



Insurance Company Baseline Exposure to Social Impact Investments

Patrick Cho, Ph.D.
Post-Doctoral Scholar

Anna Kruglova, Ph.D.
Post-Doctoral Scholar

Kelly D. Edmiston, Ph.D.
Policy Research Manager

Jeff Czajkowski, Ph.D.
Director

May 2024



Disclaimer and Acknowledgement

This work represents the views of the authors/presenters at the [Center for Insurance Policy & Research](#) (CIPR) at the [National Association of Insurance Commissioners](#) (NAIC). These views are not necessarily shared by members of the NAIC or NAIC staff at large.

This is was supported by a generous grant from the [Robert Wood Johnson Foundation](#) (RWJF). Our views are not necessarily shared by the RWJF.

These data should be considered **preliminary**.



Outline

- What Do We Mean by “Social Infrastructure: and “Social Impact Investments?”
- Estimate of Exposure of the Insurance Industry to Social Infrastructure and Social Impact Investments
- Methodology for Estimating Exposure to Social Infrastructure and Social Impact Investments
- Social Infrastructure and Social Impact Investment Exposure Over Time
- Going Forward

Social Infrastructure and Social Impact Investments

Insurance Company Exposure to Social Impact Investments



Social Infrastructure and Social Impact Investments Broadly Defined

- **Social Infrastructure** refers to the policies, resources (including facilities), and services that support social interactions and community well-being within a society.*
 - The goal of social infrastructure investment is to foster social interaction and cohesion, promote inclusivity, and enhance the overall quality of life within a community or society.
 - Physical spaces and conditions that make communal life require investment as much as investment is required to finance the construction and maintenance of physical infrastructure.†
- We define **Social Impact Investment (SII)** as a subset of Social Infrastructure Investment. In our analyses, social impact investment involves pursuing strategies that create **positive social outcomes** specifically.‡
- These investments are not acts of charity; **investors aim to turn a profit while making a difference in society.**‡

* See, e.g., the Washington Center for Equitable Growth, [What is Social Infrastructure, and How Does It Support Economic Growth in the United States?](#) December 2023. See also [The Social Sector Infrastructure: Defining and Understanding the Concept](#), Urban Institute, 2023. † See Eric Klinenberg, *Palaces for the People: How To Build a More Equal and United Society*, 2020. For an analysis of insurance exposure to physical infrastructure investments, see ["Can Insurance Company Investments Help Fill the Infrastructure Gap?"](#) Center for Insurance Policy & Research, National Association of Insurance Commissioners, September 2021. ‡ See ["An Introduction To Impact Investing,"](#) Forbes Advisor, 2023.



Social Impact Investments Explicitly

- Importantly, **Social Impact Investments** are targeted to traditionally vulnerable, marginalized, and/or underserved populations, particularly low- and moderate-income (LMI) individuals, families, and communities.*
- Social Impact Investments are largely community development investments. In the insurance industry, a significant majority of social impact investments are devoted to **affordable housing**, for which there is a severe shortage, especially for very low-income renters.†
- Other social impact investments may include, to the extent they are targeted to underserved populations, small business development and support, including lending; education and training programs; healthcare services; community facilities and other social infrastructure; and environmental sustainability (for example, in concert with the development of affordable housing or community facilities).

* The technical definition of LMI is individuals, families, or communities with incomes below 80 percent of area median income (AMI). † Housing is considered to be “affordable” if it costs less than 30 percent of gross household income. According to the National Low-Income Housing Coalition, Extremely low-income (≤ 30 percent of AMI) renters in the United States face a shortage of 7.3 million affordable and available rental homes, resulting in only 34 affordable and available homes for every 100 extremely low-income renter households (See [“The Gap: A Shortage of Affordable Homes](#), March 2024).



Investment Options

There are a variety of options for investing in social impact.

These investment types vary in liquidity, risk, and return.

They also differ in the degree to which investments can be scaled.

And they differ in social impact.



Source – American Council of Life Insurance Webinar Series April 21, 2021 Investing for Racial, Economic, and Financial Impact - <https://learning.acli.com/product?p=impact-presents-investing-for-racial,-economic,-and-financial-impact>



Estimate of Insurance Industry Exposure to Social Infrastructure and Social Impact Investments

Insurance Company Exposure to Social Impact Investments



Insurers' Exposure Data

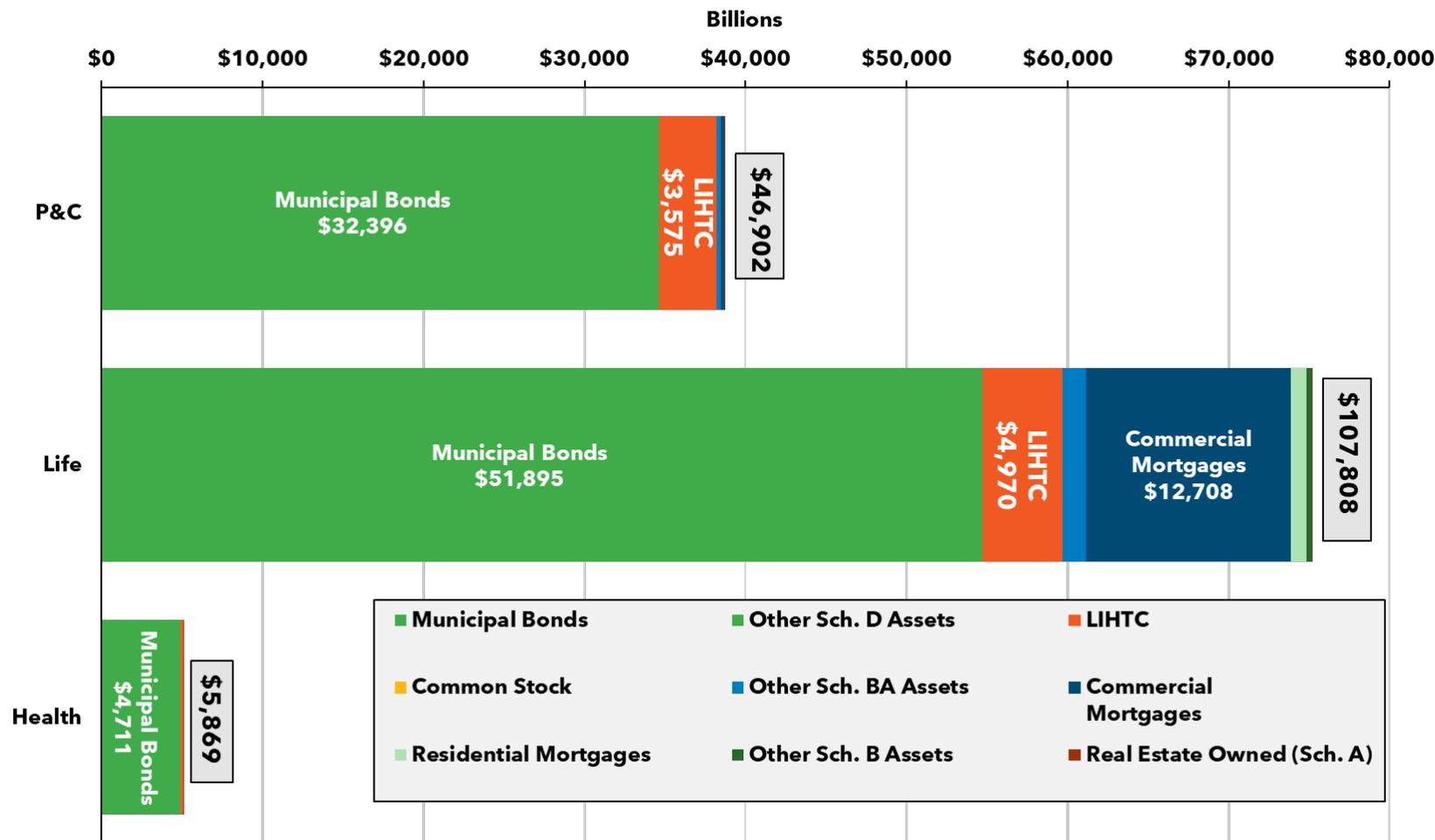
- Schedule A
 - Real Estate Owned
- Schedule B
 - Residential Mortgages, Commercial Mortgages
- Schedule BA
 - Other Long-term Invested Assets
 - LIHTC, Private Equity Funds, Common Stock, Etc.
- Schedule D
 - Bonds
 - Municiple Bonds, Agency Bonds, Corporate Bonds, Etc.



2020 Insurance Industry Exposure to Social Impact Investments by Line of Business

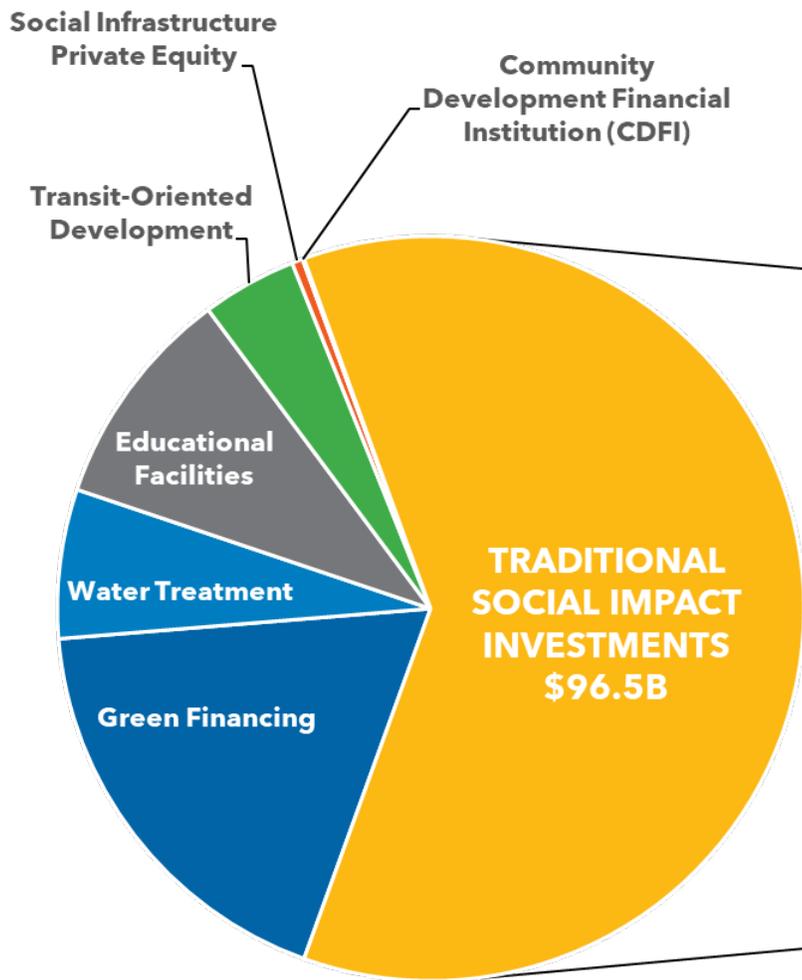
Our **lower-bound** estimate of insurance industry exposure to social impact investments is **\$158.3B** in 2020.

Balance sheet social impact investments are \$107.8B in the Life sector, \$46.9B in the P&C sector, and \$5.9B in the Health sector.

