

DEPARTMENT OF INSURANCE

300 Capitol Mall
Sacramento, CA 95814
(916) 492-3317
www.insurance.ca.gov



Approved 06/06/2023

Insurance Diversity Task Force (IDTF)**1st Quarterly Task Force Meeting**

March 15, 2023

10:00 am – 12:00 pm PDT

I. Roll Call - Call to Order**a. Roll Call**

Conducted by California Department of Insurance (CDI) Staff – Amy Ives

b. Establishment of Quorum – Quorum Established**II. Public Comment for Items Not on Agenda**

There were no public comments.

III. Review and Approval of Past Meeting Minutes

Motion to Approve: Jose Plascencia

Motion Seconded: Pradip Khemani

IV. Attendee Introductions

Task Force Attendees: Rebecca Aguilera-Gardiner, Linda Akutagawa, Imelda Alejandrino, Annalisa Barrett, Fabiola Cobarrubias, M.D., Griselda Gonzalez, Jay Greene, Pradip Khemani, Mark Morales, Jose Plascencia, Cecil Plummer, Vikita Poindexter, Maria S. Salinas

CDI Staff: Michael Martinez (Chief Deputy Commissioner and Legislative Director), Julia Juarez (Deputy Commissioner), Monica Macaluso (Attorney), Chandara Phanachone (Director, Insurance Diversity Initiative), Uzma Rahman (Manager, Insurance Diversity Initiative), An Kim (Manager, Insurance Diversity Initiative), Amanda Bastidas (Appointments Officer), Amy Ives (Diversity Analyst, Insurance Diversity Initiative)

Public Attendees: Jennifer Garcia, Lucia Gonzalez, Tarrell Gamble, Terrell Fleming, Joe Bowers, Jason Liles, Anthony Belcher, Jr.

V. Department Welcome Remarks

Michael Martinez, CDI – Thanked everyone for having him attend. First off, and on behalf of Commissioner Lara and the Department, congratulations to [Dr. Fabiola Cobarrubias, or Fibi](#), for her reappointment to serve a second term on this Task Force. As a sitting corporate director for ProAssurance – a California admitted insurance company – and a member of both the National Association of Corporate Directors and the Latino Corporate Directors Association, Fibi continues to demonstrate her commitment to elevating the importance of board diversity. Over the course of her first term, she's led a town hall with Commissioner Lara on the topic of health equity and board leadership, shared her story on a webinar that we hosted with the KPMG Board Leadership Center,

and has made a strong case for how chief insurance regulators across the country can help advance board diversity. Looking forward to seeing the tremendous impact that she will continue to make.

Welcomed An Kim to the Diversity Initiative. As Chandara shared, this is a newly created position, thanks in part to Commissioner Lara's commitment to investing in the resources necessary for the Diversity Initiative and this Task Force to thrive. An will be working with Chandara in collaboration with our Communications & Press Relations Branch as well as Community Relations and Outreach Branch to coordinate our Department-wide outreach effort to help ensure that we remain responsive to the evolving needs of consumers, especially during these challenging economic times. Please feel free to share about any groups and communities that you are involved in that we are not currently engaging with so we may get the word out about our program to more people.

VI. Policy and Legislation – Updates

a. Legislative Updates

Presented by: Michael Martinez, Chief Deputy Commissioner and Legislative Director

Michael Martinez, CDI – In September 2022, Governor Newsom signed an executive order directing state agencies and departments to take additional actions to embed equity analysis and considerations in their mission, policies, and practices. Serving in his new role as the Department's Chief Deputy, he will continue to ensure that the Department's executive leaders are taking the necessary steps to work with Chandara to see how we can further incorporate diverse and equitable policies and practices into our Department-wide strategic plan as well as Commissioner Lara's initiatives. As Commissioner Lara is the first openly gay statewide elected official and Latino Insurance Commissioner, he is very excited to share the work that is being done by the Initiative. We have already sponsored noteworthy bills in the past couple of bills, with a third one this year to expand the Insurance Diversity Initiative. Given the foresight of this Task Force in the creation of its own Strategic Plan for the Initiative, we are ahead of the curve, and looking forward to sharing more progress as it unfolds.

