



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **PUBLIC NOTICE OF MEETING**

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

**Thursday, April 14, 2022**  
**1:00 p.m. – 4:00 p.m. (PST)**

#### **CDI Sacramento Office**

300 Capitol Mall, Sacramento, CA 95814  
Meeting in 16<sup>th</sup> Floor Conference Room (Check-in on 17<sup>th</sup> Floor)

#### **CDI Oakland Office**

1901 Harrison Street, Oakland, CA 94612  
Meeting in 6<sup>th</sup> Floor Conference Room (Check-in with Lobby Security)

#### **CDI Los Angeles Office**

300 South Spring Street, South Tower, Los Angeles, CA 90013  
Meeting in 14<sup>th</sup> Floor Conference Room (Check-in on 9<sup>th</sup> Floor)

**Teleconference Dial-In Number: (844) 517-1271**  
**Access code: 37529769#**

**For security and seating purposes, please RSVP if you'll be attending the meeting at any of the CDI Offices to [coin@insurance.ca.gov](mailto:coin@insurance.ca.gov).**

#### **Other locations with COIN Advisory Board members attending virtually:**

The Doctors Company, 185 Greenwood Road, Napa, CA  
Salt Spring Island Public Library, 129 McPhillips Avenue, Salt Spring Island, BC, Canada

#### **Note on Public Meetings:**

- The California Organized Investment Network (COIN) Advisory Board 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 the COIN Advisory Board 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.
- The COIN Advisory Board 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 [www.insurance.ca.gov/coin](http://www.insurance.ca.gov/coin). Members of the public may also email: [coin@insurance.ca.gov](mailto:coin@insurance.ca.gov) to request a copy of the materials.
- Requests for disability-related accommodations or modifications should be made to COIN at (916) 492-3525, or via email: [coin@insurance.ca.gov](mailto:coin@insurance.ca.gov) no later than five (5) business days prior to the day of the meeting.



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

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

**Thursday, April 14, 2022**  
**1:00 p.m. – 4:0 p.m. (PST)**

**AGENDA**

<b>Topic</b>	<b>Presenter</b>	<b>Goal</b>	<b>Action</b>
1. Welcome Remarks	Ricardo Lara, Commissioner Nicholas Roxborough, Chair	Opening Remarks	None
2. Roll Call	Anna Gragg	Roll Call	None
3. Minutes Approval	Nicholas Roxborough, Chair	Review	Vote
4. Implementation of Increased Leeway Law	Sukh Randhawa	Discussion	None
5. Community Development Investment Policies	Sukh Randhawa	Discussion	None
6. Break	Nicholas Roxborough, Chair	Discussion	None
7. Market COIN to Expand its Visibility	Nicholas Roxborough, Chair	Discussion	None
8. Final Remarks and Adjourn	Nicholas Roxborough, Chair	Final Remarks	None



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April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 1: Welcome Remarks**

Ricardo Lara, California Insurance Commissioner

Nick Roxborough, COIN Advisory Board Chair



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April 14, 2022

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

Anna Gragg, COIN Investment Officer

	<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>	Nicholas Roxborough, Chair	
<b>3</b>	Doug Bystry	
<b>4</b>	Ophir Bruck	
<b>5</b>	Stephanie Chan	
<b>6</b>	Rudy Espinoza	
<b>7</b>	Debra Gore-Mann	
<b>8</b>	Ginger Hitzke	
<b>9</b>	Maïté Irakoze Baur	
<b>10</b>	Jennifer McElyea	
<b>11</b>	Heberto Sanchez	
<b>12</b>	Sabrina Sanders	
<b>13</b>	T.C. Wilson	

**Observers**

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



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April 14, 2022

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

Nick Roxborough, COIN Advisory Board Chair

**Objective:** Vote to approve the December 10, 2021, board minutes.

**Attachment:**

December 10, 2021, COIN Advisory Board Minutes



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

**COIN ADVISORY BOARD Minutes**

Friday, December 10, 2021, 10:00 a.m. to 12:00 p.m.

