

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

MAY 2021



# ABOUT COIN

## Insurers Investing In a Better California

The California Organized Investment Network, or COIN, guides insurance industry investments providing social or environmental benefits to California, while maintaining an adequate risk-adjusted rate of return for investors. These benefits include schools, hospitals, mass transit, low-to-moderate income mortgages, affordable housing, water efficiency, and renewable energy, such as wind, solar, and geothermal investments.

COIN-qualified capital is allocated to investments in communities traditionally underserved by the financial markets, and to environmental projects combatting climate change and promoting sustainability in California.

COIN partners with organizations to source and structure investments promoting these social and environmental investments in the state, and then solicits these investments to the insurance and asset management industry raising capital for these socially responsible projects.

Insurance Commissioner Ricardo Lara has prioritized COIN investments which drive affordable housing, support small businesses, especially during this pandemic, and combat climate change, and encourages investors to utilize diverse investment managers whenever possible.

# COIN Marketing/Matchmaking

## Connecting Insurance Companies and Socially Responsible Investment Managers through the COIN Impact Investment Marketplace

The COIN Impact Investment Marketplace is an online portal linking those seeking capital for socially responsible investments with investors looking to make COIN-qualified investments. Organizations raising capital for projects meeting the criteria for COIN-qualified investments can submit their application on the Marketplace to be approved as a COIN Investment Bulletin.

COIN Investment Bulletins are distributed to over 800 institutional investment partners at over 300 insurers and asset managers. As part of their due diligence process, institutional investment professionals can view the list of approved COIN Investment Bulletins on the Impact Investment Marketplace, including supporting documents on each investment, such as regulatory filings, financial statements, slide presentations, and other investment marketing materials. Investors can then make investments providing much-needed capital to underserved communities and environmental projects in California.

The COIN Impact Investment Marketplace helps facilitate investments with social or environmental benefits in California, addressing urgent issues such as health care, homelessness, small businesses, and environmental sustainability. Additional capital is especially needed in historically underrepresented communities, which have been disproportionately impacted by the COVID-19 pandemic. Furthermore, investors can direct investments to diverse investment managers identified on the Marketplace.

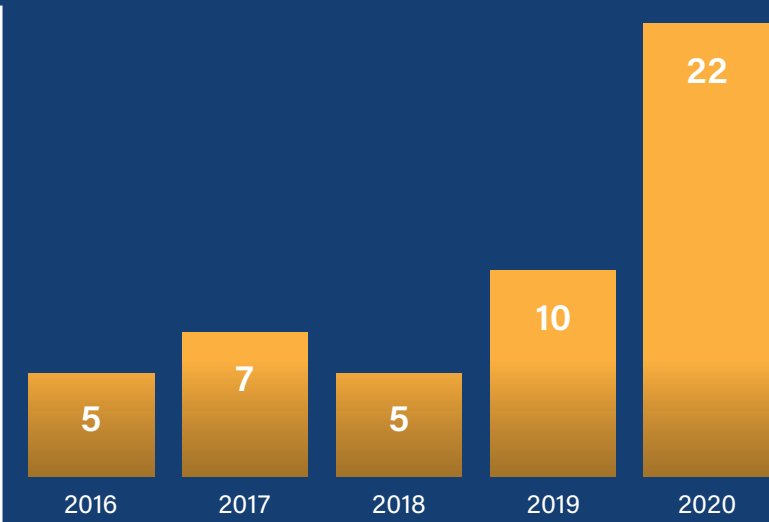
To see the full list of approved COIN Investment Bulletins, all of which provide benefits to underserved communities and the environment, reach out to COIN at [www.insurance.ca.gov/coin](http://www.insurance.ca.gov/coin) or [coin@insurance.ca.gov](mailto:coin@insurance.ca.gov), to request an account on the COIN Impact Investment Marketplace.



# COIN Investments and Impact in 2020

In 2020, the COIN Program approved 22 new investments more than doubling the previous year's approvals, which have the potential to raise \$4.1 billion in the State of California.

