CALIFORNIA ORGANIZED INVESTMENT NETWORK
ADVISORY BOARD HANDBOOK

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SECTION A - INTRODUCTION

HISTORY & OVERVIEW

The California Organized Investment Network (COIN) is a collaborative effort between the California Department of Insurance, the insurance industry, affordable housing and economic development organizations, environmental investors and community advocates. Assembly Bill 624 (2011) gave the Insurance Commissioner the discretion to formally establish this board.

COIN was established in 1996 at the request of the insurance industry as an alternative to state legislation that would have required insurance companies to invest in underserved communities, similar to the federal Community Reinvestment Act (CRA) that applies to the banking industry. This voluntary program facilitates insurance industry investments that provide solid returns to investors and economic and social benefits to California's underserved urban and rural communities.

The California Legislature codified COIN and states that, it is in the interest of all Californians that there is a strong and viable insurance market; that insurers should be supportive of investments that promote social, economic, and environmental benefits. California Legislation has given COIN the responsibility to pursue active measures to encourage insurers to make investments that promote social, economic, and environmental benefits.

COIN shall pursue active measures to encourage insurers to make investments to create and identify potential investment opportunities, including the development of investment opportunity bulletins and marketing and outreach efforts. This information shall be published on the department's internet website as investment opportunity bulletins. These opportunity bulletins help finance projects that address the state's critical needs, particularly in underserved, low-to-moderate-income, and rural communities, as well as environmental needs.

The COIN Program is established under Insurance Code Sections 926-926.3 and the COIN Advisory Board is established under Insurance Code Section 12939.2. The COIN Advisory Board is subject to the Bagley-Keene Open Meeting Act (Government Code Sections 11120-11132).

OBJECTIVES & GOALS

The objectives and goals of the COIN Advisory Board is to:

- The COIN Advisory Board, consisting of the Insurance Commissioner and several leaders in the insurance industry and economic development sector, provides focus and guidance to COIN, ensuring that its policies and procedures are in keeping with its mission statement. The Board also serves as a corps of ambassadors spreading the word about COIN throughout the insurance industry and the community development sector.
- The Board shall advise COIN on the best methods to increase the level of insurance industry investments while providing fair returns to investors and social benefits to underserved communities. The Board shall recommend programmatic guidelines to COIN
- The Board shall facilitate contacts among community-based organizations and community development financial institutions. The Board shall be instrumental in reaching out to executives in the insurance industry and acquainting them with COIN's mission and activities.

PRINCIPLES FOR HIGHLY EFFECTIVE COIN ADVISORY BOARD

- Is aware that decision-making authority resides with the Commissioner, and that the purpose of the COIN Advisory Board is to advise the Department using member area(s) of expertise on Department initiatives
- Is able to work with a group or in teams to meet the mission of the COIN Advisory Board
- Is willing to devote time and effort to the work of the COIN Advisory Board
- Works to find alternative solutions to issues that may arise whenever necessary
- Possesses strong communication skills
- Engages in constructive discourse that is professional and respectful with others, including, but not limited to the Commissioner, Board Members, CDI Staff, and key stakeholders
- Does not let personal feelings toward others affect decisions
- Adheres to the provisions contained in the Bagley-Keene Open Meeting Act (Government Code Sections 11120 -11132)
- Remembers that they are seen as representatives of the COIN Advisory Board and the Department when they appear at industry or professional gatherings and must not appear to speak for the COIN Advisory Board or the Department unless specifically authorized by the Department to do so.

STRUCTURE of the COIN ADVISORY BOARD

The COIN Advisory Board shall be comprised of a 13 members selection from these categories:

- **The Insurance Commissioner, or his or her designee**
- **Three industry executives**
- **A licensed attorney practicing insurance law**
- **A member of the public, appointed by the Speaker of the Assembly**
- **A member of the public, appointed by the Senate Committee on Rules**
- **A member of a consumer advocacy group**
- **An affordable housing practitioner**
- **A local economic development professional**
- **A member of a financial institution or CDFI**
- **A representative with experience seeking investments for low- to moderate-income or rural communities**
- **A representative with experience seeking investments that provide environmental benefits**

GENERAL INFORMATION

FPPC Form 700 Statement of Economic Interest Filing: Not Required

Meeting Frequency: Meetings are conducted a minimum of three times a year, or as deemed necessary by the commissioner. Meetings are held in Sacramento and may include video conferencing from the Department headquarter locations in Los Angeles and Oakland. Notice of each meeting and the time and place thereof shall be given to each member in the manner provided by the Bagley-Keene Open Meeting Act set forth in Government Code Sections 11120-11132.

