



2020 CALIFORNIA INSURANCE DIVERSITY SURVEY FREQUENTLY ASKED QUESTIONS

(Rev. 05.06.20)

California Department of Insurance – Insurance Diversity Initiative



www.insurance.ca.gov/diversity



CA.IDS@insurance.ca.gov

The complete set of **instructions** for the entire survey process for the California Insurance Diversity Survey (CAIDS) are available within the CAIDS Portal and on the [CAIDS Resources webpage](#).

TECHNICAL FAQ

NOTE: Responses to many questions regarding individual survey items can be found in the [CAIDS 2020 Instructions](#) document that is also available on our [CAIDS Resources webpage](#), or within the CAIDS Portal. If you are unable to locate an answer to your question, please email CA.IDS@insurance.ca.gov for assistance.

Q: Our company did not receive an email with a unique link to set up our account. How can I get one?

A: Please contact CA.IDS@insurance.ca.gov. All companies that have reported in the previous two (2) years, should have an account. Please log-in using the same log-in credentials that were previously created.

Q: How can I change the contact information for my companies?

A: Once a primary account has been created, you may log into the CAIDS Portal to update your user profile (“Update Profile” button in the portal) and add secondary users (“Manage Users” tab in the portal).

NOTE: You are also able to change the individual who will serve as the primary user for your company by adding in the personal information of the person that you wish to designate as the primary user in the “Update Profile” section.

Q: Is it possible to download the survey to send it to individual subject matter experts?

A: You may obtain a copy of the [2020 CAIDS survey as a fillable PDF document](#) and a fillable [Procurement Charts Excel file document](#) for the Narratives and Charts sections (respectively) from the [CAIDS Resources webpage](#).

Q: Do I have to complete the sections of the survey in order (i.e.: narrative section first and then charts)?

A: No. You may complete the survey sections in any order; however, you will not be able to submit your survey until all sections are completed.

Q: What is the survey submission deadline?

A: Due to the ongoing developments surrounding COVID-19 public health emergency that has resulted in unforeseen delays for insurance companies, California Insurance Commissioner Ricardo Lara is granting an automatic extension for all insurance companies that will be subject to the reporting requirements pursuant to California Insurance Code section 927 et seq. This will extend the original reporting due date of July 1, 2020, to the new due date of July 31, 2020. All surveys must be completed and submitted by **11:59 PM (PST) on July 31, 2020**.



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Q: What if my company is still unable to meet the automatic extension deadline?

A: We understand that the evolving developments as a result of COVID-19 have created unintended or unforeseen delays. To ensure that we can properly assist you, please send an email to CA.IDS@insurance.ca.gov with specific information regarding your company's circumstances. You **MUST** include a complete **list of companies and their corresponding NAIC numbers** as part of your communication.

Q: Can previously reported information be populated into the current year survey via the CAIDS Portal?

A: The CAIDS Portal offers you the option to choose a previous survey from your account via a drop down menu for the Supplier Diversity Narrative and the Governing Board Diversity Narrative sections only; the information in the respective narrative sections of the survey will populate in the current year's survey. This may help to streamline the process, but information should be modified or updated to reflect the most current information for the company prior to submission.

NOTE: The Procurement Charts section **does not** have an auto-populate feature.

GOVERNING BOARD DIVERSITY NARRATIVE FAQ

Q: If reporting as group, do we only need to reference the parent company's board demographics in Part 1?

A: Yes.

Q: If splitting a group into multiple groups and/or reporting individually can I report on the same board for each in Part 1?

A: No. Each individual survey (group or individual) should report out on different governing boards as appropriate to the group of companies

Q: What disclosures are insurers required to provide to board members to survey them on their board demographics?

A: Board members **MUST** be given an opportunity to participate in the survey for the purpose of collecting information as part of the survey. Additionally, insurers will need to provide to each board member, prior to, or concurrently with, the survey with mandatory disclosures that notifies the board member of all of the following:

- That the board member's decision to disclose their demographic information is voluntary,
- That no adverse action may be taken against the board member or the insurer if the board member declines to participate in the survey, and
- That the aggregate data collected for each demographic category will be reported.



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Q: If a board member declines to provide their demographics, how do I report this information on the survey?

A: A board member's decision to disclose their demographics is voluntary. If any board member(s) declines to state as part of the response collected for Question 2 (Parts B, C, or D), please note the corresponding question(s) along with the numerical value to which it applies as part of your response to the Additional Comments section (or Question 9) of the survey.