California Department of Insurance

Telephone conference dial-in number: 877.411.9748, Passcode: 265729

<https://us02web.zoom.us/j/7143782307>

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The meeting was called to order at 10:04 a.m. by Doug Bystry, Board Chair

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

- Welcome:** Doug Bystry welcomed everyone to the December 10, 2021 meeting. Doug thanked retired board member Pat GoPaul for her ten years of valuable service on the COIN Advisory Board. Doug shared Ophir Bruck's new position at S&P Global as Senior ESG Solutions Account Director. Ophir will continue to serve on the COIN Advisory Board as an expert on investments with environmental benefits.
- Introductions:** New COIN staff Francisco Raygoza shared his bio with the board. Guests included: Michele Chow-Tai and Damaris Rivera of Fairview Captial.
- Roll Call:** Anna Gragg conducted the roll call.
- July 22, 2021, Board Minutes:** Doug Bystry introduced the April 8th board meeting minutes. Doug asked for a motion to approve the board minutes as presented. Nicholas Roxborough moved, and Maïté Irakoze Baur seconded the motion. All ayes.
- Implementation of Increased Leeway Law:** COIN Chief Sukh Randhawa shared a brief history of the board's recommendation to modify the leeway law. The current law caps Schedule BA investments at five percent of admitted assets or 50% of the excess of admitted assets over the sum of capital paid up, liabilities, and a required surplus. The new language states in part; insurance companies domiciled in California may increase their Schedule BA investments by over five percent if those investments are approved by the COIN Program and the California Insurance Commissioner. The Financial Surveillance Branch (FSB) will review the financial stability of each insurer and make recommendations to the Commissioner. COIN will rank the insurers closest to the five percent and most likely benefit most from the change in order to participate (more) in COIN. The initial goal is to meet with insurers to confirm their awareness of the increased COIN opportunity for the leeway basket and determine their interest in making COIN qualified investments. COIN discussions with FSB resulted in a recommendation that investments made before January 1, 2022, not be considered eligible for the leeway calculation. Francisco Raygoza added that it makes the most sense for COIN to start with companies at five percent. It shows them as the most heavily invested in Schedule BA alternative investments.

T.C. Wilson asked about the exclusion of retroactive investment in COIN. The COIN goal is to encourage more investment, but it's a little counterproductive if credit is not given for past work. T.C. agreed with the message's intention, but the language should be expanded and consider putting the burden back on each insurer to confirm what has been done in the past. It would also be helpful if the message were softened.

Sukh Randhawa added, T. C. is referring to the board package note, "Investments made before January 1, 2022, will not be considered retroactively in the increased leeway calculation." The new

language is effective January 1, 2022. COIN wants insurers to participate more in the program, not open up space for more Schedule BA investments outside of the COIN Program.

Since there was no tracking to identify prior COIN investments, Stephanie Chan said this requirement would have problems determining eligibility and when it was suitable for COIN under the increased leeway basket. Unless COIN has an excellent beginning point, this could be problematic for compliance.

Rudy Espinoza added it's a lot cleaner to start the policy when the new legislation begins and move forward after that. That doesn't mean insurers weren't making suitable investments before.

Doug Bystry said it would be better for community investments not to look back retroactively. Stephanie Chan agreed that retroactive language is not helpful. Insurance companies need to demonstrate that if they go above the five percent leeway basket, they must show that the additional investments are subject to the COIN Program approval. T.C. Wilson agreed with Stephanie Chan and understands why the group wants the retroactive exclusion language in order to encourage more investment.

Maïté Irakoze Baur said that it's understandable why COIN wants to start on January 1, 2022. But, for those insurers that have made an effort to make COIN investments they would feel penalized.

Maïté Irakoze Baur asked about insurers working with investment managers who would have products not on the COIN platform. Are those investments disqualified automatically as the additional allocation over the five percent is only for COIN-approved investments on the platform?

Sukh Randhawa responded it's what COIN has approved on the COIN platform. As insurers look at investments with their manager with a strategy that falls within the COIN mission and guidelines, refer them to COIN. COIN will then review, approve, and add them to the COIN platform.

Sabrina Sanders said that it goes back to communication and marketing. Is there a cheat sheet that would be helpful to the outreach for the program? Sukh Randhawa responded that's a great suggestion. COIN will work on a one-page fact sheet for insurance companies and asset managers.

