

Victims' Compensation Fund Detail

- Each IOU is required to maintain \$3 billion of Primary Insurance coverage
 - Increased deductibles decrease relative premium cost, mitigating impact to ratepayers upon premium pass through (e.g., \$100 million deductible)
 - Victims' Compensation Fund is excess to IOU Primary Insurance
 - California Catastrophic Bond can contribute \$2 billion towards Initial Fund Capital
 - IOUs contribute \$5 billion, collectively, towards Initial Fund Capital, subject to debt service
 - Pooled excess coverage for liabilities between \$10 billion to \$15 billion, pooled and shared among IOUs
 - Total catastrophic wildfire coverage includes \$3 billion per IOU, plus an additional \$12 billion, collectively, for total statewide coverage of \$21 billion
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- Fund draws are subject to State approval after cause and origin conclusion
 - Fund draws are available to liable IOU for resolution of victims' claims
 - 'Negligent' liabilities must be reimbursed to Fund by shareholders
 - 'Non-negligent' liabilities to be reimbursed through state-wide ratepayer pass through
 - Clarification of CPUC standard for ratepayer pass through to 'negligent' or 'non-negligent' standard