

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 22, 2010
POSITION: Neutral
SPONSOR: The Greenlining Institute

BILL NUMBER: AB 41
AUTHOR: J. Solorio

BILL SUMMARY: Insurance: Community Development Investments

This bill would modify the requirements for insurers and the Insurance Commissioner (IC) regarding reporting and public access to information relating to community development investments. This bill's provisions also would extend the sunset date for community development investment reporting and Department of Insurance (DOI) website display from January 1, 2011 to January 1, 2015.

FISCAL SUMMARY

The DOI indicates any costs resulting from this bill would be minor and absorbable.

SUMMARY OF CHANGES

The amendments to this bill since our analysis of the January 7, 2010 version are minor and would not have altered our position. However, the DOI now indicates any costs generated by this bill would be minor and absorbable, which changes our position from oppose to neutral.

COMMENTS

Existing law requires insurance companies to provide information every two years to the IC regarding community development investments, defines community development investments, and requires the IC to provide aggregate information regarding community development investments on the DOI's website every two years.

This bill would:

- Require insurers to report on community development investments to the IC by January 1, 2014, rather than biennially.
- Clarify reporting requirements for insurers that operate as part of an insurance holding company or community development financial institution.
- Extend the sunset date for community development investment reporting and DOI website display from January 1, 2011 to January 1, 2015.
- Require the IC to provide information on the aggregate insurer community development investments and the aggregate amount of public debt purchased by insurers on the DOI's website by May 31, 2014, rather than biennially.
- Require each insurer that annually writes premiums of \$100 million or more in California to develop and file with the IC a community development investment policy expressing the insurer's goals for such investments for the current and calendar year, by July 1, 2011, and (if the policy changes) every two years thereafter.
- Require the IC to establish a website link providing access to each insurer's community development investment information for each insurer that annually writes premiums of \$100 million or more in California.

Analyst/Principal (0221) John Fitzpatrick	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

J. Solorio

June 22, 2010

AB 41

A substantially similar bill, AB 1910 (Ridley-Thomas) of the 2007-08 legislative session, was vetoed by the Governor due to the delay in passing the 2008-09 Budget.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
0845/Insurance	SO	No		-----	No/Minor	Fiscal Impact	-----		0217
<u>Fund Code</u>	<u>Title</u>								
0217	Insurance Fund								