Doug Bystry added that the COIN mission is to advance COIN investments, and therefore, the restriction to not retroactively look back would not discourage additional COIN investments.

- 6. 2021 Community Investment Survey (CIS) Data Call:** Peter Streit presented an overview of the final results of the 2021 Community Investment Survey (CIS) Data Call, due on July 1, 2021. Insurance companies who wrote over \$100 million of California direct premiums were mandated to report to the Commissioner all of their community development investments, community development infrastructure investments, and green investments in California for the five calendar years, 2016-2020.

COIN achieved strong results in the COIN Investment Bulletin Program by developing the Impact Investment Marketplace (IIM), an online portal to streamline the bulletin application process and make available approved COIN Investment Bulletins to investors. The IIM also allowed COIN to better track contacts in the COIN network. Outside investment managers manage about 50% of the insurance industry's investible assets. COIN began to establish relationships with outside investment managers, growing the list of COIN investment management contacts from zero in 2018 to over 150.

- 7. Community Development Investment Policy Statements:** Sukh Randhawa updated the board on its recommendation to request a current community development investment policy statement from insurance companies. California legislation, Assembly Bill 41, Solorio 2010, mandates insurers to file with COIN a policy statement on community development investment goals. COIN has worked with the CDI Information Technology Division to migrate these policies and upload them to the Impact Investment Marketplace. COIN is working on a letter from Commissioner Lara to send to insurers to request updated or revised policy statements collected through the Impact Investment Marketplace. It's essential to have the policy statements stored in the same place where insurance companies are

seeking impact investments. This will increase exposure to the COIN-qualified investments on the COIN IIM platform.

Maité Irakoze Baur asked if this is the same as a Socially Responsible Investing policy statement or something different. Farmers Insurance's current Socially Responsible Investing policy statement includes impact investing language and has Environmental, Social, and Governance integration language. Sukh Randhawa responded that if an insurer has a separate Socially Responsible Investing and Environmental, Social, and Governance policy statement, it may be uploaded to the COIN platform, or an insurer may upload its entire investment policy statement. This is at the insurer's discretion.

Ophir Bruck said that it would be an interesting exercise to see how many companies have policies that formally target what we consider COIN-qualified community development investments versus comprehensive Environmental, Social, and Governance risk management policies.

In The Doctor's Company policy, T.C. Wilson said that for any new investment strategies considered, we first must look to the COIN platform to see what is available. If there is nothing suitable, then other investments are considered.

Maité Irakoze Baur suggested COIN should look for a commitment to impact investing. Environmental, Social, and Governance integration is risk management. An Environmental, Social, and Governance policy will not reflect community development investments, and COIN encourages insurers to make more impact investments.

Doug Bystry added that the board looks forward to the results of the request for updated community development investment policy statements.

- 8. Election of Chair and Vice-Chair:** Anna Gragg introduced electing a Chair and Vice-Chair. T.C. Wilson and Nicholas Roxborough are the candidates for Chair. Stephanie Chan and Jennifer McElyea are the candidates for Vice-Chair. All four candidates made brief statements on their qualifications for the leadership positions. Jennifer McElyea made a motion to vote for Chair and Vice-Chair, seconded by Ophir Bruck. Nicholas Roxborough was selected as Chair, and Jennifer McElyea was selected as the Vice-Chair for the COIN Advisory Board.
- 9. Final Remarks and Adjourn:** Doug Bystry thanked Nicholas Roxborough and Jennifer McElyea, who have stepped into the board leadership positions for 2022. Doug thanked all of the board members for serving and congratulated everyone for the continued success of the COIN Program.

The meeting adjourned at 12:02 p.m.





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CALIFORNIA INSURANCE COMMISSIONER

April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 4: Implementation of Increased Leeway Law Effective January 1, 2022**

Sukh Randhawa, COIN Chief

**Objective:** Discussion on the programmatic administration of the amended leeway law.

**Background:** AB 1511 (Committee on Insurance, Chapter 627, Statutes of 2021) will allow California domiciled insurance companies to increase Schedule BA investments that provide social and environmental benefits if the following criteria are both met: (1) subject to the Commissioner's approval; and, (2) subject to qualification by COIN as a qualified investment.

