



Personal Insurance Federation of California

California's Personal Lines Trade Association

REPRESENTING THE LEADING AUTOMOBILE AND HOMEOWNERS INSURERS
State Farm • Farmers • 21st Century Insurance Group • SAFECO • Progressive

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MEMORANDUM

Date: January 20, 2004

To: Honorable Darrell Steinberg, Chair
Members, Assembly Appropriations Committee

From: Dan C. Dunmoyer, President
Diane Colborn, Vice President of Legislative & Regulatory Affairs
Michael A. Gunning, Senior Legislative Advocate
Dan Chick, Senior Legislative Advocate

Re: AB 410 (Haynes): California Neighborhood Initiatives.
Assembly Appropriations Committee: January 21, 2003
PIFC Position: Support

The Personal Insurance Federation of California (PIFC), representing insurers who write over 35% of the personal lines insurance sold in California, including State Farm, Farmers, Safeco, 21st Century Insurance Group, and Progressive Insurance Company **supports AB 410** by Assembly member Ray Haynes.

AB 410 proposes the formation of the California Neighborhood Initiative which would allow the Governor to designate 25 renewal communities in California that desperately need economic revitalization. The purpose of the renewal communities is to focus community, private, and public enterprises attention on meeting the economic and social needs of these targeted neighborhoods. AB 410 is an innovative step towards assisting California neighborhoods in developing self-directed and individual revitalizing strategies. This bill will help address the myriad of economic and social woes that are common in California's most depressed neighborhoods. This will be accomplished by utilizing the neighborhoods own plan with authorization from the business, transportation and housing agencies.

PIFC member companies are actively involved in efforts to encourage and facilitate appropriate insurer investments in California community projects. PIFC supported the creation of COIN within the Department of Insurance, which serves as a clearinghouse to screen and facilitate insurer community investments. PIFC member companies have also taken a leadership role in the formation of IMPACT Community Capital, and insurer owed investment pool which will serve to increase insurer community investments in California. In turn, these funds have been used to assist persons in low-income communities to secure financing for economic development and affordable housing.

PIFC member companies have supported a similar stimulus program. The Community Development Financial Institutions (CDFI) tax credit program which has proved to be a useful tool for stimulating investment in California communities by providing an incentive for insurers and other financial institutions to deposit funds in CDFIs.

AB 410 will provide a positive economic incentive to encourage community investment. For these reasons, **PIFC supports AB 410 and urges a "yes" vote.** If you have any questions, please feel free to contact Michael Gunning at 916-442-6646.

cc: The Honorable Ray Haynes
Richard Costigan, Office of the Governor
Assembly Appropriations Committee
Assembly Republican Caucus