



April 21, 2016

The Honorable Toni Atkins  
California State Assembly  
State Capitol, Room 319  
Sacramento, CA 95814

**RE: AB 2728 -- Support**

Dear Assemblymember Atkins:

The National Association of Mutual Insurance Companies (NAMIC) and the Pacific Association of Domestic Insurance Companies (PADIC) are pleased to support your bill AB 2728. The bill would extend a successful pro-community development law into the future and allow insurers to continue to receive the tax credit benefits that help them facilitate their valuable contributions to community development programs.

The proposed legislation would extend the Community Development Financial Institution (CDFI) tax credit program from January 1, 2017 until January 1, 2027. The tax credit program is administered by the California Department of Insurance, California Organized Investment Network (COIN). AB 2728 would also ensure that insurance company investors receive priority for the allocations of the CDFI tax credit.

NAMIC and PADIC believe that the proposed legislation is consistent with the laudable public policy objective of promoting insurers to deposit funds into CDFIs, who provide important financial products and services to underserved low-income communities to fund economic development programs, community outreach services, and affordable housing.

The insurance industry is committed to engaging in sound investment decisions necessary for them to appropriately address the insurance needs of their consumers. Consequently, the continuation of a tax credits program that helps insurers participate in and contribute to programs that improve the lives of citizens of the State of California is very important to NAMIC's and PADIC's member companies.

For these reasons we are pleased to support AB 2728. If you have any questions, please contact Shari McHugh at (916) 930-1993 or Christian Rataj at (303) 907-0587.

Sincerely,

Shari L. McHugh  
McHugh, Koepke & Associates

Christian Rataj  
NAMIC

cc: Assembly Appropriations Committee  
Robert Herrell, Legislative Director, California Department of Insurance  
Camille Wagner, Legislative Affairs Secretary, Gov. Office