

The XOL reinsurance program covered losses and adjustment expenses above a retention of \$50 million, in four layers up to \$450 million for all perils, with an additional layer of \$25 million for the peril of FL wind and an additional layer of \$375 million for the peril of earthquake alone. The non-affiliated QS program is placed at 6.25% share with a cap at \$800 million.

The structure and cost of our program for 2006 - 2007 (which covers the time period for the exposure used in this rate filing) is as follows:

	\$50 million XS of \$50 million	\$150 million XS of \$100 million	\$450 million XS of \$250 million	\$25 million XS of \$450 million (FL wind only layer)	\$375 million XS of \$450 million	Total ⁽¹⁾
Total Reinsurance Premium (XOL)	22,066,214	51,957,913	38,744,759	2,452,137	22,750,406	137,971,429
Total Ceded AAL (XOL)	8,936,858	13,345,486	7,639,487	150,338	4,532,952	34,605,120
Total Reinsurance Premium (non-affiliated QS)	3,391,120	4,189,466	1,332,476	-	476,224	9,389,286
Total Ceded AAL (non-affiliated QS)	584,076	864,011	430,688	-	272,824	2,151,598
CA EQ Reinsurance Premium (XOL) ⁽²⁾	8,829,205	25,678,827	21,998,404	-	17,948,903	74,455,338
CA EQ ceded AAL (XOL)	3,575,844	6,595,654	4,337,529	-	3,576,266	18,085,294
CA EQ Reinsurance Premium (QS) ⁽²⁾	416,118	756,794	500,748	-	375,717	2,049,376
CA EQ ceded AAL (QS)	238,390	433,560	286,874	-	230,620	1,189,442
CA EQ's share of AAL (%)	45%	56%	64%	0%	89%	59%
Total CA EQ Reinsurance Premium	9,245,322	26,435,620	22,499,152	-	18,324,619	76,504,714
Total CA EQ Reinsurance Recoverables	3,814,234	7,029,214	4,624,403	-	3,806,886	19,274,736

⁽¹⁾: The actual reinsurance costs for 2006 - 2007 term is \$126.6 million. The difference between the actual premium and the premium amount listed in this Exhibit are due to exposure change and catastrophe modeling changes for the wind peril. For the purposes of this filing, exposure data as of 9/30/2006 has been used yielding a higher amounts in lines (1), (2), (3), (9), (11) and (24) in Exhibit 14 Ratemaking Calculations.

⁽²⁾: CA EQ Reinsurance Premium is allocated in proportion to CA EQ's share of AAL for GeoVera Insurance Company in each reinsurance layer.

Average Annual Loss (AAL) amounts are from RMS RiskLink 6.0, excluding demand surge, based on actual exposures inforce as of 9/30/06.