- **Example response for reporting board member who declines to state:** Company X has a total of eleven (11) board members, however, one (1) board member declines to state a response regarding his/her gender.
 - **Input for Question #2A:** Input (10) for the total number of people that serve on this Board of Directors; this numerical value of (10) corresponds with the number of board members that provided responses on their board demographics.
 - **Input for Question #9, Additional Comments:** For the 1 board member who declined to state their gender, you would note that as part of the final question on this section of the survey related to "Additional Comments" by inputting: "Question 2B, Decline to state: 1 member. Total Board members: 11." You may also provide any further explanations and/or comments in this portion of the survey.

Q: Under the GBD Narrative section of the survey, Question #1 of the survey states: "Provide the name of the company with a public, U.S.-based Board of Directors that represents the ultimate controlling parent of the insurance group." If we are not a publicly traded company, do we still need to complete this part of the survey?

A: Yes, you are still required to complete this section of the survey. **"Public" refers to the directors who are elected/appointed to jointly oversee the activities of the company**, and who are not internal employees of the company.

Q: What if our Governing Board is comprised of both employees and non-employees?

1. If the majority of the board are public (non-employees, please count them all as part of your total number of governing board members. For example, if 9 members are public and 1 member is an employee, please report on the total number of board members (10).
2. If the majority of the board members are employees, please report on the next board within your organization that meets the criteria.
3. In the event that no board within your company meets the criteria, please contact us at CA.IDS@insurance.ca.gov

Q: What if the governing board of our ultimate controlling parent is not based in the United States?

A: In this case, you would report on the next highest governing board authority for your company / group that is located within the United States and is composed of members who are elected/appointed to jointly oversee the activities of the company, and who are not internal employees of the company.



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Q: If we are reporting on non-employee member boards; how can CEO/CFO/COO be included in Question #3?

A: Some board members serve in these executive positions as well, thus these are simply options from which a company can choose. The goal of seeking a company's non-employee member boards is to avoid collecting data on boards that are served 100% by internal employees.

Q: For Question #4, does “the average number of years served by the current board...” refer to the mean or the median?

A: The mean (add all values and divide by total number of values). The CAIDS Portal is unable to accept decimal points; in this case, please round down and in Question 8, note the appropriate number for Question 4.

Q: What effective date should we use for the Governing Board?

A:

- For the report based on the 2019 financial year, companies should report on the board in place from January 1, 2019 thru December 31, 2019.
- For the report based on the 2018 financial year, companies should report on the board in place from January 1, 2018 thru December 31, 2018.

Q: Because Board demographics requests information on how members “publicly identify”, is it acceptable to include answers based on what I know of board members?

A: We strongly encourage that the most qualified person to answer the questions respond. To assist with gathering this data, please refer to the sample Governing Board Diversity Survey form template previously requested by members of the insurance industry. This convenient sample template form states the requested demographic categories and can be distributed to Board members in order to help you collect this information if desired.

SUPPLIER DIVERSITY NARRATIVE & CHARTS FAQ

Q: What is included in “Total Procurement Spend”?

A: The total dollar amount (\$) of all invoices paid out to all suppliers (diverse and non-diverse) reported by industry category. All procurement spend reported should only include procurement paid directly to the vendor.

This **includes** payments paid, including but not limited, to: body shops or other vendors whether or not in the company's preferred network, ACH payments as long as the payment is transferred directly to the vendor, and credit card and/or p-card purchases as long as the payment is made directly to the vendor.

This **excludes** payments including but not limited to: producers and/or agents and payments to policyholders/claimants.



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NOTE: Any paid invoices by suppliers that do not fall into the outlined categories should be reported as “other”. All reported procurement should include any kind of discount(s) being applied to the purchase; please report the **actual amount paid**.

Q: Are public companies considered to be non-diverse spend? E.g.: Purchases with companies such as FedEx, UPS, US Mail, Verizon, Microsoft, Amazon, Delta Airlines, etc.

A: Both public and private companies have the opportunity to be certified as a diverse supplier, if they meet the criteria. The diverse spend reported should be with diverse suppliers, regardless if the company is public or private.

Q: What if we pay a company that contracts with a supplier that is diverse? Can we count that supplier as a second tier supplier?

A: The procurement charts currently only request data on spend with a company’s primary supplier (or “tier 1” supplier). However, in the Insurer Supplier Diversity Narrative section, Question 4 of the survey, there is a question about whether a company requires or encourages its primary suppliers to *subcontract* with diverse suppliers. It is recommended that companies take this opportunity to discuss their efforts with “tier 2” diverse suppliers in response to this question.

