

## 2013 COMMUNITY DEVELOPMENT INVESTMENT POLICY STATEMENTS FOR TOP CALIFORNIA INSURER GROUPS

GROUP NAME	GROUP #	Total CA Premiums	Policy Statement
Prudential of America	0304	\$5,792,963,716	<p>Prudential Social Investments originates and manages investments designed to revitalize neighborhoods, and invests in projects that benefit communities around the country and internationally.</p> <p>Prudential has a long tradition of making investments that support and improve communities, having established a formal program in 1976 and investing more than \$1.5 billion dollars since. Social Investments collaborates with partners who share the dedication to create healthy, sustainable communities. These investments support projects that develop and preserve affordable housing, improve access to quality education, and connect neighborhoods and residents to mainstream economic opportunities.</p> <p>By providing capital, Social Investments create opportunities for disadvantaged communities. In this effort, at risk affordable housing is preserved and supplemented by creating secondary markets for community development loans; poor educational facilities are improved by extending funds to quality charter school management organizations; high-density unemployment areas are infused with capital by investing in entrepreneurship and financing comprehensive community development initiatives. The investments' payoff comes from improving the sustainability of communities.</p> <p>Although there are common themes of distress in each community, community dynamics require attention. Social Investments have worked closely, by way of direct and indirect relationships, with many players in the communities, to identify needs and create strategies for change. Currently, Social Investments concentrates in the following urban locations: Los Angeles and San Francisco, CA; Newark and State of New Jersey; Hartford, CT; Philadelphia, PA; Minneapolis, MN; New York, NY; Jacksonville, FL; Chicago, IL; New Orleans, LA; Dallas and Houston, TX; Phoenix, AZ.</p> <p>Social Investments, an innovative asset management group for Prudential and The Prudential Foundation, manages portfolios that are made up of private placement debt, equity, and various tax credits, including low-income housing and new market tax credits. Capital has been made available at different positions on the risk and return spectrum. As the capital returns, Social Investments reinvest into disadvantaged markets throughout the world. This reinvestment approach exponentially increases the amount of capital that is available to satisfy future needs.</p> <p>Prudential continually seeks opportunities to make investments in socially motivated projects. Social Investments support nonprofits, community development organizations, community development financial institutions, social enterprises, and community ventures whose mission and operations are broad and non-discriminatory, and whose activities address social needs or benefit under-served groups and communities.</p> <p>Prudential's current and ongoing goal is to continue to seek community development investment opportunities and community development infrastructure investment opportunities and to make investments in socially motivated projects. Prudential's approach to social investments is on an "impact first" basis, which means all investments must have a meaningful social impact to be considered.</p>

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State Farm	0176	\$5,463,252,739	<p>State Farm has developed a comprehensive strategy designed to effectively leverage our community development investments, loans, and grants. We believe this holistic approach maximizes the beneficial impact in our communities.</p> <p>Statement of Principle: It is State Farm's investment policy to protect policyholders and earn a competitive yield that accounts for investment risk. State Farm actively invests in community development in California and across the country in accordance with this investment strategy. To promote this strategy, State Farm supports a portfolio of loans and investments managed through agreements with experienced national organizations such as Local Initiatives Support Corporation (LISC), Impact Community Capital, Enterprise Community Loan Fund, Raza Development Fund, and other California Organized Investment Network (COIN) qualified investments. By drawing on this expertise State Farm is able to focus its efforts and resources where they can do the most good for communities across the country.</p> <p>Goal: It is State Farm's goal to be supportive of community development investments in California and throughout the country. We will continue pursuing community development investing in the current and following calendar year in accordance with our overall investment strategy.</p> <p>The types of investment and loan opportunities that State Farm considers include:</p> <ul style="list-style-type: none"> <li>-Affordable housing projects</li> <li>-Community facilities, including day care, community, and health care centers</li> <li>-Commercial corridor revitalization and small business rehabilitation</li> <li>-Predevelopment and construction loans to develop blighted neighborhoods</li> <li>-Land acquisition loans to build public charter schools</li> <li>-Bonds, mortgage-backed securities, loan pools, and loan funds</li> <li>-Low-income Housing Tax Credits</li> <li>-Other COIN qualifying investments</li> </ul> <p>To ensure our community development efforts concentrate on investment opportunities that address true community needs, encourage economic development, and meet or exceed our social and regulatory responsibilities, State Farm has established:</p> <ul style="list-style-type: none"> <li>-An internal Community Development Investment Committee (CDIC) to provide high-level oversight and make investment decisions</li> <li>-An external Community Reinvestment Act (CRA) Advisory Council to help State Farm Bank evaluate its community development efforts, which is made up of nonprofit leaders from across the country</li> <li>-An internal CRA Advisory Committee, which includes senior leadership from within State Farm and serves a similar purpose as the external CRA Advisory Council</li> <li>-A philanthropic giving program that helps enhance our community development activities by providing start-up capital and operational support</li> <li>-A process to connect community development nonprofit organizations, helping them to collaborate, leverage strengths, and combine resources</li> <li>-Membership in the Committee to Encourage Corporate Philanthropy, The Conference Board, and The National Contributions Council</li> </ul>

