

California Earthquake Authority

Strategic Plan ▫ 2017–2019

Our Mission

The California Earthquake Authority is California's not-for-profit provider of residential earthquake insurance—privately funded and publicly managed, with programs to encourage and support effective action to reduce the risk of earthquake damage and loss.

Our Vision

CEA promotes and supports long-term family and community resilience by providing risk education, loss mitigation, and insurance protection to help Californians prepare for and recover from damaging earthquakes.

Our Core Values

Integrity

We earn the trust of others by conducting ourselves with fairness, honesty, and transparency.

Public Service

Our not-for-profit mission allows us to focus on serving the public.

Policyholder Service

We are committed to providing excellent service to our policyholders.

Financial Strength and Stability

We are prepared for and committed to paying all covered policyholder claims.

Innovation

We continually strive to identify and achieve the best solutions to meet ongoing business and consumer needs.

Collaboration

We join with key stakeholders to promote and support earthquake readiness throughout California.

Respect

We treat others professionally and with respect in all our work.

The CEA's Strategic Goals

Goal 1. Educate

Help Californians learn about and understand their seismic risks, and how earthquake-loss mitigation and insurance can help them prepare to survive and recover from damaging earthquakes.

Goal 2. Mitigate

Encourage Californians to strengthen their homes and secure their belongings to help increase their safety and reduce their risk of earthquake damage.

Goal 3. Insure

Help Californians understand and manage their risk of financial loss from damaging earthquakes by providing affordable and valuable earthquake-insurance products.

Goal 4. Organizational Resilience

Facilitate efficient operations, effective resource and enterprise risk management, financial strength and acumen, appropriate legal and compliance oversight, and a positive and professional corporate culture in support of CEA's mission.

Educate

Goal 1. Educate

Help Californians learn about and understand their seismic risks, and how earthquake-loss mitigation and insurance can help them prepare to survive and recover from damaging earthquakes.

Innovation

Develop new ways to help Californians understand their earthquake risks, the value and benefits of earthquake-risk mitigation through seismic retrofitting, and the financial-preparedness features of CEA earthquake-insurance products.

1. Promote how CEA insurance can help Californians recover from earthquake damage.
2. Provide strategic marketing support for participating insurance companies that offer CEA policies.
3. Train insurance agents how to properly inform policyholder decisions about seismic retrofitting and earthquake insurance.
4. Broaden awareness of the risk for earthquake damage and the need for earthquake insurance and mitigation through proactive outreach to civic and community organizations throughout California.
5. Engage with media representatives to promote increased interest in and awareness of earthquake preparedness, mitigation opportunities, and earthquake insurance.
6. Offer educational outreach to a variety of consumer-facing professional groups to help enhance home resiliency and financial protection for more Californians.

Research

Enhance CEA insurance products and earthquake-risk awareness through knowledge gained from quality research in social sciences and in seismic science and engineering.

1. Through ongoing research and analysis, adjust CEA's educational messages to help increase take-up for CEA earthquake insurance.

2. Help Californians understand their risk for earthquake damage based upon, among other things, the age and type of their residential structure and its proximity to known faults.

Technology

Use technology to effectively present CEA information to policyholders and the public.

1. Identify, acquire, and apply best-practice technology solutions in all operational and supporting functions within CEA.
2. Together with participating insurers, create a shared online path for consumers to follow, beginning with risk-education and mitigation, and concluding with information needed to purchase a CEA policy.
3. Ensure technology and communications readiness to support an effective and timely CEA response to policyholders filing claims after a damaging earthquake.
4. By using state of the art technology, ensure ongoing customer service is accessible, prompt, and effective.
5. Deliver risk-education information to all interested parties through the comprehensive use of technology-based solutions.

Mitigate

Goal 2. Mitigate

Encourage Californians to strengthen their homes and secure their belongings to help increase their safety and reduce their risk of earthquake damage.

Innovation

Offer financial incentives for residential retrofits and other mitigation measures, and lead related guideline and building-code development to help increase the safety of older houses, which are more vulnerable to earthquake damage.

1. Collaborate with the California Governor's Office of Emergency Services to offer financial incentives—with significant funding from CEA's Mitigation Fund—to promote seismic retrofits of vulnerable single-family houses.
2. Identify, develop, and use non-CEA funding sources to further promote and expand mitigation activities, which will relieve pressure on CEA's limited funds.
3. Develop and support statewide mitigation-related education programs and activities by working cooperatively with stakeholders and other community-based organizations.
4. Promote seismic retrofits by offering actuarially sound premium discounts for CEA insurance products.
5. In collaboration with the Federal Emergency Management Agency, provide program expertise, management services, and funding to help ensure delivery of a comprehensive "pre-standard" (pre-building-code document) for the evaluation of light, wood-frame residences.

