



# California State Treasurer Fiona Ma, CPA

# News Release

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## **State Treasurer Fiona Ma Announces \$300 Million California Earthquake Authority Bond Sale**

**SACRAMENTO** – California State Treasurer Fiona Ma announced the sale of \$300 million of taxable revenue bonds for the California Earthquake Authority (CEA). Proceeds of the bonds will be used to enhance the CEA’s claim-paying capacity.

The California Legislature formed the CEA in 1996 as a privately-funded, publicly-managed organization in the wake of the real estate and insurance market disruption caused by the 1994 Northridge Earthquake. The CEA has offered basic residential earthquake insurance policies since December 1996. The CEA does not offer any other type of insurance, nor does it cover commercial risks.

“This helps to strengthen earthquake insurance in California so that homeowners can continue to be well protected,” said Treasurer Ma, a member of the CEA’s governing board. The State Treasurer’s Office serves as Agent for Sale for bonds issued by the CEA.

The CEA is the leading insurer of earthquake risk in California with a 67% share of the State’s residential earthquake policies in force. As of September 30, 2020, the CEA had 1.136 million policyholders and insured property values of over \$557 billion. As of October 17, 2020, the CEA had approximately \$19.3 billion of claims-paying resources, which according to commercial loss models is sufficient to pay all claims from a 1-in-400 year earthquake or series of earthquakes.

The bonds were well received by investors, generating over \$2.6 billion in orders. The all-in true interest cost for the bonds is 1.64 percent. Yields to investors ranged from 1.127 percent for the January 2021 maturity to 1.477 percent for the 2023 maturity. The bonds are rated A by Fitch Ratings and AA- by Kroll Bond Rating Agency.

Citigroup Global Markets Inc. served as senior managing underwriter, with Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC serving as co-senior managers. In addition, there were 11 co-managers to round out the underwriting syndicate.

The calendar of all upcoming state bond sales is available at [BuyCaliforniaBonds.com](http://BuyCaliforniaBonds.com).

*Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$109.2 billion, \$32.4 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$94 billion.*

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