



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **PUBLIC NOTICE OF MEETING**

### **California Organized Investment Network (COIN) Advisory Board**

**Thursday, March 14, 2024  
1:00 p.m. – 4:00 p.m. (PST)**

**California Department of Insurance, 300 Capitol Mall, Sacramento, CA  
Check in on 17<sup>th</sup> Floor. Meeting in 17th Floor Conference Room #17005, Wheelchair  
Accessible (videoconference & Microsoft Teams)**

**California Department of Insurance, 1901 Harrison Street, Oakland, CA  
Check in on 3<sup>rd</sup> Floor. Meeting in 6th Floor Conference Room #60285, Wheelchair Accessible  
(videoconference & Microsoft Teams)**

**California Department of Insurance, 300 S. Spring Street, Los Angeles, CA  
Check in on 9<sup>th</sup> Floor. Meeting in 9th Floor Conference Room #9001, Wheelchair Accessible  
(videoconference & Microsoft Teams)**

**RSVP to Robby Samra at: 916-798-9709 or [coin@insurance.ca.gov](mailto:coin@insurance.ca.gov)  
Provide five days for reasonable Accommodation Requests**

**Other locations with COIN Advisory Board members attending virtually:**  
12800 Riverside Drive, 2nd Floor, Valley Village, CA 91607  
1100 Market St., San Diego, CA 92101  
Mazunte, Oaxaca 70947, Mexico

This public meeting will also provide a virtual option via Microsoft Teams Video Conferencing services with the option to participate online or via telephone.

Join on your computer, mobile app, or room device on the day and time of the meeting.

**Access the meeting online by using the Microsoft Teams link at:**

**Join on your computer, mobile app, or room device**

[Click here to join the meeting](#)

Meeting ID: 225 715 744 879

Passcode: EFBWb5

**Or call in:**

Dial in to access teleconference: 916-245-2537

Phone Conference ID: 118 948 757 4

**Instructions to connect to the meeting:**



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If you join the Microsoft Teams meeting online, your microphone will automatically be muted. If you would like to make a comment, please type into the chat box that you wish to speak, and you will be unmuted, or you may type your question/comment directly into the chat box, which will be read aloud for you.

If you are joining via telephone, you may dial in as a teleconference-only participant using the access code provided; however, you will be unable to see any of the projected materials that are part of the presentation, and you will not have the ability to comment live.

- The California Organized Investment Network (COIN) meetings operate under the requirements of the Bagley-Keene Open Meeting Act (Act) set forth in Government Code Section 11120-11132. The Act generally requires that COIN publicly notice meetings, prepare agendas, accept public testimony, and conduct sessions in public unless specifically authorized by the Act to meet in closed session. Agenda items may be taken out of order and action (e.g. voting) may be taken on any agenda item.
- COIN conducts public meetings to ensure adequate opportunity for public participation. Time limitation on public comments is at the discretion of the Chair and must relate to agenda items. Materials reviewed during meetings are available for public review and comment on the Department of Insurance website at <https://www.insurance.ca.gov/0250-insurers/0700-coin/50-COIN-Advisory-Board/>. Members of the public may also email: [CDIBoards@insurance.ca.gov](mailto:CDIBoards@insurance.ca.gov) to request a copy of the materials.
- Requests for disability-related accommodations or modifications should be made to the Appointments Officer at (916) 492-3335, or via email: [CDIBoards@insurance.ca.gov](mailto:CDIBoards@insurance.ca.gov) no later than five (5) business days prior to the day of the meeting.



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## **California Organized Investment Network (COIN)**

### **Advisory Board Meeting**

**Thursday, March 14, 2024**  
**1:00 p.m. – 4:00 p.m. (PST)**

### **AGENDA**

<b>Topic</b>	<b>Presenter</b>	<b>Goal</b>	<b>Action</b>
1. Opening Remarks and Introduction of New Board Members	TC Wilson, Chair	Opening Remarks	None
2. Roll Call	Sukh Randhawa, COIN	Roll Call	None
3. Minutes Approval	TC Wilson, Chair	Review	Vote
4. Presentation – Affordable Housing Credit Rating	Matt Kraeger, Blackrock Bob Simpson, Multifamily Impact Council Rachel Macrothalasitis, Multifamily Impact Council	Presentation	None
5. What Can COIN Do For Me?	COIN Staff	Discussion	None
6. InsuranceAUM Podcast	TC Wilson, Chair	Discussion	None
7. Break (Optional)			
8. Deal Flow and Salesforce Update	Francisco Raygoza, COIN	Discussion	None
9. Wildfire Risk Reduction & Forest Resilience Investment Opportunities	Peter Streit, COIN	Discussion	None
10. COIN Strategy, Improvements, and Focus	Sukh Randhawa, COIN	Discussion	None
11. Final Remarks & Adjourn	TC Wilson, Chair	Final Remarks	None



