

January 14, 2014

**To:** The Honorable Ed Chau, Chair  
The Honorable Beth Gaines, Vice Chair  
Members, Assembly Housing and Community Development Committee

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

**Re:** AB 495 (Campos) Community Investment  
**As Amended January 13, 2014**

**Assembly Housing and Community Development Committee Hearing,  
January 15, 2014**

**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 495: Community Investment, by Assemblymember Nora Campos.**

AB 495 establishes the California Community Investment Initiative (CCII) which encourages private-sector investments in low-income neighborhoods. Over the last decade, socially-responsible investing has matured as an industry, demonstrating that private investors can achieve market-rate financial returns while also generating social and environmental benefits in their communities. However, because of the higher risks associated with investments in poorer neighborhoods, many investing efforts have focused on moderate, rather than low-income, communities. AB 495 will reduce private-sector investment risks by mobilizing public leadership and existing government resources into low-income neighborhoods, fostering the kind of public-private collaboration that is needed to attract investment to California's poorest communities. By attracting resources to the most disadvantaged neighborhoods in California, CCII will help support living-wage jobs, affordable housing, a healthier environment and improved community services.

PIFC member companies have been involved in efforts to encourage and facilitate appropriate insurer investments in California community projects. The CCII provides a positive economic incentive to encourage community investment. For this reason, **PIFC supports AB 495 Community Investment by Assemblymember Campos 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 Nora Campos, Author  
Lisa Engel, Chief Consultant, Assembly Housing and Community Development Committee  
Peter Renevitz, Consultant, Assembly Republican Caucus  
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor  
Robert Herrell, Legislative Director, California Department of Insurance