Research

Through careful, fully collaborative needs-assessments, support and commission original seismic science and engineering research, to help build among all relevant communities a richer understanding of potential earthquake damage to residential structures and to develop effective mitigation approaches that can reduce earthquake damage.

1. Commission and sponsor—and when needed, lead—research to understand and evaluate potential earthquake damage to vulnerable single-family houses, using numerical modeling and physical (e.g., shake-table) testing of building components and structures.
2. Complete research projects that will identify and quantify effective mitigation efforts to support premium incentives.

Technology

Use technology to promote innovative residential earthquake-loss-mitigation measures, demonstrating their value in helping families secure their possessions and protect their homes.

1. Develop a modern, responsive, effective website to demonstrate, promote, and secure consumer program participation in statewide mitigation programs supported by the CEA.
2. Use technology to promote building-code-based methods for, and the benefits of, homeowners taking mitigation measures.

GOAL 3: Insure

Help Californians understand and manage their risk of financial loss from damaging earthquakes by providing affordable and valuable earthquake insurance products.

Innovation

Develop, create, and—collaboratively, with CEA participating insurers—implement programs and create and distribute products that enhance CEA and participating-insurer effectiveness in helping Californians understand and manage their earthquake risk.

1. Continuously develop innovative and affordable earthquake-insurance choices.
2. Develop and promote business practices that make doing business with CEA easy and satisfying for participating insurers, vendors, and policyholders.
3. Continue as a world leader in developing innovative financial tools and techniques to further enhance CEA's financial foundation and support its business strategies.
4. Maintain and enhance best-in-class methods and training so that participating insurers may promptly, fairly, and consistently adjust CEA earthquake claims.

Research

Lead research to enhance CEA's effectiveness in helping Californians manage their risk of earthquake damage.

1. Continue to design and implement innovative earthquake-insurance coverage options, supported by expert financial and business analyses, that are thoroughly tested through research and the accurate measurement and evaluation of policyholder response.
2. Actively support research that advances prompt and accurate loss evaluation and state-of-the-art repair of earthquake damage to residences.

3. Promote ongoing consumer and insurance agent research to support new and innovative earthquake-insurance marketing and sales programs.
4. Support earth-science and engineering research to help inform earthquake-loss modeling and CEA business planning and decision making.

Technology

Implement and continuously improve CEA insurance solutions to support and provide value to participating insurers, agents and producers, and policyholders.

1. Continuously update CEA business processes, frameworks, and technologies to better serve CEA's insurance stakeholders.
2. Use industry best technology practices to provide and maintain systems necessary to support CEA insurance operations.
3. Create, promote, and distribute to CEA participating insurers the tools needed to encourage sales of, and enhance services for, CEA insurance products.
4. Collaborate with CEA participating insurers to incorporate CEA's claim-handling expectations—through training and published guidelines, standards, and protocols—to ensure proper reporting and technology use as the bases for timely and accurate claim-processing.
5. Institute effective, forward-looking insurance-technology solutions, both for present-day CEA business and for supporting future growth and new opportunities.

Organizational Resilience

Goal 4. Organizational Resilience

Facilitate efficient operations, effective resource and enterprise risk management, financial strength and acumen, appropriate legal and compliance oversight, and a positive and professional corporate culture in support of CEA's mission.

Innovation

Continuously improve internal processes according to best practices, to achieve greater efficiencies while pursuing improved timeliness and quality.

1. Commit to routinely modifying operational strategies according to industry best practices.
2. Identify common ground among internal business partners, and form strategic partnerships that enhance organization-wide capabilities.
3. Develop and implement an enterprise-wide risk-management framework that fosters an organizational culture of risk management that is consistent with CEA's strategic goals.
4. Identify, develop, and implement stewardship techniques that promote fiscally prudent expenditures.
5. Grow existing techniques and apply new strategies to retain, recruit, and engage high-quality professionals.

Research

Support ongoing research designed to optimize a diverse and talented CEA workforce.

1. Develop techniques and implement strategies to increase diversity throughout CEA.
2. Support and commission original research through careful and collaborative needs assessments.
3. Investigate what changes to CEA's operational framework can be achieved to fundamentally add measurable value throughout its workforce.

Technology

Use technology to improve efficiency, capacity, quality, competence, and timeliness. Incorporate automation to enable strategic partnerships.

1. Implement technology systems to improve quality, reduce costs, manage risks, increase efficiency, and expand access to information that is relevant throughout CEA's workforce and external stakeholders where appropriate.
2. Endorse active use of new technology that benefits CEA's workforce by providing access to user guides and comprehensive training.
3. Inspire confidence and trust in information technology through strong policies and procedures regarding privacy and security of electronic information.