Regarding the legislative update, Commissioner Lara and Department are sponsoring AB 1140 – authored by the Assembly Committee on Insurance. An element of that bill is expanding the California Insurance Code (Code) by ensuring that individuals with disabilities are a part of the Initiative. Specifically, the proposal includes language to 1) expand current definitions in the Code to include persons with disabilities business enterprises; 2) expand the definition of “diverse board member” to include persons with disabilities; and 3) expand the Task Force composition to include a representative from a persons with disabilities business enterprise. This is a formalized approach as we always have them in mind irrespective of being an expressed part in the Initiative. We are very excited to push this bill forward. Currently, the bill is being vetted with a number of stakeholders. Once questions have been answered, the language would be finalized and incorporated into AB1140 bill and heard before the Assembly Committee on Insurance.

Mark Morales, IDTF – Are there any new goals that the Commissioner has set for second term and how can the Task Force help?

Michael Martinez, CDI - Commissioner and executive staff recently held a strategic planning meeting. There was a good deal of discussion about forward thinking, horizon planning and strategies and goals for the near future. Nothing has been crystalized as of yet, but will also want to ensure that almost 1,400 CDI staff are knowledgeable as well. Something that is very much a high priority to the Commissioner is climate change. We are trying to understand how climate change intersects with insurance. Commissioner Lara is leading climate change strategic discussions at the National Association of Insurance Commissioners (NAIC), and co-chairing the climate change committee. They have been pushing for diversity of boards and investing in insurance projects up and down the state of California trying to utilize nature-based solutions. Climate intensified wildfires is another area of concern. Since 2017, the magnitude of these catastrophic wildfires has increased significantly. In the second term, want to think more boldly. The Commissioner finalized his rating and mitigation wildfire regulations. It took three years to become fully approved and is the law of the land. Homeowners, insurance companies and commercial insurance companies are now mandated under the law to recognize consumers for the mitigation they have done to minimize their potential

for wildfire. Working with insurance companies to write more coverage. Additionally, looking at algorithmic bias and ways in which artificial intelligence tools utilized by the insurance industry are possibly perpetuating discrimination and bias. The Commissioner will be looking at this much more closely and plans to host workshops in the future.

Mark Morales, IDTF – Are there any other similar groups that the Task Force could engage with to further our mutual goals?

Michael Martinez, CDI – Congratulated everyone on their outreach efforts. Given the several hats that each [Task Force] member wears and are still able to contribute so much is amazing. The more the merrier. If there are people that you feel that the Commissioner and Michael can outreach to, please let him know. Much of the outreach being done is tremendous. Chandara has been outreaching a lot via the Executive branch and the Statewide Coalition. If there are ways that the Commissioner can engage with admitted insurers, it would be very interesting to hear more about that. Thanked everyone again for doing an amazing job.

Chandara Phanachone, CDI - Thanked Michael for his support and congratulated him on his recent promotion. Michael has been an ally and supportive of the Initiative. Having executive sponsorship and leadership is instrumental in accomplishing our goals.

VII. Latino Business Action Network (LBAN) – Guest Presentation

a. Guest: Jennifer Garcia, Chief Operating Officer – LBAN

Jennifer Garcia, LBAN – Serves as Chief Operating Officer of Latino Business Action Network. A non-profit based in Silicon Valley that partners with Stanford University with the purpose of advancing Latino entrepreneurship. There are three distinct areas of focus: 1. Research, 2. Education and 3. Ecosystem development.

From the research standpoint, the report reflects a survey of Latino business owners across the country to determine their contributions to the economy, the operating environment, and the opportunities. This survey is done every year. The study also surveyed white-owned businesses to determine a benchmark. This year was the 8th year of the survey, which then is turned into a report. Additionally, LBAN holds an annual Summit to bring together members of industry, government and other important figures to have a conversation about the data.