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## **COIN ADVISORY BOARD – Agenda Item 1: Opening Remarks and Introduction of New Board Members**

TC Wilson, COIN Advisory Board Chair

### **New Board Member Introductions**

#### **Gina Zapanta:**

Gina Zapanta is the founder and CEO of Z.A. Lawyers, a law firm that specializes in Worker's Compensation, personal injury, and employment. She served two terms on LACERA Board of Retirement and focuses her career on serving the community by creating access to opportunity and education. She recently expanded her law firm to Louisiana, where her family has a ranch, was nominated President of the Hispanic Lawyers Asso of Louisiana, and is mom to six kids through a modern family. She also founded the Empowered with Gina women's platform which focuses on cultivating female empowerment along with business and wealth building.

#### **Vanessa Delgado:**

Vanessa Delgado is the daughter of Mexican immigrants and grew up in Boyle Heights. She received her undergraduate education at Stanford University and then completed a Master of Public Administration at the University of Southern California.

Vanessa is now the founder and President of Azure Development. Azure creates, designs, and builds exceptional affordable housing communities and commercial projects in California.

Vanessa pursued her passion for public service work and was elected to the City Council of the City of Montebello in November 2015. In 2018, she was elected to serve as a State Senator for District 32 and completed a short term. Senator (Ret.) Vanessa Delgado was appointed to the South Coast AQMD Governing Board in May 2019 and is currently as the Agency's first Latina Board Chair.

Ms. Delgado lives in Montebello with her daughter Isabella and their pets.



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**COIN ADVISORY BOARD – Agenda Item 2: Roll Call**

	<b>Board Member</b>	<b>Present (check box)</b>
<b>1</b>	Commissioner Ricardo Lara <u>or</u> Commissioner’s Primary Designee Sukh Randhawa <u>or</u> Commissioner’s Contingent Secondary Designee Michael Martinez	
<b>2</b>	TC Wilson, Chair	
<b>3</b>	Jennifer Keith, Vice Chair	
<b>4</b>	Doug Bystry	
<b>5</b>	Ophir Bruck	
<b>6</b>	Stephanie Chan	
<b>7</b>	Rudy Espinoza	
<b>8</b>	Debra Gore-Mann	
<b>9</b>	Gina Zapanta	
<b>10</b>	Maité Irakoze Baur	
<b>11</b>	Ileana Ovalle	
<b>12</b>	Heberto Sanchez	
<b>13</b>	Vanessa Delgado	

**Observers**

<b>Name</b>	<b>Title</b>	<b>Company</b>



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**COIN ADVISORY BOARD – Agenda Item 3: Approval of Minutes**

TC Wilson, COIN Advisory Board Chair

**Objective:** Vote to approve the November 9, 2023, Board Minutes

**Attachment:**

November 9, 2023, COIN Advisory Board Minutes



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**COIN ADVISORY BOARD Minutes**

Thursday, November 9, 2023, 1:00 p.m. to 4:00 p.m.  
California Department of Insurance

Telephone conference dial-in number: : 916-245-2537, Access code: 574 554 952#

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The meeting was called to order at 1:13 p.m. by Nicholas Roxborough, the Board Chair.