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GROUP NAME	GROUP #	Total CA Premiums	Policy Statement
Farmers Insurance	0069	\$4,138,438,945	<p>Similar to all other asset classes, Socially Responsible Investments ("SRI") are governed by the investment policy of Farmers Insurance. SRI objectives, limits and other guidelines are addressed in a number of sections within the company's Property &amp; Casualty Companies' Investment Policy Statement ("IPS").</p> <p>First, the Investment Objective section of the IPS states, "4 of 4: Provide capital for Socially Responsible Investments (SRI), when appropriate."</p> <p>Second, the Asset Class Limits section of the IPS gives SRI assets a limit of 1%.</p> <p>And lastly, there is a specific SRI Statement that states, "Farmers has a strong history of supporting SRI investments within California and beyond. Farmers was a founding member of Impact Community Capital (ICC) and has been an active manager since ICC's inception. ICC will continue to act as Farmers' external partner to facilitate SRI investing and asset management. Impact and its founding members have a long history of innovative CDI investing, from core affordable, multi-family housing assets, to cutting edge New Market Tax Credit healthcare, childcare and economic development investments. The Impact entity has also executed on two affordable, multi-family housing securitizations - one in 2001 and another in 2010.</p> <p>Farmers has contributed to and adopted the Purpose and Business of Impact; defined as: facilitating and managing community development and socially responsible investments and investment activities, either directly or through its Affiliates.</p> <p>Further, Farmers has contributed to and adopted the following Mission Statement of Impact:</p> <p>(1) Impact Community Capital LLC is a for-profit corporation founded by leading insurers to structure and manage insurance company investments in communities in California and nationally. (2) Impact focuses on financing affordable housing, community facilities, economic development, and other socially responsive investments benefiting lower income individuals, families, and communities. (3) Impact bridges insurer investment requirements and community investment needs.</p> <p>Taking the aforementioned into account, Farmers has a long-term goal of investing up to 1% of all assets in SRI assets. This long-term goal shall be applicable for 2011 &amp; 2012. After 2012, this goal shall be revisited by the Investment Committee. If any changes are made by the Investment Committee, a new policy statement will be filed with the CADOI.</p>

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GROUP NAME	GROUP #	Total CA Premiums	Policy Statement
American Internation (AIG)	0012	\$4,035,135,101	<p>This Policy Statement is adopted pursuant to California Insurance Code Section 926.3 (b) by the California-admitted insurers listed on Schedule 1 hereto (each, a Company, and collectively, the Companies), each of which is a subsidiary of American International Group, Inc. (AIG).</p> <p>Statement of Principle: The Companies (whether directly, or by and through their agents) manage portfolios of investments and other assets, in general with a view towards (i) ensuring sufficient liquidity to fund their obligations (including, but not limited to, obligations to policyholders) as and when they become due; (ii) maintenance of necessary and appropriate capital (including, but not limited to, applicable regulatory capital requirements); and (iii) generation of investment income, in each case consistent with risk tolerances and limits established by AIG.</p> <p>Each Company is mindful and supportive of the California Organized Investment Network (COIN) investing principles. The COIN investing principles promote investments which:</p> <ul style="list-style-type: none"> <li>(i) provide safe, sound and solvent investments offering an acceptable financial return or its equivalent within the regulatory and NAIC rating framework governing insurance company investments;</li> <li>(ii) provide investments in or benefiting low-income and rural communities or communities either directly or through intermediaries; and</li> <li>(iii) add value to capital products and programs currently available.</li> </ul> <p>The Companies have in the past made significant investments consistent with these principles, and make regular disclosures of such investments in accordance with their statutory obligations.</p> <p>Permitted COIN Investments: Where appropriate and consistent with the investment objectives and risk tolerances established by the Company and by AIG, and not otherwise prohibited or limited under applicable law, Company investments may include, without limitation, debt and equity investments in California in:</p> <ul style="list-style-type: none"> <li>(i) affordable housing benefitting low- or moderate-income persons;</li> <li>(ii) community development or infrastructure projects benefitting low- or moderate-income persons; and</li> <li>(iii) green investment projects.</li> </ul> <p>All community investments must be consistent with AIG's investment plan, as modified or amended from time to time, and reviewed and approved in accordance with, and otherwise be in compliance with, existing policies relating to investments, including approval by the internal committees. Among the factors considered in making new investments are an issuer's or project's environmental and social impact, as well as the strength of its governance.</p> <p>COIN Investment Goals: Neither AIG nor the Companies establish specific or general thresholds, quotas or similar guidance with respect to COIN investments. However, consistent with its past practice, each Company may invest in securities or other investment assets that comply with COIN principles from time to time.</p> <p>In the current and following calendar years, AIG will consider (and, to the extent suitable in view of relevant investment objectives and risk tolerances, evaluate) available community development investments and community development infrastructure investments, in each case in the same manner as it considers and evaluates other investment opportunities.</p> <p>Policy Review: Each Company will ensure that this Policy Statement on Community Development Investments and Community Development Infrastructure Investments is reviewed biennially.</p>

