

DEPARTMENT OF INSURANCE

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



APPROVED 3/7/2024

Insurance Diversity Task Force (IDTF)

4th Quarterly Task Force Meeting

December 7, 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 – An Kim
- 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: Pradip Khemani

Motion Seconded: Jose Plascencia

IV. Attendee Introductions

Task Force Attendees: Mark Morales, Cecil Plummer, Tommy Smith, Jose Plascencia, Linda Akutagawa, Pradip Khemani, Annalisa Barrett

CDI Staff: Chandara Phanachone (Director, Insurance Diversity Initiative), Uzma Rahman (Manager, Insurance Diversity Initiative), An Kim (Manager, Insurance Diversity Initiative), Karisa Yocham (Attorney), Amanda Bastidas (Chief, Office of Strategic Planning and Initiatives), Maxine English (Manager, Office of Strategic Planning and Initiatives)

Public Attendees: No introductions.

V. Policy and Legislation – Updates

- a. Legislative Updates
 - i. SB 544

Chandara Phanachone, CDI – Senate Bill 544 provides updates to Bagley-Keene, which is the act that governs public meetings for the State of California, starting January 1st of 2024. We have a few different options with regards to how we'll be conducting regularly scheduled quarterly and advisory group meetings as part of this Task Force. A memo was shared with all members of our Task Force.

Amanda Bastidas, CDI - Essentially, things are going back to the normal pre-pandemic methods— in-person meetings with CDI offering the multiple locations to attend from.

Uzma Rahman, CDI – If on the day of a meeting, Task Force members realize that they can't attend in person at one of the CDI offices, and they want to connect virtually. What are their options, or are they no longer attending as a Task Force member at that point?

Amanda Bastidas, CDI – If attending from a location that's not noticed on the agenda, we can't count them towards quorum. They may still participate virtually, but we will not be able to treat them as a full voting member.

Jose Plascensia, IDTF – What are the recognized locations, or do they change depending upon the meeting?

Chandara Phanachone, CDI – The locations will still be the same...Oakland and LA. Later today we'll solicit your opinions and options in terms of how you want to move forward with advisory group meetings, because those would also need to be publicly noticed.

Linda Akutagawa, IDTF – If we know in advance that we're going on a business trip and want to join virtually, I would think that that would be okay. But what if the location or the trip is outside of California?

Amanda Bastidas, CDI – We can certainly double check in terms of the location. As what is said in the memo, it must be a location that's publicly accessible to the public. That would be on a case-by-case basis. Touch base with Chandara first, and she can work with Legal.

Linda Akutagawa, IDTF – What about being able to publicly broadcast? Do we have to have a separate laptop available, or is it just a phone line available?

Amanda Bastidas, CDI – They [Bagley Keene] don't really go into the details of it, so it would be another question that we'd want to get answered.

ii. AB 1140

Chandara Phanachone, CDI – We did have a great victory in Assembly Bill 1140, which was signed into law and expands data transparency & disability inclusion. In terms of the California Insurance Diversity Survey, we will be collecting data on insurance companies that procure from persons with disabilities business enterprises, and then we also will be asking for disclosures with respect to the persons with disabilities on an insurance company board. This is just another step forward to make sure that we are being inclusive with our disabled community or persons with disabilities.

b. California Insurance Diversity Survey (CAIDS)

Uzma Rahman, CDI – As Chandara mentioned, we are expanding to add the persons with disability business enterprise category for the supplier diversity portion (narratives and spend scenarios), as well as adding the persons with disabilities as a category of a diverse board member.

We will host educational webinars on how AB 1140 directly affects the CAIDS, and those are slated for mid and end of January 2024. There will be two opportunities to attend virtually, and anyone is welcome. We are sending this invitation to all admitted insurers in California regardless of whether they've met the reporting threshold.

In March of 2024, the Department receives the annual report from admitted insurers, and we will be able to confirm which companies have met that \$75 million threshold for each year of the CAIDS. They will then be notified and subject to reporting. Our resource webinars for CAIDS will be modified and updated to reflect the changes from the implementation of AB 1140.

Per statute, we will be releasing the survey results on November 1st, 2024 and then we'll do a deeper dive into the analysis of the results during our annual Diversity Summit.

