

DEPARTMENT OF INSURANCE

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**2013 Community Development Investment Policy Statement (CDIPS) Data Call**

The California Organized Investment Network (COIN) was established in 1996 as a collaborative effort between the insurance industry, the Insurance Commissioner, the Legislature, and advocates for investment in low income communities. COIN's mission is 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.

CDIPS Origin

Insurers with formal community development policies are more likely to make community development investments. In 2010, AB 41 (Solorio) established the biennial Community Development Investment Policy Statement (CDIPS) Data Call (California Insurance Code Section 926.3). The first of these CDIPS Data Calls was in 2011 and the final in 2013. Those insurers who satisfied the 2011 CDIPS Data Call were not required to report in 2013.

California Insurance code section 926.3 states:

- (a) It is the policy of the State of California that (1) insurers should, where practicable, be supportive of community development investments and community development infrastructure investments, and insurers should be encouraged to invest in prudent community development investments and community development investment infrastructure investments that benefit California and California's low- and moderate-income communities; (2) every admitted insurer that writes a substantial amount of insurance in the state should consider community development investments and community development infrastructure investments; and (3) the California Organized Investment Network is a part of the department, and has the responsibility to pursue active measures to encourage community development investment by admitted insurers.
- (b) Each insurer admitted in California that writes premium in California equal to or in excess of one hundred million dollars (\$100,000,000) annually shall develop, and file with the commissioner, no later than July 1, 2011, a policy statement on community development investments and community development infrastructure investments that expresses the insurer's goals for these investments during the current and following calendar year. Thereafter, each insurer subject to the subdivision shall biennially review its policy statement on community development investments and community development infrastructure investment and, if the insurer revises or changes its policy statement, submit the new policy statement to the commissioner no later than July 1 of each odd-numbered year. The initial policy statement filed with the commissioner shall satisfy the requirement of this subdivision if the insurer's policy statement has not changed. These filings shall be public information. For purposes of this subdivision, "policy statement" means a statement of principle intended to influence a decision or action. The policy statement may include general goals or specific investment goals, but is not required to contain specific investment goals or thresholds.
- (c) The commissioner shall establish a link on the department's Internet Web site that provides public access to the contents of each insurer's policy statement and the data on community development investments and community development infrastructure investments provided by each insurer pursuant to subdivision (b).

Data Call Results

Insurers that write \$100 million or more in annual California premiums were subject to the CDIPS Data Call. In 2013, 206 insurers met or exceeded the \$100 million threshold. However, 27 of these 206 insurers previously satisfied their CDIPS reporting requirements in 2011 and were not required to report in 2013. Of these, 27 insurers submitted satisfactory CDIPS in 2011 and 12 insurers revised their 2011 CDIPS. In addition, many of the 206 insurers chose to file as a group. This provided 113 unique CDIPS.

COIN reviewed approximately 179 CDIPS reports formally submitted to the Department Statistical Analysis Division. In some cases, insurers filed multiple reports for a company or group including multiple drafts that were not formally submitted.

COIN reviewed the 2013 CDIPS for the following requirements:

1. A policy statement on community development investments and community development infrastructure investments.

2. A policy statement that expresses the insurer's goals for these investments in the current year (2013) and following calendar year (2014).
3. A policy statement that is a statement of principle intended to influence a decision or action.

Note: The policy statement may contain general goals or specific investment goals, although the statement is not required to contain specific investment goals or thresholds.

A review of the 113 unique community development investment policy statements determined the following:

- a. 17 insurers do not currently make investment in community development investments or community development infrastructure investments.
- b. 16 insurers provided specific information on the community development investments and community development infrastructure investments they currently invest in.
- c. 13 insurers utilize outside investment managers.
- d. Nine insurers provided contact information for investment staff.
- e. Six insurers provided specific goals for community development investments and community development infrastructure investments.
- f. Three insurers do not have goals to make investment in community development investments or community development infrastructure investments.

These community development investment policy statements are posted on COIN's Website at <http://www.insurance.ca.gov/0250-insurers/0700-coin/PolicyStatements.cfm>