- |  |   |
|--|---|
| 1) Sukh Randhawa, COIN Chief                             | 8) Maïté Irakoze Baur, Farmers Group, Inc.    |
| 2) Douglas Bystry, Clearinghouse CDFI                    | 9) Jennifer McElyea, Watt Investment Partners |
| 3) Ophir Bruck, S&P Global                               | 10) Nicholas Roxborough, RPNA                 |
| 4) Stephanie Chan, State Compensation Insurance Fund     | 11) T. C. Wilson, The Doctors Company         |
| 5) Rudy Espinoza, Inclusive Action for the City (absent) | 12) Ileana Ovalle, Qualcomm Institute         |
| 6) Debra Gore-Mann, The Greenlining Institute            | 13) Heberto Sanchez, Latino Education Fund    |
| 7) Ginger Hitzke, Hitzke Development Corporation         |   |

1. **Welcome:** Nicholas Roxborough welcomed everyone to the Thursday, November 9, 2023 meeting, the last meeting of the 2023 calendar year. Nick provided an update on some outstanding issues since the last Board Meeting. He began with the request from the last meeting from the Board on how to improve the current investment metrics to help analyze current bulletins. Also, Nick highlighted the Hospital Seismic Retrofit project discussed in the previous meeting.

2. **Roll Call:** Sukh conducted the Roll Call. All Board members were present.

3. **August 9, 2023, Board Minutes:** Nicholas Roxborough introduced the August 9th board meeting minutes. Herberto moved, and Jennifer seconded the motion. All Ayes.

4. **Improve Insurance Availability in California**

Mike Peterson, the Deputy Commissioner of Climate Sustainability at the California Department of Insurance, discussed AB 970 and the department's approach to improving insurance access in California. He stated there are three phases to it: 1) what problem are we trying to solve, 2) what is in legislation, and 3) next steps and department goals for projects. The Climate Insurance report and Roadmap both look into two parts of climate impacts that are accelerating in CA, while we have protection gaps that are growing and increasing loss events and more severe impacts. Less than 2% have flood insurance, but we have seen an increase in flooding risk as a result of multiple factors. This means 98% of flood exposure falls on local governments and households. Wildfires and extreme heat are public events that are severe and some homeowners are underinsured or uninsured. Extreme heat is the deadliest climate impact, but we have no insurance for it. This is an issue that is hard to tackle and has severe consequences and high costs. AB 970 covered 8 areas of the state where we are proposing pilot projects, and where certain areas have risk of extreme heat, wildfire, or flood. The legislation is running parallel to CDI to work with jurisdictions in those areas to see what projects would look like. In one specific example, in Imperial Beach, we were able to determine that coastal storms were the cause of flooding into the community, due to sea level rise and atmospheric rivers. A substantial number of renters and LMI households can't afford flood insurance. Efforts have been made in the area to reduce flooding by investing in wetlands versus levees. Also, an early warning system for atmospheric rivers would give communities time to respond. They partnered with UC Davis and worked with the district to gather risk information for legacy communities in the Sacramento Delta. AB 970 was vetoed by the Governor because of fiscal reasons. Local government is figuring out how to fund such projects. The last part is to talk about the broader strategy and what is the goal for CDI. We want pilot projects to demonstrate how to close protection gaps, especially in Low to Moderate-income communities, which can be developed at the neighborhood level to provide extreme heat insurance and local insurance capacity to pay for severe costs of heat waves such as transportation to seniors. This is only in the case of a moderate heat wave, not an extreme heat wave.

The focus is on how does local government plans for extreme heat and how they meet the needs. Each project would cost about \$1M for the first year, and hopefully, this would allow for local government funding.

#### **5. Statutory Accounting Risk-Based Capital Treatment**

Dan Daveline, the Director of Financial Regulatory Services from the NAIC, presented on Risk-Based Capital (RBC). Regulators want to make sure there is an adequate margin for safety driven by the RBC formula that requires all insurers to maintain capital above RBC thresholds. The big message is that we want to make sure that solvency is regulated, and RBC is one analytical tool that is utilized. Europe puts a lot of emphasis on capital requirements. Accounting and reporting drive RBC analysis because regulators want to make sure insurers are auditable. Most of the industry is above minimum levels. RBC does reflect unique risks and addresses common measurements within the industry. RBC is intended to be easy to calculate. While some insurers have historically viewed RBC as one form of measuring capital adequacy, Mr. Daveline emphasized that RBC is not designed to drive investment policy nor to be an early warning device, identify fraud, or monitor solvency. RBC does not consider every scenario and every risk. It is a confidential filing and not a ranking mechanism.

