



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **PUBLIC NOTICE OF MEETING**

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

**Thursday, August 11, 2022**  
**1:00 p.m. – 4:00 p.m. (PST)**

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

Access the meeting online by using the website link at: <https://us02web.zoom.us/j/7143782307>  
on the day and time of the meeting.

Dial in to access teleconference: 877-411-9748

Passcode 265729

#### **Instructions to connect to the meeting:**

If you join the Zoom 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.

NOTICE: Pursuant to Senate Bill 189 (Chapter 48, Statutes of 2022) offers a temporary suspension of the “in-person meeting” and related requirements under the Bagley-Keene Open Meeting Act [Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code]. The text of this provision was modeled after last year’s AB 361, which became law following the expiration of the prior Executive Orders addressing Bagley-Keene requirements, and temporarily allowed for virtual meetings through the end of January 2022. This new law allows all state body members to attend public meetings remotely from undisclosed, private locations. There is no obligation to provide any physical meeting location where the public can observe and participate in the meeting. SB 189 takes effect immediately and allows state bodies to hold their meetings virtually through June 30, 2023.

- The COIN Advisory Board conducts public meetings to ensure adequate opportunity for public participation. Time limitation on public comments is at the Chair’s discretion and must relate to agenda items. Materials reviewed during meetings are available for public review and comment on the Department of Insurance website at <http://www.insurance.ca.gov/0250-insurers/0700-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 before the day of the meeting.



**RICARDO LARA**  
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**California Organized Investment Network (COIN)**

**Advisory Board Meeting**

**Thursday, August 11, 2022**  
**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	Nicholas Roxborough, Chair	Opening Remarks	None
2. Roll Call	Anna Gragg	Roll Call	None
3. Minutes Approval	Nicholas Roxborough, Chair	Review	Vote
4. Webinar - How Tech is Creating Impact in California	Francisco Raygoza	Discussion	None
5. Community Development Investment Policies	Sukh Randhawa	Discussion	None
6. Break			
7. COIN Impact Investment Marketplace	Francisco Raygoza	Discussion	None
8. Final Remarks and Adjourn	Nicholas Roxborough, Chair	Final Remarks	None



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August 11, 2022

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

Nicholas Roxborough, Chair



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**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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August 11, 2022

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

Nick Roxborough, COIN Advisory Board Chair

**Objective:** Vote to approve the April 14, 2022, board minutes

**Attachment:**

April 14, 2022, COIN Advisory Board Minutes



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **COIN ADVISORY BOARD Minutes**

Thursday, April 14, 2022, 1:00 p.m. to 4:00 p.m.  
California Department of Insurance

Telephone conference dial-in number: 844.517.1271, Access code: 37529769#

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The meeting was called to order at 1:05 p.m. by Nicholas Roxborough, the Board Chair.

- |  |   |
|--|---|
| 1) Sukh Randhawa, COIN Chief                         | 8) Maïté Irakoze Baur, Farmers Group, Inc. (absent) |
| 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      | 12) Sabrina Sanders, CSU, Office of the Chancellor  |
| 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 April 14, 2022, meeting. Nicholas thanked the board members for attending and invited Michael Martinez to provide opening remarks. Michael welcomed the board to the first 2022 board meeting and thanked the board members for their continued service. Michael welcomed Debra Gore-Mann, President & CEO of The Greenlining Institute, as newly appointed. Michael recognized Heberto Sanchez as reappointed by the Assembly Speaker and Sabrina Sanders, reappointed by the Senate President Pro Tempore.

Nicholas Roxborough thanked Doug Bystry and Jennifer McElyea for their past leadership, T.C. Wilson for his ideas, and the COIN team for their hard work. Nicholas acknowledged COIN's accomplishments with the COIN Bulletin Program, with triple the number of bulletins approved with 75% receiving funding from insurers. The increased number of approved COIN Bulletins has substantially increased impact investments to \$5.4 billion. Green investments accounted for 63%, 22% for affordable housing, 10% for mixed-use projects, 4% for small businesses, and 1% for health-related projects. Also, 62,000 jobs were created. The goal is to exceed \$5.4 billion in impact investments and increase the number of livable wage jobs.