The second area of focus is a business scaling program at Stanford University. This is 100% focused on scale. How to scale entrepreneurs, their teams, and their businesses. This program requires them to be based in the U.S and have at least a million dollars in annual revenue (which makes them in the top 4% of Latino businesses) or \$500,000 in external funding. This enables those start-ups or VC-backed companies the opportunity to participate. To date, over 1,000 companies have graduated from the program.

Third focus is the ecosystem. Scale does not happen in any program or short time frame. How do we create a support structure throughout the journey? Provide them with access to capital, contracts, business development, etc.

When speaking as a non-profit, it takes a number of partners to be able to make the scaling happen. There are two areas that will be focused on today: capital and access to contracts.

On the capital side, there has been a reduction in funding requested, both in White- and Latino-owned businesses. This is likely due to the increase in interest rates. In the last year, Latino businesses were seeking loans at a higher rate from national banks. Looked to see how the approval rate compared between these two different cohorts. Latinos are under approved and underfunded except for loans valued at \$50,000 or less. Anything above \$50,000, Latinos experienced a lower approval rate. Looking further, [the report authors] held a couple of criteria constant. We saw that Latino-owned businesses had revenues that were almost three times higher at time of application, credit scores were very similar, and debt was lower for Latino-owned businesses than White-owned businesses. With all of this, still a significant discrepancy between the approval rates.

The goal of this research is to inform policy at all levels as well as private institutions, including lending institutions.

The next area of focus is contracts. The ability to scale a company is correlated to the ability to access contracts. Compared the ability to access contracts with the benchmark group. First, there was a huge discrepancy in the size of contracts that were awarded. On the federal and state side, Latinos are receiving 31- and 35-times smaller contracts than White-owned businesses. At the State of Latino Entrepreneurship (SOLE) Summit a few weeks ago, there was a breakout panel that covered access to contracts. There was someone from the U.S. Army Corps, Veterans Affairs and META. In the panel preparation call, someone said, “these are just your numbers and I would like to run them internally and want to see if my numbers are consistent.” This is exactly what we want to happen with the data. These are not easy numbers to defend. The individual found that his internal numbers were not that much different. Very happy to see that the research caused the individual to reevaluate.

Chandara Phanachone, CDI – Inspired by LBAN’s research as well. The Diversity Initiative team is in the process of producing a “State of Supplier Diversity” report based upon our most recent California Insurance Diversity Survey data. We will be looking at contracting dollars with Latino businesses compared to other businesses. You don’t get a response if you don’t ask the question. This has been very inspiring and is something that other corporations, organizations and government agencies can do.

Jennifer Garcia, LBAN – Data drives decisions. When you are presented with data, it gives us the opportunity to reevaluate, ask questions, and challenge longstanding policies that could be exclusionary behavior. We also explored the time that it takes to get contracts. When businesses consider the commitment of time to expend to get these contracts, they have to decide if it’s a valuable endeavor. There is an element of social structures in place. When you think of Latinos and their connections, it’s increasing, but it’s not as professional and at the higher levels that we want to see. Latinos report taking over a year to secure a corporate contract.

From a macro perspective, Latino-owned businesses are creating and forming new businesses at a faster rate than their counterparts. They are the fastest cohort of new business formation; outpacing the national average of revenue growth – from 25% vs. 9% of white-owned businesses. Strong business metrics as well as revenue growth and job creation are moving at a faster rate. The two main challenges are access to capital and access to contracts.

LBAN does a lot around those two initiatives – how to increase access in both areas. In the Supplier Diversity area, Lucia leads the Supplier Diversity Advancement Program. In 2022, took nearly 30 companies to help them to be well positioned in front of corporate partners. They are already scaled, they are already certified, they are graduates of the scaling program from LBAN and then graduated from the newly formed supplier diversity program led by Lucia. The goal in 2023 is to expand the program further. Looking for entities that are committed to diversifying the supply chain, committed to looking at their numbers and really want to see commitment to supplier diversity program and procurement process.

Wants any members of the Task Force who work with Latino-owned businesses to recommend LBAN for business scaling program.

Mark Morales, IDTF - In previous slide, saw that local governments are doing something different that they are engaging Latino-owned businesses at a higher rate. Has LBAN looked at what local government and corporations are doing to engage the community?