Annalisa Barrett, IDTF – I have an idea to educate directors of insurance companies, but I don't think a webcast would be the best way to reach that audience. Perhaps an article that we could do jointly and go through marketing that summarizes the index results and informing boards about the current state of diversity on insurance boards. It would tell about what their companies are reporting on, so that they are aware and can engage their leadership teams on the topic as well.

Uzma Rahman, CDI – That's a great idea. I'm also working on a general fact sheet (for CAIDS), so perhaps that might be useful to build in.

Annalisa Barrett, IDTF – Maybe a portion on how it ties into the Index. Maybe get a few quotes from Gold designees or insurance company directors just talking about the benefits that diversity brings to their boardroom.

Tommy Smith, IDTF - Does disabled veterans count towards the persons with disability category?

Uzma Rahman, CDI – No, they are already included in our statute--veterans and disabled veterans are already included within the California Insurance Code as part of our survey.

Mark Morales, IDTF – Are we thinking about doing a general marketing campaign for 2024? This is a reporting year, this is what we're doing at the Department of Insurance, this is what the Task Force is about, and this is what the Initiative is about.

Chandara Phanachone, CDI - Those are great thoughts, and we will revisit this during our strategic planning section (of the agenda).

VI. Statewide Coalition on Diversity Initiatives

a. 2024 California Supplier Diversity Symposium – March 14, 2024

An Kim, CDI –We are teaming up with other government agencies to plan the first California Supplier Diversity Symposium. The date will be Thursday, March 14 in West Sacramento, which is just right outside Downtown Sacramento. Our partners at the California Department of General Services (DGS) will be hosting at their headquarter office. We're keeping the event small this first year and will be capping registrations at 500. The event begins with registration starting at 8:00 a.m.

CDI will be teaming up specifically with the Department of Healthcare Access and Information on a session around contracting within insurance and healthcare. We will be inviting speakers—two from insurances companies and two from healthcare. And along with sessions, we'll have a resource expo.

Chandara Phanachone, CDI – Our California Office of the Small Business Advocate is working on the “Access to Capital” workshops.

Pradip Khemani, IDTF - I'm on the CalAsian Chamber of Commerce Board, so happy to partner and see how we can get that organization more engaged because I do have a specific area of interest on helping small diverse enterprises in the field of contracting and getting contracts both in the public and private sector. In terms of private and healthcare, you can sign up Blue Shield of California to come, partner, and have my team get down to specifics of contracting opportunities.

Mark Morales, IDTF – I will also volunteer, if you want me to do “Access to Capital”. I will be happy to attend and present.

VII. 2023 Insurance Diversity Summit - Recap & Discussion

a. Survey Feedback

Uzma Rahman, CDI – Overall, most people were satisfied or greatly satisfied with the event. They appreciated the content and the level of expertise of our speakers. They found our staff helpful and

would recommend the event in the future.

When it came to what they were there for, we knew matchmaking was a big pull; the feedback survey results confirmed that. The keynote does draw in attendees as well. We had a great keynote this year with Blue Shield's CEO Paul Markovich, in conversation with the Commissioner, and moderated by our very own Task Force member, Linda Akutagawa.

In terms of demographics, 41% were diverse suppliers, 31% came from the insurance industry, and 24% were general attendees. So that includes nonprofits government as well as just corporate non-insurance companies, and students. 84% reported that they would recommend the Summit to their friends and colleagues.

In terms of feedback, attendees wanted more time in between sessions. They wanted a longer day-- instead of condensed to that four or five-hour chunk, and they wanted more downtime throughout the day. They wanted scheduled or designated photo opportunities with specific VIPs. Some would have preferred a better venue.

b. Discussion

Jose Plascencia, IDTF - I think the timing between sessions could have been improved. Many sessions overlapped, so marshalling that timing and that schedule would be in the best interest.

Pradip Khemani, IDTF – I had the privilege of getting feedback from Paul Markovich. Overall, he appreciated the value that was created from the forum. For the next forum, if it's in person, we must start on time. Unfortunately for Paul, he had to make time for this event and then found himself rushing through that keynote. He came in the night before to ensure that he didn't have any unplanned circumstances the day of the event. So perhaps some adjustment in the agenda for the future can be thought through. But he appreciated the opportunity.