- 2. Roll Call:** Anna Gragg conducted the roll call. Guests included: Michele Chow-Tai and Damaris Rivera of Fairview Capital.
- 3. December 10, 2021, Board Minutes:** Nicholas Roxborough introduced the December 10th board meeting minutes. Nicholas asked for a motion to approve the minutes as presented. Rudy Espinoza moved, and Sabrina Sanders seconded the motion. All Ayes.
- 4. Implementation of Increased Leeway Law:** COIN Chief Sukh Randhawa updated the board on implementing the increased Leeway Law. COIN staff has drafted a fact sheet to provide to California domiciled insurance companies. Last year, the modified Leeway law codified language to allow the 45 California domiciled insurance companies to increase over the current five percent limit to discretionary schedule BA investments. COIN will target the top 20 very active companies in Schedule BA investments. COIN will share the fact sheet along with COIN-approved investments.

Board members provided feedback on the fact sheet and how COIN will market this program to gain visibility and traction with discretionary investments from California domiciled companies. T.C. Wilson and Jennifer McElyea wanted COIN to confirm that there is no limit over the five percent, other than that imposed by the California Department of Insurance's Financial Surveillance Branch pertaining to the overall risk to the insurance company, and to clarify this information on the fact sheet.

Jennifer McElyea asked for information on Schedule BA strategies' benefits. Sukh Randhawa responded Schedule BA is for other unrated long-term investments. These investments are considered a higher risk; these higher return investments are outside the other asset classes. As these are higher-risk investments, insurance companies domiciled in California are limited to investing five percent. This

percentage varies by state. COIN worked with BlackRock on a portfolio analysis for property and casualty companies. The analysis of portfolios investing in private equity funds did not necessarily reveal an increased risk to the overall portfolio. The benefit is Schedule BA contains higher returning investments. Now insurance companies may go over the five percent when investing in strategies approved on the COIN platform upon prior approval of CDI's Financial Surveillance Branch. Francisco Raygoza added we are in a low-interest-rate environment where inflation is running high. The latest Consumer Price Index reading was about 8.5 percent. The ten-year treasury is yielding about 2.75 percent. We see this paradigm shift as many institutional investors like CalPERS and CalSTRS each year increase their allocation to private equity and alternative investments that fall into Schedule BA, which provides a higher yield on their investments and enhances their ability to pay future insurance claims. So the benefit to insurers is increasing their allocations to schedule BA and thereby obtaining more favorable yields by going further on the risk curve. Jennifer suggested adding information on the benefits to Environmental, Social, and Governance requirements while still obtaining higher yields.

Sabrina Sanders asked about the terminologies that insurance companies are using. Is COIN using those same terminologies and visions related to community public relations marketing? Stephanie Chan responded that if COIN adds Environmental, Social, and Governance investing, that should be broad enough terminology to make sense to the insurance companies. Plus, it's broad enough to cover impact investments and sustainable investment opportunities.

Stephanie Chan asked about the five-year sunset date. What if an insurance company invests in something longer than five years, is it grandfathered? Sukh Randhawa responded that no language would require a company to terminate the investment. The purpose of the sunset date is to test the program to ensure insurance companies are active in utilizing the program. If the program is successful and insurance companies provide increased social and environmental impact, COIN would propose removing the sunset date to the Insurance Commissioner. Francisco Raygoza added that COIN would consider this internally and update the board.

Rudy Espinoza asked if the purpose of the fact sheet was to seek interest from insurance companies. More information will be provided when a company contacts COIN. Let's make the fact sheet simple with fewer words to capture someone's attention and encourage contact with COIN.