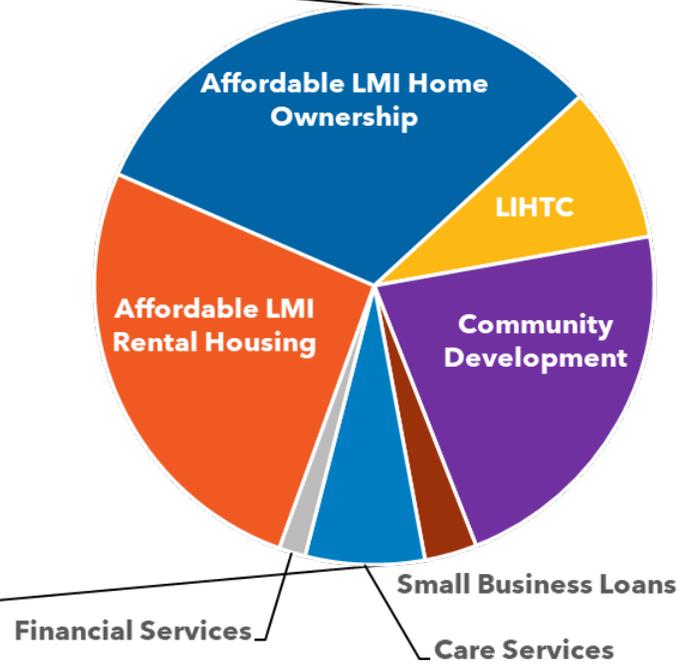




2020 Insurance Industry Exposure to Social Impact Investments by Social Purpose, All LOB



While \$96.5B of social impact investments is in **traditional social impact sectors** like affordable housing, the remaining categories of social infrastructure are also **targeted to vulnerable communities.**

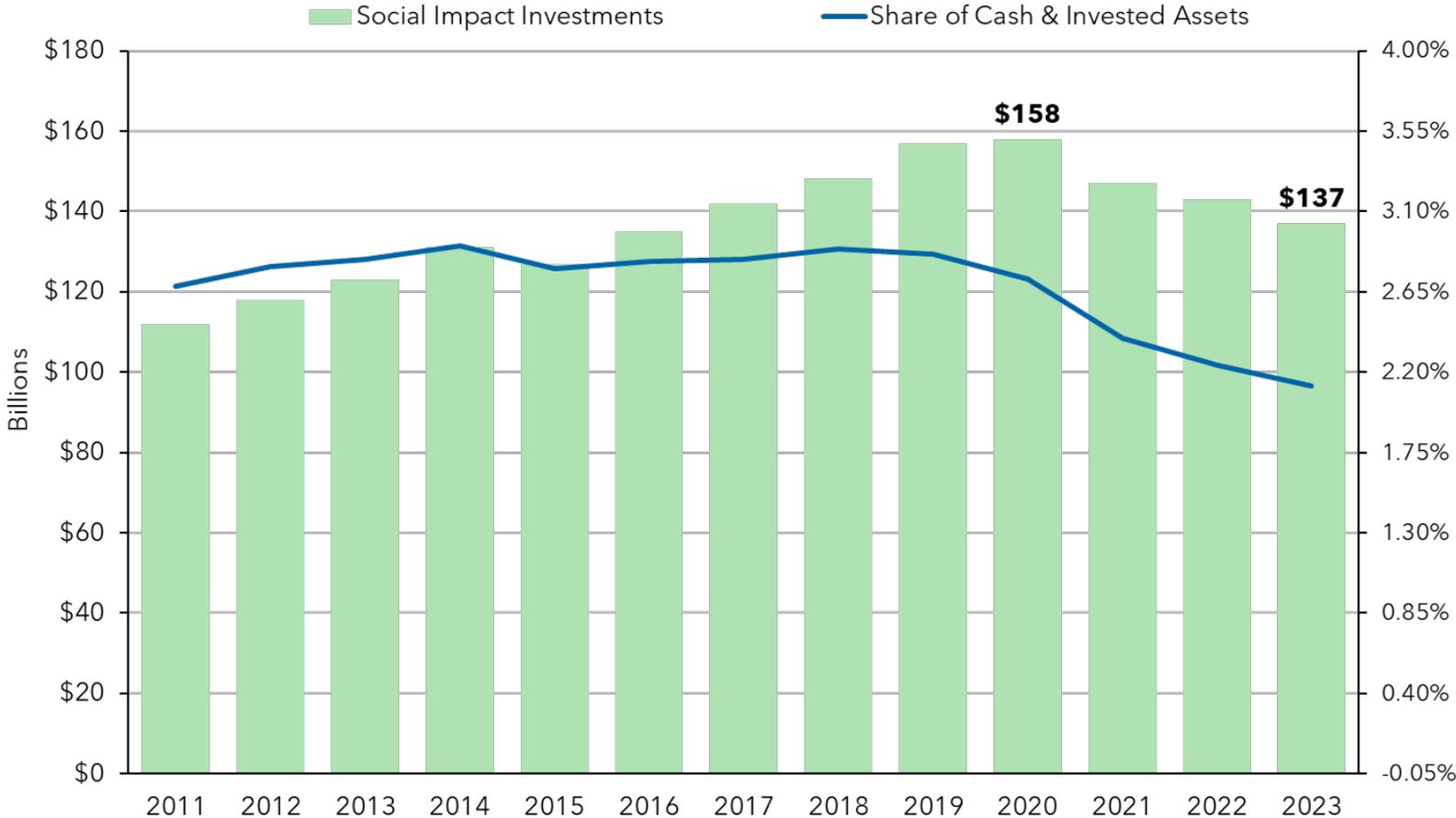


\$158.3 Billion



Social Impact Investment Exposure Over Time

Aggregate Insurer Social Impact Investments



Social Impact Investment has declined moderately since its peak in 2020.

But Social Impact Investments as a share of total cash and invested assets decreased sharply over the last several years based upon our methodology.

Methodology

Estimating Insurance Industry Exposure to Social Infrastructure and Social Impact Investments

Insurance Company Exposure to Social Impact Investments





Methodology for Calculating Exposure

1. Low-Income Housing Tax Credit (LIHTC) Investments, which are investments in LIHTC equity funds, are identifiable on insurer balance sheets.
2. The second stage was comprised of identifying social infrastructure private equity (PE) funds from the Preqin database, of which there were 61.
 - Social infrastructure PE fund investments by insurers were identified using string-matching on fund name.
3. The third stage involved recording social infrastructure/social impact investments reported to the California Organized Investment Network (COIN).
 - This reporting is mandatory for all insurers that write \$100M+ in business in California. Roughly 40 percent of insurers write policies in California.
4. In the fourth stage, we used data from investments reported to COIN to identify social infrastructure/impact investments made by insurers that do not report to COIN.
 - In some cases, we were able to use CUSIPs of COIN-reported investments for identification.
 - In other cases, we string-matched on the name of the investment.

LIHTC Equity Fund Investments

Insurance Company Exposure to Social Impact Investments



LIHTC Equity Fund Investments

How LIHTC Investments Work

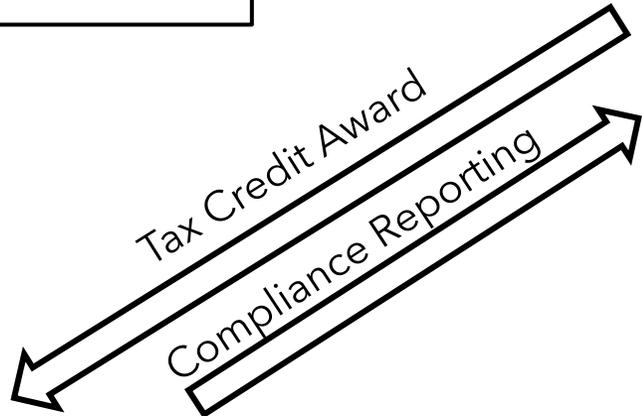
The tax credit benefit includes not only the tax credit itself but also a share of **depreciation** of the underlying asset

IRS

Tax Credit Allocation per Capita



State Housing Agency



Affordable Housing Developer



Syndicator/Equity Fund



Investor

Investors typically access LIHTCs through investments in **LIHTC Equity Funds**.

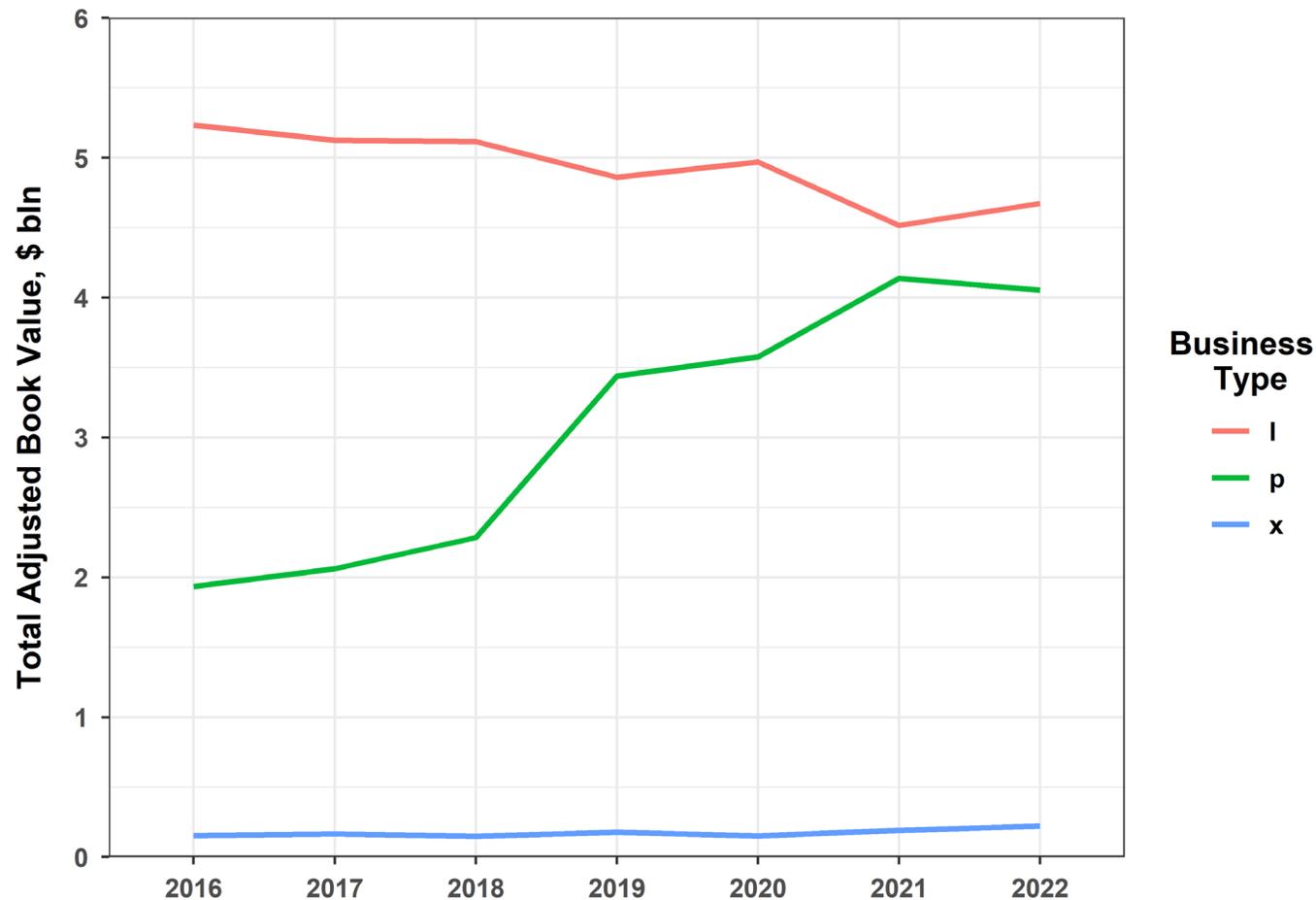
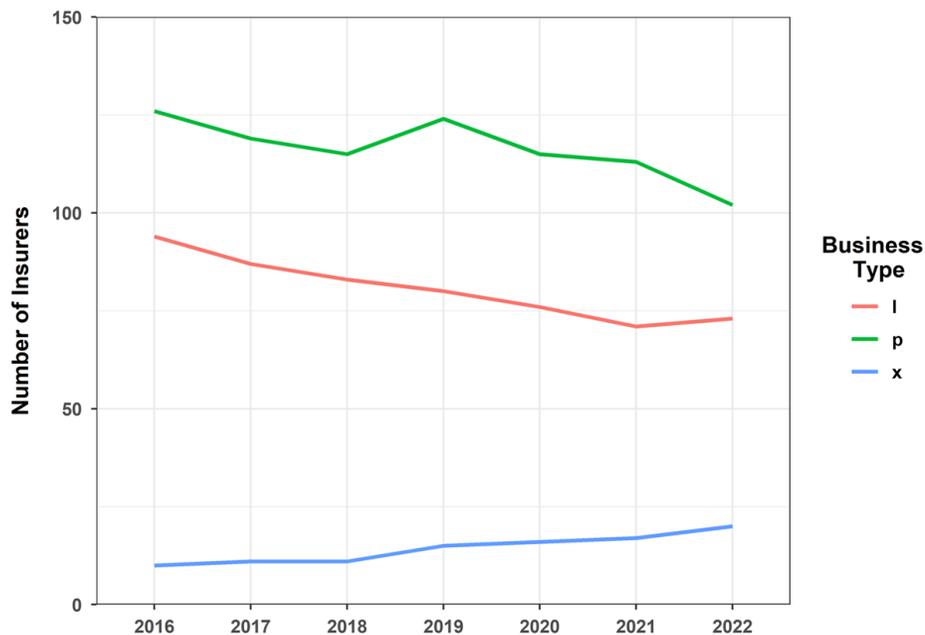
LIHTC equity fund investments are **clearly identifiable on insurer balance sheets** (financial statements maintained by the NAIC).

