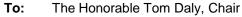
## Representing the Leading Automobile & Homeowners' Insurers

April 19, 2016



The Honorable Melissa Melendez, Vice Chair Members, Assembly Insurance Committee

From: Rex D. Frazier, President

Michael A. Gunning, Vice President Kara Cross. General Counsel

Manolo P. Morales, Senior Legislative Advocate

Re: AB 2728 (Atkins) Insurance: Community Development Investing

As Introduced, February 19, 2016

Assembly Insurance Committee Hearing-April 20, 2016

ALLSTATE **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 2728 Insurance: Community Development Investing, by Assemblymember Toni Atkins.

AB 2728 extends the Community Development Financial Institution (CDFI) tax credit program from January 1, 2017 until January 1, 2027. The tax credit program, initiated in 1997, is administered by the California Organized Investment Network (COIN), within the California Department of Insurance. The bill would also give priority for allocations of the CDFI tax credit to insurance company investors over all other tax credit investors.

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. The tax credit program has proven to be a useful tool for stimulating investment in California communities by providing an incentive for insurers 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.

PIFC and its member companies have a long-standing record of supporting COIN and the CDFI tax credit program. Our members are actively involved in efforts to encourage and facilitate appropriate insurer investments in California community projects. It is for this reason PIFC supports AB 2728 Insurance: Community Development Investing, by Assemblymember Toni Atkins and urges your "aye" vote. If you have any questions regarding PIFC's position, please contact Michael A. Gunning at (916) 442-6646.

Assemblymember Atkins, Author CC:

Bill Lewis, Asm.Republican Caucus Consultant, Mark Rakich, Cons. Asm. Insurance Committee Robert Herrell, Legislative Director, California Department of Insurance Camille Wagner, Legislative Affairs Secretary, Gov. Office

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