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Metropolitan	0241	\$3,523,532,833	<p>MetLife's Investments Department actively manages a diversified portfolio to enable the enterprise to deliver on its promises made to millions of customers. MetLife has more than 750 investment professionals and support staff, giving MetLife Investments depth and breadth across many asset sectors and markets. Our credit analysts and sector specialists conduct first-hand, fundamental analysis of investments and closely track developed and emerging markets. We are always looking ahead and positioning MetLife's portfolios for the future while striving to take advantage of today's opportunities.</p> <p>MetLife's goal for California Community Development Investments and Community Development Infrastructure Investments for during the current and following calendar year is to primarily originate these investments through ongoing investments in commercial mortgages, real estate investments, bonds, housing tax credit investments, and renewable energy investments. The breadth of MetLife's investments has in the past lead to a substantial volume of activity in the State of California, including \$2.66 billion for MetLife's insurance companies in California Organized Investment Network (COIN) qualifying investments from 1997-2008. In addition, MetLife's Social Investment Program specifically seeks to originate investments supporting community development ventures.</p> <p>Social Investment Program: MetLife's Social Investment Program supports community development ventures that do not meet the customary investment criteria of private and institutional investors. The program was established in 1984. Usually structured as loans, social investments offer favorable terms for projects which address significant social needs. Investments are considered primarily for nonprofit organizations and their subsidiaries. In addition, investments with a clearly demonstrated social purpose in for-profit entities are considered. In general the Program is seeking organizations with a record of achievement and the potential for growth that apply innovative approaches to emerging or intractable social problems. Amounts, rates and terms are considered on a case-by-case basis. However, investments of \$3-5 million with terms under 10 years are preferred.</p> <p>The Social Investment Program gives special consideration to investments in communities where MetLife has a major presence and to organizations that are regional or national in scope. This has lead to significant investments in California. The following program areas are targeted:</p> <ul style="list-style-type: none"> <li>-Community Revitalization - Projects that build or stabilize communities, such as new or renovated housing for low- and moderate-income people; revitalize deteriorated commercial districts; or provide service enriched facilities for groups with special needs, such as the homeless and mentally ill.</li> <li>-Economic Development - Programs that stimulate economic growth in distressed areas; develop or expand businesses in low income areas; or promote training and job opportunities for individuals at an economic disadvantage.</li> <li>-Health - Health-related services for underserved areas or populations, with an emphasis on preventive care.</li> </ul> <p>Investments are first reviewed to determine whether the project addresses a significant social need related to MetLife's program interests. Other criteria include: financial feasibility, management capability, leverage of other resources, social impact, and community support. There is no requirement that California Social Investments must be COIN-qualified investments, however nearly all are COIN-qualified.</p>