The insurer investment in LIHTC equity funds is **\$8.9B** in aggregate, or, on average, **0.24% of cash and invested assets**.



Aggregate Insurer Investments in LIHTC Equity Funds

Insurer investments in LIHTC equity **increased strongly in the property & casualty sector but fell moderately in the life sector.** LIHTC equity investment is increasingly concentrated, as the number of insurer-investors has fallen.



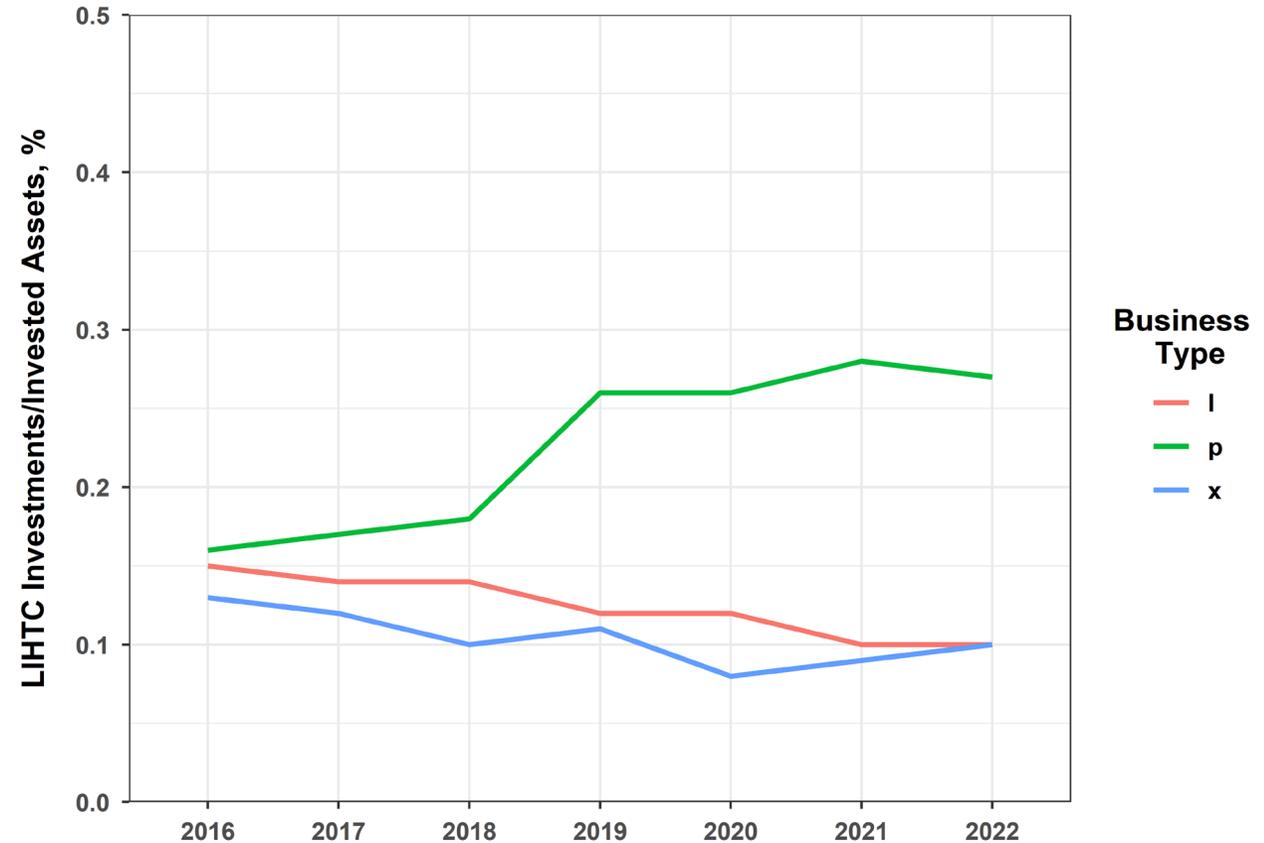
"I" is life insurance, "p" is property & casualty insurance, and "x" is health insurance.



Insurer Investments in LIHTC Equity - Percent of Cash and Invested Assets

While the **P&C sector** has invested increasing amounts in LIHTC equity funds, **as a share of total cash and invested assets, LIHTC investment has leveled off.** Thus, much of the increase in LIHTC equity investments is due to increased investment overall.

The **downward trajectory of LIHTC equity** as a share of total cash and invested assets in the **Life sector** is consistent with lower dollar amounts of LIHTC equity investments.



"l" is life insurance, "p" is property & casualty insurance, and "x" is health insurance.

Investments in Private Equity Social Infrastructure

Insurance Company Exposure to Social Impact Investments



Social Infrastructure Private Equity Fund Investments

- Data on private equity (PE) funds were sourced from [Preqin](#).
 - Preqin asserts full coverage of the private equity market
- Our search of the Preqin data revealed 62 PE funds specialized in social infrastructure.
- Insurer investments in these PE social infrastructure funds was ascertained by manually matching fund names with investments on insurer balance sheets.
- **Insurers made investments in 29 of the 62 funds we identified as social infrastructure.**

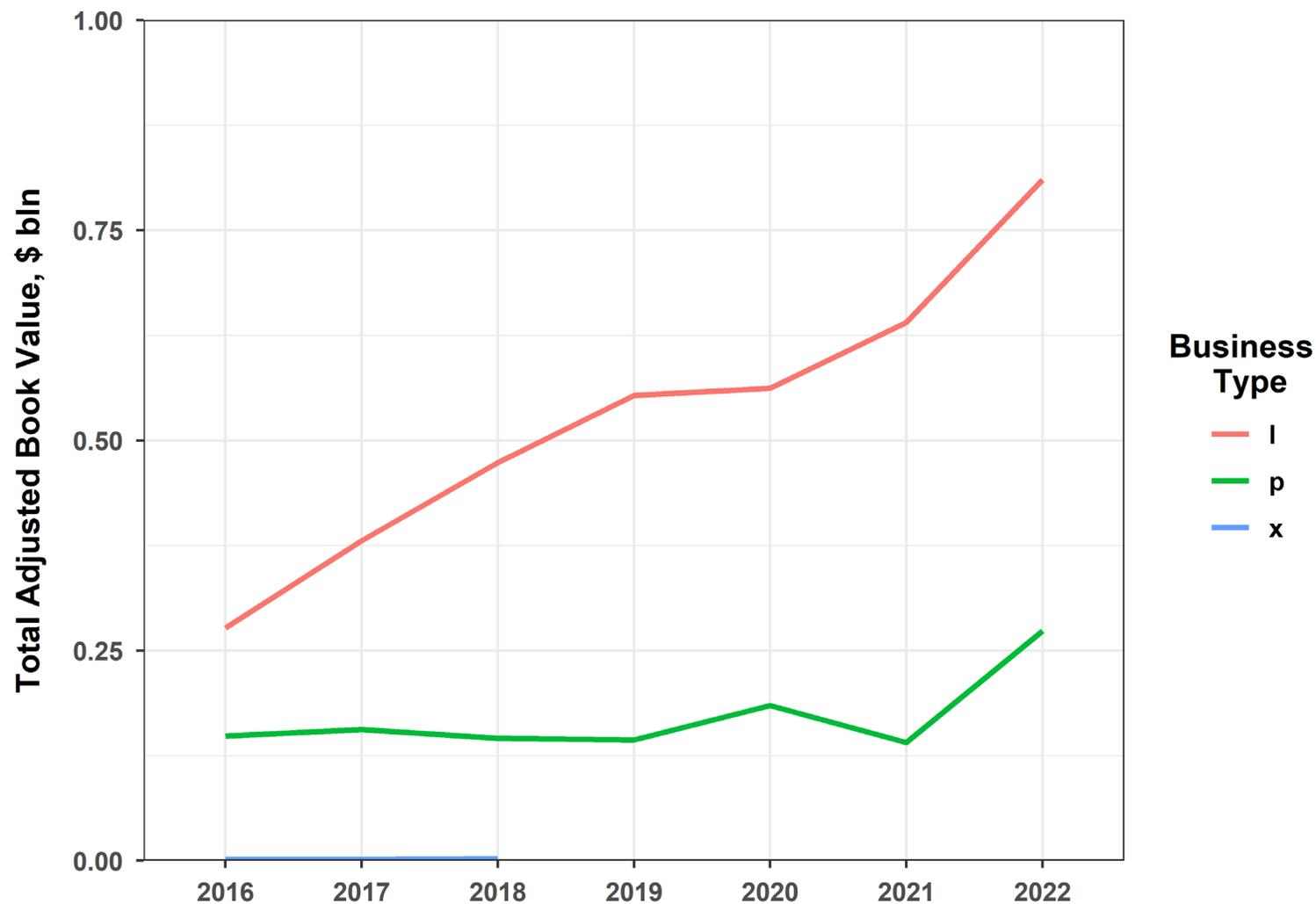


Social Infrastructure Private Equity Fund Investments

- Aggregate investment in social infrastructure PE funds by the insurance industry increased from \$427 million in 2016 to **\$1.2 billion in 2022**.
- However, the rate of increase in social infrastructure PE investments was slower than overall growth in cash and invested assets.
- Social Infrastructure PE decreased from 0.11% to **0.06% of Total Cash and Invested Assets**.
- The number of insurers that invest in social infrastructure PE increased.



Insurers' Investments in Social Infra PE, \$ bln

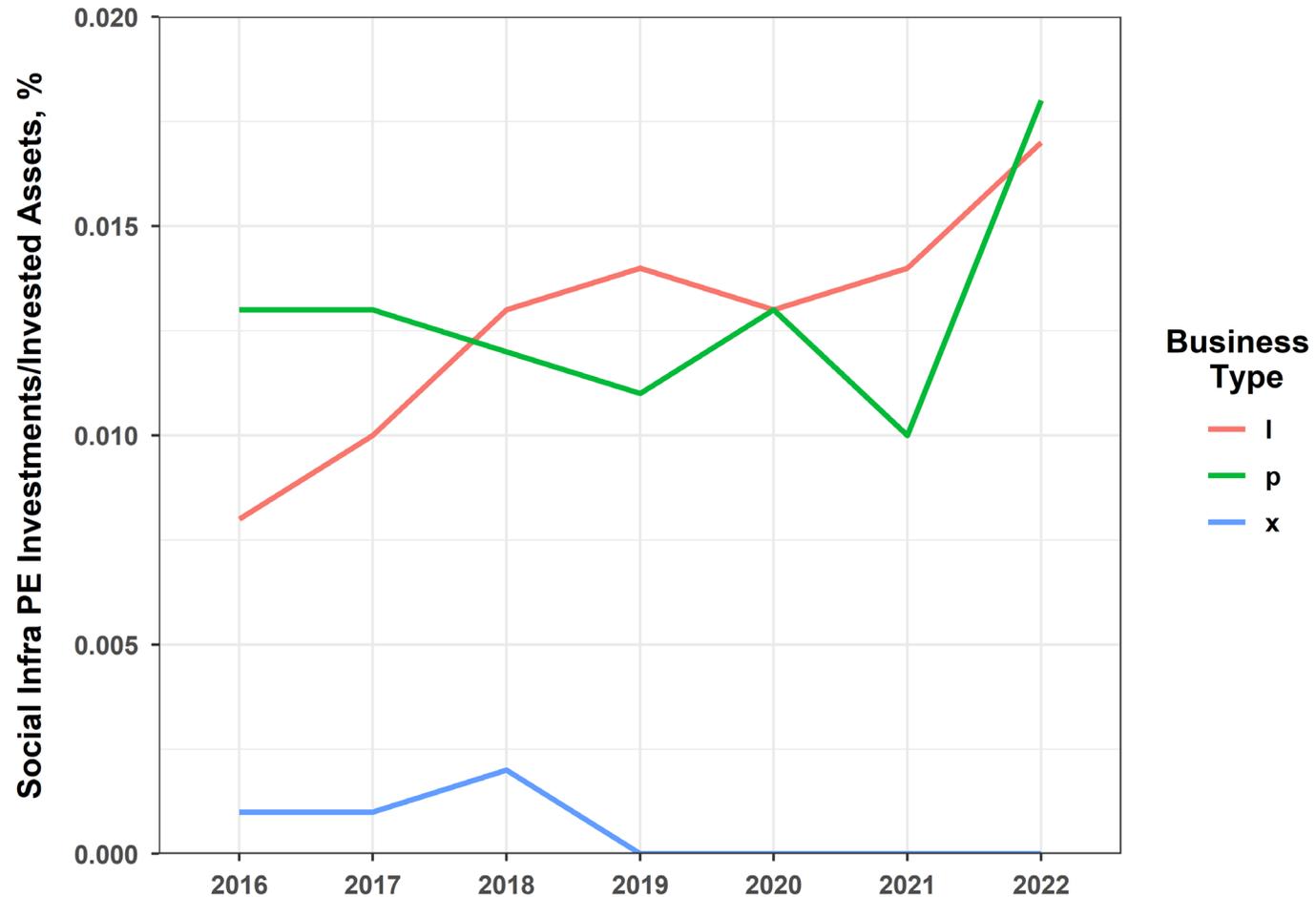


"l" is life insurance, "p" is property & casualty insurance, and "x" is health insurance.