T.C. Wilson offered to be a reference to insurance companies who want a referral from an insurance company that has applied this leeway law to its investment portfolio. Sukh Randhawa and Francisco Raygoza accepted the offer as The Doctor's Company is a successful example.

Nicholas Roxborough suggested that the fact sheet should be more of a marketing piece and less about disclosure. COIN wants insurance companies to contact COIN for further details.

- 5. Community Development Investment Policy Statements:** Sukh Randhawa updated the board on COIN's efforts to request updated community development investment policy statements from insurance companies. On March 30th, Insurance Commissioner Lara sent a letter to the Chief Executive Officers at 279 insurance companies. A copy of this letter is in the board packet and encourages these insurance companies to submit current investment policy statements through the COIN platform. COIN has worked with CDI's Information Technology Division to migrate the previous investment policy statements to the COIN Impact Investment Marketplace platform. The COIN platform allows COIN to link insurance company contacts to multiple insurance companies within their insurance groups. As insurance company contacts upload investment policy statements to the COIN platform, any new contacts will become account holders and become familiar with the COIN platform. So far, COIN has received contact from about 25 insurance companies. The next step will be to follow up with an email to our COIN primary contact and the government relations contacts at each of the 279 insurance companies who have not responded to the Commissioner's initial request.

Nicholas Roxborough requested a list of the insurance companies that respond with updated investment policy statements at the next board meeting. The 25 companies that have currently responded represent about a ten percent response.

Rudy Espinoza added that COIN's goal would be a 100 percent response rate. It has to showcase high-performing insurance companies. Not to put Debra on the spot, but The Greenlining Institute is one of the organizations in this state that has done a fantastic job advocating in a way that gets banks to the table. COIN could take some of its tools to push the insurance industry and share ideas on

how insurers might invest in underserved communities, as they are encouraged to do by the investment opportunities provided through COIN.

Doug Bystry responded that one of the significant differences is banks are subject to the Community Development Reinvestment Act, and insurance companies are not. It's a great suggestion, and there are other opportunities. The Leeway Law change is enormous and could have a tremendous impact.

Sukh Randhawa concluded the discussion that there is still time for insurance companies to respond. COIN will share several samples of the investment policy statements submitted at the next board meeting. COIN will review the statements to determine how to leverage the investment policy statements to raise capital, which is the intent behind updated policies.

#### **6. Market COIN to Expand Product Offerings and its Visibility with Other Community Development**

**Organizations:** Nicholas Roxborough introduced the board to the COIN marketing topic and asked Jennifer McElyea to lead the discussion.

Jennifer McElyea shared that she runs Watts Investment Partners, which raises funds from third-party equity investors that purchase unregulated, unrestricted market-rate housing and convert it to affordable housing. Watt Investment Partners, an approved bulletin, fits into the COIN Social and Environmental benefit focus. The COIN opportunity is incredible, and other groups should know about COIN. What are the amounts that insurance companies invest? Is it \$200 million or \$500 million? Is it inefficient for them to invest smaller amounts, or are there fund managers that invest smaller allocations? But the broader comment is that no one knows about COIN. COIN could increase its bulletins significantly if there were an awareness campaign and a clear understanding of the insurers' return and objectives. Market the opportunities provided in the COIN marketplace; what is the cost of capital for everyone to have an alignment with each strategy. There is a universe of people that are not aware of the COIN opportunities. Jennifer read an article by the Urban Institute that referenced COIN as a leader in the country for its statewide Environmental, Social, and Governance Program. There are lots of publications and trade magazines that could feature COIN.

Nicholas Roxborough added there is a lack of visibility. Sukh Randhawa responded that a lot of what COIN does is build relationships with insurance companies, as this is key. COIN recognized a need to reach out to other community development organizations. Last year, COIN developed two newsletters focused on COIN partners to increase visibility. COIN is working on a third newsletter right now. COIN will share this newsletter with the board for the board to share the newsletter with relevant contacts. If there are other organizations that COIN should work with, COIN will welcome introductions.