Attendance at Meetings: Members commit to attending, at minimum, two (2) of the three (3) scheduled meetings. If a member is unable to attend a meeting, it is the responsibility of the member to contact the Senior Investment Officer prior to the scheduled meeting. If a member has been absent from more than two consecutive board meetings, a communication will be sent to the member regarding the absences.

Quorum: A majority of the members constitute a quorum of the COIN Advisory Board for the transaction of business. Either having members in attendance or by teleconference, with proper notice, can meet the requirement for a quorum. The concurrence of a majority of those board

Members present and voting at a meeting duly held at which a quorum is present shall be necessary to constitute an act or decision of the COIN Advisory Board.

Compensation: Members may be reimbursed for travel expenses related to attendance at meetings, but are not otherwise compensated for their services. Refer to the section about Travel Policies and Procedures contained in this handbook.

Leadership: The COIN Advisory board is led by a Chair & Vice Chair. Elections for the Chair & Vice Chair positions occur each year. Refer to the section about COIN Advisory Board Leadership & Elections contained in this handbook.

Definitions

TERM	ACRONYM or ABBREVIATION	DEFINITION
Bagley-Keene Open Meeting Act	-	Provisions of the public meetings law governing state agencies
CalHR	CalHR	The California Department of Human Resources is the agency responsible for issues related to employee salaries and benefits, job classifications, civil rights, training, exams, recruitment and retention.
Department of Insurance	CDI or Department	The California Department of Insurance is the regulatory agency tasked with protecting consumers, overseeing the insurance industry, enforcing the states' insurance laws, as well as exercising authority over how insurers and licensees conduct business in California. CDI is responsible for overseeing insurer solvency, licensing agents and brokers, producing market product reviews, resolving consumer complaints, and investigating & prosecuting insurance fraud.
Senior Investment Officer	-	An individual who serves as the leader of CDI's COIN Program, with oversight over program administration, strategic planning, and coordination of meetings. S/he is responsible for the day to day operations of the COIN Program.
COIN Program	Vision and Mission	The California Organized Investment Network (COIN) shall serve as a national model to provide leadership in increasing insurance industry investment in underserved and rural communities throughout California. To guide insurers on making safe and sound investments that yield environmental benefits throughout California and/or social benefits within the State's underserved communities.
Statute	-	A law passed by the California legislature

SECTION B – COIN ADVISORY BOARD MEETING PROCEDURES

COIN Advisory Board Meetings are held in accordance with the provisions set forth by the Government Code Sections 11120 – 11132). Refer to the Department of Justice, Office of the Attorney General Guide to Bagley- Keene Open Meeting Act for further guidance.

OPEN MEETINGS

The Bagley-Keene Act of 1967, officially known as the Bagley-Keene Open Meeting Act, implements a provision of the California Constitution which declares that "the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny", and explicitly mandates open meetings for California State agencies, Boards, and commissions. The Act facilitates accountability and transparency of government activities and protects the rights of citizens to participate in State government deliberations. This is similar to California's Brown Act of 1963, which provides open meeting provisions for county and local government agencies.

The legislature enacted the Bagley-Keene Open Meeting Act to mandate that public agencies conduct the people's business openly so that the public may remain informed and retain control over the instruments they have created. The Act states the legislature's intent that the people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The Open Meeting Act enables the public to monitor and participate in the decision-making process. (§ 11120)

The Bagley-Keene Open Meeting Act requires state bodies to give adequate notice of meetings to be held, provide an opportunity for public comment, and conduct such meetings in open session, except where a closed session is specifically authorized.