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Allstate Insurance	0008	\$3,410,322,808	<p>This policy statement is being submitted on a group basis by the Allstate Insurance Group for Lincoln Benefit Life Company, Allstate Insurance Company, Allstate Indemnity Company, and Allstate Life Insurance Company (collectively Allstate).</p> <p>Allstate has invested significantly in a variety of COIN qualified investments in the areas of municipal bonds, commercial mortgages, federal low income housing tax credits, and renewable energy projects that benefit low to moderate income communities and the environment in California. Statement of Principle: It is the investment policy of Allstate to protect policyholders and to earn a competitive yield with a balanced portfolio that accounts for investment risk. Allstate will make investment decisions in community development, if feasible, in accordance with its investment policy, on a case-by-case basis. Allstate's community development investments would consist of prudent equity or debt investments, loans, deposit obligations or other investments through our Investment Group and our Socially Responsible Investments (SRI) program. In California, Allstate largely pursues this policy through its membership in Impact Community Capital (Impact). Impact promotes community development in California, and Allstate relies on Impact to source and structure innovative community investments that also meet Allstate's need for prudent management of policyholder's funds.</p> <p>Goals: It is Allstate's goal to be supportive of community development investments in California. Allstate will continue pursuing community development investing in the current and following calendar year, as long as the investment criteria meets Allstate's overall investment strategy.</p> <p>For more information, please contact Chris Clay at <a href="mailto:chris.clay@allstate.com">chris.clay@allstate.com</a></p>

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Aegon US Holding	0468	\$3,371,030,025	<p>On behalf of Transamerica, AEGON USA Realty Advisors, LLC , ["Realty Advisors"] invests in Section 42 Low Income Housing (LIHTC) throughout numerous states, including California, and may occasionally invest in historic rehab tax credits and state housing tax credits. As these types of credits become available annually and are competitively offered within the LIHTC industry, Realty Advisors intends to continue acquiring credits and increasing the size of its affordable housing portfolio.</p> <p>When making investments, Realty Advisors also takes into account a number of non-financial considerations. These may include: regulatory, legal, environmental, social, political, accounting and reputational issues.</p> <p>Affordable Housing investments made by Realty Advisors consist of construction of new properties as well as rehab of existing properties. Realty Advisors invests for the affordable housing tax credits and state tax credits. The credits are utilized by Realty Advisors or in some instances; they are passed onto other investor clients with which Realty Advisors has community investment partnerships. Realty Advisors acquires a limited partnership interest in properties, usually amounting to 99.99% of the property, while a local managing member consisting of the developer and property manager own 1% and manage the asset.</p> <p>Developers of the assets must be financially capable of completing construction, guarantee the completion and lease-up of the properties, and also guarantee the future tax credit delivery for a period of 10 years. Generally, Realty Advisors remains invested through the compliance period of 15 years, and will then exit the partnership often turning back ownership to the local managing member.</p> <p>Realty Advisors closely monitors financial and market conditions and on that basis may need to adjust its investment portfolio from time to time as it deems prudent and responsible.</p>
Hartford Fire & Casualty	0091	\$2,653,489,355	<p>The Hartford meets policyholder obligations through its earnings objectives. These current objectives include, and where prudent shall continue to include, investment in various financial instruments that directly or indirectly promote and enhance community development within low and moderate-income communities located in California. These community development investments have historically included participation in community development infrastructure loans, acquisition of various municipal and State issued bonds, and the origination of commercial mortgage loans secured by retail and multi-family projects that may include moderate and low-income components. The Hartford anticipates continuing to pursue these traditional community development investment opportunities and, where practicable, will be receptive to opportunities to expand its investment options into other community development alternatives, that offer risk and return profiles comparable to traditional investments.</p>