This expansion provides insurance companies with the ability to increase their COIN-qualified investment holdings which benefit low- to moderate-income and rural communities and increase capital in California's green investments, affordable housing projects, and small businesses.

**Attachment:**

COIN Leeway Law Fact Sheet



CALIFORNIA ORGANIZED  
**INVESTMENT NETWORK**  
Insurers investing in a better California

## CALIFORNIA LAW BRINGS MORE LEEWAY TO YOUR INVESTMENT PORTFOLIO

California's new **leeway law** allows you to increase your allocation to schedule BA investments when you work with the COIN program.

### What are some potential benefits of COIN qualified impact investments?

- COIN approved Investments generate favorable returns while directly benefiting affordable housing projects, supporting small businesses and green investments, and encouraging investors to utilize diverse investment managers.
- Allocation in certain COIN qualified strategies can potentially provide higher expected returns than fixed income in a negative yield environment.
- Directing capital towards COIN qualified schedule BA strategies that have a lower correlation with public markets could decrease portfolio volatility during uncertain times.
- A 1% increase in schedule BA from 5% to 6% for California domiciled insurers represents approximately \$1 billion in capital that can be reallocated to COIN qualified investments.

**\*What is the Leeway Law:** Prior to 2022, discretionary investments (Schedule BA) may include the purchase of, or loans upon, properties and securities but are limited to the lesser of 5% of the insurer's admitted assets or 50% of the excess of admitted assets over the sum of capital paid up, liabilities, and a required surplus. This new law, which sunsets January 1, 2027, would remove the Schedule BA limitation listed above if the following two conditions are met: California Insurance Commissioner has approved the amount and terms of the investment, and COIN has identified the investment in an investment opportunity bulletin on the Impact Investment Marketplace.

For more information contact: 300 Capitol Mall, Suite 1600, Sacramento, CA 95814 | [COIN@Insurance.ca.gov](mailto:COIN@Insurance.ca.gov)



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April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 5: Insurers’ Community Development Investment Policy Statements**

Sukh Randhawa, COIN Chief

**Background:** California Insurance Code Section 926.3, required each insurer that writes premiums in California equal to or in excess of one hundred million dollars (\$100,000,000) annually to develop, and file with the Commissioner, a policy statement on community development investments and community development infrastructure investments that expresses the insurer's goals for these investments.

**Board Recommendation:** At the COIN Advisory Board meeting on July 22, 2021, the board recommended that COIN request that each insurance company that writes over \$100 million of California premiums provide an updated Community Development Investment Policy Statement.

**COIN Update:** Commissioner Lara has sent a letter to insurance company chief executive officers to request that they update their Community Development Investment Policy Statements on the Impact Investment Marketplace.

**Attachment:**

Commissioner Lara’s letter to Insurance Company chief executive officers



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

March 30, 2022

XXXXXXXX

**SUBJECT: Community Development Investment Policy Statements**

Dear XXXXXX,

I am writing to strongly encourage you to please submit an updated copy of your company's community development investment policy statement to my California Organized Investment Network (COIN) team.

Established in 1996, the mission of [COIN](#) is to guide insurance companies on making investments that yield environmental benefits in California and/or social benefits for the state's underserved communities. COIN partners with community organizations to source and structure these investments, and then markets them to insurance companies as potential investment opportunities with positive social and environmental impacts in California.

In 2011, chaptered California Assembly Bill 41 (Chapter 340, Statutes of 2010) codified into California Insurance [Code § 926.3\(b\)](#) that each insurance company admitted in California that writes premium in California equal to or in excess of \$100 million annually shall develop a policy statement on aggregate community development investments and community development infrastructure investments that expresses the insurance company's goals for these investments. This statutory requirement also required insurance companies to publicly file their community development investment policy statements with the Department no later than July 1, 2011, which have been made publicly accessible on the Department's [Internet website](#) here: [www.insurance.ca.gov/COIN/PolicyStatements](http://www.insurance.ca.gov/COIN/PolicyStatements).