Jennifer Garcia, LBAN – On the federal side, thinks it has to do with the definition of a “small business.” When businesses exceed cap and graduate to a medium sized business, they are now in a huge ocean competing against some very large players. There is a big challenge in ever securing a large contract. On the local government side, that is an area that they will continue to explore. If there is positive light here that is producing good results, how can we share them?

Mark Morales, IDTF – Thanked Jennifer for attending today. It was very enlightening.

VIII. Task Force Administration and Elections

a. Task Force Handbook and Procedural Overview

Mark Morales, IDTF – Wants to remind everyone to send any updated bios, headshots or assistant contact information to Amy. Additionally, wants to take this time to remind the Task Force that the Advisory Groups are where the Task Force member's voices and their communities voices will be heard and encourages all Task Force Members to join one or both.

b. Action: Nominations for 2023-2024 Chair and Vice Chair

Chandara Phanachone, CDI – The Task Force is a codified state body and our elections process follows the Bagley Keene Meeting Act. Part of that process includes nominations at the 1st Quarterly Task Force meeting, that is today. There are two leadership positions that we are seeking nominations for today – the Chair and Vice Chair. These roles are one-year term. Task Force members are able to nominate up to 2 members of each role (including themselves.) If a Task Force member is nominated by another member, he or she or they must verbally accept or decline the nomination for the position. At the second Quarterly Task Force meeting, we will proceed with elections and the nominees will read their candidacy speeches. First is the role of Chair who conducts the meetings with the Diversity Initiative and the Department, serves as the leader of the Task Force, works on constructing the agenda with the Diversity Initiative. Opened up nominations for 2023 – 2024 Insurance Diversity Task Force Chair.

Rebecca Aguilera-Gardiner, IDTF – Nominates Mark Morales for the role of Task Force Chair. Has been an amazing Chair and thinks he will do a wonderful job for another time.

Imelda Alejandrino, IDTF – Seconds the nomination.

Chandara Phanachone, CDI – Asked Mark if he accepts nomination for Task Force Chair.

Mark Morales, IDTF – Accepted nomination for role of Chair.

Chandara Phanachone, CDI – Inquired if there were any other nominations for the Task Force Chair. Hearing none, moved onto requesting nominations for Task Force Vice Chair.

Mark Morales, IDTF – Nominates Rebecca Aguilera-Gardiner for role of Task Force Vice Chair. She has done an amazing job, always available and one heartbeat away from the Chair.

Annalisa Barrett, IDTF – Seconds the nomination.

Chandara Phanachone, CDI – Asked Rebecca if she accepts nomination.

Rebecca Aguilera-Gardiner, IDTF – Accepts nomination for role of Task Force Vice Chair.

Chandara Phanachone, CDI – Inquired if there were any other nominations for Task Force Vice Chair. Hearing none, confirmed that Mark Morales will run for Task Force Chair and Rebecca Aguilera-Gardiner will run as Vice Chair. Elections will be held at 2nd Quarterly Task Force Meeting which has been moved to June 6, 2023. Chandara will be attending the National Association of Insurance Commissioners National Meeting later in that week. It's a great opportunity to share and learn best practices on DE&I, and bring our issues to the forefront.

IX. 2022-23 Strategic Plan – Updates & Discussion

a. Board Diversity Advisory Group – Strategic Goals

b. Supplier Diversity Advisory Group – Strategic Goals

Chandara Phanachone, CDI – This is a general progress update on the Strategic Plan. Thanked Vikita for her leadership of the Governing Board Diversity Advisory Group and Rebecca Aguilera-Gardiner for leading the Supplier Diversity Advisory Group. Briefly refreshed everyone on the impact pillars that we have established as our strategic goals. The goals include: Pillar 1: Education and