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Zurich Insurance	0212	\$2,647,722,712	<p>The Board of Directors of Farmers New World Life Insurance Company (the Company) formally reviews and approves the Company's investment policies and guidelines (the Company's Investment Policy) on an annual basis and formally reviews compliance with the Company's Investment Policy at each regularly scheduled Board meeting, in accordance with its domiciliary regulatory requirements. The Company's asset managers are expected to effectively and proactively integrate environmental, social and governance (ESG) factors in the investment process where relevant. This integration of ESG factors is consistent with the Zurich Insurance Group commitment to responsible investing as a signatory to the United Nation-backed Principles of Responsible Investment. The Company's asset managers can invest in community development investments and community development infrastructure investments that benefit California and California's low-and-moderate income communities, to the extent that such investments are in accordance with the Company's Investment Policy. The Company's assets managers will continue to strongly consider and evaluate COIN qualified investments in 2013 and 2014.</p> <p>In general, the Company's Investment Policy pursues simultaneously the goals of security and profitability of the assets in which funds are invested. That is to:</p> <ul style="list-style-type: none"> <li>-ensure sufficient liquid funding for all future commitments; and</li> <li>-generate adequate financial return in the form of investment income and capital appreciation.</li> </ul> <p>Further, the Company's Investment Policy is designed to take careful consideration of several factors, including but not limited to:</p> <ul style="list-style-type: none"> <li>-the economic risk and reward trade-off of an investment,</li> <li>- how that investment affects the economic risk and reward trade-off of the entire investment portfolio taken in the context of the Company's liabilities,</li> <li>-compliance with applicable rules and regulations,</li> <li>-compliance with internal risk management policies and constraints,</li> <li>-the accounting treatment of the investment,</li> <li>-the impact of the investment, if any, on federal, state and local taxes,</li> <li>-the impact of the investment on regulatory and accounting solvency measures,</li> <li>- the liquidity or marketability of the investment taken in the context of liquidity needs stemming from the Company's liabilities,</li> <li>-any risks and opportunities associated with environmental, social and governance factors; and any potential operational or reputational risks involved in making the investment.</li> </ul> <p>The economic analysis of investment alternatives can be quite extensive, encompassing not only the expected risk and return of the investment itself, but also the impact of making an investment, or entering an asset class, on operating costs for monitoring the investment(s) and consideration of any preferential tax treatment that the investment(s) might entail.</p> <p>In addition, it is generally the Company's practice to outsource certain aspects of investment management to third-party professional asset managers under investment management agreements. The Company engages these third-party asset managers for security selection and trade execution for most asset classes. However, the Company retains responsibility for asset-liability management, strategic asset allocation, and to some extent tactical asset allocation. Certain alternative assets hedge funds, private equity and real estate are managed by an affiliated asset manager.</p>



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Nationwide Corp	0140	\$2,644,146,818	<p>Nationwide Mutual Insurance Company and our affiliated insurance companies (Nationwide) seek safe and sound qualified investments that enhance each company's capital position to provide the security necessary to honor Nationwide's commitments to our policyholders. As part of Nationwide's overall investment strategy, we seek community development opportunities and community development infrastructure investments.</p> <p>Nationwide's community development efforts are generally focused on financing affordable housing, investing in significant historic properties and the development of neighborhoods, and other investments that typically qualify as admitted assets. In the past, Nationwide's efforts in California have included investments in commercial mortgage loans, real estate equity, municipal bonds, affordable housing tax credits, and renewable energy investments. For 2013 to 2014, Nationwide's goal is to continue to participate in similar community development and community development infrastructure investments. To assist in furthering these efforts, Nationwide has and will continue to partner with other organizations to create investments in low-income communities, and is an investor in Impact Community Capital LLC, which promotes community development investments in California.</p> <p>Nationwide selects all of its investments, including its community development investments, through a formal identification, evaluation, and approval process that is consistent with applicable investment laws. In addition to our investment portfolio, the Nationwide Insurance Foundation, an independent corporation funded by the Nationwide companies, is dedicated to making philanthropic investments that address the critical social and economic needs of communities where Nationwide has a strategic presence.</p>

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John Hancock Group	0904	\$2,612,335,779	<p>Statement of Principles: Manulife Financial Corporation and its affiliates, including John Hancock Life Insurance Company (U.S.A.) (the Company) are supportive of community development investments and community development infrastructure investments and encourage such investments where prudent in the various jurisdictions where we do business. As a long term investor through sustained investments in real estate, commercial mortgages, private placements, mezzanine debt financing and a variety of equity investments, the economic, social and environmental vitality of the communities in which we invest and operate in is important for the growth of our community development investments.</p> <p>As a leading provider of financing to the renewable power industry, our investments generate clean, renewable energy that power tens of thousands of homes across the U.S. and Canada. With a disciplined approach to forest stewardship, the timberlands that the Company owns provide a source of raw materials for various types of products, act as a source of carbon sequestration to mitigate the effects of climate change, and offer opportunities to preserve open and sensitive lands for current and future generations. Our approach to farmland ownership and operations preserves and even expands the use of land devoted to agriculture, contributes to local agricultural economies, and employs innovative techniques and technology to reduce environmental impacts, while generating and preserving long-term investment value for our clients.</p> <p>Goals: As a general matter, the Company's goal is to maintain an asset mix appropriate to support its liabilities while simultaneously balancing economic value, income, capital efficiency, tax and regulatory considerations. In relation to community development investments and community development infrastructure investments, where financially prudent and where it meets our general goals, the Company's goal for 2013 and 2014 in relation to such investments is to endeavor to invest in community development projects that provide long-term social and environmental benefits to the communities in which we operate.</p> <p>Investment Criteria and Decision Making: The Company's Investment Guidelines ('Guidelines') are designed to help ensure that the Company achieves reasonable issuer, sector and geographic diversification. They are reviewed annually, and approved by the Company's Board of Directors. The Guidelines are only one component of the control structure that ensures the Company has an adequate, comprehensive and prudent approach to managing market and asset/liability risks. The Company employs a robust credit risk management framework to provide for the identification and quantification of risks inherent in credit-related activities.</p> <p>Addendum to Policy for California: The Company's community investments can include renewable energy projects, timberlands, agriculture, affordable and workforce housing, community and public facilities, sustainable real estate assets and other large scale infrastructure projects that provide benefits to the community. Investment Exposure in California as of December 31, 2012:</p> <ul style="list-style-type: none"> <li>\$234 million invested in infrastructure investments,</li> <li>\$282 million in agricultural assets</li> <li>\$1.6 billion in direct commercial real estate</li> <li>\$14 million of equity investment in real estate funds</li> <li>\$146 million in affordable income housing</li> </ul>

