

Legislation Reforms California's Insurance Community Investment Program

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On September 17, California Governor Jerry Brown signed into law legislation intended to reform the California Organized Investment Network (COIN) program. The COIN program is a partnership among the California Department of Insurance (DOI), the insurance industry, state government, and community development organizations designed to help address unmet capital needs in low-income communities by encouraging insurers to invest in them. The legislation creating the COIN program declares that it is California's policy that insurers should support and, where practical, consider making, community development investments. The bill, sponsored by Insurance Commissioner (IC) Dave Jones, was introduced to avoid the sunset of certain COIN program provisions, and to reform insurers' reporting requirements under the program.

The law now requires each admitted insurer that writes \$100,000,000 or more in annual premiums in California to report to the IC information on all of its community development investments, including infrastructure and green investments, made in California from 2013 through 2015. Reports are due by July 1, 2016. Prior to the revisions, insurers were required to develop and file with the IC policy statements that expressed the insurers' goals for community development investments for the filing year and following calendar year. This obligation was set to sunset on January 1, 2015 and was deleted from the revised law.

The new law also revises the information that the IC and DOI are required to post on the COIN program website. It must now include not only data reported by insurers, but also data regarding COIN's actions taken to analyze the data to create and identify potential investment opportunities for insurers. The law establishes a website publication deadline of December 31, 2016.

The reforms were spurred by comments from industry representatives and a report issued by the DOI in June 2014, which questioned whether the insurance companies' production of data had resulted in a comprehensive analysis of the industry's performance and whether it helped to identify communities in need or to provide guidance on improving the program or community investments.

The law is now set to sunset on January 1, 2020.

The bill, AB 2128, can be found [here](#).