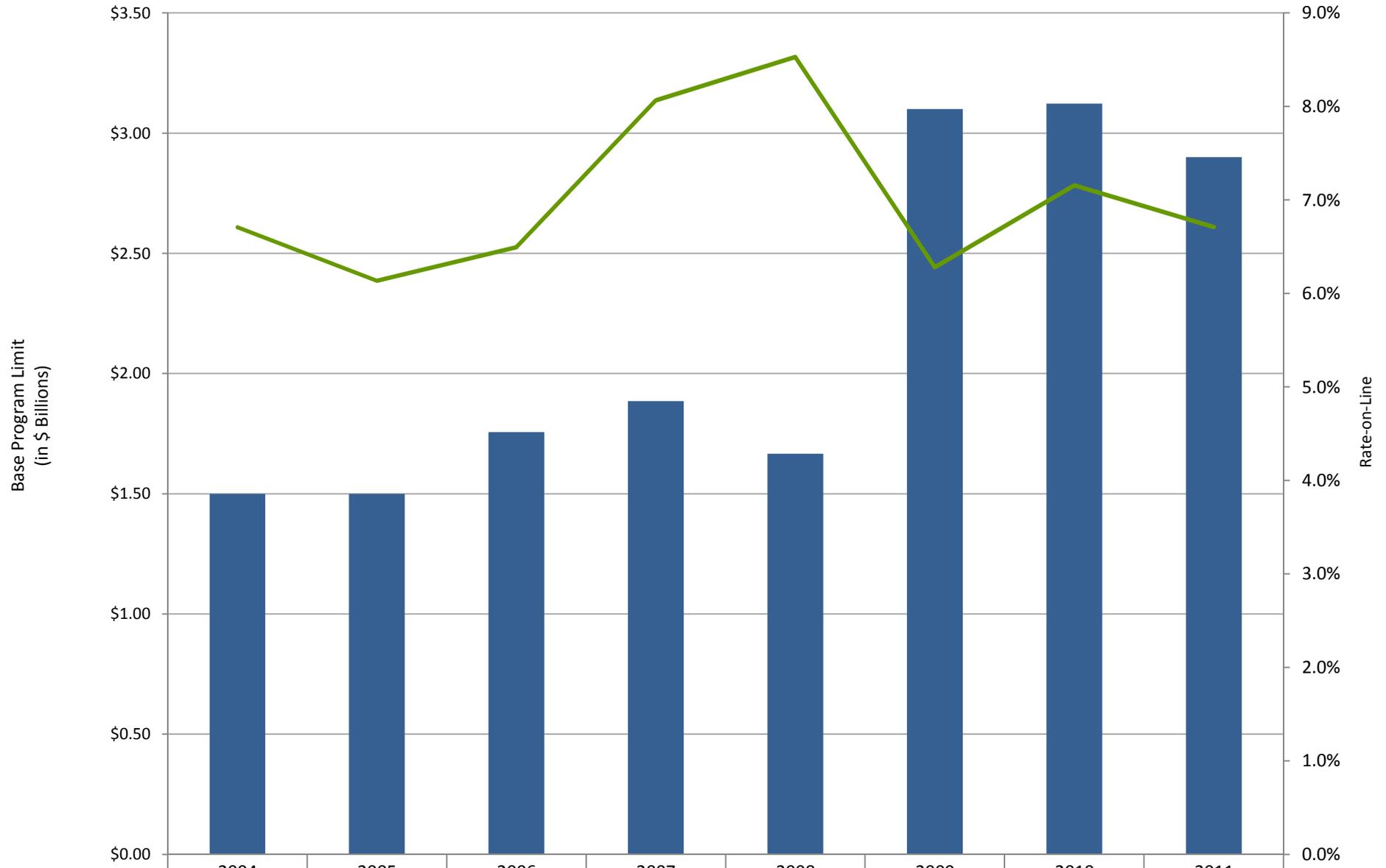


California Earthquake Authority Annual Reinsurance Premium and Limit



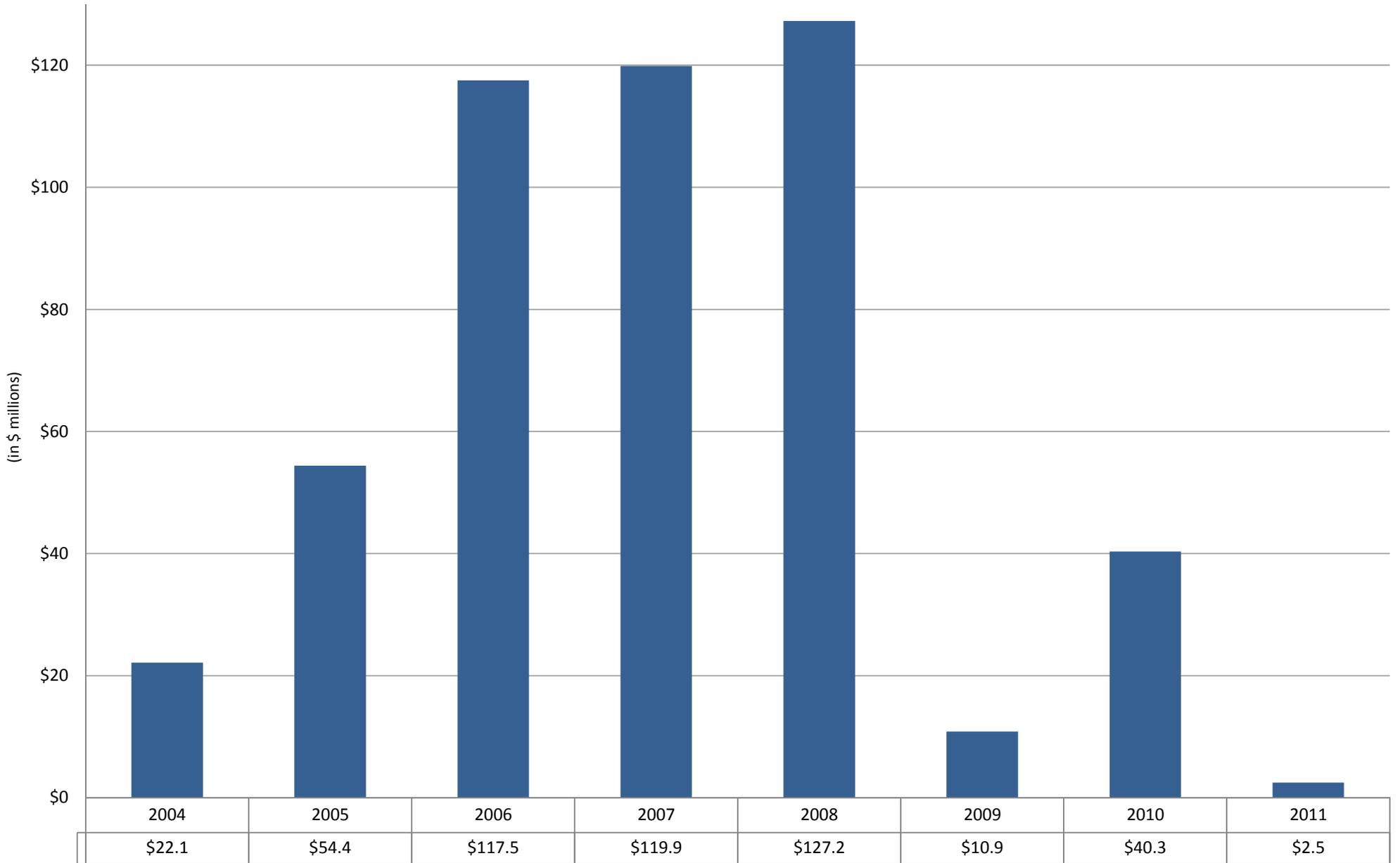
NOTE: Limits through 2005 do not include supplemental coverage while 2006 forward include supplemental coverage.