Insurers' Investments in Social Infra PE, %

- As a share of assets of each type of business





Investments Reported to the California Organized Investment Network (COIN)

Insurance Company Exposure to Social Impact Investments



Data from COIN provides a wealth of information on the social impact investment exposure of insurance companies, including those outside of California.



[COIN Website](#)

- **Mission and Guidance:** COIN directs insurers towards investments that offer environmental and social benefits for California's underserved communities, ensuring these investments are safe and sound.
- **Strategic Involvement:** Insurers with annual California premiums of \$100 million or more must submit a community investment policy each year.
- **Investment Goals:** This policy outlines the insurer's objectives for community development and infrastructure investments for the current and upcoming year.



California Organized Investment Network (COIN)

- Investments reported to COIN are included directly in our exposure calculations.
- In addition, for companies that do not report to COIN, we matched investments that were reported to COIN by any reporting insurer to the balance sheets of insurers that do not report to COIN, using CUSIP- or string-matching to locate these investments on non-COIN insurer balance sheets.

Types of Investments Tracked

- Green Financing
- Affordable LMI Ownership Housing (SII)
- Affordable LMI Rental Housing (SII)
- CDFI Investments (SII)
- Community Development (SII)
- Care Services (SII)
- Educational Facilities
- Financial Services (SII)
- Healthy Foods (SII)
- Small Business Loans (SII)
- Transit Oriented Development
- Water Treatment / Efficiency for Households

Note: "SII" is "Social Impact Investment."



COIN Investments Matching Process

Step 1

Record Insurer Investments Reported to COIN

- Any investment recorded in the COIN database is recorded as a social impact investment in our exposure calculation.

Step 2

Match COIN Investments to NAIC Data Based on Investment Description

- COIN related investments made by P/C, Life, and Health insurers that operated in California in year 2020 identified in COIN database.
- Then string-matched the investments in NAIC databases for 2020 (Schedules A, B, BA, D)



COIN Investments Matching Process

Step 3

Identify CUSIPs from NAIC Database

- From matched securities in the NAIC database, identify the CUSIP and rematch using the CUSIP

Step 4

Identify Mortgage Loans

- For loans in schedule B, use loan numbers to match

Step 5

After validating 2020 data, replicate over time for 2011 to 2023



Insurers' Social Impact Investment Exposure (2020 Summary)

In year 2020, P&C, Life, and Health insurers invested about

\$158 billion in Social Impact Investments

- By **COIN category**, about 23% (\$37 billion) of social impact investments are in Affordable LMI housing
- By **Asset Type**, about 56% (\$89 billion) of the social impact investments are municipal bonds
- By **NAIC designation**, about 87% (\$137 billion) of the social impact investments have NAIC Designation of 2 or lower

** Baseline Investment Exposure Results are dependent upon our methodology employed leveraging COIN data and its applicability backward and forward in time from 2020 data*

Social Impact Investment Considerations

**Lessons from Text Analyses of a CIPR Request for Information (RFI)
and Community Development Policy Statements Submitted to COIN**

Insurance Company Exposure to Social Impact Investments



Data: Number And Timing Of Social Impact Investing Statements

- **RFI:**
 - 25 insurance company responses to RFI, of which 5 were complete.
 - Responses were submitted in October 2023.
- **COIN:**
 - 131 companies filed 125 Community Development Policy Statements.
 - Disclosures were written from April 21, 2022 to December 21, 2022.



Request for Information (RFI)

- **Initiative Launch:** Conducted by the CIPR (NAIC), targeting insurance companies and state regulators to assess exposure to and reasoning behind social impact investing.
- **Investment Analysis:** Asked about financial outcomes and structures of existing social impact investments and risk management around investments aimed at assisting low- and moderate-income people and areas.
- **Strategic Insights:** Seeks to identify the benefits and obstacles of social impact investing to guide stakeholders in enhancing social impact investments in the insurance industry.



Line of Business of Companies Filing Statements with COIN

Business Type	Number of Companies	California Premiums, \$ bln	Total Premiums, \$ bln
Property and Casualty	67	32.5	96.6
Life, Accident, and Health	63	41.4	86.5
Title	1	0.5	0.5
Total	131	74.3	183.6



Methodology

- **Reading Statements:** Every statement was read manually for analysis.
- **Advanced Text Processing Techniques** were also incorporated into the analysis to enhance understanding.
 - Example: Unsupervised Latent Topic Modeling, a method that finds themes in texts, without being told what to look for.



RFI: What Did We Learn?

- 1. Social Impact Investments:** Target systemic inequalities to boost economic/racial equity and community welfare.
- 2. Investment Focus:** Emphasize affordable housing, community projects, municipal bonds, startups, venture funds, small business growth, and financial inclusion.
- 3. Objectives:** Aim for financial stability and market-rate after-tax returns while addressing the needs of vulnerable populations and expanding market opportunities.
- 4. Structures & Criteria:** Investments include public and private equity, convertible notes, SAFEs, and public and private debt, focusing on risk-adjusted returns, quality, and social impact on key sectors like affordable housing.
- 5. Performance Metrics:** Assess financial success via IRR, MOIC, TVPI, and social impact through housing affordability, economic inclusion, and job creation indicators.
- 6. Geographical Scope:** Ranges from local to national, with a preference for projects that bolster the local economy where investors are headquartered.



COIN Policy Statement Analysis: Top 10 Social Impact Investment Types

Investments	Number of Companies	% of Companies
Municipal bonds	37	28
Commercial mortgage loans on multifamily properties	28	21
Affordable housing	25	19
Renewable energy	24	18
Low-income housing tax credit investments	22	17
Mortgage-backed asset backed securities	16	12
Infrastructure projects (bridges, etc.)	10	8
Green financing bonds	9	7
Green investment	8	6
Hospitals healthcare infrastructure	7	5

* Based on Count of Mentioning of Investments from analysis of [COIN Community Development Policy Statements](#)



COIN Policy Statement Analysis

What Are the Investment Objectives of Social Impact Investments?

Objectives, Among Others	Number of Companies	% of Companies
Maximize Risk Adjusted Return	131	100%
Tax reasons	32	24%
Diversification	29	22%
Match liabilities by duration	25	19%
Reputational risks	5	4%

- The feedback from respondents to the Request for Information (RFI) aligns with the COIN program's perspective:
 - Insurance companies primarily aim to secure appropriate risk-adjusted, after-tax returns through social impact investments while making a positive social impact.



Next Steps

The Financial Performance of Social Impact Investments

Insurance Company Exposure to Social Impact Investments



Next Steps: Financial Performance of Social Impact Investments

- Having measured insurance industry exposure to social impact investments, our next step is to measure the financial performance of social impact investments, including investments to which insurers are not currently exposed, compared with the financial performance of more traditional general fund / balance sheet investments.
- We will evaluate the financial performance of
 - Community Development Financial Institutions (CDFIs)
 - LIHTC Equity Funds
 - Municipal Bonds with Proceeds Dedicated to Social Impact
 - Private Equity Funds that Support Social Infrastructure
 - Private Debt Placements
 - Commercial and Residential Mortgages



Insurers' SII Exposure Data - Initial Financial Performance View

SII investor vs non-investor

- Only includes insurers that reported at least 1 investment in Schedule D, BA, B, or A

Type	SII (Y/N)	Count of COCODE	Average of Invested_Assets	Average of ROA	Average of Age	Average of Size	Average of Policy_amt	Average of Capital
P/C	0	955	535,097,714	0.02	3.36	17.32	9.14	0.64
	1	1,517	1,391,721,148	0.02	3.64	19.04	13.86	0.50
Life	0	195	531,701,787	0.00	3.65	17.12	11.37	0.53
	1	567	14,450,325,826	0.01	3.98	20.63	16.81	0.21
Health	0	452	90,162,242	-0.02	2.43	16.69	13.44	0.64
	1	433	814,029,329	0.08	3.14	19.48	19.76	0.51

ROA = Ratio of net income to invested assets

AGE = Natural logarithm of the number of years since commencement

SIZE = Natural logarithm of total net admitted assets

POLICY_AMT = Natural logarithm of total net premiums written

CAPITAL = Calculated by dividing policyholder surplus by invested assets

- On average, insurers that invest in SII:
 - Have larger invested assets
 - Are larger in size
 - Have greater policy amount
 - Have lower capital

Reference Slides

Insurance Company Exposure to Social Impact Investments





Motivation: High Impact

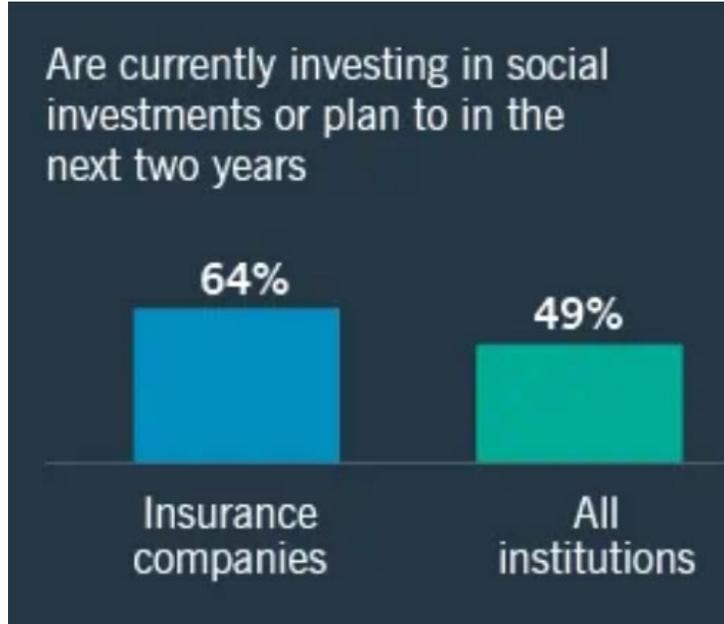
ACLI Announces Investment Partnership Focused on Affordable Housing, Communities of Color (April, 2022)

<https://www.acli.com/posting/nr22-012>
... harness the capital strength of a \$8 trillion life insurance sector

Already, life insurers have invested nearly \$6 billion in municipal affordable housing bonds (<https://www.acli.com/posting/nr22-025>)

CareSource Oklahoma Commits \$1 Million to Affordable Housing (Jan 2021 – <https://journalrecord.com/2021/01/11/caresource-commits-1m-to-affordable-housing/>)

... this commitment is part of an overall \$50 million financial investment CareSource is making to housing projects across the U.S.