Cecil Plummer, IDTF – I want to congratulate the team on a successful event after such a long break. My recommendation is that we have a proxy locked and loaded and waiting so that we can start in a timely manner. I'll echo the break times and the sequencing, and then finally making sure that people understand the expectations. Some insurers were recognized (for the Index) but were not really sure what that meant. Our communications may not trickle down to the folks that actually attend the event, so a brief overview could be very helpful.

Mark Morales, IDTF – I absolutely agree with Cecil. The feedback I got was that they wish the Commissioner would have stuck around longer, maybe for photo ops or just to interact with the crowd.

Linda Akutagawa, IDTF - Overall, great work by the CDI team. Once we knew we were going to be running so late, I think having a clearer understanding of the impacts to the schedule would have been helpful. To Jose's comments about overlapping sessions and the confusion about time, perhaps if there was a way to put something on the PowerPoint screen so that it was easier to see.

VIII. Department Welcome Remarks

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

Michael Martinez, CDI – Thank you all, and congratulations on a successful and well attended event. I just want to thank you all for all of the hard work and time that you put in to make it a success. It was the first in person summit in five years, I appreciate taking a look to see areas in which to further improve, so that the next in person summit could be even better .

And what's really amazing too, is that we were able to couple it right with the launch of the inaugural Insurance Diversity Index. The Commissioner is incredibly excited about that. It has been launched

with success, the nation's first for the insurance industry of creating the standard of excellence.

Thirdly, I know that the Commissioner reappointed members to the Task Force, and I want to personally congratulate them and recognize them. Of course, our own chair, Mark Morales, who's been leading this Task Force, and I believe that he is actually one of the longest serving member on this Task Force, and perhaps even the longest serving chair of the Task Force. I want to thank you for your ongoing and continued leadership and being able to see our Summit through, as well as this inaugural Index as well.

Congratulations to Vice Chair Rebecca Aguilera-Gardner, and thank you for continuing to represent our veterans and disabled veteran communities. And then also congratulations to Tommy Smith, who leads the engagement strategy for measuring the economic and community impact of Kaiser supplier diversity spend. Mark, Rebecca, Tommy—thank you for your continued service and participation on the Task Force your leadership and professionalism and thoughts and ideas.

I would be remiss if I didn't also recognize Maria Salinas, who has retired from the Task Force after completing her second term.

Several of you have supported the Commissioner sponsored Assembly Bill 1140 that was signed by the Governor earlier this year, at the end of the legislative session, that expands our entire insurance diversity effort and initiative to now include persons living with disabilities and persons with disabilities business enterprises. We are now able to formalize that in State statute as a formal part of our insurance diversity efforts. It's just a continued step forward, and the greater inclusion for persons with disabilities for also business owners to increasingly have a part in the work that we do.

Those are all the elements that I wanted to convey to you all as you embark on a new strategic plan, and looking into the year 2024. We are very excited and continue to support you all, to have the resources and support to continue to push the envelope and continue to represent at the National Association of Insurance Commissioners. Chandara will be presenting all of your work before the International Association of Insurance Supervisors next week.

Please continue to do what you're doing. Thank you, and have a wonderful holiday, and we'll continue to keep in touch. And of course, I look forward to seeing you all in 2024.

IX. 2022-23 Strategic Plan – Progress Updates & Discussion

Chandara Phanachone, CDI – In 2020 we embarked upon our strategic planning process and are continuing on with our current 2022-23 strategic plan. Creating this organizational structured included talking to the Task Force to learn more about what we should focus on.

In 2020 we really set the pace for the work that we're doing here with the Insurance Diversity Initiative with Senate Bill 534. That was enacted to essentially codify the California Insurance Diversity Survey. We know that public policy is really a mechanism for a lot of changes that will be either taking place or accelerated. And here at the Department of Insurance, that really was our focus, and the Task Force members really put that into action.

As we moved through 2021, our focus was on making sure that we were not the best kept secret in the insurance industry. This strategic plan emphasized the education and awareness pillar of impact that we fleshed out. A lot of it was getting to engage with our legislative and elected leaders.