SECTION C - TRAVEL POLICIES & PROCEDURES

TRAVEL EXPENSE POLICY - APPROVAL & COMPENSATION

- It is the policy of the Initiative to adopt a conservative travel expense policy keeping in mind that CDI is a public state agency. The Initiative seeks to control costs and remain cognizant of the importance of limiting costs for all its endeavors. Whenever possible, it is advised that the member explore reimbursement from his/her employer as a first resort in an effort to help offset costs incurred by the Initiative. The travel policies set forth in this Handbook are consistent with the statewide policies outlined by the California Department of Human Resources Manual (CalHR), sections 2202-2203 and the CDI Travel Tips Guide (updated 3/1/20). **NOTE:** *In the event of a discrepancy in the information provided herein, current travel policies outlined by CalHR and/or CDI Accounting Office will prevail.*

- With the exception of the regularly scheduled COIN Advisory Board Meetings, Board Members shall obtain advance travel approval from the Senior Investment Officer for all other functions. Members may be reimbursed for travel expenses related to attendance at meetings, but are not otherwise compensated for their services.

- In order for expenses to be reimbursable, it is the responsibility of the board member to ensure that s/he adhere to the policies and procedures set forth in this handbook.

TRAVEL ARRANGEMENTS

- With the exception of expenses that may be incurred on the day of the meeting/event (i.e. taxi, Lyft, Uber, parking), board members are expected to coordinate their own travel by contacting the CalTravel Store to make flight and/or other approved travel reservations at least two weeks, or 14 days, prior to travel by calling (916) 376-3989 or (877) 454-8785. Once prompted, please provide the Index/PCA account information that was provided to you by the Initiative.

TRAVEL EXPENSE CLAIMS (TEC) - PROCEDURES

- Rules governing reimbursement of travel expenses for COIN Advisory Board Members are the same as for management-level state staff. All expenses shall be claimed on the appropriate CalHR Form STD 262 Travel Expense Claim (TEC). The COIN Advisory Board Members may ask to be provided with a sample TEC form from Initiative staff to assist them in the proper completion of the forms.

- COIN Advisory Board members must submit a TEC form with an original, wet signature to the designated COIN staff immediately after returning from a trip and **no later than three weeks (or 21 days)** after attending the board meeting or approved function. Members are required to submit all receipts and any other necessary documents for all reimbursement to ensure timely submittal.

- The TEC needs to be mailed with an original, wet signature and must be dated with all original receipts for transportation to include: rental car, taxi, shuttle, Uber and Lyft, parking, and flight itinerary issued by the CalTravel Store. If mailing loose receipts, please affix original receipts to an 8 ½" x 11" sheet of paper and clearly label with the member's first and last name. The mailing address is:

  California Department of Insurance
  ATTN: COIN
  300 Capitol Mall, Suite 1600
  Sacramento, CA 95814

- In order for the expenses to be reimbursed, Board Members shall follow the procedures contained herein.

CONDITIONS for REIMBURSABLE EXPENSES

- Members who wish to book or be eligible for travel reimbursement must have:
  - A current COINN Advisory Board Application on file
  - A signed acknowledgment of the current COIN Advisory Board Handbook
- In order to have expenses reimbursed, the member should attend the entire duration of the COIN Advisory Board meeting or approved function as set forth in the agenda.
- Travel will only be reimbursed for only the member in attendance for each meeting.
- Members may be reimbursed for meals, parking fees, rental cars, transportation travel (airline, train, bus, taxi, transportation network provider, shuttle), and mileage. CDI *will not* reimburse for tips, parking citations, transportation upgrades, or any other expenses that are not expressly stated or preapproved by the Senior Investment Officer.
- Members shall comply with the State's per diem, mileage rate, meals, parking, car rental, taxi, Uber and Lyft for all COIN related travel. Current travel rates can be found at the CDI Travel Tips Guide (updated 3/1/20) or CalHR Travel Reimbursements.
- No out of state travel will be authorized unless preapproved by the COIN S
- CDI *will not* reimburse for overnight hotel stays.
- CDI *will only* cover flights for members traveling over 175 miles from his/her place of residence based on the address that appears on the member's application on file.