California Earthquake Authority Reinsurance Base Program Limits and Rate-on-Line



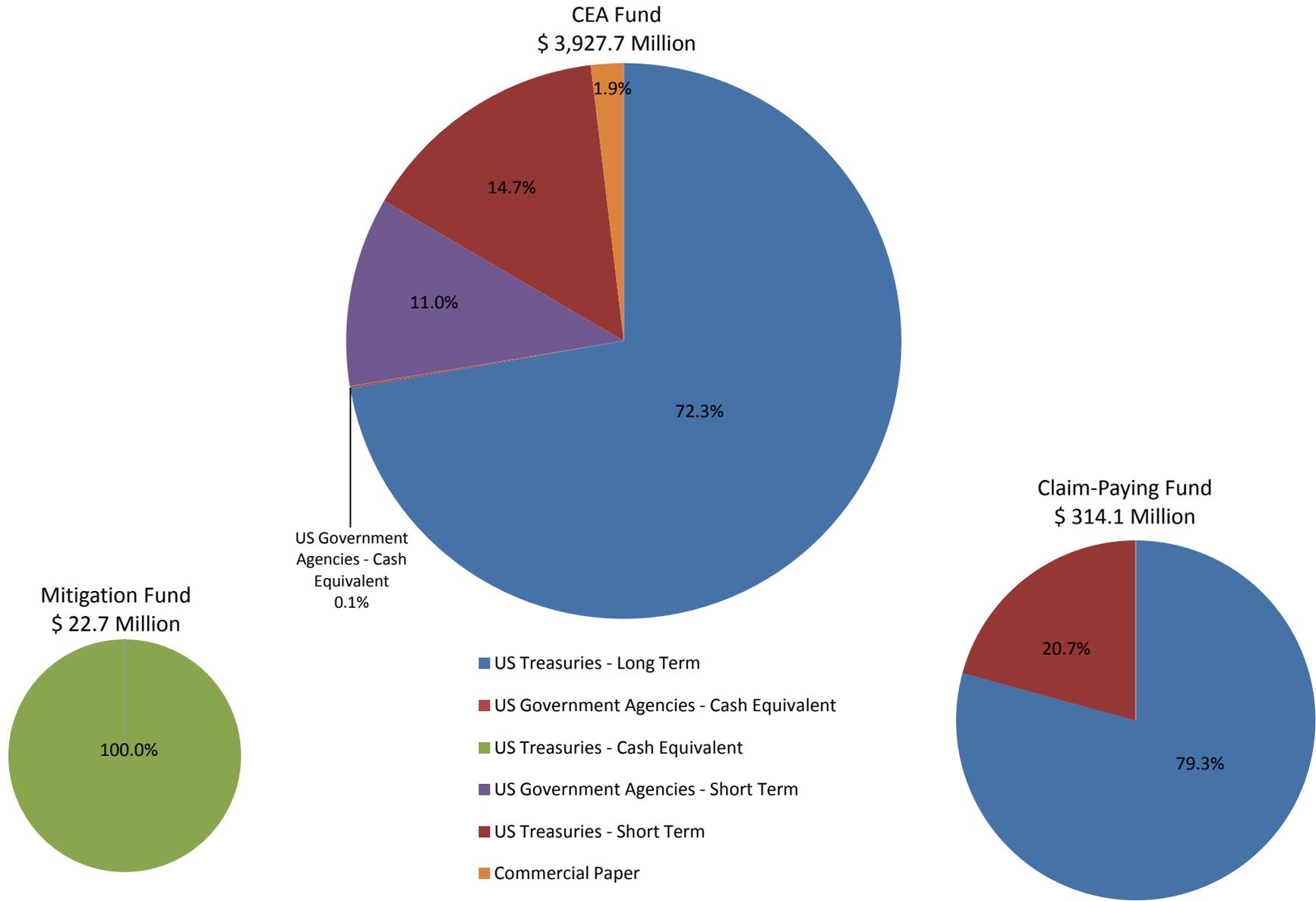
■	Base Program Limit	\$1.50	\$1.50	\$1.76	\$1.89	\$1.67	\$3.10	\$3.12	\$2.90
—	Rate-on-Line	6.7%	6.1%	6.5%	8.1%	8.5%	6.3%	7.2%	6.7%