2022-2023 really amplified and magnified what we were doing at the Department, and that, again, had to do with spearheading Senate Bill 655 that would expand board diversity reporting disclosures. In terms of providing us with greater transparency into the policies of practices of boardrooms, such as whether they had a corporate governance guideline, or perhaps if they had the strategic plans that were aligned with their goals.

In 2023, we launched our Insurance Diversity Index that really was put into motion back in 2019. As mentioned, I will be speaking before the International Association of Insurance Supervisors next week to share our best practice and lessons learned from the work that we've done here at the Department of Insurance.

Just a little recap—we had four pillars of impact starting with educating, then community engagement, then access to opportunities, and then leading us into this area of recognition and accountability. If you look through our strategic plan, over the course of two years that this plan has been put into action, we are happy to report that we've essentially completed all of the strategic goals set out. There are a few caveats, but, within every strategic goal and objective, we have implemented or completed or in the process of continuing some kind of actionable plans for those.

We're increasing awareness of the work through education, as well as advocacy and developing an integrated communications plan. All of these objectives were a result of the annual Insurance Diversity Summits. I also was named as the co-chair of the National Association of Insurance Commissioners Member Diversity leadership Forum, which is essentially a coalition of all the State insurance departments and regulators across the United States and their DE&I leads.

We are going to be spearheading an economic impact report for the data that we've collected as a result of the California Insurance Diversity Surveys. Certainly, bringing on a diversity marketing and communications manager was also strategic to spearhead outreach into the community, as well as making sure that you had a marketing toolkit.

Annalisa Barrett, IDTF – Can you tell us a little bit more about the economic impact report? Are you assessing the impact of supplier diversity?

Chandara Phanachone, CDI – It would be for supplier diversity.

Jose Plascensia, IDTF – Chandara, congratulations on being selected to speak at the at the IAIS. Can you share your key points and messages?

Chandara Phanachone, CDI – Essentially, the International Association of Insurance Supervisors' (IAIS) corporate governance and market conduct working groups work on application papers to create model laws and guidelines for insurance supervisors. In 2022, they did a survey among supervisors across the globe in regards to their DE&I practices. California's Department of Insurance was one of those survey respondents that shared best practices that hinge first and foremost on public policy, namely data transparency.

Another key element was engagement. Even as regulators, we need to be able to incentivize change among insurance leaders. Critical public policy enables data transparency but also enables sustainable and enduring change that is beyond the tenure of a commissioner.

The third area is that accountability and feedback loop that's really critical, because we can't be everywhere all at once. If you don't have some kind of advisory board or council to inform your strategic goals and priorities, it's going to be really hard for you to gauge what you want.

Chandara Phanachone, CDI – Back to our strategic plan: strategic community engagement. We've already launched the Insurance Diversity Index, and we are working on the next phase, which is the level up education campaign. This particular idea is leveraging the best practices of champion companies that received a gold distinction or a silver distinction.

Our second objective is engaging with community leaders. Thank you to An for spearheading outreach and communications with our diverse communities. I am slated to speak at the annual APCIA DEI Conference (by the American Property and Casualty Insurance Association) and the

American Council Life Insurance in New York in March 2024.

Annalisa Barrett, IDTF – Can you tell us how the companies that received a designation? Have all been notified? By what mechanism? And then what feedback you've received, or what reception you've gotten from the companies?

Uzma Rahman, CDI – In September, we notified the CEOs of the companies, along with the procurement or supplier diversity leads and government relations head via email. A congratulatory letter also came directly from the Commissioner himself.

We did reach out to a few of our different stakeholders—50/50 Woman on Boards and the California Office of the Attorney General. We were able to get the support of both groups, including the Attorney General's Office in the press release that was published on October 12th. We were mindful of the optics in terms of the rollout of this particular index—the intent is that it would be a beneficial tool for consumers, as well as industry leaders, but we understand that politically, we needed to be mindful of how the Index could be used.

We issued a Terms of Use, and those documents need to be vetted by the legal teams of the respective insurance companies, before they send back to us and receive an emblem to share publicly. We anticipate that that will take some time. It'll be interesting to see what happens as companies provide their year-end and annual impact reports, because we anticipate that companies will want to publicize the distinction as part of those reports.