Awareness, Pillar 2: Community Engagement, Pillar 3: Access to Opportunities and Pillar 4: Recognition and Accountability. The phases of progress have stayed the same, and we have made great progress in the planning since last year's 4th Quarterly Meeting. First, we onboarded our Communications and Outreach manager, An Kim, who will be spearheading much of our integrated marketing campaigns. Additionally, will work with the Task Force so they can continue to be ambassadors. As Mark always says, we do not want to be the best kept secret in the insurance industry. An will develop marketing assets and collateral for Task Force to take with them to events. We're excited to embark upon this. Additionally, we will be pursuing diversity legislation this year. We were inspired by the work in the rulemaking of the California Public Utilities Commissioner (CPUC). We thought that for our purposes, we could seek to codify in statute and expand the definition and the composition of the Task Force to include "person with disabilities." We are very intentional about ensuring we have the infrastructure to put all the goals forward. 20% of the projects (2) are in Phase 1 (conception and initiation) and 80% (8) of the projects are in the design and planning phase.

Pillar 1: Education and Awareness

Much of the discussion from the Board Diversity meeting was working on sharing industry best practices and increasing impact of the Diversity Initiative at the state and national level. The work of the Advisory Group is going to have to be intensified and will include an engagement campaign that is part of another pillar being put forth. All of this is in the planning phase.

Community Engagement ties in with Education and Awareness. This is providing access to tools that enhance collaboration and/or engagement within the insurance industry. We will be conducting both a board diversity and supplier diversity engagement campaign this year. Uzma will lead the board diversity campaign and Amy will lead the supplier diversity campaign. We are also looking at having An provide overarching marketing support in concert with all of these different projects. Creating internal messaging guides and external stakeholder guides. We are currently ironing out the logistics of the board diversity engagement piece. Uzma is working through that now. We have listened to your feedback from the Advisory Groups and what we are hearing is that we need to identify the right people to engage with in these campaigns. Mainly, this would be the Corporate Governance Chairs as well as the CEOs with respect to providing best practices.

Uzma Rahman, CDI – Vikita and Uzma met to discuss the logistics and brainstorm. First, looked at companies that have reported zeroes on gender diversity on their board as well as companies that have reported zeroes on race/ethnicity diversity, or companies that have reported both zero gender/ethnicity diversity on the 2022 CAIDS. Cross referencing with companies that participated in the 2020 Board Diversity Engagement Campaign to see if they were involved previously, and made progress and fell off or have not progressed further. With regard to having the key messaging and who we would engage with – it was definitely the Corporate Governance or Board Director, and also the Chief Human Resource Officer as well. In order to make sweeping and sustainable changes, we need to have the Human Resources Officer's perspective as well. Looking at holding targeted workshops for different cohorts, will be looking to Task Force for feedback in that area. There will also be a communications component to this campaign as well. We will be able to track the responses from companies. Based on the 2022 CAIDS, there are about 30 – 35 companies that have reported zero board and/or ethnic diversity that team will be looking to engage with on an individual basis. The Advisory Groups are where we get into the meat of the conversations, but this is a great place to gather feedback and brainstorm as well.

Vikita Poindexter, IDTF – (Via chat) – Advised that the Governance Chair is also an integral part of who would be targeted in these communications.

Fabiola Cobarrubias, M.D., IDTF – 30 is a lot of companies, we have our work cut out for us. Optimistic since there is so much room for improvement. Believe engaging in dialog with the decision makers in the rooms – advocating and measuring this. Likes the idea of bringing CHRO in because it helps to speak to the organizational diversity. Meeting in groups is great, but also meeting in more personal groups could be very effective too.

Uzma Rahman, CDI – When you say smaller, do you mean one on one? Or our team?

Fabiola Cobarrubias, M.D., IDTF – Would suggest just a one on one. It would be helpful to understand what the barriers are, the reasons behind not doing it. If they need more information, to be able to provide specific data, resources, etc. If companies would be interested in meeting with individual Task Force member for example, she would be happy to participate.

Uzma Rahman, CDI – Vikita and Uzma discussed having the Commissioner holding one on ones with the companies. There may be more targeted communications at the conclusion of the written engagement campaign, depending on the responses. While 30 companies is a lot, wants to remind the group that there were 386 companies that reported. It's equates to 7% of companies.

Maria S. Salinas, IDTF – It is a large number, but do you have a sense of the what kind of companies we're talking about? Is there good collaboration for a starting point?

