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MEMORANDUM

Date: August 11, 2011

To: The Honorable Christine Kehoe, Chair
The Honorable Mimi Walters, Vice Chair
Members, Senate Appropriations Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kimberley Dellinger Dunn, General Counsel
Manolo P. Platin, Legislative Advocate

Re: AB 624 (Perez J): California Organized Investment Network
As Amended, July 6, 2011

Senate Appropriations Committee – Hearing August 15th, 2011 PIFC Position: Support, as Amended

The Personal Insurance Federation of California (PIFC), representing six of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Group, Progressive, Allstate and Mercury) and one national trade association (National Association of Mutual Insurance Companies) who collectively write a majority of the personal line auto and home insurance in California, **supports AB 624 by Speaker Pérez.**

AB 624 would extend to January 1, 2017, the California Community Development Financial Institution (CDFI) Tax Credit and Certification Program which was initiated in 1997 and has been administered by the California Organized Investment Network (COIN), within the California Department of Insurance. The bill would also authorize the Insurance Commissioner to create a COIN Advisory Board to provide recommendations on how to increase insurer investments in community development projects.

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. 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.

For the foregoing reasons, **PIFC supports AB 624** and urges your “aye” vote. If you have any questions regarding PIFC's position, please contact Michael A. Gunning at (916) 442-6646.

cc: Assemblyman John A. Pérez, Author
Mark McKenzie, Senate Appropriations Committee
Scott Chavez, Senate Republican Caucus
Gareth Elliot, Secretary of Legislative Affairs, Office of the Governor
Randall Ward, Director, Office of the Insurance Advisor