Q: Are “classified” and “certified” businesses counted? Or only certified? Is self-certification counted?

A: Insurers have the discretion to determine which of its suppliers they consider diverse. Many insurers rely on the national certifying agencies (National Minority Supplier Diversity Council, Women’s Business Enterprise National Council, etc.) to determine which suppliers are diverse.

Q: If a company is not headquartered in California or the majority of its workforce is not based in California, would I still be required to report their procurement spend?

A: Procurement spend is reported with suppliers headquartered in California and/or if a majority of its workforce is based in California. For example, if Company X procures goods/services from businesses headquartered in Oregon, it will report spend with those businesses on the **National Chart**. The **CAIDS Instructions Guide** provides an in-depth explanation of the charts and the tables within each chart; we recommend reviewing the instructions carefully as you complete the survey.

Q: For national expenditures - should we report the expenditures made in all states in which we are licensed to write business?

A: The National Charts are aimed to include spend within all 50 states, including U.S. territories, and regardless of where an insurer writes business.

Q: Does Table B only request information for contracts signed in 2018 & 2019? Or, for example, if we have a two-year contract with a vendor signed in 2018, and we paid out in 2018 and 2019, would we report the total contract dollars in Table B?



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A: Table B requests information on contracts signed in 2018 & 2019. However, if a company has entered into a multi-year contract, the amount reported should only be the amount paid out in the chart year of report.

Q: For the national charts, should we include spend with vendors who have a corporate address in a U.S. territory, such as Puerto Rico, Guam, or the U.S. Virgin Islands?

A: Yes.

Q: What if some services paid in 2018 and/or 2019 do not meet the criteria outlined in the description of the different industry categories?

A: The categories and their descriptions are provided as a guidance tool and as such are broad in their depictions. Please use “other” for those that are unable to fit into the outlined categories.

Examples of services and their industry category:

- **Underwriting expenses** – claims services
- **Employee benefits** – report only if your company is doing business with a firm that provides services related to employee benefits - professional services
- **Sponsorships or contributions** – report only if your company is doing business with a firm that provides services related to sponsorships/contributions - professional services
- **Rating and Credit Reporting agencies** (ex. Standard & Poor’s, Experian) – professional services
- **Third party administrator** handling new business and claims processing – claim services
- **Attorney fees** directly to the law firm – legal services
- **Staffing/Temp Help** – report only if your company is doing business with a firm that provides services – human resources
- **Placement/Recruiter fees** (to place permanent employees) report only if your company is doing business with a firm that provides services – human resources

Q: Can you provide the name or names of publicly-available databases that contain supplier diversity information? I understand there are private databases, but I am interested in information about publicly-available databases.

A: Please note that CDI does not currently maintain a database of diverse suppliers at the time of this survey administration. The online databases, below, are maintained by other **California state agencies** which are accessible to the public and include some of the state's diverse suppliers.

- California Public Utilities Commission (CPUC) Supplier Diversity Program: <http://www.cpuc.ca.gov/PUC/supplierdiversity/>
 - CPUC search database for certified businesses (Disabled Veteran Business Enterprise (DVBE), LGBT Business Enterprise (LGBT), Minority Business Enterprise (MBE), Small Business Administration (8a), Women Business Enterprise (WBE), Women/Minority Business Enterprise (WMBE)): <https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp>
- Department of General Services (DGS) Business Outreach Program for Small Businesses (SB) and Disabled Veteran Business Enterprises (DVBE): <https://www.dgs.ca.gov/PD/About/Page-Content/PD->



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[Branch-Intro-Accordion-List/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise/Outreach-Program#@ViewBag.JumpTo](#)

- Search for a DVBE: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>
- Caltrans Disadvantaged Business Enterprise (DBE) Certification: <https://dot.ca.gov/programs/civil-rights/dbe-certification-information>
 - Search for a certified DBE: <https://dot.ca.gov/programs/civil-rights/dbe-search>

GENERAL FAQ

Q: Is there a portal to look up potential diverse suppliers' headquarter addresses?

A: Unfortunately, this resource does not exist at this time. One way to gather information about your company's current vendor pool is to survey them using the template letter and form that is available on the [CAIDS Resources webpage](#).

Q: What statutes provide for the authority to collect information from insurers?

A: California Insurance Code Section 927 et seq.

For additional information about Senate Bill 534 (Bradford), please refer to the Senate Bill 534 FAQ document.

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