Doug Bystry asked for clarification on the COIN's role as a matchmaker. COIN works to match an insurance company with a community need, but not as an aggregator of insurance company funds. Sukh Randhawa confirmed that COIN is a matchmaker. COIN approves investment opportunities on its platform, and COIN shares these through a mass email. COIN hosts webinars where six or seven investment opportunities will market their funds to about 70 guests, including insurance companies and asset managers. If COIN does direct marketing, it's to insurance companies through matchmaking. The approved investment opportunities market their deals directly. COIN does not have the adequate resources for an enhanced direct marketing program or to sit in each meeting between the manager and the insurance company investor.

Jennifer McElyea said there are groups in the space doing things that align with COIN's objectives. It would be helpful for them to be aware of COIN, which has so much value. Sukh Randhawa responded that it would be great to get recommendations from board members for potential partnerships with similar organizations, groups, or institutions.

#### **7. Final Remarks and Adjourn:** Nicholas Roxborough thanked the board for their thoughts and ideas.





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**COIN ADVISORY BOARD – Agenda Item 4: COIN October 12, 2022 Webinar: How Tech is Creating Impact in California**

Sukh Randhawa, COIN Chief

**Objective:** Increase capital into approved COIN Investment Bulletins

**Attachment:** Draft Agenda – How Tech is Creating Impact in California  
T.C. Wilson, Chief Investment Officer at The Doctors Company, to moderate the webinar.

**Board Discussion items:**

- Suggestions to increase overall participation
- Other suggestions for speakers and/or topics
- Utilize board member connections



# COIN Webinar: How Tech is Creating Impact in California

October, 2022

10:00 am – 12:30 pm PST

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

## AGENDA

10:00 - 10:15 am	<b><u>Opening Remarks</u></b> Sukh Randhawa, Chief, COIN – Thanks to insurers for showing up and participating in webinar. We are continuing to find ways to get insurers more engaged with COIN and our Impact Investment Platform.
Moderator:	TC Wilson, Chief Investment Officer, The Doctors Company - Responsible for oversight of the company's \$4 billion in invested assets. – TC has over 25 years of investment experience, including 21 years with Optimal Service Group of Wells Fargo Advisors.
10:15 - 10:30 am	<b><u>How Tech is Combatting Climate Change</u></b> Janelle Goulard, Managing Partner, Pangaea Ventures – Pangaea Ventures Impact Fund
10:30 - 10:45 am	Lisa Fera, Managing Partner, CEO, Stray Dog Capital – Stray Dog Capital Fund III
11:00 – 11:15 am	<b><u>How Tax Equity and PropTech are Combatting Climate Change</u></b> Jason Gershwin, Director Fund Management, R4 Capital LLC – R4 Housing Partners XVIII
11:15 – 11:30 am	Billy Huger, Managing Director, Monarch Private Capital Advisors – Monarch Impact Fund I, LLC
11:15 – 11:30 am	Angela Johnson, Partner, Fifth Wall Capital – Fifth Wall Late Stage Climate Technology Fund
11:45 - 12:00 pm	<b><u>How Tech is providing Social Impact in Education</u></b> Juan Zavala, Principal, New Markets Venture Partners – New Markets Education Partners III, LP
12:15 - 12:30 pm	<b>Closing Remarks</b>



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## **COIN ADVISORY BOARD – Agenda Item 5: Insurers’ Community Development Investment Policies**

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 Insurance 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. As a result of this letter from the Commissioner, a number of insurance companies have updated their policy statement. COIN staff subsequently emailed insurance company government relations staff to request Community Development investment Policy statements from companies that had not submitted updated policy statements.

