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INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (*Division 1 enacted by Stats. 1935, Ch. 145.*)

PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8] (*Part 2 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 1. General Regulations [680 - 1113] (*Chapter 1 enacted by Stats. 1935, Ch. 145.*)

ARTICLE 10.1. California Insurance Community Investment [926 - 926.3] (*Article 10.1 added by Stats. 2006, Ch. 456, Sec. 1.*)

926. The Legislature finds and declares all of the following:

- (a) It is in the interest of all Californians that there is a strong and viable insurance market.
- (b) It is the policy of this state that insurers should be supportive of investments that promote social, economic, and environmental benefits, and should consider making these investments with an emphasis on using diverse investment managers to the extent possible.
- (c) This article shall establish the California Organized Investment Network (COIN) within the department.
- (d) COIN has the responsibility to pursue active measures to encourage insurers to make investments that promote social, economic, and environmental benefits.
- (e) COIN shall pursue active measures to encourage insurers to make investments, as defined in this article, including, but not limited to, creating and identifying potential investment opportunities, including the development of investment opportunity bulletins and marketing and outreach efforts. This information shall be published on the department's internet website in investment opportunity bulletins. These opportunity bulletins help finance projects that address the state's critical needs, particularly in underserved, low-to-moderate-income, and rural communities, as well as environmental needs.

(Amended by Stats. 2021, Ch. 390, Sec. 1. (SB 655) Effective January 1, 2022.)

926.1. As used in this article, the following terms shall have the following meanings:

- (a) "Area median income" (AMI) means either of the following:
 - (1) The median family income for the metropolitan statistical area (MSA), if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions.
 - (2) The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.
- (b) "Community development investment" means an investment where all or a portion of the investment has as its primary purpose community development for, or that directly benefits, California underserved or low-to-moderate-income individuals, families, or communities. "Community development investment" includes, but is not limited to, investments in California in the following:
 - (1) Affordable housing, including multifamily rental and ownership housing, for underserved or low-to-moderate-income individuals or families.
 - (2) Community facilities or community services providers (including providers of education, health, or social services) directly benefiting underserved or low-to-moderate-income individuals, families, or communities.
 - (3) 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 that serve these communities.
 - (4) Activities that revitalize or stabilize underserved or low-to-moderate-income communities.

(5) Investments in or through California Organized Investment Network (COIN)-certified community development financial institutions (CDFIs) and investments made pursuant to the requirements of federal, state, or local community development investment programs or community development investment tax incentive programs, if these investments directly benefit underserved or low-to-moderate-income individuals, families, and communities and are consistent with this article.

(6) Community development infrastructure investments.

(7) Investments in a commercial property or properties located in underserved or low-to-moderate-income geographical areas and are consistent with this article.

(8) Investments in reservation-based communities. "Reservation-based" means an area of land managed by a Native American tribe under the jurisdiction of the federal Bureau of Indian Affairs, provided that the tribe is named on the most current list of "Indian Entities Recognized and Eligible to Receive Services From the Bureau of Indian Affairs," or successor document, as published in the Federal Register by the Bureau of Indian Affairs.

(9) Investments in rural areas. "Rural area" means any open country or any place, town, village, or city that, by itself and taken together with any other places, towns, villages, or cities that it is part of or associated with, has either a population not exceeding 10,000 persons or has a population not exceeding 50,000 persons and is contained within a nonmetropolitan area. "Rural area" also means any open country, place, town, village, or city located within a standard MSA if the population of that area does not exceed 50,000 persons, the area is not part of, or associated with, an urban area, and the area is rural in character.

(c) "Community development infrastructure" means California debt, 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 and is consistent with subdivision (b).

(d) "Diverse investment managers" means investment management organizations, including corporations, groups, and persons within corporations, partnerships, limited liability corporations, and other special purpose vehicles that are either located in, or actively make and hold investments in, California and whose investment managers are composed of at least 51 percent women, veterans, minorities, or lesbian, gay, bisexual, transgender, or queer persons, or a combination of persons in those groups.

(e) "Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

(f) "Green investments" means 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.

(g) "Impact investments" means investments that provide a social or environmental benefit to underserved or low-to-moderate-income individuals, families, or communities in California.

(h) "High-impact investments" means investments that are innovative, responsive to community needs, not routinely provided by insurers, and provide a minimum of 50 percent social or environmental benefits to underserved or low-to-moderate-income individuals, families, or communities in California.

(i) "Insurer" means an admitted insurer as defined in Section 24, including the State Compensation Insurance Fund, or a domestic fraternal benefit society as defined in Section 10990.

(j) "Investment" means a lawful equity or debt investment, or loan, or deposit obligation, or other investment or investment transaction allowed by the Insurance Code.

(k) "Low-income" means an individual income that is less than 50 percent of the AMI, or a median family income that is less than 50 percent of the AMI in the case of a geographical area.

(l) "MSA" means a metropolitan statistical area as defined by the Director of the Office of Management and Budget.

(m) "Moderate-income" means an individual income that is at least 50 percent but less than 80 percent of the AMI, or a median family income that is at least 50 percent but less than 80 percent of the AMI in the case of a geographical area.

(n) "Nonmetropolitan area" means any area that is not located in an MSA.

(Amended by Stats. 2021, Ch. 390, Sec. 2. (SB 655) Effective January 1, 2022.)

926.3. (a) It is the policy of the State of California that (1) insurers should, where practicable, be supportive of community development investments and community development infrastructure investments, and insurers should be encouraged to invest in prudent community development investments and community development infrastructure investments that benefit California and

California's low- and moderate-income communities; (2) every admitted insurer that writes a substantial amount of insurance in the state should consider community development investments and community development infrastructure investments; and (3) the California Organized Investment Network is a part of the department, and has the responsibility to pursue active measures to encourage community development investing by admitted insurers.

(b) Each insurer admitted in California that writes premium in California equal to or in excess of one hundred million dollars (\$100,000,000) annually shall develop, and file with the commissioner no later than July 1, 2011, a policy statement on community development investments and community development infrastructure investments that expresses the insurer's goals for these investments during the current and following calendar year. These filings shall be public information. For purposes of this subdivision, "policy statement" means a statement of principle intended to influence a decision or action. The policy statement may include general goals or specific investment goals, but is not required to contain specific investment goals or thresholds.

(c) The commissioner shall establish a link on the department's Internet Web site that provides public access to the contents of each insurer's policy statement and the data on community development investments and community development infrastructure investments provided by each insurer pursuant to subdivision (b).

(Amended by Stats. 2014, Ch. 384, Sec. 3. (AB 2128) Effective January 1, 2015.)