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Liberty Mutual	111	\$2,609,983,530	<p>Statement of Principle &amp; 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 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. A component of Liberty policy is to support community development and community development infrastructure across the nation through programs such as California Organized Investment Network (COIN).</p> <p>Community Development and Infrastructure Policy &amp; 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 &amp; commercial mortgages as of December 31, 2011, Liberty held over \$700 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.</p> <p>Goal: Liberty goal is to maintain capital commitments to community development or community development infrastructure across the nation and in California in the future, including the current and following calendar year, where the investments result in meaningful increases in 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.</p>

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Travelers	3548	\$2,477,044,456	<p>This Policy Statement sets forth the Company's intentions with respect to community development investments and community development infrastructure investments in the State of California. As an insurer admitted in California that writes more than \$100 million in California premiums, in accordance with Assembly Bill 41, Section 926.3, the Company is filing this Policy Statement with the California Insurance Commissioner. This Policy Statement supplements and is subject to the investment policies, procedures and internal controls to which the Company is subject from time to time, including the investment policy of the Company's ultimate parent company, The Travelers Companies, Inc. (the Parent Company), and is subject to the applicable laws, rules and regulations of Connecticut, the Company's state of domicile. This Policy Statement establishes general guidelines and is intended for internal purposes only. The Company's overall general investment strategy is intended to achieve two principal objectives: (1) assure the Company's ability to meet obligations to policyholders; and (2) support the annual and long-term earnings objectives of the Company. The Company seeks to generate a consistent stream of investment income. In order to achieve this goal, the Company's strategy is designed to: (a) emphasize current income; (b) balance investment returns against the organization's desired level of risk; (c) limit volatility; and (d) achieve stable surplus growth. Within the confines of this investment strategy, including the Parent Company's investment policy and all applicable laws, rules and regulations to which the Company is subject, the Company seeks, where practicable, to be supportive of community development investments and community development infrastructure investments, including those that benefit California's low- and moderate-income communities (CDI/CDII Investments). The Company has invested in low income housing tax credits, municipal bonds in the areas in which the Company does business, and GSE- and COIN- sponsored mortgage backed securities in which the preponderance of borrowers earned less than median income. The Company's goal in the current and following fiscal year is to continue investing in such CDI/CDII Investments. The Company will continue to analyze CDI/CDII Investments to determine whether such CDI/CDII Investment fits within the general investment strategy described above, including any investment limits contained in the Parent Company's investment policy and subject to earthquake, concentration and other geographic risk considerations. Nothing in this Policy Statement shall be construed to obligate the Company to make any CDI/CDII Investment, even if such CDI/CDII Investment is consistent with the general investment strategy of the Company and falls within the limits set forth in the Parent Company's investment policy or the established statutory limitations.</p>

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Jackson National	0918	\$2,427,329,040	<p>Policy Statement That Is a Statement of Principle Intended to Influence a Decision or Action. It is Jackson National's policy that Jackson National's investments are based upon the following principles, in decreasing order of priority: First, our investment portfolio must comply with the laws of the State of Michigan, our state of domicile. Second, our investment portfolio must be made up of assets which offer the security and liquidity necessary to ensure that our obligations to policyholders will be met. Third, our investment portfolio must produce the highest rate of return possible under the first two principles in order to maximize shareholder equity. Policy Statement on Community Development Investments and Community Development Infrastructure Investments. Jackson National does not specifically consider whether an investment is a community development investment or a community development infrastructure investment in selecting its investments. Jackson National does not establish specific or general goals for community development investments or community development infrastructure investments. Goals for Community Development Investments and Community Development Infrastructure Investments for 2013 and 2014. Jackson National does not establish specific or general goals for community development investments or community development infrastructure investments. Any investment in community development investments or community development infrastructure investments results only from application of the three principles stated in the Policy Statement That Is a Statement of Principle Intended to Influence a Decision or Action.</p>