**Results:** Community Development Investment Policy Statements received by July 26, 2022:

- 136 insurance companies have provided COIN updated Community Development Investment Policy Statements. 266 insurance companies wrote \$100 million or more in California premiums and were sent a letter from the Commissioner.
- 60 insurance groups have provided COIN updated Community Development Investment Policy Statements. 138 insurance groups with companies writing \$100 million or more in California premiums were sent a letter from the Commissioner.
- 51% of insurance companies sent a letter from the Commissioner have updated their COIN Community Development Investment Policy Statement. 43% of insurance groups sent a letter from the Commissioner have updated their COIN Community Development Investment Policy Statement.

**Attachment:** Community Development Investment Policy Statements

Liberty Mutual Insurance Companies  
State Compensation Insurance Fund  
The Doctors Company

## Liberty Mutual's Statement of Principle & Policy:

As part of Liberty Mutual Insurance and its subsidiary insurance companies (Liberty) mission of helping people live safer, more secure lives, we invest in people and organizations that build better communities around the world. The primary purpose of Liberty's investment policy is to seek attractive investment opportunities that maximize the value of our investment capital in order to meet our obligation to our policyholders to invest their funds in prudent and productive ways. Additionally, we believe that ESG factors should inform investment decision-making and risk management practices, and that the identification, understanding and management of material ESG factors can enhance our ability to meet our long-term investment objectives. As such, in 2020, Liberty Mutual Investments (LMI) developed an ESG Framework to drive the overall integration of material ESG factors into our investment process for all assets and partnerships where Liberty Mutual Investments is deploying capital. A component of Liberty's policy is to seek and support sustainable and renewable energy, and community development and community development infrastructure across the nation through programs such as California Organized Investment Network (COIN). Community Development and Infrastructure Policy & Investment Criteria: Liberty is committed to financing affordable housing, community redevelopment efforts, childcare, healthcare, and school facilities to benefit lower income individuals, families, and communities as well as green investment initiatives throughout California and other states. Through our involvement with Impact Community Capital, as well as through other investment channels, such as bonds and agency & commercial mortgages as of December 31, 2020, Liberty held over \$497 million in COIN-qualifying investments. By investing in the diverse neighborhoods in which we do business, Liberty seeks to build strong, long-lasting relationships that can deliver healthy returns both to our policyholders and the citizens of the communities we serve and invest in. Goal: Liberty's goal is to maintain capital commitments to community development or community development infrastructure across the nation and in California, where the investments result in meaningful increases in sustainable and renewable energy opportunities, affordable housing, services or facilities in low or moderate income communities while stimulating the local economy by creating jobs in such communities and also providing competitive investment returns.

Company NAIC Number: 35076  
Company Name: State Compensation Insurance Fund

### Company Policy Statement

The State Compensation Insurance Fund (State Fund) is committed to the Community Development Investment Program and its support to low to moderate income individuals, families, and communities in California and their commitment to improve life, create hope and opportunity within underserved communities in California. State Fund has been a strong supporter of COIN since the program was established in 1996 and currently holds municipal and mortgage backed securities meeting the COIN qualification parameters. As of 3/31/2022, State Fund held \$420 million of COIN investments of which \$269M in housing, \$20M in medical, \$45M in transportation and \$86M in education.

The objective of the COIN portfolio is to preserve State Fund's principal and surplus and enable State Fund to purchase and sell COIN approved investments, including both equity and debt securities as allowed by Sections 926 through 926.3 of the Insurance Code. COIN is a program administered by the California Department of Insurance that is intended to identify potential investment opportunities for State Fund and admitted California insurers with an emphasis on investments that promote social, economic, and environmental benefits for people living in California.