**California Earthquake Authority
Annual Investment Income
as of February 28, 2011**

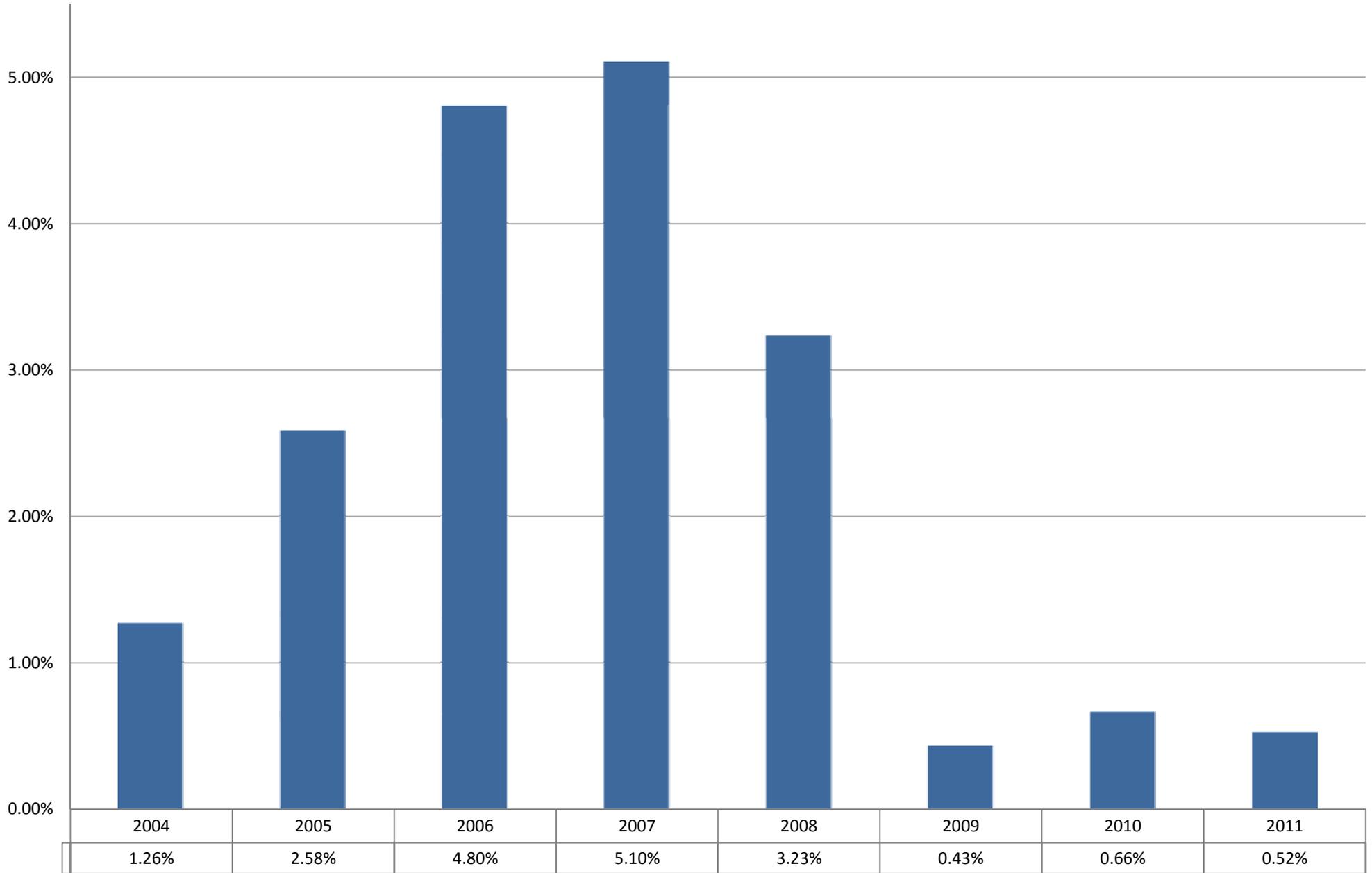


NOTE: Prior to 2011, investment income was reported from FASB financial statements which did not include unrealized gains or losses.