COIN-APPROVED INVESTMENT BULLETINS



These investment dollars provide a means for insurance companies to target their investments with Socially Responsible Investment Managers who support environmentally sustainable programs, small business relief, and affordable housing projects to help improve the quality of life for Californians and provide stability for those who need it most. The dollars raised will create or sustain over 21,132\* jobs in California and benefit the following sectors:

**\$806,000,000**  
AFFORDABLE HOUSING

**\$424,200,000**  
GREEN

**\$193,600,000**  
HEALTH CARE

**\$2,339,990,000**  
MIXED USE\*\*

**\$300,000,000**  
SMALL BUSINESS FINANCING

\* Economic Policy Institute – Direct jobs created using an average of all industry groups

\*\* Mixed use includes but is not limited to: small business financing, green, affordable housing and infrastructure



Spotlight Award (Company and Individual)

**The COIN Network: Building and  
Maintaining Relationships with  
Institutional Investors**



**T.C. Wilson**

Chief Investment Officer  
The Doctors Company

The COIN program applauds T.C. Wilson and The Doctors Company for all their commitment to COIN over the past year. The Doctors Company is the nation's largest physician-owned medical malpractice insurance company with headquarters in Napa, California. COIN's partnership with The Doctors Company has resulted in over \$75 million in COIN-qualified investments to date, with a commitment to invest an additional \$35 million toward this effort in the coming months.

T.C. Wilson is Chief Investment Officer for The Doctors Company. He directly oversees the company's \$5.7 billion investment portfolio and contributes to the strategic growth plan as it relates to investment review and assessment of new investment partnerships and opportunities. Under Wilson's leadership, The Doctors Company has approved a minimum allocation of 1% of invested assets in COIN-qualified strategies. In 2020, Mr. Wilson joined the COIN Advisory Board as an insurance investment executive with a term ending on July 1, 2022.

COIN Fights Homelessness: SDS Supportive Housing Fund

# SDS Supportive Housing Fund Closes on First Investment:

4604 S. Western Avenue, Los Angeles, CA

COIN's approved Investment Bulletin, SDS Capital Group's Supportive Housing Fund, closed on its first investment last year. The financing was used to redevelop a fire-ravaged building that has stood vacant for over 20 years into 49 high-quality apartments for individuals in the community who are experiencing homelessness. Residents will also receive on-site case management services from Homeless Health Care Los Angeles (HHCLA), including access to a live-in caseworker.

"The before-and-after transformation of this site is going to be remarkable,"

said SDS Supportive Housing Fund Principal Deborah La Franchi. "Replacing a dangerous, fire damaged shell of a building with 49 high-quality permanent supportive housing units will elevate the lives of residents as well as the surrounding community."

The overall fund will be capable of financing the construction of an estimated 1,200 units of new housing across California which will go a long way in combating homelessness in the state.



SDS Capital Group's Supportive Housing Fund  
[sdsgroup.com/supportive-housing-fund](https://sdsgroup.com/supportive-housing-fund)

COIN COVID Recovery:

# Calvert California Rebuilding Fund

The COIN-approved Calvert Impact Capital – California Rebuilding Fund is a loan program created to address the capital needs of small businesses of California, as they attempt to re-open and recover from the COVID-19 health and economic crisis. The fund measures success based on maximizing the total number of small business borrowers and their survival rate, the total number of jobs created and retained, and access for historically under-resourced communities.

The California Rebuilding Fund is a public-private partnership that drives capital from private, philanthropic and public sector resources – including a \$25 million anchor commitment and \$50 million guarantee allocation from the state of California Infrastructure and

Economic Development Bank (IBank) – to Community Development Financial Institutions (CDFIs).

California's CDFIs will be better able to help under-banked small businesses recover and reposition themselves to survive the negative economic effects of the COVID-19 pandemic, which has disproportionately affected many of the minority communities that CDFIs serve.

COIN is now assisting the fund in seeking additional commitments from institutional investors to scale the fund to serve over 10,000 small businesses in California. The targeted \$500 million in total funds would be distributed to meet the community lenders' target markets, which include under-banked, under-resourced, and low-to-moderate income communities.



Community Reinvestment Fund's Connect2Capital platform is hosting small business applications at [www.CALoanFund.org](http://www.CALoanFund.org).



COIN Green Investment:

# FirstElement Fuel, Inc.

Diverse Communities Impact Fund I, LP invests in platforms improving quality of life by increasing access to better education, healthcare, banking, financial services and credit, and improved environmental conditions. The Fund targets technology, healthcare, education, food, the green economy and innovative engineering solutions. These examples underscore the value of keeping capital in the communities they serve, thus allowing for additional job creation and expanded economic mobility, all while generating above average risk adjusted rates of return.

One example, Irvine, CA-based FirstElement Fuel, Inc., is committed to making safe, reliable, retail hydrogen available through its True Zero brand for the world's next-generation vehicles



powered by fuel cells. It has already raised \$160 million to build out 90 hydrogen fueling stations creating a hydrogen highway for Californians to use.