FLIGHT RESERVATIONS

- Members are required to RSVP for the meeting and/or approved function and contact the CalTravel Store to make flight reservations **at least two weeks (or 14 days)** prior to the departure date by calling (916) 376-3989 or (877) 454-8785. Flights that do not adhere to this timeframe may not be reimbursable unless other arrangements have been made.
- All flights must be coordinated through the CalTravel Store. (No payment is required to book your flight).
- Southwest Airlines is the preferred airline for all flights and should reflect the lowest ticketed airfare available
- In order to have expenses reimbursed, the member should attend the entire duration of the COIN Advisory Board meeting or approved function as set forth in the agenda.

MILEAGE

- Mileage shall be reimbursed at the current rate outlined by CalHR. Current vehicle mileage reimbursement rates can be found at CalHR Travel Reimbursements.
- Members may receive reimbursement for mileage costs incurred for the performance of attendance to a COIN Advisory Board meeting or approved function.
- Members that intend to submit for mileage reimbursement are required to have a completed CalHR Form STD 261: Authorization to Use Privately Owned Vehicles on State Business on file with CDI. Forms must be renewed and resubmitted annually by the Member.

TAXI SERVICE or TRANSPORTATION NETWORK COMPANIES (i.e. UBER, LYFT)

- Normally, taxis or a transportation network company (TNC) should be used for trips within but not over a 10-mile radius or if the taxi or TNC is less expensive and more efficient than a rental car.
- Taxi or TNC expenses incurred in other areas are reimbursable. Receipts are required for expenses. CDI will not reimburse for any tips.

RENTAL CARS

- The Initiative encourages care and discretion in the use of rental cars. When an automobile is rented, the lowest rate possible should be obtained. No member may be reimbursed for the upgrade costs of renting an automobile that is full sized or luxury. A member may rent an automobile with a cost greater than that allowed, however, when this occurs, the member shall pay the difference in cost from the maximum state (California) rate allowed to the rate charged for the vehicle.

MEALS

- Requests for meal reimbursements must adhere to the current meal and incidental rates which can be found at the CDI Travel Tips Guide (updated 3/1/20) or CalHR Travel Reimbursements.
- Please note that meals will be reimbursed based on the travel timeframe. Normally, for the purposes of the COIN Advisory Board meeting, that would be considered a “Fractional Day Travel” whereby the trip is less than 24 hours. Under this scenario, the following meals would be reimbursable:
    - Trip begins at or before 6 am and ends at or after 9 am - *Breakfast may be claimed*
    - Trip begins at or before 4 pm and ends at or after 7 pm - *Dinner may be claimed*
    - No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any twenty-four (24)-hour period.
    - Employees may not claim lunch or incidentals on one-day trips.
    - When trips are less than 24 hours and there is no overnight stay, meals claimed are taxable.
- More information on travel timeframes and other relevant travel policies may be obtained from the CalHR Human Resources Manual – section 2203 – Allowances and Travel Reimbursements.

SECTION D – COIN ADVISORY BOARD LEADERSHIP & ELECTIONS

COIN ADVISORY BOARD LEADERSHIP

The COIN Advisory Board is led by a Chair & Vice Chair with administrative leadership and oversight from the Department of Insurance.

ROLES & RESPONSIBILITIES OF THE CHAIR AND VICE CHAIR

CHAIR

- **Board Business:** The Chair conducts the business of the board in a professional manner and with appropriate transparency, adhering to the highest ethical standards.

- **Meeting Agendas:** Develops agendas for meetings in conjunction with the Department and/or Senior Investment Officer.

- **Meetings:** Presides at COIN Advisory Board Meetings. Conducts all board meetings in accordance with the provisions of the Bagley-Keene Open Meeting Act.

- **Committees and/or Advisory Groups:** Seeks volunteers for committees and/or Advisory Groups and coordinates individual Board Member assignments. Makes sure each committee has a chairperson, and stays in touch with chairperson to be sure that their work is carried out. Obtains debrief from each and/or Advisory Group chairperson and reports committee progress and actions at the COIN Advisory Board Meeting.