Annalisa Barrett, IDTF – Would also be helpful to know if the companies are public or private. Her guess is that the majority are private.

Uzma Rahman, CDI – This is correct. Most companies that report on the CAIDS are privately held.

Chandara Phanachone, CDI – We had companies that were part of the 2019/20 Engagement Campaign, but then "declined to state" on the 2022 CAIDS.

Mark Morales, IDTF – At the past Advisory Group meeting, there was discussion about whether there was a correlation between those companies that have zero board diversity and zero diverse spend. Wondering if there has been any review of the two separate lists and if the same companies appear on both.

Chandara Phanachone, CDI – There was a larger segment that reported zero diverse spend. We will link those.

Maria S. Salinas, IDTF – Question around who is within the pool that is already on your side that we can leverage.

Chandara Phanachone, CDI – Often times it is the smaller, private companies that have zero board diversity. That is what she observed in the 2020 Engagement Campaign. Appreciates Fibi's comment about meeting one on one. Offered an example that If she was underperforming, it would not be a motivating incentive to convene with other underperforming companies.

Maria S. Salinas, IDTF – Agrees with this point. If she is underperforming and wants to fix it, that's different than someone who is underperforming but has not bought into fixing the situation.

Uzma Rahman, CDI – We did not just look at the zeros, but also the narrative component of the CAIDS that says "we have a diverse policy statement." This is very nuanced because the information is required to be reported externally in the aggregate and we want to be very mindful of the statutory implications.

Cecil Plummer, IDTF – We have a really good plan. We just need to stay the course. We are helping prepare board candidates. We are providing data that supports the idea that having a diverse board is good for business. We have the Diversity Designation coming and giving companies something to work towards. Loves the idea that Fibi has offered of individual consulting. We have the four legs of the stool. The platform would be the Commissioner holding a networking event for qualified candidates with insurance companies. At the end of the day, it's all about referrals and relationships. Getting people in a room is essential. Possibly an idea of a showcase, like "here are the people who are prepared." There is some trepidation about inviting people into the inner workings of their boards and this might help ease some of that.

Chandara Phanachone, CDI – The execution component will be critical. We can't necessarily endorse any potential board member. Your ideas are great, but we also have to be mindful of any conflict of interests.

Uzma Rahman, CDI – Because we have all been virtual, we have not had the luxury to all be together and naturally network.

Annalisa Barrett, IDTF – Naturally occurring networking is often the way that Nominating & Governance Committee Chairs prefer to meet candidates. Creating opportunities for strong candidates for insurance boards can be helpful by providing education, one on one coaching, preparation for interviews, providing ideas on how to position themselves, etc. She has not seen occurrences of Nominating & Governance Committee Chairs being “pitched” to in the past. She has seen events with Directors and Director Candidates in the same room, but never as a “pitch” situation.

Fabiola Cobarrubias, M.D., IDTF – Agrees with Annalisa. Thinks introducing the Nominating & Governance Chairs to affinity groups that do the excellent work of sourcing great candidates is a good idea. If the Nominating & Governance Chairs are aware of this resource, they could utilize them when the time comes to find a new Director. Some of the affinity groups have this as their mission. This feels like a happy medium to provide information but not necessarily recommend specific people.

Maria S. Salinas, IDTF – Agrees with us being the connector. We can help the groups meet the insurers, but not necessarily provide the endorsement. That can be very successful.

Mark Morales, IDTF – We don’t want to necessarily be recommending individuals to an insurance company, but these groups that are already doing the work can be introduced to insurance companies. Perhaps at the Summit, diverse search firms can provide a presentation of services they offer to insurance companies seeking diverse board members.

Uzma Rahman, CDI – Thinks that we could also provide this information in the personal communications to the companies, i.e. “Here is a list of diverse search firms to assist you in locating a diverse board member.”

Chandara Phanachone, CDI – Perhaps we can do something similar to how we did last year with KPMG, where we provide resources. It’s purely on their volition to attend, but we are providing access.