The following types of investments and securities are permissible:

1. Investments in equity or debt investment, or loan, or deposit obligation, or other investment or investment transaction allowed by the Insurance Code and identified by COIN as potential investment opportunities.
2. Investments can be made in low-to-moderate income housing, community development needs, environmental and social needs and infrastructure rehabilitation and improvements in California and includes all the types of investments that are described in Section 926.1 of the Insurance Code.
3. Investments can be made in community development infrastructure debt securities including all debt issued by the State of California or a California state or local government agency, if all or a portion of the debt has as its primary purpose community development for, or that directly benefits, underserved or low-to-moderate-income communities or includes affordable housing, or community facilities or community services providers (including providers of education, health, or social services) or promotes economic development that demonstrates benefits, including, but not limited to, job creation, retention, or improvement, or provision of needed capital, to underserved or low-to-moderate-income individuals, families, or communities, including urban or rural communities, or businesses or nonprofit community service organizations.

4. Investments can be green investments that emphasize renewable energy projects, economic development, and affordable housing focused on infill sites so as to reduce the degree of automobile dependency and promote the use and reuse of existing urbanized lands supplied with infrastructure for the purpose of accommodating new growth and jobs. “Green investments” also means investments that can help communities grow through new capital investment in the maintenance and rehabilitation of existing infrastructure so that the reuse and reinvention of city centers and existing transportation corridors and community space, including projects offering energy efficiency improvements and renewable energy generation, including, but not limited to, solar and wind power, water and waste management, sustainable agriculture, mixed-use development, affordable housing opportunities, multimodal transportation systems, and transit-oriented development, can advance economic development, jobs, and housing.
5. Investments can be “Impact Investments” that provide a social or environmental benefit to underserved or low-to-moderate-income individuals, families, or communities in California.

## **Sustainable Investment Philosophy**

One of the pillars of TDC's corporate responsibility is how we choose to invest our capital. Our investment portfolio is structured to protect our balance sheet to support our operating business and to earn strong tax-adjusted rate of return. We recognize the importance of considering environmental, social, and governance (ESG) risk factors (which include diversity, equity, and inclusion) in the management and oversight of our investment portfolio. In support of California's Climate Risk Carbon Initiative and reduction of carbon emissions, we seek to overlay ESG considerations into asset allocation, governance, due diligence, monitoring, and investment decision making. In addition to ESG benefits, we believe this will enhance our evaluation of investment risks and returns and potentially improve long-term financial performance. Sustainability is integrated into our investment process as follows:

**Asset Allocation:** We will use California's Climate Sustainability Branch guidelines as a basis for assessment of both fossil fuel exposure, including oil, gas, and thermal coal enterprises, as well as positive environmental factors such as, but not limited to, green bonds. In conjunction with our external investment advisors, we will attempt to evaluate all securities in our portfolio that exhibit poor ESG risk characteristics and ratings. Consistent with our corporate mission of advancing, protecting, and rewarding the practice of good medicine, we will restrict direct investments in tobacco.

**Governance:** In the selection and monitoring of external investment managers, TDC will consider how they practice ESG concepts within their respective organizations and what ESG guidelines and protocols are built into their investment processes.

**Impact:** We actively prospect and evaluate investment opportunities that offer compelling financial returns in conjunction with measurable positive environmental or social impact initiatives. For new strategies we will consider, but not limit ourselves to, options available through the California Organized Investment Network (COIN). COIN's mission is to guide insurers on making financially sound investments that yield environmental benefits throughout California and/or social benefits within the State's underserved communities.



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

Nick Roxborough, COIN Advisory Board Chair





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## **COIN ADVISORY BOARD – Agenda Item 7: COIN Impact Investment Marketplace (IIM)**

Peter Streit, COIN Investment Officer (IIM walkthrough)

Francisco Raygoza, COIN Senior Investment Analyst (Salesforce discussion)

**Background:** Board members have requested a visual walkthrough of the COIN Impact Investment Marketplace.

**Objectives:** The objective is to provide a visual presentation and overview of the IIM for board members to understand better how the COIN Impact Investment Marketplace is utilized:

