



# California State Treasurer Fiona Ma, CPA News Release

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PR 22:34  
October 7, 2022

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## State Treasurer Fiona Ma Announces \$500 Million Revenue Bond Sale for the California Earthquake Authority

**SACRAMENTO** – California State Treasurer Fiona Ma announced the sale of \$500 million of taxable revenue bonds for the California Earthquake Authority (CEA). The CEA issues revenue bonds from time to time in order to provide liquidity, diversity, and stability for the CEA's claim-paying structure.

The California Legislature formed the CEA in 1996 as a privately-funded, publicly-managed instrumentality of the State 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 is the leading insurer of earthquake risk in California with a 66% share of the State's residential earthquake policies in force. As of June 30, 2022, the CEA had 1.08 million policies in force with insured property values of over \$619 billion. As of June 30, 2022, the CEA had approximately \$19.2 billion of claims-paying resources, which according to commercial loss models is sufficient to pay all claims from a 1-in-390 year earthquake or series of earthquakes.

The all-in true interest cost for the bonds is 5.71 percent. Interest rates ranged from 5.393 percent for the July 2023 maturity to 5.603 percent for the July 2027 maturity. The bonds are rated A- by Fitch Ratings and A+ by Kroll Bond Rating Agency.

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

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

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*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. Presently, her office processes more than \$3 trillion in banking transactions. 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 that currently averages over \$200 billion—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.*

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