Pillar 3: Access to Opportunities

Chandara Phanachone, CDI – Providing access to opportunities is where the rubber hits the road. Connecting business leaders to opportunities. We talk about barriers to accessing contracts and this is where we identify organizations (like the affinity groups spoken of earlier) and connecting them to the companies to help them get to where they want to go. We are already doing work with the California Statewide Coalition on Diversity Initiatives and An will be leading the efforts on the statewide procurement event.

An Kim, CDI – Have analyzed survey results and there is interest in a statewide procurement event. Will be working with all of the other partner organizations to get that started and moving forward.

Chandara Phanachone, CDI – Prior to An coming onboard, we agreed along with the other members of the Statewide Coalition that there was opportunity to leverage all of our stakeholders within the insurance, hospital, transportation and public utility industries. Specifically, in the area of matchmaking. We created a survey for all of our stakeholders to determine what this event and what format would look like. The stakeholder interest survey was sent out in early February and we heard back very favorably that they would like to engage with diverse business leaders in California. There is something large on the horizon, and will be a much larger scale than the matchmaking sessions held at the Summit. This will elevate and amplify our impact across California. An will be leading this event. We are excited to see how this will take flight.

Amy Ives, CDI – Currently working on the Supplier Diversity Engagement Campaign. As this is first of the kind, we don’t have the Board Diversity Engagement Campaign from 2020 to springboard from. In our last Advisory Group meeting, we discussed specifically what our call to action would be. We are still trying to determine why there are zeros. Is it because there is a lack of diverse spend, or perhaps they are not utilizing tools and resources that can track/refine this data. In the past, and at the last meeting, there was discussion about creating a “roadmap to success” to move to report beyond zeros. The first level could be providing access to tools and resources that would help to

evaluate and analyze that data. We are still refining our cohorts, the goals and the specific messaging. Some of the things we would like to look at is if these companies have reported zeros in previous CAIDS administrations, or if they are new to reporting as the reporting threshold was just reduced to \$75 million in written premium. We will continue working on this and have more to discuss at the next Advisory Group Meeting.

Pillar 4: Recognition and Accountability

Chandara Phanachone, CDI – Aside from the events that we are going to be ramping up, An will be collaborating extensively with the Community Relations and Outreach Branch, and we are continuing to work on the Diversity Designation.

Uzma Rahman, CDI – Internally working through steps of the report and a presentation. We have added a lens on the consumer perspective and are working to provide an explanation as to why a designation from the Department of Insurance would be of value. At the 2020 Virtual Insurance Diversity Summit, and then via secondary survey, we polled the industry to determine if a designation from the Department would be of value. The resounding response was “yes.” In the planning meetings with Executive office and Communications, there has been a focus on how this impacts the consumers. This is making our report stronger overall.

Chandara Phanachone, CDI – Looking for Task Force feedback, from a consumer perspective, why would a designation be important to you?

Mark Morales, IDTF – Going back to the original conversations, this was similar to [HRC's Corporate Equality Index](#) and scoring of corporations. Insurance companies are doing great work, some are doing incredible work and that is who he wants to give his money to. He looks at HRC ranking and their commitment to supplier diversity before he purchases anything. For example, he switched his insurance to Kaiser because they spend more money with diverse suppliers than all the other insurance companies combined. It is important to him to know that they are supporting his community.

Annalisa Barrett, IDTF – Research by Edelman and Just Capital that shows that especially younger consumers, are accustomed to having information available to them and seek it out before making decisions. They utilize this data before using their purchasing power.

Uzma Rahman, CDI – We plan to include information regarding the rise of the “conscious consumer.” There is a rise of a generation that has access to this information and looks it up before purchasing.

Linda Akutagawa, IDTF – There are those that consciously make decision and go towards things that align with their values. But the opposite, too. When they are not doing the right things, they might just choose not to support the company that they know is not showing up how they think they should in the marketplace.

Cecil Plummer, IDTF – As a consumer, very conscious of environmental and social impact. Has made changes in his personal life to utilize companies that align with his values. Thinks that it's important for the public to know “when you see this” – this is what it means.