<https://www.nuveen.com/global/insights/equilibrium/impact-investing-the-insurance-experience>

New York Life launches \$1 billion impact investment initiative to address racial wealth gap by investing in underserved and undercapitalized communities over next three years (April 2021 - <https://www.newyorklife.com/newsroom/2021/impact-investment-initiative>)

... In the first eighteen months of the program, NYL fully committed the \$1 billion across various investments

- Over \$550 million of investments into **Low Income Housing Tax Credit Funds**
- \$60 million of investments in new loans
- \$200 million committed to **Fairview Capital**
- Over \$150 million committed to **various CDFI's** and mission-aligned asset managers like **Enterprise Community Partners**, Century Housing, and **Impact Community Capital**

Health Insurers Invest Billions in Affordable Housing Projects (April 2022 - <https://aishealth.mmitnetwork.com/blogs/health-plan-weekly/health-insurers-invest-billions-in-affordable-housing-projects>)

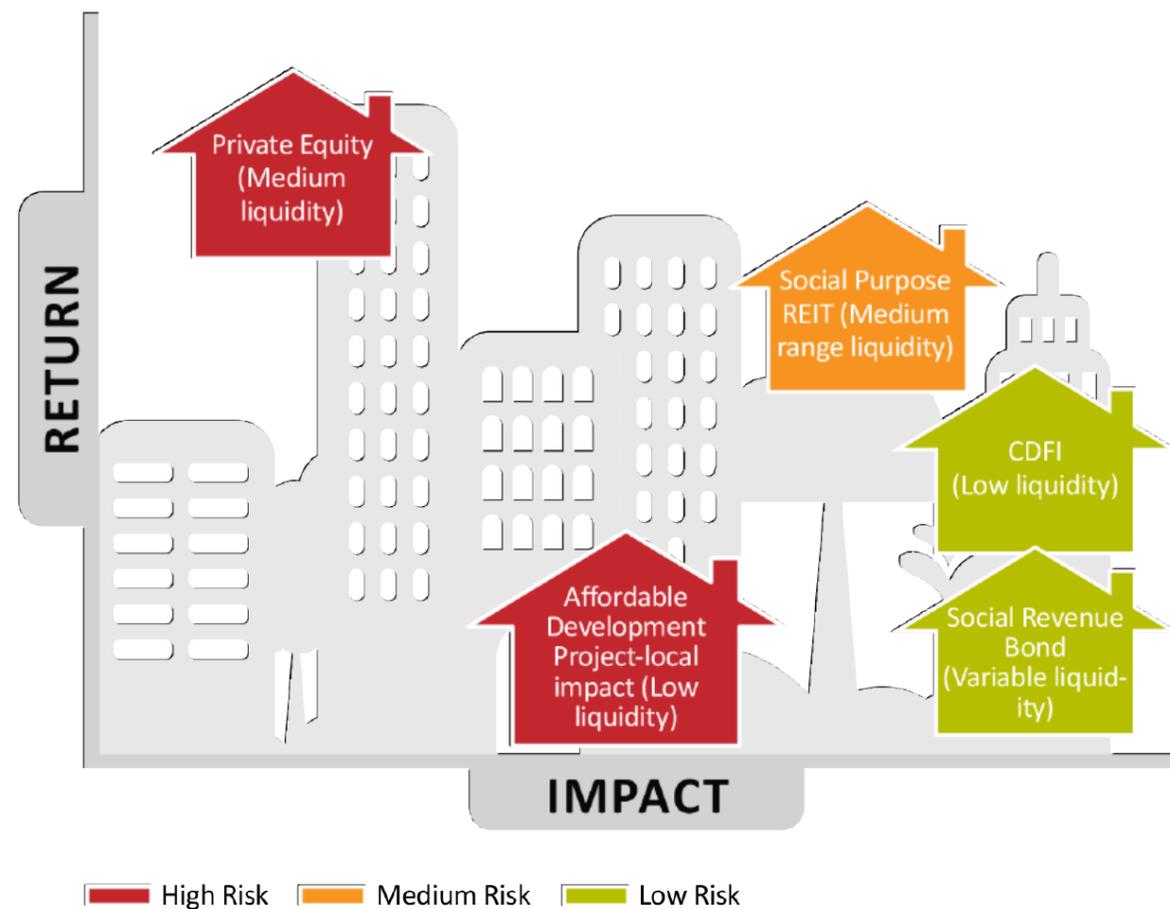
... total capital allocations to affordable housing investments by Kaiser Permanente, UnitedHealth Group and CVS Health Corp. amount to approximately \$1.65 billion combined.



Research Goal

Overall research goal is to evaluate the historical financial performance of SII, and explore the regulatory implications of SII

Comparison of Affordable Housing Impact Investment Opportunities
Risk, Return, and Impact Breakdown



Source: [Impact Investing in Affordable Housing: Why Invest and How to Evaluate Opportunities](#)

COIN Community Development Policy Statements: Additional Insights



COIN: What Do We Learn? Three Common SII “Portfolio Allocations” Among Insurance Companies*

“Portfolio 1”: Energy, Municipal Bonds & Affordable Housing	“Portfolio 2”: Municipal Bonds & Affordable Housing	“Portfolio 3”: Infrastructure Projects
Renewable energy	Municipal bonds	Hospitals healthcare infrastructure
Municipal bonds	Commercial mortgage loans on multifamily properties	Infrastructure projects (bridges, etc.)
Low-income housing tax credit investments	Affordable housing	Utilities, water and sewer treatment plants



COIN: What Do We Learn? Aggregated Companies Associated With Three Common SII “Portfolio Allocations”

	“Portfolio 1”: Energy, Municipal Bonds & Affordable Housing	“Portfolio 2”: Municipal Bonds & Affordable Housing	“Portfolio 3”: Infrastructure Projects	Others	Total
Number of Companies	31	47	49	4	131
California Premiums, \$ bln	22.3	25.2	21.7	5.1	74.3
Total Premiums, \$ bln	50.6	59.3	64.8	8.8	183.6



COIN: What Do We Learn? Mentioned Asset Management Company Managing Investments

Scope	Number of Companies	% of Companies
All Investments	37	28%
Social Impact Investments	43	33%

All Insurers' Exposure to SII



Insurers' Exposure Data

- Schedule A
 - Real Estate
- Schedule B
 - Mortgages
- Schedule BA
 - Other Long-term Invested Assets
 - LIHTC, Private Equity Funds, etc
- Schedule D
 - Bonds
 - Munciple Bonds, etc



Insurers' Investments in LIHTC (Summary)

- Insurance industry's overall investment in LIHTC is on average 0.24% of invested assets throughout the sample time span(2016-2022), however, the number of insurers that invest decreased
- P/C insurers' investment amount in LIHTC increased throughout the sample time span, however, the number of insurers that invest decreased
- Health insurers' investments in LIHTC is consistent around at 173 million, however, the percentage of investment in LIHTC decreased from 1.1% to 0.7%.
 - Indicating that health insurers invested assets increased, while holding LIHTC investment consistent at 173 million.



Identifying LIHTC

Investments reported under Schedule BA with following identification:

- guaranteed Federal low income housing tax credit - unaffiliated
- guaranteed Federal low income housing tax credit - affiliated
- non-guaranteed Federal low income housing tax credit - unaffiliated
- non-guaranteed Federal low income housing tax credit - affiliated
- guaranteed state low income housing tax credit - unaffiliated
- guaranteed state low income housing tax credit - affiliated
- non-guaranteed state low income housing tax credit - unaffiliated
- non-guaranteed state low income housing tax credit - affiliated
- all other low income housing tax credit - unaffiliated
- all other low income housing tax credit - affiliated



Insurers' Investments in LIHTC

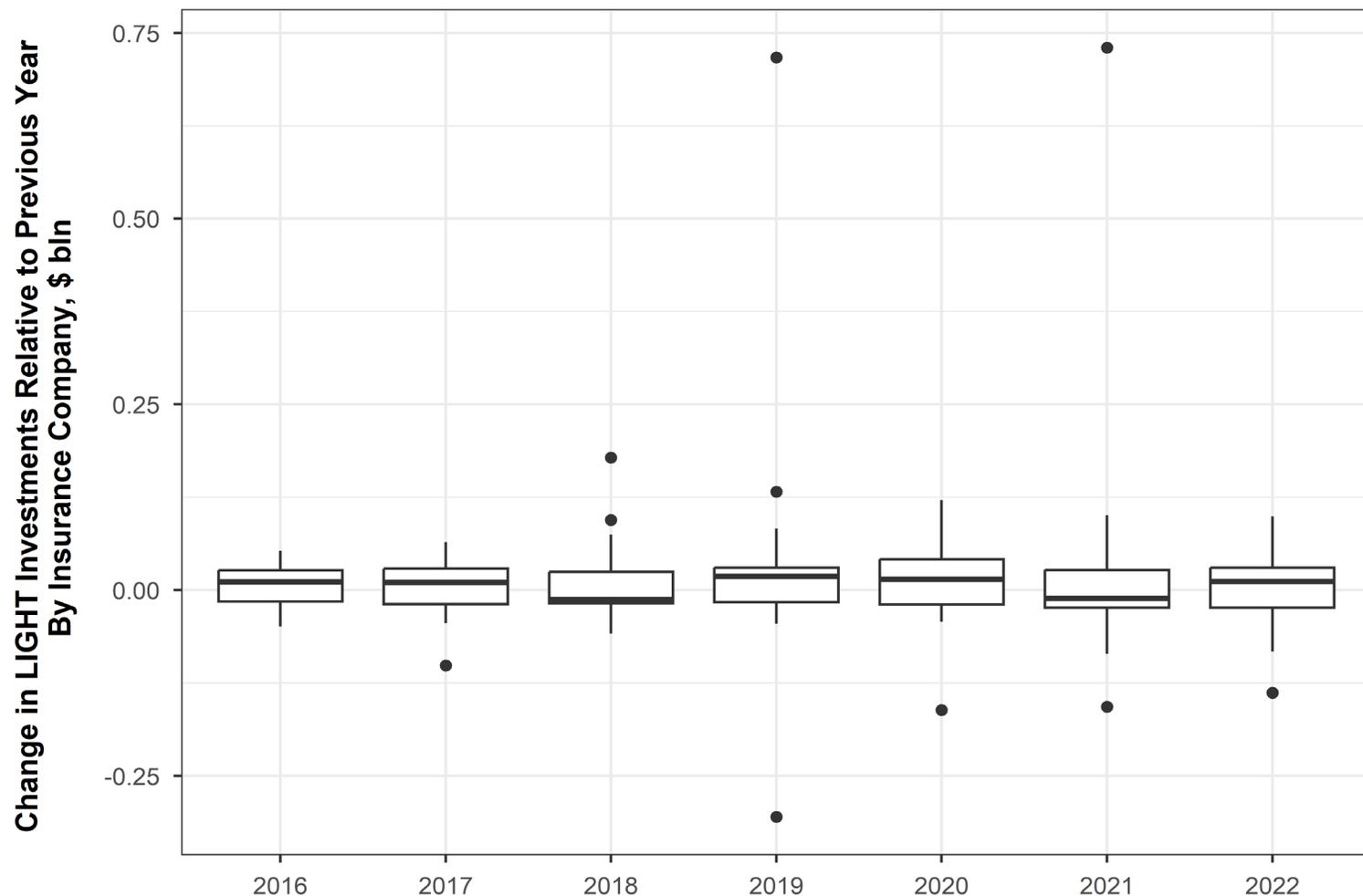
- Some noticeable LIHTC investment increase

DATA_YEAR	INSURER_TYPE	COCODE	LIHTC	INVESTED_ASSETS
2022	P/C	a	598,530,710	32,254,861,514
2021	P/C	a	680,892,499	40,387,974,809
2020	P/C	a	766,481,994	41,480,040,654
2019	P/C	a	803,470,167	38,443,684,317
2018	P/C	a	86,346,837	33,925,940,508
2017	P/C	a	45,966,659	32,546,814,415
2016	P/C	a	26,984,741	31,154,452,592
2022	P/C	b	1,404,705,050	47,432,393,079
2021	P/C	b	1,331,944,148	49,376,493,018
2020	P/C	b	601,637,529	47,267,412,717
2019	P/C	b	514,380,090	46,492,465,034
2018	P/C	b	381,671,019	42,802,773,055
2017	P/C	b	287,129,444	42,369,627,883
2016	P/C	b	232,919,444	39,243,804,926
2022	P/C	c	1,180,899	23,215,854
2021	P/C	c	333	23,214,043
2020	P/C	c	510	20,496,440
2019	P/C	c	687	13,867,498
2018	P/C	c	865	14,718,863
2017	P/C	c	1,049	15,202,214
2016	P/C	c	1,229	15,709,584



Change In Individual Insurers' Investments in LIHTC, \$ bln

- Boxplot shows distribution of change in annual LIGHT investments by individual insurance companies
- Some noticeable individual LIHTC investments are in 2018, 2019 and 2021



