

STRATEGIC PLAN



2014–2016

California Earthquake Authority

December 2013



Our Mission

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

Our Vision

The CEA promotes and supports long-term 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 dedicated 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 market requirements.

Collaboration

We join key stakeholders throughout the seismic community statewide to support and promote earthquake readiness in California.

Respect

We respect the needs of our colleagues and our participating insurers.

The CEA's Strategic Goals

GOAL 1 Educate

Help Californians learn about their seismic risks in order to prepare for, survive, and recover from damaging earthquakes.

GOAL 2 Mitigate

Encourage Californians to take action by strengthening their homes and securing their belongings in order to reduce their risk of earthquake damage.

GOAL 3 Insure

Help Californians understand—and quantify and actively manage, using CEA insurance products—their risk of financial loss from damaging earthquakes.

1 Educate

Help Californians learn about their seismic risks in order to prepare for, survive, and recover from damaging earthquakes.

INNOVATION

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

1. Create advertisements embodying the philosophy that CEA insurance protection effectively addresses earthquake-related financial risks.
2. Create focused cooperative-marketing and joint-sales programs that feature brands of the CEA and its participating insurers.
3. Provide strategic, targeted marketing support for participating insurance companies as well as for their agents and producers.
4. Work closely with complementary organizations over the long term, to broaden and extend the reach of earthquake-risk awareness and CEA insurance opportunities.
5. Provide information to and cooperate with news media representatives to earn their interest in earthquake preparedness, CEA-backed action steps that protect homes and save lives, and the financial advantages for families who choose CEA earthquake-insurance products.

RESEARCH

Enhance CEA insurance products and strengthen risk-awareness programs with the depth and knowledge gained from CEA support of quality, publicly available research in seismic science and engineering.

1. Through careful monitoring and analysis, adjust the CEA's promotional messages and activities in order to optimize CEA earthquake insurance take-up.
2. Understand and evaluate how individuals perceive risk and translate their risk perceptions to earthquake-preparedness measures, to effectively help them ready their homes and secure their possessions against damaging earthquakes.
3. Promote risk education for Californians that helps them understand their risk based upon their location and type of structure they live in.

1 Educate (cont.)

TECHNOLOGY

Use technology to present and explain CEA information and to prepare and permit the CEA to make a full and effective response to damaging earthquakes.

1. Identify, acquire, and apply best-practice technology solutions in all supporting and operational parts of the CEA.
2. With participating insurers, create a simple online earthquake-insurance commerce path for consumers, beginning with risk-education and concluding with the information necessary to make an informed decision regarding the purchase of a CEA earthquake-insurance product.
3. Assure technology and communications readiness to support an effective and timely CEA response to claims arising from damaging earthquakes.
4. Regularly deliver risk-education and marketing information to CEA stakeholders through the comprehensive use of technology-based or technology-supported communications solutions.

2 Mitigate

Encourage Californians to take action by strengthening their homes and securing their belongings to reduce their risk of earthquake damage.

INNOVATION

Lead program development to furnish incentives for residential retrofits and other mitigation measures, and sponsor and lead a building-code-related guideline-development project to extend code-based seismic retrofits to California's single-family houses.

1. Collaborate with the Governor's Office of Emergency Services in a public program that offers financial incentives—with significant funding from the CEA's Mitigation Fund—to promote seismic retrofits of vulnerable single-family homes.
2. Identify, develop, and use non-CEA funding sources to further promote and expand mitigation activities while relieving pressure on and need for CEA's limited program funds.
3. Develop and support statewide mitigation-related education programs and activities, working cooperatively with first-responder and other respected and influential community-based organizations.
4. Reflect the value of appropriate mitigation in decreasing damage and insured loss by applying accurate, actuarially sound premium discounts for CEA insurance products.
5. In collaboration with the Federal Emergency Management Agency, provide funding, program expertise, and management services to ensure delivery of a comprehensive "pre-standard" (pre-building-code document) to support the evaluation of light, wood-frame residences.

RESEARCH

Through careful, fully collaborative needs assessment, support and commission original scientific and engineering research, to build among all relevant communities a richer understanding of expected earthquake damage to residential structures.

2 Mitigate (cont.)

1. Commission and sponsor—and when needed, lead—research to understand and evaluate expected earthquake damage to vulnerable single-family houses, using numerical modeling and physical (e.g., shake-table) testing of building components and structures.
2. Complete ongoing research projects, in order to determine whether CEA's current earthquake-insurance premium discount for certain mitigation efforts can appropriately be increased, support new and innovative insurance and insurance/mitigation-combination products, or all of these.

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, effective website to demonstrate, promote, and secure consumer program participation in the statewide mitigation programs supported by the CEA.
2. Use technically appropriate and innovative website technology to demonstrate code-based methods for, and the benefits of, performing standard, accepted mitigation measures.

3 Insure

Help Californians understand—and quantify and actively manage, using CEA insurance products—their risk of financial loss from damaging earthquakes.

INNOVATION

Develop, create, and—collaboratively, with CEA participating insurers—implement and distribute programs and products that enhance the effectiveness of the CEA and its insurance partners in helping Californians understand and manage their earthquake risk.

1. Develop innovative choices in insurance-coverage options and continually seek ways to make earthquake insurance more affordable while remaining appropriately priced.
2. Develop, publicize, and use those business practices that make doing business with the CEA easier and more rewarding, for CEA participating insurers, agents and producers, vendors, and for CEA program participants and policyholders.
3. Develop, advocate, and implement a new workforce plan and supporting culture to produce a passion-driven staff, who are inspired to work together to make a positive difference for CEA policyholders and other stakeholders.
4. Be a world leader in innovative financial tools and techniques, to further enhance and strengthen the CEA's financial foundation and support its business strategies.

RESEARCH

Develop, advocate, and lead targeted research to enhance the effectiveness of the CEA and its partners in helping Californians understand and manage their earthquake risk.

1. Continue to design and implement innovative earthquake-insurance coverage options, supported by expert financial and business analysis and thoroughly tested by continued research and measured policyholder response.
2. Actively support research that advances the state of the art in the evaluation and repair of earthquake damage to residences.
3. Support social-science and consumer-facing research to reinforce the message content and delivery methods of new and effective earthquake-insurance marketing and sales programs, taking full advantage of all means of communication, especially digital presence and communications.

3 Insure (cont.)

4. Support relevant earth-science and engineering research that is well calculated to inform both commercial and academic earthquake-loss modeling and CEA's financial and business decision-making and planning.

TECHNOLOGY

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

1. Continually update CEA business processes, frameworks, and related technologies to best represent the subject-matter expertise developed within the CEA since inception, to better serve insurance stakeholders.
2. Use industry best practices in information technology to provide and maintain systems necessary to support CEA insurance operations.
3. Create, promote, and distribute to CEA participating insurers the tools they need to encourage sales of, and enhance service for, CEA insurance products.
4. Meaningfully collaborate with all CEA participating insurers to socialize and incorporate CEA's claim-handling expectations—through published guidelines, standards, and protocols—to assure proper reporting and technology use as the bases for timely and accurate claim processing.
5. Institute effective, forward-looking insurance-technology solutions, not only for present-day CEA business but to enable and support future growth and new opportunities.