A Public Mission
Earthquake coverage is excluded from homeowners insurance policy. However, insurance companies are required to offer a separate earthquake insurance policy at time of homeowner policy sale.
CEA: ESTABLISHED IN THE WAKE OF NORTHRIDGE EQ

January 17, 1994

Los Angeles Times

33 Die, Many Hurt in 6.6 Quake
L.A. Area Freeways Buckle, Buildings Topple

Sylmar Jolted by Ghosts of Horror Past

Thrust Faults Pose Brutal Danger to Basin

Commuters Will Face Nightmare for Months

Questions on Reinforcing of Freeways Raised
1994: NORTHridge EARTHQuake

Total Property Damage

Residential

Insured Residential

$40 Billion

$20 Billion

$10 Billion

Aftermath

Most insurance companies stopped writing Homeowners insurance
PUBLICLY MANAGED • PRIVATELY FINANCED
A not-for-profit provider of residential earthquake insurance

GOVERNING BOARD:
Governor
Insurance Commissioner
State Treasurer

Non Voting:
Assembly Speaker and Senate Rules Chair

PRIVATELY FINANCED:
1,054,000 Policyholders

MISSION:
Insure
Educate
Mitigate
August 2014, Napa, California
7,800 Homes Retrofitted since 2014
Pre-1979 houses/Reimbursed up to $3,000
CEA Mitigation Funding: $5M/Year (approx.)
Urgent Need for Big Increase in Mitigation Funding

- 83% of Californians live in high seismic counties
- More than 1 million California homes need EBB-type of retrofit
- Millions of other types of residences, including multifamily, in need of retrofits
- Low-income and vulnerable communities need to be addressed
SB 254: CALIFORNIA RESILIENT HOME INITIATIVE

$75M to $100M per year for retrofits

Pre-Earthquake Benefit
Seismic retrofit of vulnerable homes in high seismic areas

Post-Earthquake Assessment
On select insurance policies in high seismic areas following unprecedented earthquake
SB 254 SUPPORTERS  (as of 4/25/19)

- CEA Governing Board
  (Governor*, Treasurer, Insurance Commissioner)
- Los Angeles Mayor Eric Garcetti
- Structural Engineers Association of California (SEAOC)
- Enterprise Community Partners
- American Red Cross
- Personal Insurance Federation of California
  (Members include State Farm, Progressive, Liberty Mutual, Mercury, Nationwide)
- Farmers Insurance
- CSAA
  (AAA North)
- United Policyholders
  (Non-profit insurance consumer group)
- Earthquake Engineering Research Institute (EERI)
- States Building and Construction Trades Council of California
  (SBCTC)
- AIR Worldwide
- RMS (Risk Management Solutions)

*Governor’s Designee was unable to attend the 04/12/2019 Board meeting when the Board voted to support SB 254
SB 254 WEBINAR – (DATES TBD)