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Lincoln National	0020	\$2,155,246,204	<p>Principles: Social responsibility has long been a focus of the Lincoln Financial Group (Lincoln). Since 1962, Lincoln Financial Foundation, a private foundation that is primarily supported by Lincoln, has contributed to educational advancement, human service grants, and more. Additionally, Lincoln has prioritized reducing its environmental impact through numerous initiatives, resulting in Energy Star ratings for three of its buildings. In the California Organized Investment Network (COIN), Lincoln has placed over \$145 million dollars in qualifying investments since 2000. Lincoln will continue to look for ways to invest in socially responsible investments that align with policyholder and shareholder interests.</p> <p>Goals: Lincoln is built on the tradition of supporting and preserving its customers' investments in their future. At the same time, investing in communities is investing in our customers. We understand that without strong, vibrant communities, Lincoln will not succeed in the future. Lincoln will remain committed to community development investment.</p> <p>Investment Criteria:</p> <ol style="list-style-type: none"> <li>1. As a large investor, Lincoln seeks to diversify risk while maintaining adequate returns.</li> <li>2. When investment opportunities materialize, we analyze how they will fit into our portfolio.</li> <li>3. We invest in companies and assets that provide the foundation for strong communities.</li> <li>4. Lincoln directly invests in community development through commercial mortgages that support a variety of business types.</li> <li>5. We look for opportunities in COIN qualifying investments as we have in the past.</li> </ol> <p>Conclusion:</p> <p>Lincoln Financial Group is a company that highly values integrity, responsibility and diversity. In the future, we will continue to support communities and community development as we have for over 100 years.</p>

## 2013 COMMUNITY DEVELOPMENT INVESTMENT POLICY STATEMENTS FOR TOP CALIFORNIA INSURER GROUPS

GROUP NAME	GROUP #	Total CA Premiums	Policy Statement
New York Life Group	0826	\$2,098,252,342	<p>Statement of Principles: New York Life's participation in community development and investment is consistent with its business goals and core values of integrity, humanity, and financial strength.</p> <p>The purpose of this Community Development Investment Policy is to highlight the importance of community investment to New York Life, better communicate the company goals with regard to community investment, and help ensure that guidelines and broad objectives are met.</p> <p>Goals: New York Life is committed to making voluntary community investments and will make prudent investments that are attractive on a stand-alone economic basis that fit within New York Life's broad investment policies and guidelines.</p> <p>The Company will continue pursuing community development investing in the current and following calendar year as long as the investment criteria meets the Company's overall investment strategy.</p> <p>Outcomes for the Company and the Community: The objective of these types of investments is for New York Life to exercise good corporate citizenship, act on its social responsibility as an industry leader, and support low-income and moderate-income communities in states in which it conducts significant business. By committing capital to sound investments that help serve the needs of low-income and moderate-income communities, New York Life can contribute to the growth of the communities where its policyholders and employees reside.</p> <p>Investment Criteria: New York Life will evaluate investments under the following categories:</p> <p>Community Development Investment - Investment where all or a portion of such investment has as its primary purpose community development for, or that directly benefits, low-income or moderate-income individuals, families, or communities, including, but not limited to:</p> <ul style="list-style-type: none"> <li>-Affordable housing</li> <li>-Community facilities or community services providers</li> <li>-Economic development</li> <li>-Investments in or through recognized federal, state, or local community development investment programs/networks or community development investment tax incentive programs (e.g., the California Organized Investment Network (COIN), certified development financial institutions (CDFIs), LICONY's community investment opportunities, certified capital companies (CAPCOs), and low income housing tax credit investments)</li> <li>-Activities that revitalize or stabilize low-income or moderate-income communities</li> <li>-Commercial property in low-income or moderate-income areas</li> <li>-Targeted mortgage backed securities</li> <li>-Green investments, such as alternative fuel or energy investments</li> </ul> <p>Community Development Infrastructure Investment</p> <ul style="list-style-type: none"> <li>- Public debt where all or a portion of the debt has as its primary purpose community development for, or that directly benefits, low-income or moderate-income communities, including, but not limited to:</li> <li>-Qualified state and local municipal bonds</li> </ul> <p>Decision Making Process: New York Life's approach to community investment is consistent with its standards for all investments. This includes conducting its own traditional, bottom-up research on individual investments and the underwriting of credit and other risks. This Policy will be reviewed periodically by senior management.</p>