Investments that are more \$10 mln

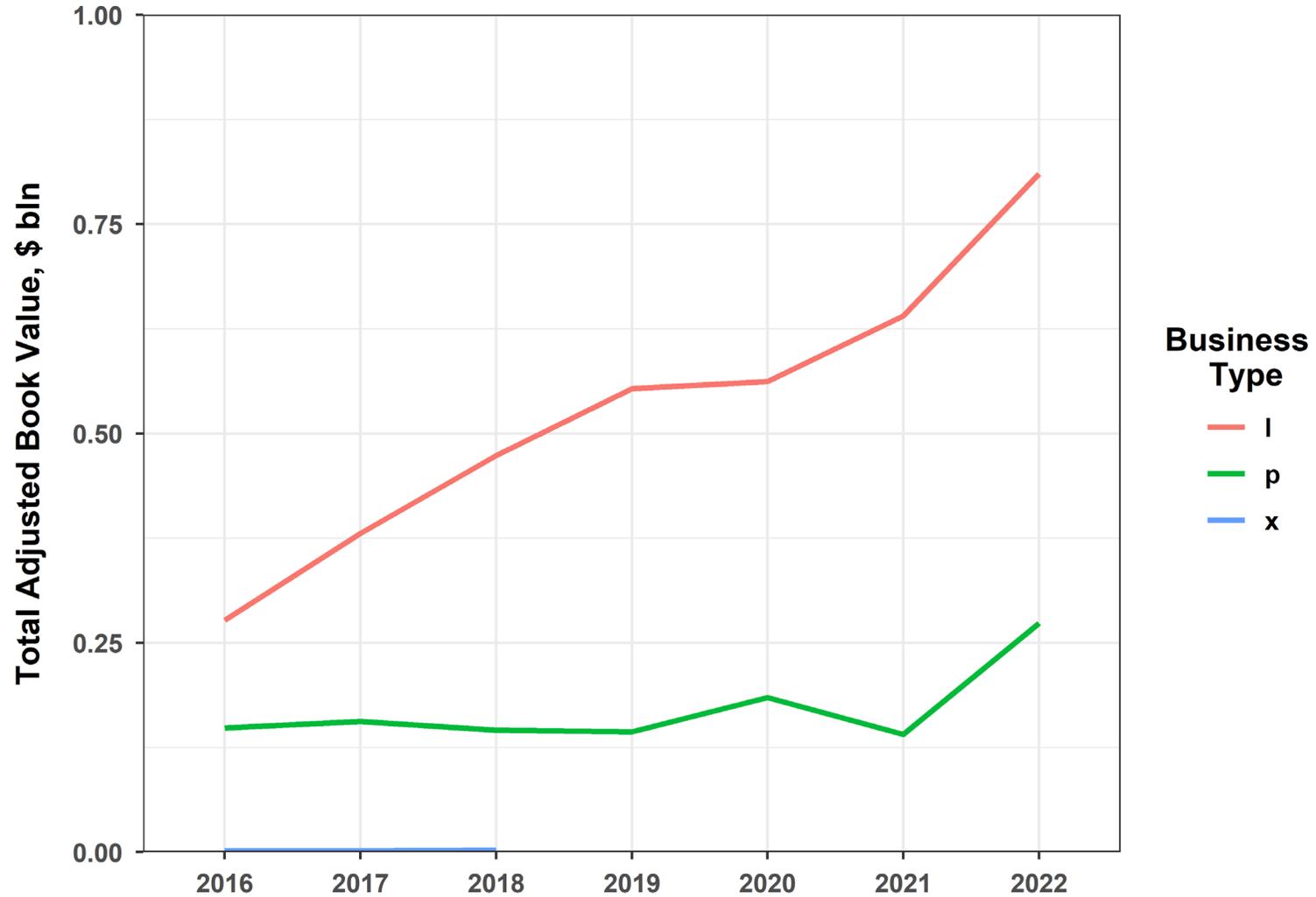


Insurers' Investments in Social Infra PE (Summary)

- Insurance industry's overall investment amount in Social Infra PE increased over the sample time span (2016-2022)
 - Increased from 427 million to 1,218 million
- However, the increase in investments in other securities is greater
 - Social Infra PE / Invested assets : Decreased from 0.11% to 0.06%
- Number of insurers that invest increased
- Overall, insurers that are interested in investments in social infrastructure increased

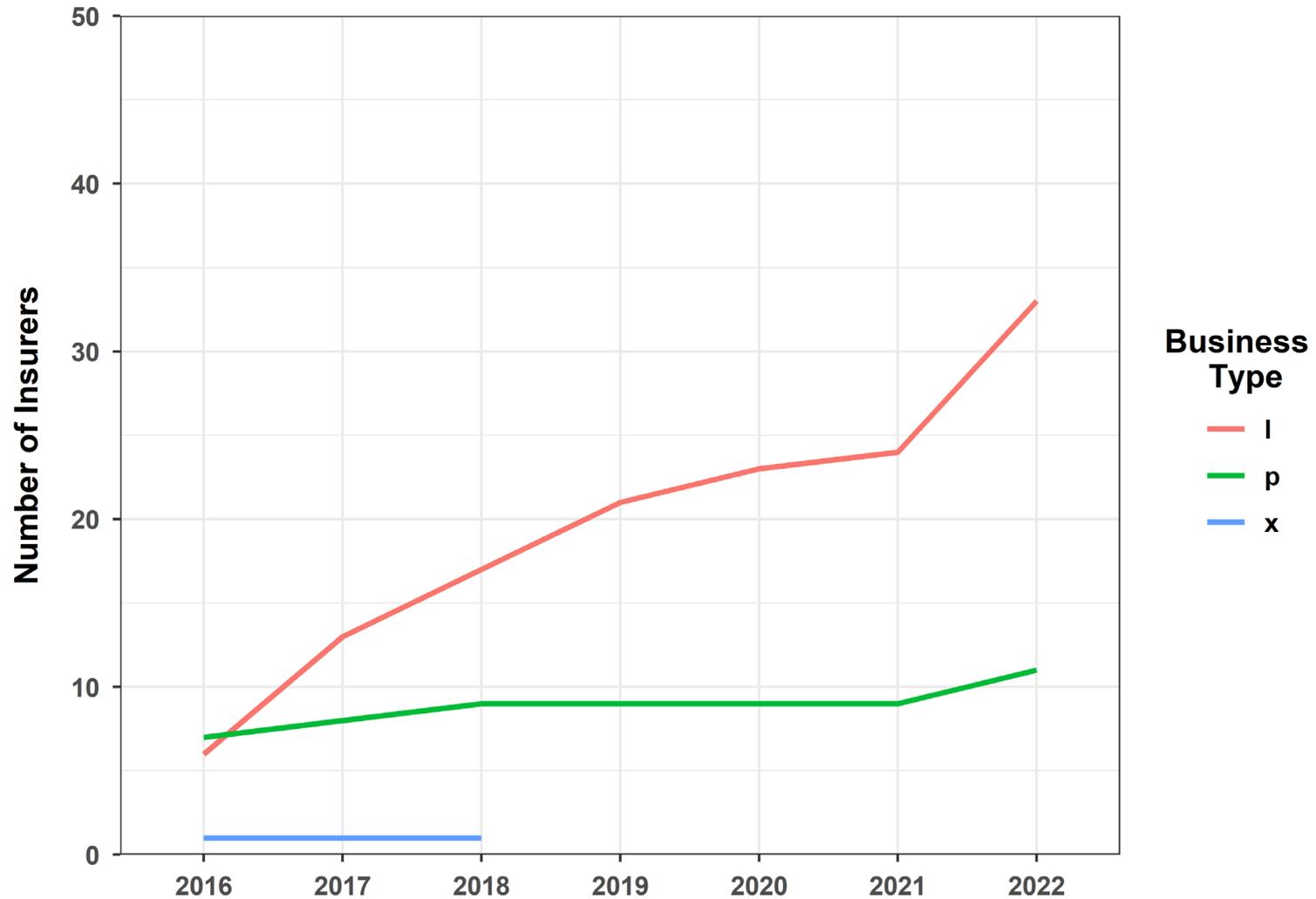


Insurers' Investments in Social Infra PE, \$ bln





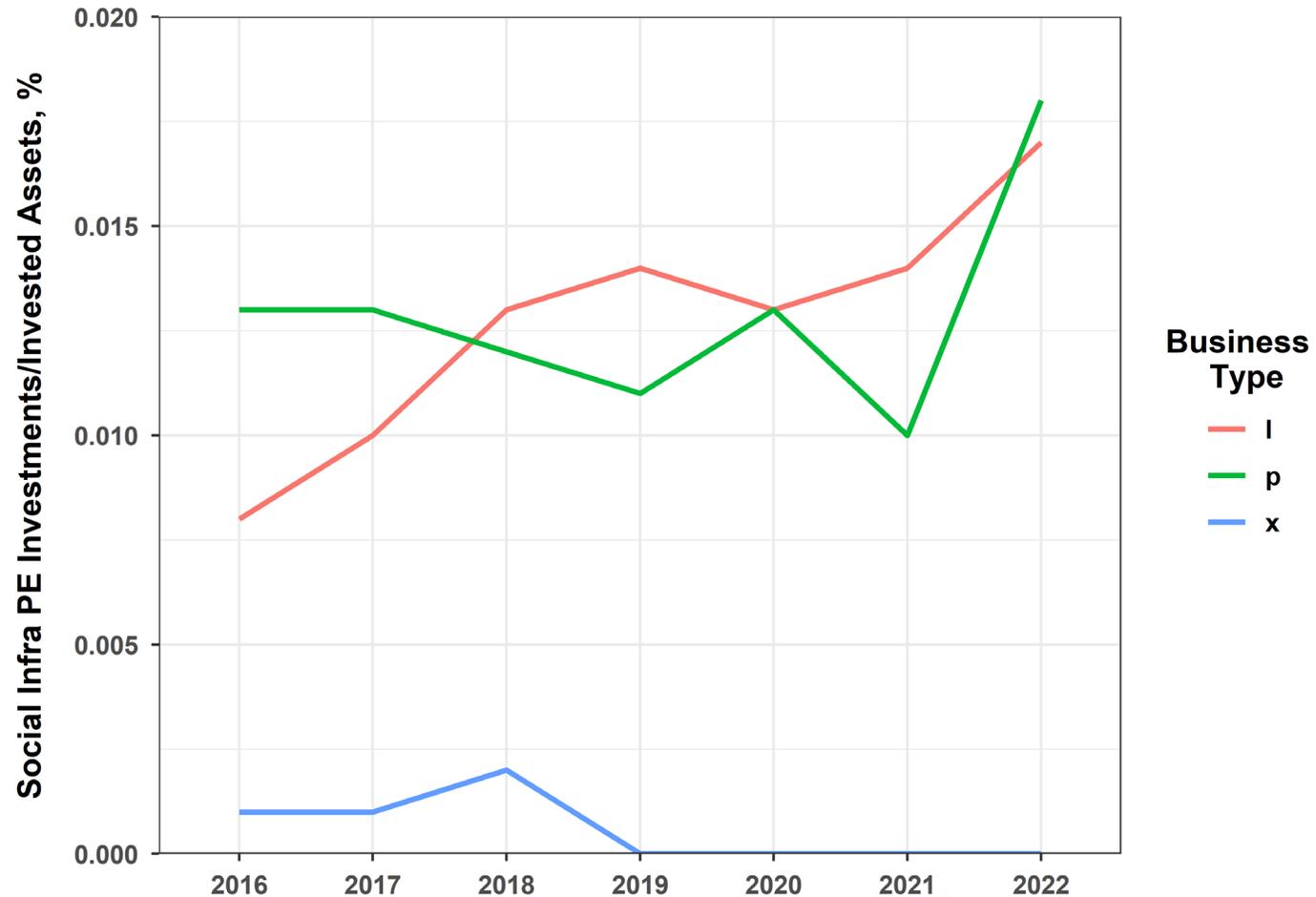
Number of Insurers that invested in Social Infra PE





Insurers' Investments in Social Infra PE, %

- As a share of assets of each type of business





Leveraging Insurers' COIN Investments

- We leverage COIN data from 2016 to 2020.
- We record insurer investments reported in the COIN data.
- We then examine whether insurers that did not report to COIN made investments that were reported by insurers to COIN. We also record these investments.

	Number of securities from COIN
Affordable LMI Ownership Housing	337
Affordable LMI Rental Housing	648
CDFI Investments	24
Community Development	891
Care Services	104
Educational Facilities	584
Financial Services	61
Green Financing	233
Healthy Foods	7
Small Business Loans	264
Transit Oriented Development	131
Water Treatment / Efficiency for Households	225



COIN Investments Matching Process

Step 1

Record Insurer Investments Reported to COIN

- Any investment recorded in the COIN database is recorded as a social impact investment in our exposure calculation.