<https://www.firstelementfuel.com>

<https://www.truezero.com>





# COIN Diversity: Invest in our Diverse Communities Initiative



On July 1, 2020, Insurance Commissioner Ricardo Lara launched the “Invest in Our Diverse Communities Initiative” to encourage insurance companies to increase their COIN participation with Diverse Investment Managers that make socially responsible investments in the state. These diverse managers are vetted and approved on the COIN Impact Investment Marketplace. COIN then conducts outreach to insurance companies to match them with these Diverse Investment Managers.

The U.S. insurance industry holds \$7 trillion in investible assets. The new “Invest in Our Diverse Communities Initiative” will identify investments managed or owned by diverse investment leaders to fund targeted projects with social benefits. Invest in Our Diverse Communities Initiative will help insurance companies target their investments to diverse managers who support environmentally sustainable programs and affordable housing projects to improve the quality of life for all Californians and provide a stable home for those who need it.

## LACK OF DIVERSITY WITHIN THE INVESTMENT COMMUNITY

While Diverse Private Equity firms outperform the median quartile, less than 1.3% of the investment industry’s \$70 trillion in assets under management are managed by women and people from historically underrepresented communities.

# COIN Legislation:

## California Senate Bills SB 655 (Bradford) and SB 713 (Rubio)

*Both SB 655 and SB 713 are sponsored by Insurance Commissioner Ricardo Lara. "These bills will target insurance investments in affordable housing and environmental projects, which are needed now more than ever."*

### Senate Bill 655

Senate Bill 655 (Bradford) will codify reporting requirements for underrepresented groups on insurance company governing boards, lower the existing California premium reporting threshold value for board and supplier diversity data from \$100 million to \$75 million, and define the term Diverse Investment Managers in the COIN program. The bill is a conscious effort to address the structural inequalities within the investment community while also providing a means for insurance companies to target their investments to diverse managers who support environmentally sustainable programs and affordable housing projects to help improve the quality of life of all Californians and provide a stable home for those who need it.

### Senate Bill 713

SB 713 authorizes a domestic incorporated insurer to make discretionary investments after investment of an amount equal to its required minimum paid-in capital in specified securities. Under existing law, those discretionary investments 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.

Senate Bill 713 also would, until January 1, 2027, increase that limitation if the Insurance Commissioner approves the amount and terms of the investment in advance and the investment has been identified by COIN or otherwise deemed a qualified investment under COIN. COIN estimates that an increase of as little as 1% in domestic insurance industry Schedule BA investments above the current 5% threshold would result in approximately \$1 billion of additional COIN-qualified Schedule BA investments.

Full Bill Text: SB 655:

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB655](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB655)

Full Bill Text: SB 713:

[https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill\\_id=202120220SB713](https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=202120220SB713)

# 2021 COIN Community Investment Survey Data Call

COIN recently launched its 2021 COIN Community Investment Survey (CIS) Data Call. As written in AB 1099 (Calderon, Chapter 186, Statutes of 2019), an admitted insurer with annual premiums written in California equal to or in excess of one hundred million dollars (\$100,000,000) for any reporting year shall provide information to the Insurance Commissioner on all of its community development investments, community development infrastructure investments, and green investments in California.

The last COIN CIS Data Call reported that insurers held almost \$22 billion of COIN-qualified investments at year-end 2015. Since that time,

the United States Sustainable Investments Forum (USSIF) reports that Sustainable Investments in the U.S. grew at an 18% compound annual growth rate from 2016-2020. Similarly, growth in COIN-qualified investments over the same time period could result in COIN-qualified investments held by insurers at year-end 2020 of over \$50 billion, all benefiting underserved communities and the environment in California. COIN will publish a Key Findings report on the actual results from the 2021 CIS Data Call, and post its findings to the COIN public website by December 31, 2021.





# For more information contact:

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## **COIN Team**

Vic Chima

Peter Streit

Anna Gragg

## **COIN Advisory Board Members**

### **Doug Bystry**

President and Chief Executive Officer  
Clearinghouse CDFI (Chair)

### **Suzanne Anarde,**

Chief Executive Officer  
Rural Community Assistance Corporation

### **Ophir Bruck,**

Senior Specialist  
Principles for Responsible Investment

### **Stephanie Chan,**

Chief Investment Officer  
State Compensation Insurance Fund

### **Patrica GoPaul,**

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### **Jennifer McElyea,**

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Watt Investment Partners

### **Nicholas Roxborough,**

Partner  
RPNA

### **T. C. Wilson,**

Chief Investment Officer  
The Doctors Company

### **Heberto Sanchez,**

Founder and President  
Latino Education Fund

### **Sabrina Sanders,**

Director of Student Affairs, Projects  
and Initiatives  
CSU, Office of the Chancellor