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Auto Club Enterprises Insurance	1318	\$2,085,628,283	<p>Objective: The Interinsurance Exchange of the Automobile Club (IEAC) has invested and will continue to invest in the service area of its policyholders. IEAC's investment goals are threefold:</p> <ol style="list-style-type: none"> <li>1. Further active community involvement within the communities in the service area of IEAC's policyholders;</li> <li>2. Invest capital that fosters the growth of business activity to improve economic opportunities or provides housing or other investments that foster improvement in moderate or low income communities, or fosters the development of technologies that will assist businesses and communities in achieving reductions in the emissions of greenhouse gases; and</li> <li>3. Earn an acceptable rate of return.</li> </ol> <p>Investment Criteria: The criteria that will be used to evaluate the investment opportunities are:</p> <ol style="list-style-type: none"> <li>1. The investment opportunity must be within the service area of IEAC's policyholders.</li> <li>2. The investment opportunity must be closely aligned with IEAC's overall strategic goals.</li> <li>3. The investment opportunity may have a sponsoring organization. The sponsoring organization must have a reputation within the community commensurate with IEAC. The sponsoring organization must also have a tangible and positive record of economic and financial achievement within the community development area.</li> <li>4. The investment opportunity must primarily benefit moderate to low income communities or constitute a green investment.</li> <li>5. Investment opportunities can be either debt or equity, but the expected rate of return should be commensurate to similar investments.</li> <li>6. The level of community investment will depend upon: <ul style="list-style-type: none"> <li>-The availability and suitability of individual community investments;</li> <li>-The revenue level and financial condition of IEAC; and</li> <li>-The need for diversification among investments, including diversification among issuers, asset types, sectors and geographical location within the service area.</li> </ul> </li> <li>7. IEAC may rely on the experience and capabilities of a sponsoring organization to manage the investme</li> </ol>
Berkshire Hathaway	0031	\$2,041,963,646	<p>Government Employees Insurance Company (NAIC #22063), GEICO General Insurance Company (NAIC #35882), GEICO Indemnity Company (NAIC #22025), GEICO Casualty Company (NAIC #41491), herein GEICO (NAIC Group #0031), has established a Policy Statement on Community Development Investments and Community Development Infrastructure Investments pursuant to California Insurance Code Section 926.3(b).</p> <p>GEICO's investment policy is to optimize the total return on its investments over a long-term period of time, to the benefit of all policy holders who rely on GEICO to remain financially solvent and be able to pay its claims in the future. As a result of constantly changing economic and market conditions, GEICO's investment policy does not include specific goals or thresholds for any geographical area for the current or following calendar year. Therefore, California community development investments and community development infrastructure investments such as those described in California Insurance Code Section 926.3 are not specifically enumerated as part of GEICO's investment strategy.</p> <p>GEICO's current and ongoing goal is to continue to evaluate investments permitted by applicable laws and statutory codes, to make investments decisions consistent with its aforementioned investment policy.</p>



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Mercury General	0660	\$2,002,277,529	<p>Statement of Principles: Mercury General Group domiciled within California is committed to COIN investment opportunities, which may provide mutually beneficial economic value to the Company's investment portfolio and communities of California.</p> <p>Goals: The Company seeks to maintain a capital commitment in qualified COIN investment opportunities. The Company seeks investments that provide competitive market based returns to the investment portfolio and beneficial economic value to California's citizens and communities.</p> <p>Outcomes for the company and the community: The Company believes that a COIN investment can provide benefits beyond the investment's yield. COIN has the potential to enrich California communities by providing economic stimulus and job creation in low-to-moderate income areas. The economic benefits made within California could improve the revenue prospects for the insurance industry and help to build a positive image for the Company regionally.</p> <p>Investment Criteria: The Company's investment parameters, while non-specific in nature, will seek to make capital commitments that meet the Company's risk and return requirements while conforming to the Company's internal Investment Policy. The Company's Board appointed Investment Committee will review opportunities and issuers per the recommendation of the Chief Investment Officer.</p> <p>The Company has had successful past COIN alternative investments with Bay Area Funds and continues to commit capital there. The Company invests in bonds such as agency mortgage-backed issues and municipalities which may meet the COIN qualification parameters.</p>