Step 2

Match COIN Investments to NAIC Data Based on Investment Description

- COIN related investments made by P/C, Life, and Health insurers that operated in California in year 2020 identified in COIN database.
- Then string-matched the investments in NAIC databases for 2020 (Schedules A, B, BA, D)



COIN Investments Matching Process

Step 3

Identify CUSIPs from NAIC Database

- From matched securities in the NAIC database, identify the CUSIP and rematch using the CUSIP

Step 4

Identify Mortgage Loans

- For loans in schedule B, use loan numbers to match



P/C Insurers' SII Exposure Data, 2020, \$ mln

Type of Benefit	Total	N	Mean	SD	Min	p25	p50	p75	Max
Affordable LMI Rental Housing	13,039.61	859	15.18	109.82	0.00	0.28	1.16	4.91	2,767.72
Affordable LMI Ownership Housing	6,898.35	962	7.17	32.78	0.00	0.28	1.00	3.41	707.91
Green Financing	6,582.03	900	7.31	30.03	0.01	0.25	0.94	3.69	460.41
Educational Facilities	5,204.25	624	8.34	31.14	0.00	0.29	1.05	4.03	447.75
LIHTC	3,575.38	115	30.30	102.24	0.00	0.12	0.95	7.86	766.48
Community Development	2,535.40	538	4.71	14.17	0.01	0.29	0.98	3.18	231.85
Water Treatment	1,913.53	498	3.84	11.38	0.00	0.25	0.99	2.55	159.03
Small Business Loans	1,619.89	139	11.65	40.79	0.00	0.39	1.33	6.08	345.43
Care Services	1,508.34	388	3.89	9.39	0.00	0.25	0.85	2.68	99.74
Transit Oriented Development	1,393.73	335	4.16	11.17	0.00	0.25	0.76	2.91	118.99
Social Infra PE	184.65	9	20.52	21.50	0.20	6.13	9.71	44.37	56.29
CDFI Investments	51.16	13	3.94	6.72	0.05	0.50	1.00	2.50	20.22
Financial Services	43.62	18	2.42	3.63	0.19	0.81	1.28	2.71	15.90
Total	44,612.38	1,608	8.26	52.27	0.00	0.26	1.00	3.58	2,767.72

Excluding Insurers invested \$ 0 in SII.



Insurers' SII Exposure Data

All P/C year 2020 – Schedule D, \$ mln

Type of Benefit	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds
Affordable LMI Ownership Housing	458.33	6,269.32	170.7	
Affordable LMI Rental Housing	118.08	12,765.27	94.36	
Care Services		848.13	659.36	
CDFI Investments			51.16	
Community Development		1,632.33	758.83	
Educational Facilities		4,995.18	209.07	
Financial Services			30.63	
Green Financing	23.07	3,017.65	3,486.9	36.36
Small Business Loans	1,603.02	3.06	0.38	
Transit Oriented Development		1,393.73		
Water Treatment / Efficiency for Households		1,471.15	442.37	
Total	2,202.5	32,395.82	5,903.76	36.36



Insurers' SII Exposure Data

All P/C year 2020 – Schedule BA, \$ mln

Type of Benefit	Joint Venture, Partnership or Limited Liability Company Interests	Common Stocks	Real Estate	Non-collateral loans	LIHTC	Surplus Debentures, etc.	Any Other Class of Assets
Affordable LMI Own. Housing					68.80		
Affordable LMI Rental Housing				4.31	10.02		
Community Development	0.26			0.63			
Financial Services						12.99	
Green Financing							3.81
NA	78.26	89.29	75.94		3,496.56		
Total	78.52	89.29	75.94	4.94	3,575.38	12.99	3.81



Insurers' SII Exposure Data

All **P/C** year 2020 – **Schedule B, \$ mln**

Type of Benefit	Commercial mortgages
Affordable LMI Rental Housing	57.59
Care Services	0.85
Community Development	143.36
Green Financing	14.25
Small Business Loans	13.43
Total	229.48



Insurers' SII Exposure Data

All **P/C** year 2020 – **Schedule A, \$ mln(CHECK)**

Type of Benefit	Properties Held for Sale	Properties Held for the Production of Income	Properties Occupied by the Reporting Entity - Administrative
NA	0.02	2.6	0.97
Total	0.02	2.6	0.97



Insurers' SII Exposure Data

All **P/C** year 2020 – **NAIC Designation - Schedule D, \$ mln**

NAIC Designation	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds
0		2.36		
1	2,202.49	32,032.34	3,396.99	
2		330.23	2,384.77	31.37
3		28.56	76.46	5.00
4			35.91	
5		0.28	9.65	
6		2.04		
Total	2,202.49	32,395.81	5,903.78	36.37



Insurers' SII Exposure Data

All P/C year 2020 – NAIC Designation – Schedule BA, \$ mln

NAIC Designation	Joint Venture, Partnership or Limited Liability Company Interests	Common Stocks	Real Estate	Non-collateral Loans	LIHTC	Surplus Debentures, etc.	Any Other Class of Assets
0	62.04		75.94	4.31	1982.35	1.32	3.81
1						5.25	
2					0.38		
NA	16.48	89.29	0.01	0.63	1592.65	6.41	
Total	78.52	89.29	75.95	4.94	3575.38	12.98	3.81



Life Insurers' SII Exposure Data, 2020, \$ mIn

Type of Benefit	Total	N	Mean	SD	Min	p25	p50	p75	Max
Affordable LMI Own. Housing	21,628.24	346	62.51	404.36	0.00	0.50	2.84	15.54	5,533.73
Green Financing	21,438.86	437	49.06	156.54	0.01	0.69	3.97	20.19	1,549.17
Community Development	18,336.44	307	59.73	202.02	0.01	1.00	4.29	23.16	1,934.02
Affordable LMI Rental Housing	10,049.11	277	36.28	169.65	0.00	0.48	2.24	10.64	1,957.55
Educational Facilities	9,823.48	310	31.69	89.04	0.01	1.00	3.60	19.90	708.79
Water Treatment	8,211.69	326	25.19	62.45	0.00	0.91	3.45	15.99	470.06
Transit Oriented Development	4,976.99	205	24.28	61.59	0.01	1.07	4.22	17.20	619.00
LIHTC	4,970.26	76	64.55	139.12	0.00	0.88	8.51	65.67	769.50
Care Services	4,816.36	292	16.49	47.00	0.01	0.52	2.74	10.01	413.70
Financial Services	1,422.43	108	13.17	18.81	0.07	1.50	4.11	17.60	84.84
Small Business Loans	1,221.72	53	23.05	72.27	0.01	0.16	0.56	6.77	370.22
Social Infra PE	562.12	23	24.44	41.86	1.40	4.34	14.60	22.67	206.30
CDFI Investments	52.91	20	2.65	3.36	0.06	0.25	1.17	3.70	11.54
Healthy Foods	36.58	3	12.19	10.39	3.64	6.42	9.20	16.47	23.75
Total	107,806.85	596	38.77	185.30	0.00	0.72	3.43	16.86	5,533.73

Excluding Insurers invested \$ 0 in SII.



Insurers' SII Exposure Data

All **Life** year 2020 – **Schedule D, \$ mln**

Type of Benefit	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds	Bank Loans
Affordable LMI Own. Housing	1,928.19	18,705.38	86.08	2.45	
Affordable LMI Rental Housing	18.06	8,080.10	91.41		7.39
Care Services		1,312.62	3,465.73		
CDFI Investments			52.91		
Community Development		3,294.66	5,025.52		
Educational Facilities		7,708.14	2,115.34		
Financial Services			622.05		
Green Financing	9.93	3,977.45	16,740.51	101.98	94.64
Small Business Loans	633.11	12.36			
Transit Oriented Development		4,976.99			
Water Treatment		3,827.61	4,384.08		
NA			11.00		
Total	2,589.29	51,895.31	32,594.63	104.43	102.03



Insurers' SII Exposure Data

All **Life** year 2020 – **Schedule BA, \$ mln**

Type of Benefit	Joint Venture, Partnership or Limited Liability Company Interests	Common Stocks	LIHTC	Surplus Debenture s, etc.	Non Registered Private Funds	Any Other Class of Assets
Financial Services			1.37	572.41	1.58	
Green Financing		101.33			47.31	
NA	80.01	600.15	4,968.89			81.68
Total	80.01	701.48	4,970.26	572.41	48.89	81.68



Insurers' SII Exposure Data

All **Life** year 2020 – **Schedule B, \$ mln**

Type of Benefit	Commercial Mortgages	Residential Mortgages	Farm Mortgages
Affordable LMI Own. Housing	173.76	732.38	
Affordable LMI Rental Housing	1,654.67	197.36	0.12
Care Services	38.01		
Community Development	9,932.42	47.63	36.21
Financial Services	226.40		
Green Financing	365.70		
Healthy Foods	36.58		
Small Business Loans	280.27	0.50	295.47
Total	12,707.81	977.87	331.80



Insurers' SII Exposure Data

All **Life** year 2020 - **Schedule A, \$ mln**

Type of Benefit	Properties Held for the Production of Income	Properties Occupied by the Reporting Entity - Administrative
NA	37.37	11.58
Total	37.37	11.58



Insurers' SII Exposure Data

All **Life** year 2020 - **NAIC Designation - Schedule D, \$ mln**

NAIC Designation	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds	Bank Loans
0			0.14		
1	2,589.30	51,050.30	16,907.02		
2		743.91	14,173.80	98.92	58.84
3		98.57	1,355.82	3.06	35.81
4			143.62		
5		1.22	14.24		7.39
6		1.31		2.45	
Total	2,589.30	51,895.31	32,594.64	104.43	102.04



Insurers' SII Exposure Data

All **Life** year 2020 - **NAIC Designation - Schedule BA, \$ mln**

NAIC Designation	Joint Venture, Partnership or Limited Liability Company Interests	Common Stocks	LIHTC	Surplus Debentures, etc.	Non Registered Private Funds	Any Other Class of Assets	
	0	60.87	533.08	1,828.62	4.63	1.58	45.53
	1				381.10		
	2			0.16		47.31	
NA		19.14	168.40	3,141.48	186.69		36.15
Total		80.01	701.48	4,970.26	572.42	48.89	81.68



Health Insurers' SII Exposure Data, 2020, \$ mln

Type of Benefit	Total	N	Mean	SD	Min	p25	p50	p75	Max
Affordable LMI Rental Housing	2,004.52	254	7.89	29.79	0.00	0.55	1.53	5.62	312.84
Affordable LMI Own. Housing	1,913.95	313	6.11	13.46	0.00	0.50	1.45	5.00	105.94
Green Financing	713.43	307	2.32	5.51	0.01	0.28	0.87	2.50	74.97
Care Services	312.46	188	1.66	4.23	0.00	0.12	0.45	1.86	50.68
Community Development	227.30	167	1.36	3.51	0.02	0.24	0.59	1.40	41.27
Educational Facilities	214.71	180	1.19	2.30	0.01	0.15	0.46	1.38	19.55
LIHTC	150.98	16	9.44	9.79	0.03	3.45	6.70	11.14	35.20
Transit Oriented Development	119.94	120	1.00	1.43	0.01	0.18	0.62	1.04	11.47
Water Treatment	103.25	105	0.98	1.75	0.00	0.13	0.39	1.04	11.64
Small Business Loans	67.64	46	1.47	2.06	0.00	0.28	0.74	1.73	10.09
CDFI Investments	6.71	7	0.96	0.75	0.21	0.50	1.00	1.00	2.50
Financial Services	6.65	4	1.66	1.49	0.34	0.41	1.55	2.81	3.20
Social Infra PE	-	-	-	-	-	-	-	-	-
Total	5,868.78	475	3.42	13.47	0.00	0.25	0.76	2.49	312.84

Excluding Insurers invested \$ 0 in SII.