**California Earthquake Authority
Investment Portfolio Distribution
as of February 28, 2011**

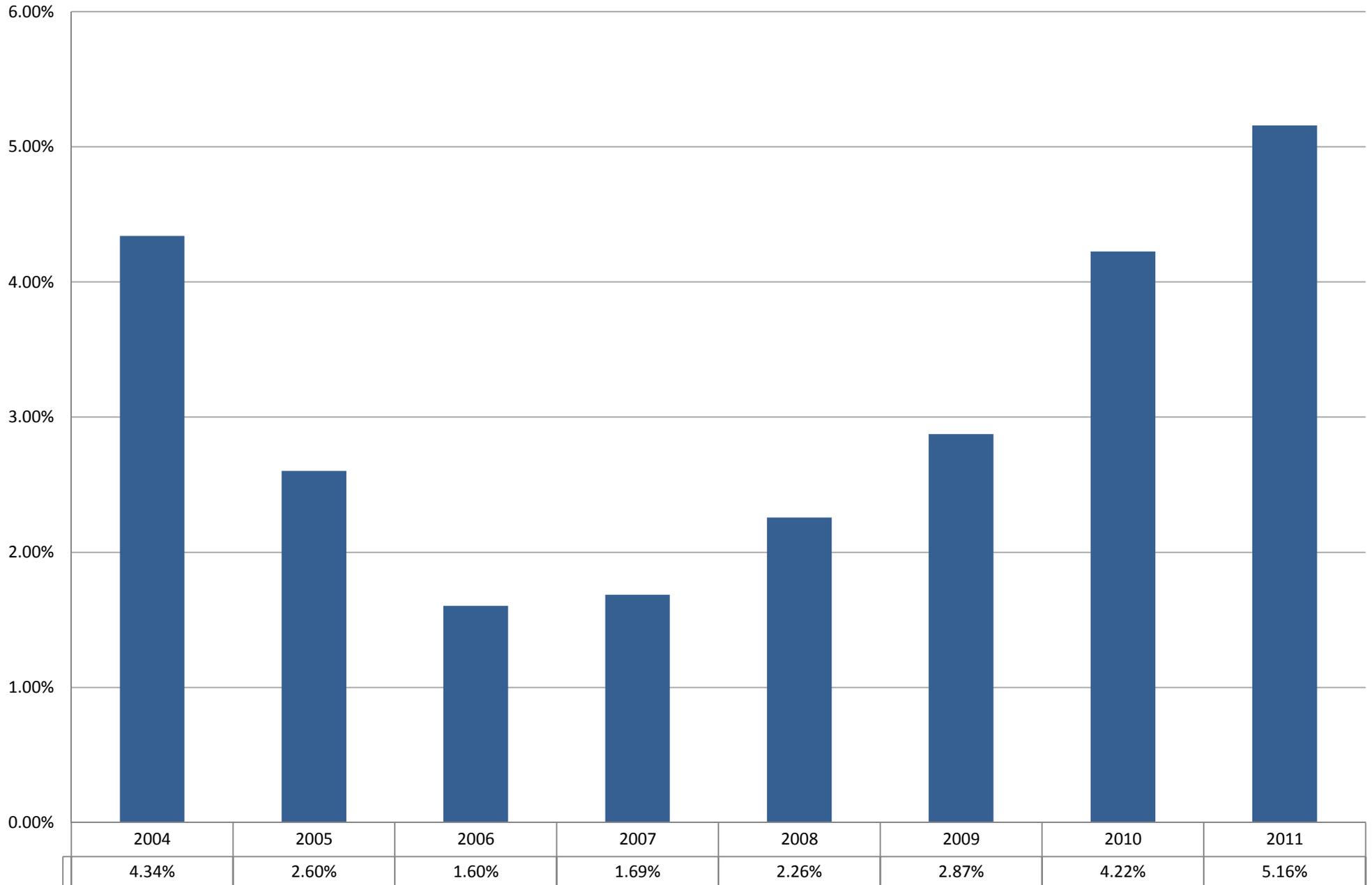


**California Earthquake Authority
12-Month Rolling Investment Return
as of February 28, 2011**



NOTE: Gross of Investment Manager Fees

**California Earthquake Authority
Investment Manager Fees as a Percentage of Investment Income
as of February 28, 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	\$ 189,000,000	28-Feb-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-11	\$189,000,000		\$5,829,705	\$5,829,705	
1-Jul-11	\$157,500,000	\$31,500,000	\$5,829,705	\$37,329,705	
2011					\$43,159,410
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 28, 2011

Agenda Item: 5 Update on progress of CEA Marketing Value Program

Recommended Action: No action required – information only

Background:

On August 26, 2010, the Governing Board approved spending \$5 million in 2011 to support a first-time annualized CEA (business-to-business) new-policy sales-incentive program.

Central to the Board's approval was the CEA's staff commitment to:

- Establish the CEA's new value proposition (the *Strength to Rebuild*) with consumers;
- Produce a return-on-investment for new policies sold that increases CEA's capital; and
- Deliver new-policy-sales incentives for each of up to 5,000 CEA-trained agents.

Following the Board's approval, CEA staff finalized programming to deliver three *ShakeOut*-style flights, which would include direct mail to non-policyholders and policyholders alike, complemented by paid advertising during designated periods. Each flight would have a different theme and roll out just-in-time:

- One being ready to go immediately following a major earthquake;
- A second in late spring, when home sales typically are highest; and
- The third in October, again to coincide with the annual *ShakeOut* drill.

This *ShakeOut*-style programming concept was customized further after CEA staff conducted planning outreach to participating insurers and potential media partners:

- Used 2010 marketing, branding, policyholder, message, and economic research;
- Titled sales-incentive initiative as Agent Marketing Value Program (MVP);
- Developed in-house technology for MVP agent registration and license verification;
- Converted post-event flight to quarterly flight for first-year agent registration; and
- Board approved \$550,000 in unused 2010 *ShakeOut* funds for similar use in 2011.

CEA promoted MVP registration through many channels of communication focused on the insurance-agent community:

- Earned an exclusive news story describing the program in *Insurance Journal*;
- Reprinted the *Insurance Journal* story in the American Agents Alliance newsletter;
- Mailed a letter-of-invitation signed by CEA CEO to all related licensed agents statewide;
- Emailed a letter of invitation to all agents previously trained by the CEA; and
- Individually supported several participating insurance companies seeking assistance in recommending MVP participation through in-house notification systems.

The MVP is divided into three flights (time periods) when each insurance agent can send to consumers 200 direct-mail pieces about earthquake insurance, while at the same time their customers will see and hear CEA advertising in mainstream media.

Flight one is open for registration by all licensed agents who are appointed by CEA participating insurers. Agent registration in flight two requires completion of a two-hour CEA training class. And agent registration in flight three requires sales of three new CEA policies.

As of April 21, 2011 (before the May 1 deadline for agent registration in flight one), the number of agents registered for the MVP already has exceeded the number of agents participating in the CEA's 2010 *ShakeOut* promotion. And for the first time, the CEA now is able to demonstrate a return-on-investment for marketing funds expended:

- Agents registered for flight 1: 2,807 – 23 percent more than for the 2010 *ShakeOut*;
- New policies sold through MVP: 1,607 – first-time data; and
- CEA- trained agents in 2011: 927 – up 448 percent from this date in 2010.

The deadline for agent registration in flight two is July 1, and the deadline for agent registration in flight three is September 1.

CEA staff will be prepared with additional MVP updates at Board meetings scheduled for June and August of this year.