- What is the IIM, and why was it developed? The IIM is a password-protected website used to streamline application inflow and provide accredited investors with detailed investment information that cannot otherwise be publicly disseminated due to SEC general solicitation laws. The IIM is used to manage the COIN CDFI application and certification process.
- The IIM is also used to store and manage all our contacts in the COIN Network, including contacts at insurers, asset managers, bulletin managers, CDFIs, and insurer trade associations, among others. As of June 27, 2022, COIN has 671 insurer contacts, 143 asset manager contacts, 239 bulletin managers, and 126 CDFI contacts, among others.
- All contacts at insurers and asset managers with access to the investment information have either been gathered and verified as accredited investors through the NAIC regulatory process or are members of large, multi-billion-dollar asset managers who manage some portion of insurance company investment portfolios.
- The IIM restricts access to different platform areas according to account type. A CDFI contact has different access than an insurance company contact, which has different access than an ESG/Impact investment manager contact seeking capital from investors.
- COIN-reviewed and approved investments are listed alphabetically and can be sorted by asset class and for investments managed by COIN-defined Diverse Investment Managers. Each investment listed is an approved COIN Investment Bulletin or COIN-certified CDFI currently open for new investments.



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- The investment manager's name, title, email, and phone number are provided for each investment listing. In addition, bulletin managers can upload attachments to their investment listing documents such as the prospectus, private placement memorandum (PPM), preliminary official statements (POS), and other regulatory filings, slide decks, fact sheets, white papers, and webinar recordings, or any other documents that an investor might need while conducting their due diligence and investment process.
- For ESG and Impact investment managers, the online COIN Investment Bulletin Program application is available on the IIM, where managers can populate and submit an application. Applications are reviewed and mainly approved in the order in which they are received. An exception might be a closed-end fund with an upcoming final close date. COIN might expedite the approval process to leave sufficient time to market the fund and raise capital before the investment closes.

**Salesforce migration:**

- The IIM has contributed to the growth of COIN by allowing insurers to log into the platform and review available impact/diverse deals that are COIN qualified.
- However, the IIM has certain limitations where the data remains static, and COIN cannot update information and input notes on insurers and asset managers. The data has to be downloaded into excel and tracked in various spreadsheets creating data silos and circularity.
- Salesforce will allow COIN to have all information in a centralized location and, through the power of cloud computing, allows us to manage our relationships with insurers and asset managers more efficiently and effectively in the following ways, to name a few:
  - Update notes on which insurers COIN has been in contact with and when
  - What insurers have been most active in our program, and which ones have been the least active
  - What insurers are attending our webinars, and which ones are opening our flyer distributions
  - What investments have received the most traction and which deals have received less favor
  - COIN will be able to create a score card for insurers where we will aggregate data from COIN and other branches of CDI.

**Board discussion:** The IIM was created to allow enhanced metrics, tracking, and a grading system to hold insurance companies accountable. COIN is adding Salesforce as a tool to better track how insurance companies are interacting with COIN. Both systems will assist COIN and continue to increase the level of participation of insurance companies in COIN bulletins to raise more capital.



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- COIN Advisory Board to provide suggestions on improving the IIM platform.
- The Insurance Commissioner has directed COIN to prioritize investment solutions in affordable housing, funding small businesses in minority and low-to-moderate income communities, and investments that benefit the environment positively. How can COIN make better use of investment bulletins to highlight these areas of investment that are of the state's greatest need and highest priority?
- The Insurance Commissioner has also directed COIN to advocate for the use of Diverse Investment Managers. How can COIN increase and broaden the number of Diverse Investment Manager bulletins? How can COIN improve the participation rate of insurers investing in COIN Diverse Investment Managers?
- From 2019-2021, 67% of approved COIN Investment bulletins received at least one investment from an insurer. How can COIN improve the participation rate of insurers in COIN Investment Bulletins?



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

August 11, 2022

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

Nick Roxborough, COIN Advisory Board Chair