

August 26, 2013



STATE FARM

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INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

NATIONWIDE

To: The Honorable Kevin de Leon, Chair
The Honorable Mimi Walters, Vice Chair
Members, Senate Appropriations Committee

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

Re: AB 32 (Perez J) Community Development Investment Tax Credits
As Amended August 21, 2013

Senate Appropriations Committee Hearing, August 26, 2013
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 32: Community Development Investment Tax Credits, by Assemblymember John A. Pérez.**

AB 32 would increase the annual cap on qualified investments in the California Organized Investment Network (COIN) program from \$10 million to \$50 million, which, in turn, increases the amount of tax credits available from \$2 million to \$10 million. Since its inception, COIN has facilitated the investment of more than \$135 million into some of California's most underserved urban and rural communities.

PIFC member companies are actively involved in efforts to encourage and facilitate appropriate insurer investments in California community projects. The CDFI Tax Credit and Certification Program has proven to be a useful tool for stimulating investment in California communities by providing an incentive for insurers, other financial institutions, and individuals 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.

AB 32 provides a positive economic incentive to encourage community investment. For this reason, PIFC **supports AB 32 Community Development Investment Tax Credits by Assemblymember John A. Pérez 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 John A. Pérez, Author
Robert Ingenito, Consultant, Senate Appropriations Committee
Scott Chavez, Consultant, Senate Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor
Robert Herrell, Legislative Director, California Department of Insurance