#### **6. COIN Underwriting Metrics and Marketing**

Francisco had reached out after the last CAB Meeting to the insurance companies on the Board with the questions that we currently ask on our questionnaire and requested information on what insurance companies ask in their underwriting process. The big takeaway was to have more focus on the fund managers and strategy. Additional feedback during the meeting was to have a scoring system, possibly a scorecard. Also, additional information is to be included in the existing questionnaire and into the IIM. Stephanie requested to have the template as standardized as possible but to have some kind of risk analysis in addition to the returns, and how they compare over different cycles. TC also mentioned that sometimes ranking them will be challenging and trying to incorporate the risk projections, including downside risk capture.

#### **7. Update: The California Hospital Seismic Retrofit Program (SB 1953) Insurer Financing Options**

Robby provided an update on the California Hospital Seismic Retrofit Program. From multiple meetings and conversations with HCAI and the California Hospital Association (CHA), we were unable to get the necessary data to provide to the investment bank to do a financial analysis for which hospitals would be able to take on additional debt to help finance their retrofit.

The next step is to wait until HCAI can get additional data, which they stated they will receive in early 2024, to be then able to do a financial analysis and ideally assist in providing an offering down the line.

#### **8. Future COIN Events**

Sukh brought up a comment on how little response we have received on the survey that we have sent out and opened up to ideas on how we can get better responses. Maite recommended possibly doing something other than a survey, something that may draw more attention such as partnering with a large investment manager like BlackRock. TC suggested that he could reach out directly to some of the larger insurance companies to help get feedback. Ophir suggested a partnership with organizations that have pull will extend COIN's reach.

#### **9. Chair and Vice Chair Announcement, Final Remarks, and Adjourn:**

TC Wilson was appointed the new Chair of the COIN board, and Jen McElyea was reappointed as Vice Chair. Nicholas Roxborough thanked the board and COIN staff for everything throughout his tenure as he will be stepping down from the board. Mr. Bystry thanked Mr. Roxborough for his service and outstanding leadership as Chairman of the Advisory Board and indicated the board had grown under his leadership.

Nicholas Roxborough moved to adjourn the meeting, and Jen McElyea seconded the motion.





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**COIN ADVISORY BOARD – Agenda Item 4: Presentations of Affordable Housing Credit Rating**

Matt Kraeger, Blackrock

Bob Simpson, Multifamily Impact Council

Rachel Macrothalasitis, Multifamily Impact Council

**Objective:** Presentations to discuss the benefits and challenges that institutions have with Affordable Housing investments, means of investing, credit ratings and rating agency perspectives, and how to measure performance.

**Q&A will be done after both presentations are complete.**



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## **COIN ADVISORY BOARD – Agenda Item 5: What Can COIN Do For Me?**

Francisco Raygoza, COIN

### **Objective:**

Discussion on how COIN can be more attractive for additional insurance companies to invest or further invest in our program. Topics that have currently been brought up include:

- Improve COIN Due Diligence so that insurers do not have to repeat the process,
- Expand qualifying municipal bonds,
- Broaden asset qualifications removing the “equity-like” treatment,
- Expand private equity managers and capacity to provide qualifying investments,
- Consider favorable RBC treatment for COIN-Qualified investments,
- Bring back the premium tax credits,
  - Applying them for the life of the asset,
- Amend CA 10. 2509.5 to permit or allow COIN investments as eligible or qualifying assets to satisfy CA insurers’ deposit requirements

Open to discussion for additional topics.



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**COIN ADVISORY BOARD – Agenda Item 6: InsuranceAUM Podcast**

TC Wilson, COIN Advisory Board Chair

The InsuranceAUM.com podcast discusses a wide range of insurance asset management topics. They interview industry leaders and subject-matter experts from insurance companies and asset managers alike.

TC will be presenting and discussing COIN, its history, and its benefits. It is a good platform that typically includes 40-50 insurers and asset managers. The podcast is scheduled for Tuesday, on March 26<sup>th</sup> at 8:00am pacific time

[www.insuranceaum.com](http://www.insuranceaum.com)



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**COIN ADVISORY BOARD – Agenda Item 7: Break (Optional)**



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**COIN ADVISORY BOARD – Agenda Item 8: Deal Flow and Salesforce Update**

COIN Staff

**Deal Flow:**

Approved:

- Net Zero Power Fund LP – Net Zero Power Fund LP (NZPF) strategy is targeted to decarbonize and move towards a clean energy future.
- Amet Partners, LP – The Fund invests in renewable energy projects in California

In the Pipeline:

