

April 19, 2016



STATE FARM

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INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

NATIONWIDE

To: The Honorable Tom Daly, Chair
The Honorable Melissa Melendez, Vice Chair
Members, Assembly Insurance Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kara Cross, General Counsel
Manolo P. Morales, Senior Legislative Advocate

Re: AB 2728 (Atkins) Insurance: Community Development Investing
As Introduced, February 19, 2016

Assembly Insurance Committee Hearing-April 20, 2016

PIFC Position: Support

The Personal Insurance Federation of California, representing seven of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate, Mercury and Nationwide) who collectively write a majority of the personal line auto and home insurance in California, **supports AB 2728 Insurance: Community Development Investing, by Assemblymember Toni Atkins.**

AB 2728 extends the Community Development Financial Institution (CDFI) tax credit program from January 1, 2017 until January 1, 2027. The tax credit program, initiated in 1997, is administered by the California Organized Investment Network (COIN), within the California Department of Insurance. The bill would also give priority for allocations of the CDFI tax credit to insurance company investors over all other tax credit investors.

CDFIs are mission-driven community organizations, separate from government control, and dedicated to providing financial products and services to low-income communities underserved by traditional financial markets. The tax credit program has proven to be a useful tool for stimulating investment in California communities by providing an incentive for insurers to deposit funds in CDFIs. In turn, these funds have been used to assist persons in low income communities to secure financing for economic development and affordable housing.

PIFC and its member companies have a long-standing record of supporting COIN and the CDFI tax credit program. Our members are actively involved in efforts to encourage and facilitate appropriate insurer investments in California community projects. It is for this reason **PIFC supports AB 2728 Insurance: Community Development Investing, by Assemblymember Toni Atkins and urges your "aye" vote.** If you have any questions regarding PIFC's position, please contact Michael A. Gunning at (916) 442-6646.

cc: Assemblymember Atkins, Author
Bill Lewis, Asm. Republican Caucus Consultant,
Mark Rakich, Cons. Asm. Insurance Committee
Robert Herrell, Legislative Director, California Department of Insurance
Camille Wagner, Legislative Affairs Secretary, Gov. Office