Recommendation:

No action required – information only

California Earthquake Authority

Losses & Loss Adjustment Expenses (LAE) Paid - Cumulative to February 28, 2011

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	22,153.62	1,993.83	\$24,147.45
10360	Baja California Mexico	4/4/2010	7.2	16 mi SW from Guadalupe Victoria, Mexico	15	46,166.44	4,109.25	\$50,275.69
	Total				173	\$3,697,255.98	\$331,845.00	\$4,029,100.98

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 3/23/2011 - Policies in Force on: 2/28/2011

TOTALS	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Homeowner							
15% Total	586,454	72.5 %	246,177,587,755	85.6 %	477,959,730	80.9 %	815
10% Total	59,614	7.4 %	27,983,779,425	9.7 %	63,519,596	10.7 %	1,066
Homeowner Total	646,068	79.8 %	274,161,367,180	95.3 %	541,479,326	91.6 %	838
Manufactured Homes (Mobilehomes)							
15% Total	20,708	2.6 %	2,101,434,165	0.7 %	2,033,921	0.3 %	98
10% Total	3,575	0.4 %	522,908,599	0.2 %	443,292	0.1 %	124
Manufactured Homes (Mobilehomes) Total	24,283	3.0 %	2,624,342,764	0.9 %	2,477,213	0.4 %	102
Condo Total	101,383	12.5 %	9,380,506,000	3.3 %	40,607,882	6.9 %	401
Renter Total	37,648	4.7 %	1,376,935,500	0.5 %	6,585,948	1.1 %	175
Grand Total	809,382	100.0 %	287,543,151,444	100.0 %	591,150,370	100.0 %	730

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2011 - Policies in Force on: 2/28/2011

HOMEOWNER	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Deductible - 15%							
CovA/C5k/D1.5k/BCU10k	586,454	90.8 %	238,939,037,755	87.2 %	441,892,614	81.6 %	753
BCU 20k	54,583	8.4 %	545,830,000	0.2 %	1,464,698	0.3 %	27
Coverage C 25k	29,971	4.6 %	599,420,000	0.2 %	5,171,470	1.0 %	173
Coverage C 50k	20,556	3.2 %	925,020,000	0.3 %	5,106,007	0.9 %	248
Coverage C 75k	10,479	1.6 %	733,530,000	0.3 %	3,273,038	0.6 %	312
Coverage C 100k	32,617	5.0 %	3,098,615,000	1.1 %	13,005,506	2.4 %	399
Coverage D 10k	38,332	5.9 %	325,822,000	0.1 %	1,997,874	0.4 %	52
Coverage D 15k	74,838	11.6 %	1,010,313,000	0.4 %	6,048,523	1.1 %	81
15% Total	586,454	90.8 %	246,177,587,755	89.8 %	477,959,730	88.3 %	815
Deductible - 10%							
CovA/C5k/D1.5k/BCU10k	59,614	9.2 %	24,909,158,425	9.1 %	50,657,537	9.4 %	850
BCU 20k	11,983	1.9 %	119,830,000	0.0 %	303,782	0.1 %	25
Coverage C 25k	9,828	1.5 %	196,560,000	0.1 %	1,641,833	0.3 %	167
Coverage C 50k	7,418	1.1 %	333,810,000	0.1 %	1,559,041	0.3 %	210
Coverage C 75k	4,376	0.7 %	306,320,000	0.1 %	1,120,750	0.2 %	256
Coverage C 100k	17,123	2.7 %	1,626,685,000	0.6 %	5,976,843	1.1 %	349
Coverage D 10k	13,594	2.1 %	115,549,000	0.0 %	547,229	0.1 %	40
Coverage D 15k	27,842	4.3 %	375,867,000	0.1 %	1,712,581	0.3 %	62
10% Total	59,614	9.2 %	27,983,779,425	10.2 %	63,519,596	11.7 %	1,066
Homeowner Total	646,068	100.0 %	274,161,367,180	100.0 %	541,479,326	100.0 %	838

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2011 - Policies in Force on: 2/28/2011

MANUFACTURED HOMES (MOBILEHOMES)	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Deductible - 15%							
CovA/C5k/D1.5k/BCU10k	20,708	85.3 %	1,921,072,665	73.2 %	1,928,098	77.8 %	93
Coverage C 25k	1,606	6.6 %	32,120,000	1.2 %	21,240	0.9 %	13
Coverage C 50k	1,082	4.5 %	48,690,000	1.9 %	17,728	0.7 %	16
Coverage C 75k	316	1.3 %	22,120,000	0.8 %	5,843	0.2 %	18
Coverage C 100k	442	1.8 %	41,990,000	1.6 %	10,081	0.4 %	23
Coverage D 10k	1,738	7.2 %	14,773,000	0.6 %	22,895	0.9 %	13
Coverage D 15k	1,531	6.3 %	20,668,500	0.8 %	28,036	1.1 %	18
15% Total	20,708	85.3 %	2,101,434,165	80.1 %	2,033,921	82.1 %	98
Deductible - 10%							
CovA/C5k/D1.5k/BCU10k	3,575	14.7 %	373,177,099	14.2 %	383,899	15.5 %	107
Coverage C 25k	1,087	4.5 %	21,740,000	0.8 %	10,309	0.4 %	9
Coverage C 50k	890	3.7 %	40,050,000	1.5 %	10,917	0.4 %	12
Coverage C 75k	299	1.2 %	20,930,000	0.8 %	3,799	0.2 %	13
Coverage C 100k	399	1.6 %	37,905,000	1.4 %	6,594	0.3 %	17
Coverage D 10k	1,223	5.0 %	10,395,500	0.4 %	10,623	0.4 %	9
Coverage D 15k	1,386	5.7 %	18,711,000	0.7 %	17,152	0.7 %	12
10% Total	3,575	14.7 %	522,908,599	19.9 %	443,292	17.9 %	124
Manufactured Homes (Mobilehomes) Total	24,283	100.0 %	2,624,342,764	100.0 %	2,477,213	100.0 %	102

