

State of California
Alfred E. Alquist Seismic Safety Commission

Memo

To: Commissioners
Mr. Richard J. McCarthy, Executive Director

From: Robert Anderson, P.G., C.E.G.
Seismic Safety Commission
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Date: April 29, 2011

Subject: Resolution supporting Senate Bill 637, the *Earthquake Insurance Affordability Act*

Background:

The goal of Senate Bill 637, the *Earthquake Insurance Affordability Act* (copy attached) by Senators Feinstein and Boxer is to help make residential earthquake insurance more affordable by providing a limited federal debt guarantee for entities such as the California Earthquake Authority (CEA) to obtain re-insurance. This guarantee would only be used by the CEA and similar organizations as needed. Such a Bill is envisioned to help the CEA and other similar organization in the United States to possibly lower premiums on their residential earthquake policies, thereby making residential earthquake insurance more affordable where the guarantee would be applicable and offered.

Mr. Tim Richison, the Chief Financial Officer of the CEA is present to briefly discuss the Bill and answer questions.

Recommendation: Staff recommends that the Commissioners discuss and vote to support the attached resolution for Senate Bill 637 and authorize the Commission Chair to sign the attached resolution.