Annalisa Barrett, IDTF - Do we know how many companies have posted a LinkedIn message, or done any type of bragging, or press release about the award? What was the reaction that you got from the announcements being made?

Chandara Phanachone, CDI – We haven't gotten any negative feedback. A lot of it has been through our own correspondence with the supplier diversity leads. A lot of them were vetting it through internally. We understand this is a one-sided communication, so that's the next phase of this particular engagement campaign--how do we get more companies to tell us what they're doing? And how can we add more value so companies are inspired or incentivized to actually share this particular emblem or distinction with their stakeholders.

Mark Morales, IDTF – We need to let people know that we've done this great work and where to find this information. I was thinking of Black History Month, Latinx History Month, Women's History Month—one-page recaps of the impact to those communities and then launching those at the beginning of those months to show you know how much the insurance industry has done. And then also something easily digestible about the Index to get people excited about it, to get them to look up the companies, and direct them to the website.

That's actually a good segue into advisory group meetings for board and supplier diversity. The advisory groups are where a lot of these ideas and the work happens. I encourage everybody on the Task Force to join one or both of our advisory groups. Remember, you are the voice of your community, and if you're not in the group, then your voice is not being heard.

Chandara Phanachone, CDI – For access to opportunities, we had three objectives under this particular strategic goal. One being identifying organizations that could connect aspiring board directors during the Summits in 2022 and 2023. We were really successful in terms of getting those leaders to also join us for these particular sessions. In terms of leading procurement and opportunities within the insurance industry, we were able to do that with our “Contracting with Insurance Companies” sessions, as well as business matchmaking sessions during the Summit, and we're excited to continue forward with contracting workshops at our upcoming Supplier Diversity

Symposium on March 14th.

Our final strategic pillar is recognition and accountability. Obviously, we launched the Index, and the next phase is going to hinge on building more publicity and recognition for this Index and also encouraging insurance companies to utilize this Index. I'm hopeful that my involvement with the American Property and Casualty Insurance Association and the American Council Life Insurance in New York next year will be meaningful with respect to getting more insurance companies to get on board with this particular Index.

Finally, with regards to heightening transparency on diversity in our industry, I'm looking forward to continuing my leadership role with the NAIC, as well as the International Association of Insurance Supervisors. There are opportunities to showcase the work that we're doing here in California.

Now the question is for you—what else can we do? What goals should we be focusing on as we move into 2024. I also wanted to share the planning process timeline—we start the brainstorming process now and then finalize during our first quarterly meeting, and thereafter launch it officially in June of 2024.

Mark Morales, IDTF - On the Index, what if we took the top three or five companies ask them questions and use them as testimonials to highlight?

Pradip Khemani, IDTF – That's a great idea to not only bring forth testimonials, maybe a couple of press releases. Let's offer the opportunity for companies to mentor and coach and partner through this journey. It's all about being intentional and connecting post-notification and following through to ensure maximization of the Index.

Jose Plascencia, IDTF – Fresh off the legislation on disability inclusion that passed, what can we do to promote or recognize organizations that are embracing (Assembly Bill 1140)?

Mark Morales, IDTF – For the economic impact report, that something you're going to do internally or are you using an outside firm?

Chandara Phanachone, CDI – We are meeting with our procurement division to figure out options. We have an anticipated timeline, and I don't think we're doing it internally. We are looking for an outside vendor, preferably diverse vendor, to spearhead our four years' worth of data.

Mark Morales, IDTF - Maybe we can create more time in the next meeting to brainstorm and make sure that everybody can provide feedback.

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

Mark Morales, IDTF – I did attend the Veterans in Business Conference. Fantastic events--over 560 attendees tactical networking presentations. I had seven matchmaking appointments for City National Bank.

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

No public comment.

XII. Closing Remarks and/or Future Agenda Items

Mark Morales, IDTF - Thank you everybody. I look forward to an exciting new year in 2024, as being a CAIDS year. There'll be a lot of outreach, and I want you to engage your communities. Happy New Year!

XIII. Meeting Adjournment Motion to Adjourn: Jose Plascencia; Motion Seconded: Tommy Smith