California Earthquake Authority

Operations - Governing Board Report

All Companies - As Of 3/23/2011 - Policies in Force on: 2/28/2011

CONDO	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage A/BCU 10k	70,842	69.9 %	2,479,470,000	26.4 %	6,278,685	15.5 %	89
Coverage C 5k/D 1.5k	36,500	36.0 %	237,250,000	2.5 %	3,319,270	8.2 %	91
Coverage C 5k ¹	6,857	6.8 %	34,285,000	0.4 %	647,566	1.6 %	94
Coverage C 25k	13,520	13.3 %	338,000,000	3.6 %	2,645,107	6.5 %	196
Coverage C 50k	11,907	11.7 %	595,350,000	6.3 %	2,649,685	6.5 %	223
Coverage C 75k	5,999	5.9 %	449,925,000	4.8 %	1,473,015	3.6 %	246
Coverage C 100k	11,503	11.3 %	1,150,300,000	12.3 %	2,905,679	7.2 %	253
Coverage D 1.5k ²	7,424	7.3 %	11,136,000	0.1 %	3	0.0 %	0
Coverage D 10k	15,168	15.0 %	151,680,000	1.6 %	200,384	0.5 %	13
Coverage D 15k	27,194	26.8 %	407,910,000	4.3 %	433,267	1.1 %	16
Coverage E 25k	2,885	2.8 %	72,125,000	0.8 %	704,678	1.7 %	244
Coverage E 50k	62,739	61.9 %	3,136,950,000	33.4 %	17,736,990	43.7 %	283
Coverage E 75k	4,215	4.2 %	316,125,000	3.4 %	1,613,553	4.0 %	383
Condo Total	101,383	100.0 %	9,380,506,000	100.0 %	40,607,882	100.0 %	401

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 3/23/2011 - Policies in Force on: 2/28/2011

RENTER	Policies In Force	% Total	Exposure	% Total	Written Premium	% Total	Avg Written Premium
Coverage C 5k/D 1.5k	14,969	39.8 %	97,298,500	7.1 %	1,446,920	22.0 %	97
Coverage C 5k ¹	2,578	6.8 %	12,890,000	0.9 %	257,223	3.9 %	100
Coverage C 25k	8,407	22.3 %	210,175,000	15.3 %	1,740,085	26.4 %	207
Coverage C 50k	6,096	16.2 %	304,800,000	22.1 %	1,429,591	21.7 %	235
Coverage C 75k	2,014	5.3 %	151,050,000	11.0 %	526,883	8.0 %	262
Coverage C 100k	3,584	9.5 %	358,400,000	26.0 %	905,124	13.7 %	253
Coverage D 1.5k ²	4,708	12.5 %	7,062,000	0.5 %	19	0.0 %	0
Coverage D 10k	6,861	18.2 %	68,610,000	5.0 %	97,632	1.5 %	14
Coverage D 15k	11,110	29.5 %	166,650,000	12.1 %	182,472	2.8 %	16
Renter Total	37,648	100.0 %	1,376,935,500	100.0 %	6,585,948	100.0 %	175

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 Reinsurance Costs

Base & Supplemental Limits

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium
2011	Contract #1	\$200,000,000 xs	\$3,300,000,000	8.1500%	\$16,300,000
	Contract #2	\$1,300,000,000 xs	\$3,500,000,000	7.5000%	\$97,500,000
	Contract #3	\$500,000,000 xs	\$4,500,000,000	6.2000%	\$31,000,000
	Contract #3a	\$200,000,000 xs	\$4,500,000,000	6.0000%	\$12,000,000
	Contract #4 (65% placed)	\$650,000,000 xs	\$5,000,000,000	5.5000%	\$35,750,000
	Contract #4a (5% placed)	\$50,000,000 xs	\$5,000,000,000	5.5000%	\$2,062,500
Total		\$2,900,000,000 xs	\$3,300,000,000	6.7108%	\$194,612,500
Percent Change from Previous Year		-7.13%		-6.24%	-12.92%
2010	Contract #1	\$202,500,000 xs	\$3,300,000,000	9.2500%	\$18,731,250
	Contract #2	\$1,000,000,000 xs	\$3,500,000,000	8.5500%	\$85,500,000
	Contract #3	\$275,000,000 xs	\$4,250,000,000	7.7000%	\$21,175,000
	Contract #4	\$300,000,000 xs	\$4,500,000,000	6.8000%	\$20,400,000
	Contract #5 (97.10% placed)	\$200,000,000 xs	\$4,800,000,000	6.5000%	\$12,623,000
	Contract #6 (94.05% placed)	\$250,000,000 xs	\$5,000,000,000	6.2500%	\$14,695,313
	Contract #7 (79.62619% placed)	\$1,150,000,000 xs	\$5,250,000,000	5.5000%	\$50,363,565
Total		\$3,122,526,185 xs	\$3,300,000,000	7.1573%	\$223,488,128
Percent Change from Previous Year		0.73%		13.96%	14.79%
2009	Contract #1	\$500,000,000 xs	\$3,500,000,000	7.7500%	\$38,749,846
	Contract #2	\$500,000,000 xs	\$4,000,000,000	6.9999%	\$34,999,384
	Contract #3	\$200,000,000 xs	\$4,500,000,000	5.9600%	\$11,920,000
	Contract #4	\$100,000,000 xs	\$4,700,000,000	5.8000%	\$5,800,000
	Contract #5	\$200,000,000 xs	\$4,800,000,000	5.5400%	\$11,080,000
	Contract #6	\$200,000,000 xs	\$5,000,000,000	5.3100%	\$10,620,000
	Contract #7 Backup Reinsurance for Transformer	\$250,000,000 xs	\$5,160,000,000	6.9900%	\$17,475,000
	Contract #8	\$650,000,000 xs	\$5,410,000,000	4.9938%	\$32,460,000
	Contract #9 Backup Reinsurance for Transformer	\$400,000,000 xs	\$6,000,000,000	6.6500%	\$26,600,000
	Contract #10	\$100,000,000 xs	\$6,060,000,000	4.9938%	\$4,993,846
Total		\$3,100,000,000 xs	\$3,500,000,000	6.2806%	\$194,698,076
Percent Change from Previous Year		85.96%		-26.36%	5.71%

(Combined base & Supplemental)