Imelda Alejandrino, IDTF – Wondering if there are stats as to why the consumer would care? What type of consumer would buy insurance? Is it the wife, the husband? As for as consumers are concerned, they don't know much about supplier diversity. The Task Force are predisposed to knowing what supplier diversity is. But the majority of consumers might not know what supplier diversity is and why it might be important. Would like to see more statistically driven campaigns where we can educate the public.

Uzma Rahman, CDI – In the report, considering the consumers of insurance. Insurance is not a single consumer identity because at some point, everyone is required to have it in some form or fashion.

Chandara Phanachone, CDI – In a [report from SwissRe](#), women are still the ones making the

purchasing decisions when it comes to insurance.

Imelda Alejandrino, IDTF – This is very helpful because it helps to develop the tone of marketing. Usually looks at three sources to determine if the data supports the hypothesis.

Jose Plascencia, IDTF – Thinking back to his days at AAA, they did a lot of focus group work with consumers. The consensus was that consumers wanted to do business with people that looked like them in their community. How do we brand the Designation to be more recognizable to the consumer that it is valuable? Definitely agrees that diverse consumers will be interested in knowing this.

Fabiola Cobarrubias, M.D., IDTF – Agrees with Jose that the designation would be relevant to a lot of diverse consumers because when and if they need to use that product, they could have the belief that they would be treated more fairly. If you are a diverse consumer, and your insurance company embraces diversity, you might make that assumption that you would be treated better than one that is not.

Griselda Gonzalez, IDTF – Many places are creating consumer facing websites and regulatory websites that provide information about an industry. It could be a good idea to look into creating a website that would outline the diversity information for the companies, and resources for the supplier. It would be nice to have it all in one place as it's very easy to get lost when trying to research.

X. Statewide Coalition on Diversity Initiatives

a. Presented by: Chandara Phanachone – CA Department of Insurance

Mark Morales, IDTF – We have previously discussed the Coalition with regard to the statewide procurement event. We can move onto the next topic.

XI. Past/Upcoming Events/Announcements - Updates & Discussion

Amy Ives, CDI – The Corporate Directors Forum, which Annalisa is on the Executive Board, held their annual [Directors Forum Conference](#) in January. WRMSDC hosted their [Construction Day 2023](#) event on February 16, 2023. This was the same day that Chandara and Amy attended the [State of Latino Entrepreneurship Summit](#) at Stanford University where Griselda was a panelist. Rebecca has shared that the VIB Network is hosting a free [Veteran Resource Expo](#) tomorrow in Newport Beach, CA.

Imelda Alejandrino, IDTF – Hosting a webinar called “Metaverse 101: Marketing Playbook.” Will be hosting another one next month and will focus on Metaverse and cybersecurity.

Cecil Plummer, IDTF – Added that the WRMSDC will be hosting the Excellence in Supplier Diversity Awards Gala at Casa Real Winery on May 11, 2023

Amy Ives, CDI – Reminded Task Force to send information about upcoming events to the team. Keeps the newsletter updated with the current month and the upcoming month's events. Thanked everyone.

XII. Public Comment: Public attendee open forum related to agenda items

Anthony Belcher, Jr. - Introduced himself as Sr. Vice President for Wes-Tech Environmental. Looking forward to working together in the future.

Terrell Fleming - Eager to bridge gap between consumers and Department. Looking for advocacy for diverse communities in the insurance industry.

Mark Morales, IDTF – Thanked Ms. Fleming for her comments. The Diversity staff will follow up to provide contact information for her to address her concerns with the Department.

XIII. Closing Remarks and/or Future Agenda Items

Mark Morales, IDTF – Thanked everyone for time today. Thanked Task Force for continued confidence in him and Rebecca in leading the Task Force. Thanked Cecil for his leadership of the Supplier Diversity Advisory Group and thanked Rebecca for taking on the lead role following Cecil. Cecil's input and ideas have been immense and are very much appreciated. Will see everyone at the next Quarterly Task Force meeting in June.

XIV. Meeting Adjournment

Motion to Adjourn: Jose Plascencia
Motion Seconded: Imelda Alejandrino