



**Annual General Meeting Report
USA & the Caribbean
October 2019**

Market & or Business Developments

Nothing of significance to report.

Current News

Consumer Watchdog: California Commissioner's Calendar Suggests He Made Contact in 'Pay to Play'. Calendar entries and documents show that California Insurance Commissioner Ricardo Lara, not his fundraiser, made first contact with an agent of a workers' compensation insurance company offering political support in conjunction with seeking approval for a change of control in the company

Lara has since apologized for accepting those contributions. He said he terminated his contractual relationship with the fundraising personnel involved, and that even though no laws or rules were broken, "I must hold myself to a higher standard."

The homeless crisis is something most individuals outside of the state of CA or those abroad have limited conception. According to Los Angeles Almanac the homeless in the City of Los Angeles totals 36,600 and LA County at 58,936. San Francisco is just under 10,000 however, this last statistic may be misleading. During my research I found New York City is first on the list with 78,676 homeless in total. Then I found the article that California has the most homeless people of any state which I believe to be the case. In another instance a link indicated "what is the City in CA with the most homeless individuals". When I went to that site it lists 4 cities but not the #1. This may be due to misdirection by the provider but then found this: At the city level, four of the five cities with the highest rate of unsheltered homelessness are in California: San Francisco, Los Angeles, Santa Rosa and San Jose. Seattle joins the California municipalities in the top five.

Though I can be critical of San Francisco, the liberals who run the City, the State and the media, the real issue is there is no certainty as to how many homeless there are in CA..... and it's growing daily. Is it overwhelming? If it isn't already it will be. Do they have a plan? Though they say it's on their agenda there's no light at the end of the tunnel except that train that's coming at them.

Changes in Insurance Law and/or Regulation

Nothing to report.



Disasters in Region

After last year's fire season disaster steps were taken by Pacific Gas & Electric (PG&E) to limit or preclude fire danger. Pacific Gas & Electric cut power to 48,200 customers in seven counties in California's Sierra Foothills and North Bay overnight because of high fire danger. The outages come during a red flag warning in the area, as hot, dry and windy weather increases wildfire risk. PG&E cut power to some 60,000 customers in October 2018, prior to the Camp Fire, which has since been blamed on PG&E equipment.

The utility has since been dealing with bankruptcy issues due to the wildfires. PG&E Corp. earlier this month sought to assure a judge its making progress on fire prevention, saying it's exceeding regulatory requirements to clear vegetation from power lines.

Victims of the second-most destructive fire in California history will get a chance to try and persuade a jury that PG&E Corp. should pay them as much as \$18 billion in damages. The Tubbs fire was the most destructive in state history until November's Camp Fire killed 86 people and levelled the town of Paradise. State investigators said the Camp Fire was sparked by a PG&E transmission line. State investigators have found that some of the 2017 wine-country wildfires were sparked by trees falling on PG&E power lines. Utility lines can spark fires by coming into contact with tree branches, falling onto dry brush or coming into contact with other equipment and emitting sparks.

PG&E has outlined its plan to exit the biggest utility bankruptcy in U.S. history, promising to largely protect the value of its shares.

Fire danger increases with the rise in temperature, lower humidity and high winds. CA may have escaped fire season this year as we now move into October and a reduction in temperatures. However, Southern CA always experiences Santa Ana winds aka: Santana or funnelled winds during the winter months that create the climate that accelerates fires once they start.

General Information/Items of interest

U.S. Aviation Regulator Denies It Misled Congress on 737 Max Inspectors. The Office of Special Counsel, however, sided with the whistle-blower and said some internal FAA reviews had concluded the same thing. It found that 16 of 22 FAA pilots conducting safety reviews, including making decisions on the 737 Max when it came into service two years ago, "lacked proper training and accreditation," according to the OSC letter to President Donald Trump. The OSC letter was first reported by the Washington Post.



Respectfully Submitted,

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