<b>Investment Name</b>	<b>Company</b>	<b>Investment Type</b>
560 Climate Tech and Transition Master Fund I SCA-RAIF	J.P. Morgan Asset Management	D - Long-term Bonds, Preferred & Common Stock (Growth Equity)
Digital Path Preferred Equity	American Triple I Partners	BA - Other Long-term Invested Assets (Private Equity Pref Equity)
Illumen Catalyst Fund, LP	Illumen Capital	BA - Other Long-term Invested Assets (VC FOF)
HarbourVest Stewardship Fund L.P	HarbourVest Partners LLC	BA - Other Long-term Invested Assets (Private Equity)
State of California Veterans General Obligation Bonds, Series CU	Wells Fargo Corporate & Investment Banking	D - Long-term Bonds, Preferred & Common Stock (Fixed Income)
Illumen Capital III, LP	Illumen Capital	BA - Other Long-term Invested Assets (VC FOF)
New Protein Fund II, L.P.	Big Idea Ventures	BA - Other Long-term Invested Assets (Early Stage VC)

**Salesforce Update:** Working with IT and Touchpointe on data migration.

**Discussion:** Board recommendation on what would like to see in an investment fund?



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**COIN ADVISORY BOARD – Agenda Item 9: Wildfire Risk Reduction & Forest Resilience Investment Opportunities**

Peter Streit, COIN

**Presenters:**

Sherry Hazelhurst – Director of State & Private Forestry, Pacific Region, U.S. Forest Service (USFS)

John McCarthy – Deputy Chief, Wood Products & Bioenergy Program, California Department of Forestry and Fire Protection (CAL FIRE)

Elizabeth Betancourt – Natural and Working Lands Policy Advisor, California Department of Conservation

Alex Yiu – Staff Air Pollution Specialist, Forest Offset & Natural Working Lands Specialist, California Air Resources Board (CARB)

Dr. Glenda Humiston – Vice President, University of California, Division of Agriculture and Natural Resources

**Objective:**

The State of California has identified the need to increase management of our forests in order to reduce the risk of wildfire to our communities. In 2020, Governor Newsom announced an Agreement for Shared Stewardship of California's Forests and Rangelands, which set the goal of treating 1 million acres of forest in California on an annual basis by 2025. In its 2022 Scoping Plan, the California Air Resources Board (CARB) conducted a scenario analysis for different levels of annual forest treatments, Business as Usual, 1 million acres, 2.5 million acres, and 5 million acres. CARB concluded that 2.5 million acres of annual forest treatments produced the best outcome in terms of Carbon Sequestration. The sweet spot between too little vegetation and too much fuel for wildfires.

With these goals in mind, there are two buckets of investment opportunities around forest management: The Forest Treatments themselves and the Infrastructure around Forest Treatments.

**Investment Opportunities: Forest Treatments & Infrastructure:**

- Establish and develop a circular economy around forest treatments that results in stable, sustainable, repeatable long-term cash flows for investors.
- Forest treatments for landowners can generate revenues with sales from Timber and



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Biomass, and Carbon Credits awarded, under certain market conditions.

- With a steady, reliable flow of raw materials coming out of responsible forest management, and with sufficient supplier and off-taker agreements, infrastructure around forest treatments can be profitable and investible. Forest management servicing and equipment companies, transportation companies, saw mills, biomass energy facilities, hydrogen production facilities, opportunities for the agriculture industry, and workforce development. All of these sectors benefit from responsible forest management practices.

**Board Discussion:**

What is needed to find a path forward to make these viable investment opportunities for institutional investors? What would investors need to see before they would consider such investments, specifically both for investments in Forest Treatments and Forest Infrastructure? How do we structure the responsible forest management industry to increase the flow of capital into these investments? How can we increase the likelihood that adequate market conditions persist throughout the forest management industry?



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**COIN ADVISORY BOARD – Agenda Item 10: COIN Strategy, Improvements, and Focus**

Sukh Randhawa, COIN

**2023 Focus:**

COIN was focusing on Affordable Housing, Healthcare, and Green investments with an emphasis on utilizing diverse investment managers.

**Discussion:** What should we focus on in 2024?





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**COIN ADVISORY BOARD – Agenda Item 11: Final Remarks and Adjourn**

TC Wilson, COIN Advisory Board Chair