

TO: The Honorable Gavin Newsom
Governor of California

FROM: Mark Sektnan, American Property Casualty Insurance Association
Christian Rataj, National Association of Mutual Insurance Companies
Shari McHugh, Pacific Association of Domestic Insurers
Deanna LaTour-Jarquin, Personal Insurance Federation of California

**RE: AB 1511 (Assembly Committee on Insurance)
REQUEST FOR SIGNATURE**

DATE: September 7, 2021

The above organizations request that you **SIGN** AB 1511, which adds flexibility to the existing law to further encourage insurers to make more California Organized Investment Network (COIN) qualified investments. These include investments in renewable energy and community development. The bill would also authorize similar diversification of State Compensation Insurance Fund (State Fund) investments until January 1, 2027, by authorizing limited discretionary authority to make Environmental, Social, or Governance investments in line with existing authorities for other insurers, specifically in properties and securities, and money market mutual funds.

The COIN Program was created in 1996 as a public/private partnership between the California Department of Insurance, the insurance industry, state government leaders, and community development organizations. COIN's goal is to help address unmet capital needs that support investments in economic development and affordable housing in low-income urban and rural communities throughout California. The program serves as a liaison between insurers that are seeking investment opportunities and the community organizations that are seeking investment capital for projects while still allowing insurers to meet both statutory and regulatory requirements for investment safety.

According to the May 2021 COIN Newsletter, the money generated by insurer investments in COIN will create or sustain over 21,132 jobs in California. These investments will benefit the following sectors: \$806 million in affordable housing, \$193 million in health care, \$424 million in green investments, \$2.3 billion in mixed use and \$300 million in small business financing.

AB 1511, in part expands current law and would provide domestic insurance companies with the ability to increase their COIN-qualified investment holdings without substantially altering the capital needed to meet their current and long-term liabilities. Furthermore, this expansion would benefit Californians in low- to-moderate-income and rural communities and increase capital in California's small businesses affected by the COVID pandemic, affordable housing projects, and green investments. COIN estimates that an increase of as little as 1 percent in domestic insurance industry Schedule BA investments above the current 5 percent threshold would result in approximately \$1 billion of additional COIN-qualified Schedule BA investments.

For these reasons, the above-named groups request your signature on AB 1511.