**California Earthquake Authority
Historical Reinsurance Costs**

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium	
Base-Limits						
2008	Combined Reinsurance Contract #1	\$300,000,000	xs	\$3,600,000,000	9.8000%	\$29,400,000
	Combined Reinsurance Contract #2	\$1,367,000,000	xs	\$3,900,000,000	8.2500%	\$112,777,500
	Total	\$1,667,000,000	xs	\$3,600,000,000	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	xs	\$3,600,000,000	6.9500%	\$24,325,000
	Reinsurance Layer 1	\$150,000,000	xs	\$3,950,000,000	15.0000%	\$22,500,000
	Reinsurance Layer 2	\$50,000,000	xs	\$4,100,000,000	12.5000%	\$6,250,000
	Collateralized Reinsurance Contract (2007)	\$125,000,000	xs	\$4,150,000,000	11.5000%	\$14,375,000
	Reinsurance Layer 3	\$20,000,000	xs	\$4,275,000,000	11.0000%	\$2,200,000
	Reinsurance Layer 4 (79.45953% placed)	\$1,200,000,000	xs	\$4,300,000,000	7.1000%	\$0
	Reinsurance Layer 5 (79.47738% placed)	\$298,000,000	xs	\$5,500,000,000	6.2000%	\$0
	Total	\$1,885,356,952	xs	\$3,600,000,000	8.0639%	\$152,033,760
	Percent Change from Previous Year	7.37%			24.19%	33.33%
2006	Collateralized Reinsurance Contract (2005-2006)	\$300,000,000	xs	\$3,300,000,000	7.0000%	\$21,000,000
	Collateralized Reinsurance Contract (2006-2007)	\$350,000,000	xs	\$3,600,000,000	6.9500%	\$24,325,000
	Collateralized Reinsurance Contract	\$30,000,000	xs	\$3,950,000,000	6.8000%	\$2,040,000
		\$680,000,000	xs	\$3,300,000,000	6.9654%	\$47,365,000
	Base-Limit Coverage Reinsurance Contract Insurance In Force Adjustment	\$1,076,000,000	xs	\$4,006,000,000	6.0000%	\$64,560,000 \$2,100,000
	Total	\$1,756,000,000	xs	\$3,300,000,000	6.4935%	\$114,025,000
	Percent Change from Previous Year	17.07%			5.83%	23.89%

**California Earthquake Authority
Historical Reinsurance Costs**

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium		
2005	Collateralized Reinsurance Contract (2005-2006)	\$300,000,000	xs	\$3,300,000,000	7.0000%	\$21,000,000	
	First Transformer Layer (2004-2005)	\$150,000,000	xs	\$3,600,000,000	7.2500%	\$10,875,000	
	MLCRC First Reinsurance Layer	\$550,000,000	xs	\$3,750,000,000	5.7500%	\$31,625,000	
		\$1,000,000,000	xs	\$3,300,000,000	6.3500%	\$63,500,000	
	Second Transformer Layer (2004-2005)	\$200,000,000	xs	\$4,617,000,000	5.5000%	\$11,000,000	
	MLCRC Second Reinsurance Layer	\$300,000,000	xs	\$4,817,000,000	4.3500%	\$13,050,000	
		\$500,000,000	xs	\$4,617,000,000	4.8100%	\$24,050,000	
	Insurance In Force Adjustment ¹					\$4,484,662	
	Total		\$1,500,000,000	xs	\$3,300,000,000	6.1356%	\$92,034,662
	Percent Change from Previous Year		0.00%		-8.51%	-8.51%	
2004	MLCRC First Reinsurance Layer	\$700,000,000	xs	\$2,900,000,000	7.8500%	\$54,950,000	
	First Transformer Layer (2004-2005)	\$150,000,000	xs	\$3,600,000,000	7.2500%	\$10,875,000	
	MLCRC Second Reinsurance Layer	\$150,000,000	xs	\$3,750,000,000	6.3500%	\$9,525,000	
		\$1,000,000,000	xs	\$2,900,000,000	7.5350%	\$75,350,000	
	Second Transformer Layer (2004-2005)	\$200,000,000	xs	\$4,617,000,000	5.5000%	\$11,000,000	
	MLCRC Third Reinsurance Layer	\$300,000,000	xs	\$4,817,000,000	4.7500%	\$14,250,000	
		\$500,000,000	xs	\$4,617,000,000	5.0500%	\$25,250,000	
	Total		\$1,500,000,000	xs	\$2,900,000,000	6.7067%	\$100,600,000
	Percent Change from Previous Year		-2.47%		-6.40%	-8.72%	
	2003	MLCRC Coverage A	\$600,000,000	xs	\$2,900,000,000	8.8000%	\$52,800,000
MLCRC Coverage B		\$400,000,000	xs	\$3,500,000,000	7.2500%	\$29,000,000	
		\$1,000,000,000	xs	\$2,900,000,000	8.1800%	\$81,800,000	
Transformer Layer		\$200,000,000	xs	\$4,617,000,000	5.5000%	\$11,000,000	
MLCRC Coverage C		\$338,000,000	xs	\$4,817,000,000	5.1500%	\$17,407,000	
		\$538,000,000	xs	\$4,617,000,000	5.2801%	\$28,407,000	
Total			\$1,538,000,000	xs	\$2,900,000,000	7.1656%	\$110,207,000
Percent Change from Previous Year			-21.98%		6.99%	-16.53%	