- **Strategic Planning:** Serves as the COIN Advisory Board's strategic planning liaison with Department staff and shall assist staff in incorporating the recommendations of the board in the strategic plan.

VICE CHAIR

- **Business:** Provides support to the Chair in all of their duties. Performs the duties and responsibilities of the Chair when the Chair is absent.

TERM

The Chair and Vice Chair shall hold office for one year or until the election and qualification of a successor. A member may be re-elected and serve for more than one term.

COIN ADVISORY BOARD ELECTION PROCESS

This section outlines the steps required to comply with the election process for the role of Chair and Vice Chair of the COIN Advisory Board. The election process is in compliance with the Bagley-Keene Open Meeting Act. All positions may be elected on one motion or ballot as a slate of positions unless more than one COIN Advisory Board member is running per position.

NOMINATIONS

1. Nominations will be accepted during the first COIN Advisory Board meeting, and

    - As part of the nomination process, each member may nominate a maximum of 2 members to each role, including him/herself for the position of chair, vice chair, or both.

    - If a board member is nominated by another member, s/he will verbally accept or decline the nomination for each of the position(s) that the member has been nominated.

    - The Senior Investment Officer will also advise members that, at the time of the nomination, nominees should be prepared to deliver their candidacy speech which should clearly articulate the candidate's interest in and qualifications for the position(s). (Candidacy speech is limited to 5 minutes)

    - In the event that only one person is nominated for the position of Chair and/or Vice-Chair, the nominee/candidate must receive a majority of the vote to be elected.

VOTING + ELECTIONS

1. Elections will take place at the first COIN Advisory Board meeting.
2. The COIN Board Meeting Agenda will include Elections as a line item.
3. On the day of the first COIN Board meeting, the COIN Senior Investment Officer will announce each candidate in random order per each position.
4. Candidates will go in their designated order and complete their candidacy speech. Speeches can be in the format of the candidate's choice.
5. Once all candidates have completed their speeches, voting will commence for the Chair and Vice Chair.
    - Voting will be open (verbally, on the record) by the appointed and present COIN Advisory Board members.
    - Each member will cast one vote per each position, and will have the option to abstain. No proxy voting shall be permitted.
    - In the event of a tie, a re-vote will occur and members will vote only on the top candidates
    - The candidate to win a majority of these votes shall be named the Chair or Vice Chair.
6. The newly elected Chair and Vice Chair will take over duties immediately following the election.

SECTION E - INCOMPATIBLE ACTIVITIES

STATEMENT OF INCOMPATIBLE ACTIVITIES

Insurance Commissioner appointees will not engage in certain activities that are determined by the appointing power to be inconsistent, incompatible, in conflict with or inimical to their duties as appointees. Commissioner appointees will not:

1. Be considered for any procurement opportunities (goods/services) for which the appointing authority has a contract requiring bids.

2. Sponsor any goods/services/events for the appointing authority.

3. Use the prestige or influence of CDI for the appointee's private gain or advantage, or the private gain or advantage of another.

4. Use CDI time, facilities, equipment, or supplies for the appointee's private gain or advantage, or the private gain or advantage of another.

5. Use confidential information acquired by virtue of CDI involvement for the appointee's private gain or advantage, or the private gain or advantage of another.

6. Receive or accept money or any other consideration from anyone other than CDI for the performance of an act which the appointee would be required or expected to render in the regular course of his or her duties.

7. Receive or accept, directly or indirectly, any gifts, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value, from anyone who is doing or is seeking to do business of any kind with CDI or whose activities are regulated or controlled in any way by CDI, under circumstances from which it reasonably could be inferred that the gift was intended to influence the appointee in his or her official duties or was intended as a reward for any official action on his or her part.

8. Engage in any outside employment, activity, or enterprise which involves the use of CDI time, records, equipment, facilities, or personnel.

The activities stated above do not specify all limitations on appointee activities that may fall within the scope and proscriptions of the Government Code or Insurance Code. The list above may be amended at any time. Failure to conform to this Incompatible Activities Statement may result in removal from the board/committee/entity or other action as the situation may warrant.

--- END of HANDBOOK ---