Insurers' SII Exposure Data

All **Health** year 2020 – **Schedule D, \$ mln**

Type of Benefit	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds
Affordable LMI Own. Housing	111.32	1777	25.63	
Affordable LMI Rental Housing	1.37	2001.06	2.08	
Care Services		97.03	215.43	
CDFI Investments			6.71	
Community Development		125.68	101.61	
Educational Facilities		203.63	11.09	
Financial Services			6.22	
Green Financing		318.47	388.15	6.8
Small Business Loans	63.96	2.81	0.86	
Transit Oriented Development		119.94		
Water Treatment		65.39	37.86	
Total	176.65	4,711.01	795.64	6.8



Insurers' SII Exposure Data

All **Health** year 2020 - **Schedule BA, \$ mln**

Type of Benefit	LIHTC	Surplus Debentures, etc.
Financial Services		0.43
NA	150.98	
Total	150.98	0.43

NAIC Designation	LIHTC	Surplus Debentures, etc.
0	72.43	
NA	78.55	0.43
Total	150.98	0.43



Insurers' SII Exposure Data

All **Health** year 2020 - **Schedule A, \$ mln**

Type of Benefit	Properties Occupied by the Reporting Entity - Administrative
NA	27.23
Total	27.23



Insurers' SII Exposure Data

All **Health** year 2020 - **NAIC Designation - Schedule D, \$ mln**

NAIC Designation	U.S. Governments - Bonds	Municipal Bonds	Corporate Bonds	Hybrid Securities - Bonds
1	176.66	4,676.75	407.50	
2		34.28	373.12	2.34
3			8.21	4.46
4			3.53	
5			3.29	
Total	176.66	4,711.03	795.65	6.80

All Insurers' Exposure to SII Over Time

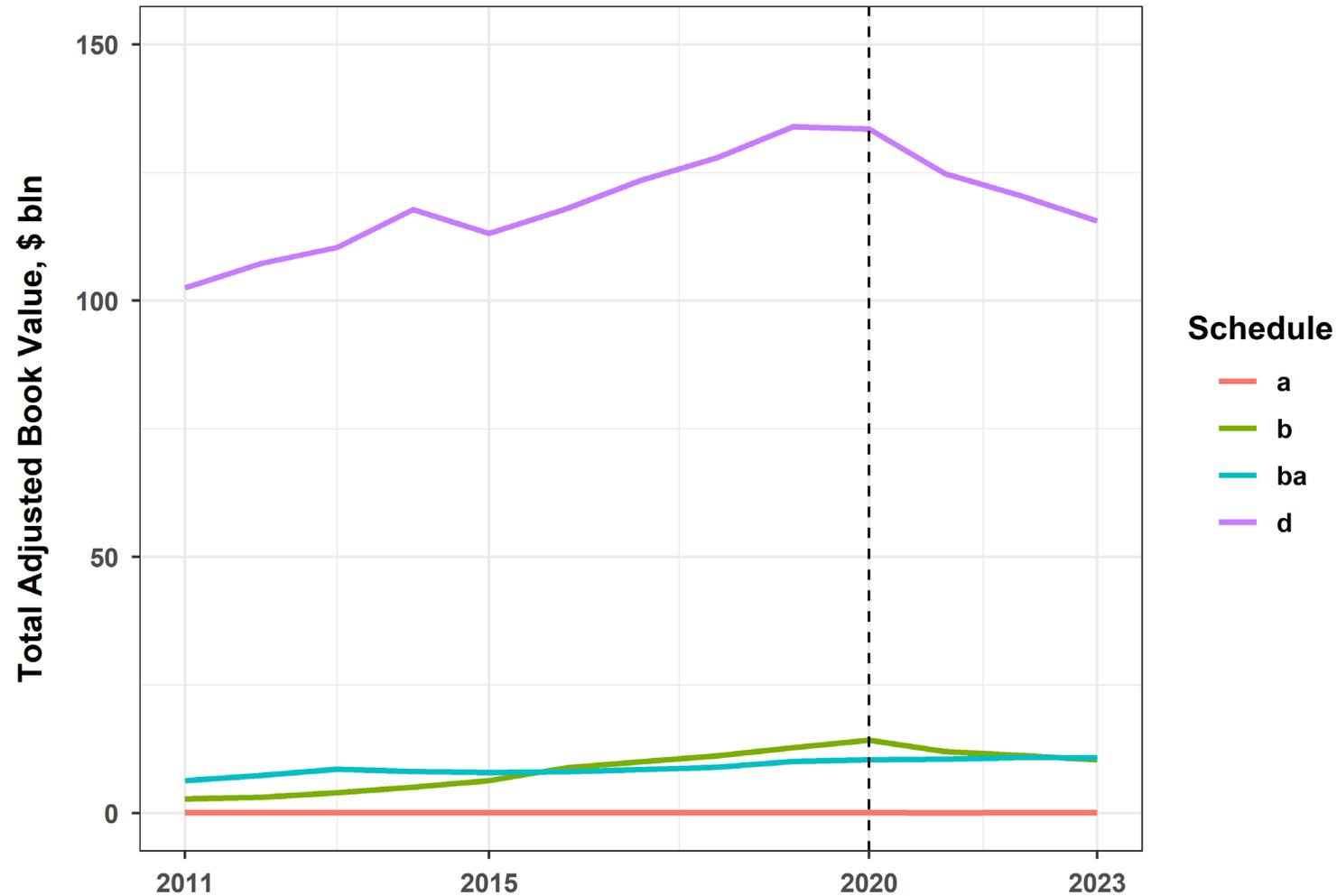


Insurers' SII Exposure, \$ bln

Year	Total Invested Assets (Schedule A, B, BA, D), \$ bln	Social Impact Investments, \$ bln	Social Impact Investments, % of Total Invested Assets
2011	4165	112	2.68
2012	4220	118	2.79
2013	4345	123	2.83
2014	4500	131	2.91
2015	4587	127	2.78
2016	4786	135	2.82
2017	5021	142	2.83
2018	5118	148	2.89
2019	5489	157	2.86
2020	5818	158	2.72
2021	6167	147	2.39
2022	6369	143	2.24
2023	6468	137	2.12

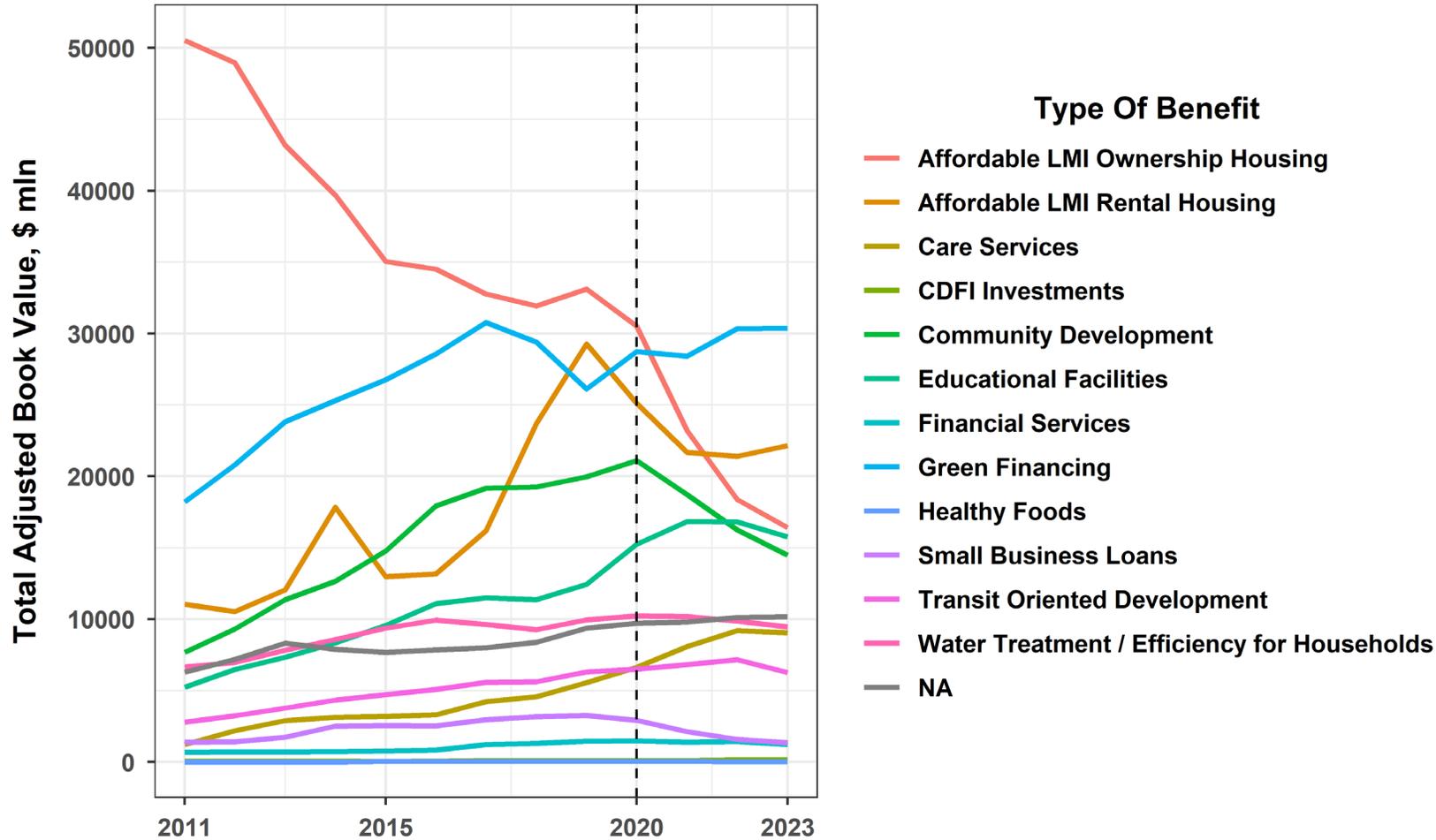


SII Exposure By Invested Asset (Schedule), \$ bln



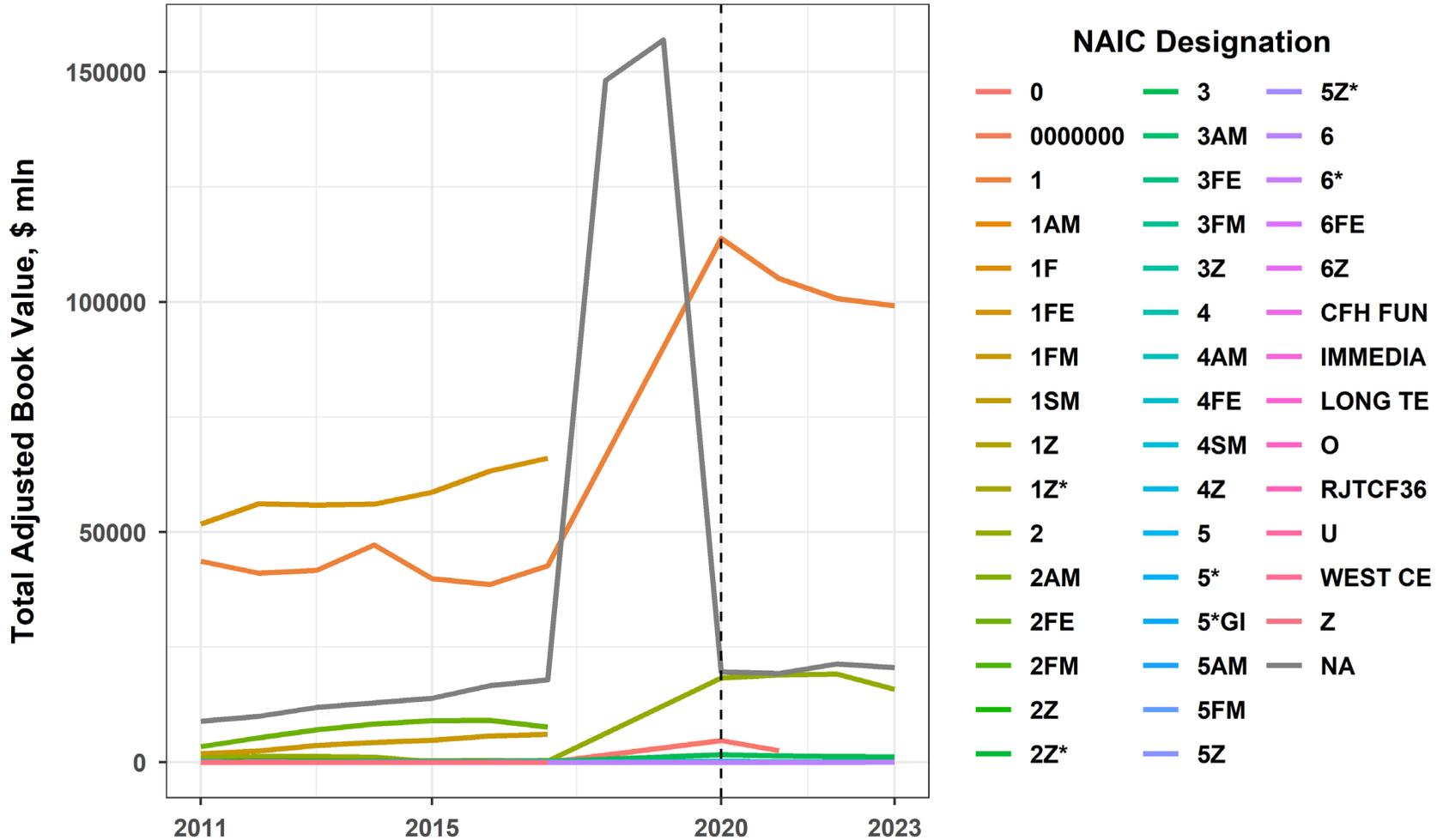


SII Exposure By COIN Type Of Benefit





SII Exposure By NAIC Designation



Stories





Insurers' Size Vs. SII Exposure





Insurers' Size Vs. SII Exposure And Risk (Schedule D)



NAIC designation here is the first number in NAIC_DESIGNATION value