**California Earthquake Authority
Historical Reinsurance Costs**

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium
2002	First Aggregate	\$1,433,620,000 xs	\$3,436,000,000	7.2500%	\$82,187,450
	First Aggregate (\$200M part of)	\$1,433,620,000 xs	\$3,436,000,000	7.1400%	\$14,280,000
	First Aggregate (\$100M part of)	\$1,433,620,000 xs	\$3,436,000,000	5.9900%	\$5,990,000
		\$1,433,620,000 xs	\$3,436,000,000	7.1468%	\$102,457,450
	Second Aggregate	\$537,607,500 xs	\$5,326,000,000	5.5000%	\$29,568,413 ²
	Total	\$1,971,227,500 xs	\$3,436,000,000	6.6976%	\$132,025,863
	Percent Change from Previous Year	0.00%		-13.69%	-13.69%
2001	First Aggregate	\$1,433,620,000 xs	\$3,130,000,000	8.5000%	\$96,357,700
	First Aggregate (\$200M part of)	\$1,433,620,000 xs	\$3,130,000,000	7.5000%	\$15,000,000
	First Aggregate (\$100M part of)	\$1,433,620,000 xs	\$3,130,000,000	5.9900%	\$5,990,000
		\$1,433,620,000 xs	\$3,130,000,000	8.1854%	\$117,347,700
	Second Aggregate	\$537,607,500 xs	\$5,281,000,000	6.6250%	\$35,616,497
	Total	\$1,971,227,500 xs	\$3,130,000,000	7.7598%	\$152,964,197
	Percent Change from Previous Year	-21.43%		-17.31%	-35.03%
2000	First Aggregate	\$1,433,620,000 xs	\$2,843,000,000	8.5000%	\$104,857,697
	First Aggregate (\$200M part of)	\$1,433,620,000 xs	\$2,843,000,000	7.5000%	\$15,000,002
		\$1,433,620,000 xs	\$2,843,000,000	8.3605%	\$119,857,699
	Second Aggregate	\$1,075,215,000 xs	\$4,993,000,000	10.7500%	\$115,585,613
		Total	\$2,508,835,000 xs	\$2,843,000,000	9.3846%
	Percent Change from Previous Year	0.00%		3.02%	3.02%
1999	First Aggregate	\$1,433,620,000 xs	\$2,602,000,000	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 xs	\$2,602,000,000	7.8792%	\$112,957,924
	Second Aggregate	\$1,075,215,000 xs	\$4,753,000,000	10.7500%	\$115,585,613
	Total	\$2,508,835,000 xs	\$2,602,000,000	9.1095%	\$228,543,537
	Percent Change from Previous Year	0.00%		-23.56%	-23.56%

**California Earthquake Authority
Historical Reinsurance Costs**

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium	
1998	First Aggregate	\$1,433,620,000	xs	\$2,726,000,000	14.3750%	\$206,082,875
	No Claims Bonus Paid to CEA					(\$22,687,734)
	Revised ROL and Premium	\$1,433,620,000	xs	\$2,726,000,000	12.7925%	\$183,395,141
	Second Aggregate	\$1,075,215,000	xs	\$4,877,000,000	10.7500%	\$115,585,613
	Total	\$2,508,835,000	xs	\$2,726,000,000	11.9171%	\$298,980,754
Percent Change from Previous Year		16.13%		-4.19%	11.27%	
1997	First Aggregate	\$1,433,620,000	xs	\$2,850,000,000	14.3750%	\$206,082,875
	No Claims Bonus Paid to CEA					(\$14,430,600)
	Revised ROL and Premium	\$1,433,620,000	xs	\$2,850,000,000	13.3684%	\$191,652,275
	Second Aggregate (1/1/98 - 3/31/98)	\$1,075,215,000	xs	\$4,877,000,000	10.7500%	\$28,896,403
	Second Aggregate (7/1/97 - 12/31/97)	\$716,810,000	xs	\$4,815,000,000	10.7500%	\$38,528,538
	Second Aggregate (4/1/97 - 6/30/97)	\$358,405,000	xs	\$5,001,000,000	10.7500%	\$9,632,134
	Total	\$2,160,430,000³	xs	\$2,850,000,000	12.4378%	\$268,709,350

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

² Twelve month annualized amount

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

Note: Retentions based on CEA Capital and retained earnings calculated at the beginning of the calendar year
Retentions were variable between 1997 - 2002

California Earthquake Authority Historical Reinsurance Costs

Supplemental-Limits

Contract Year	Contract	Limit	Retention	Rate On Line (ROL)	Premium
2008	Combined Reinsurance Contract #1	\$150,000,000 xs	\$50,000,000	10.8500%	\$16,275,000
	Combined Reinsurance Contract #2	\$451,300,000 xs	\$200,000,000	5.7000%	\$25,725,000
Total		\$601,300,000 xs	\$50,000,000	6.9849%	\$42,000,000
Percent Change from Previous Year		1.45%		-1.43%	0.00%
2007	Supplemental-Limits Excess (1st Layer)	\$50,000,000 xs	\$50,000,000	14.2500%	\$7,125,000
	Supplemental-Limits Excess (2nd Layer)	\$200,000,000 xs	\$100,000,000	8.7375%	\$17,475,000
	Supplemental-Limits Excess (3rd Layer)	\$342,715,221 xs	\$300,000,000	5.0771%	\$17,400,000
Total		\$592,715,221 xs	\$50,000,000	7.0860%	\$42,000,000
Percent Change from Previous Year		306.36%		66.73%	577.53%
2006 ¹	Supplemental-Limits Excess	\$145,858,362 xs	\$450,000,000	4.2500%	\$6,198,980
Total		\$145,858,362 xs	\$450,000,000	4.2500%	\$6,198,980

¹ 2006 included quota share limit of \$450M

Supplemental Quota Share

Contract Period		Written Premium	Ceding Commission	Ceded Premium	Losses
Begin	End				
1/1/2005	12/31/2006	\$102,946,945	\$18,181,382	\$84,765,563	
7/1/2004	12/31/2004	\$16,102,397	\$2,232,406	\$13,869,991	
7/1/2003	6/30/2004	\$22,980,920	\$4,599,044	\$18,381,876	\$186,801
1/1/2003	6/30/2003	\$18,538,621	\$3,707,724	\$14,830,897	\$50,817
7/1/2002	12/31/2002	\$12,510,357	\$2,502,071	\$10,008,286	
3/1/2001	6/30/2002	\$27,527,388	\$5,505,478	\$22,021,910	
7/1/1999	2/28/2002	\$15,448,110	\$3,089,622	\$12,358,488	
Unearned Premium @ 12/31/2006		-\$24,138,678	-\$4,224,269	-\$19,914,409	
Total		\$191,916,060	\$35,593,458	\$156,322,602	\$237,618