It is my understanding from COIN staff that your community development investment policy statement was submitted to the Department in advance of the statutory July 1, 2011 deadline. However, given that this deadline was more than a decade ago, it is highly likely that your company has made numerous changes to its development investment policy statement since then. Therefore, I am strongly urging you, along with every admitted insurance company that writes premium in California equal to or in excess of \$100 million annually, to publicly file an updated community development investment policy statement with COIN by April 30, 2022.

CALIFORNIA DEPARTMENT OF INSURANCE  
PROTECT•PREVENT•PRESERVE  
300 Capitol Mall, 17th Floor  
Sacramento, California 95814  
Tel: (916) 492-3500 • Fax: (916) 445-5280  
CALIFORNIA INSURANCE COMMISSIONER

I believe these investments help address some of society's greatest challenges being faced in California, such as affordable housing, climate and environmental sustainability, and small business challenges as a result of the COVID pandemic. In addition, my COIN "Invest

in Our Diverse Communities" Initiative, launched in July 2020 to identify diverse woman-, veteran-, LGBTQ+-, Latinx, Asian Pacific Islander, Black, and Native American -owned investment managers who can guide investments made by insurance companies into capital ready socially responsible projects across California, helps build upon calls for increased development in our communities nationwide, especially in these historically disadvantaged communities.

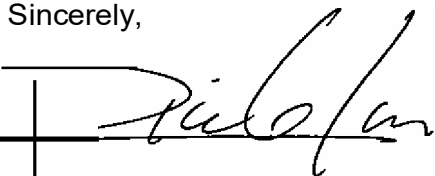
I believe community development investment policy statements allow us to more clearly see and understand how insurers guide their own investments for the betterment of communities in which they operate. For example, from 2019 to 2021, over 62,000 jobs have been created directly related to insurers' impact investments in California, with one out of every two jobs coming from green projects - these investments provide multiple benefits by creating jobs and benefitting the environment simultaneously

<sup>1</sup>. In addition, insurer benefits are also realized: A recent global study conducted by the Economic Intelligence Unit found that almost three-quarters of investors surveyed said that their company's investments that integrate Environmental, Social, and Corporate Governance (ESG) factors performed better financially than equivalent traditional investments in the three years before 2020. I believe integrating ESG factors into your community development investment policy statement can have a positive impact on lives, social challenges, and the environment while potentially reducing portfolio volatility <sup>2</sup>.

Your updated community development investment policy statement may be emailed to COIN at [COIN@insurance.ca.gov](mailto:COIN@insurance.ca.gov) or uploaded online to the COIN Impact Investment Marketplace at [www.insurance.ca.gov/COIN](http://www.insurance.ca.gov/COIN). To obtain instructions to set up an account to upload your policy statement on the COIN Impact Investment Marketplace, please contact COIN at [COIN@insurance.ca.gov](mailto:COIN@insurance.ca.gov). If you have any questions, please do not hesitate to contact Sukh Randhawa, COIN's Chief, at [Sukhbir.Randhawa@insurance.ca.gov](mailto:Sukhbir.Randhawa@insurance.ca.gov) or at (916) 492-3529.

Thank you very much for your interest and continued partnership in the COIN program.

Sincerely,



**RICARDO LARA**  
Insurance Commissioner

<sup>1</sup> COIN Newsletter December 2021

<sup>2</sup> UBS ESG Investments performing better than traditional ones 6/30/2021 <https://www.ubs.com/s1/le n f assel -manag ement/insights/sustainab e-and-impact-1nv esting/2021/esg nvestments-pe rforming-better.html>



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April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 6: Break**

Nick Roxborough, COIN Advisory Board Chair



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April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 7: Market COIN to Expand Product Offerings and its Visibility with Other Community Development Organizations**

Nick Roxborough, COIN Advisory Board Chair

**Objectives:**

- Expand equity product offerings in the COIN Impact Investment Marketplace
- Increase visibility with other community development organizations



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April 14, 2022

**COIN ADVISORY BOARD – Agenda Item 8: Final Remarks and Adjourn**

Nick Roxborough, COIN Advisory Board Chair