

DEPARTMENT OF INSURANCE

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APPROVED 06/09/22

Insurance Diversity Task Force (IDTF)

1st Quarterly Task Force Meeting

March 10, 2022

10:00 am – 12:00 pm PST

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

No public comment

III. Review and Approval of Past Meeting Minutes

Motion to Approve: Fabiola Cobarrubias, M.D.

Motion Seconded: Rebecca Aguilera-Gardiner

IV. Attendee Introductions

Task Force Attendees: Mark Morales, Annalisa Barrett, Cecil Plummer, Imelda Alejandrino, Rebecca Aguilera-Gardiner, Tommy Smith, Fabiola Cobarrubias, M.D.

Public Attendees: Amber Jaekel (Tokio Marine HCC)

CDI-Insurance Diversity Initiative (IDI) Attendees: Melissa Gear (Chief Deputy Legislative Director), Karisa Yocham (Attorney) Melerie Michael (Deputy Legislative Director), Kayte Fisher (Attorney, CDI Health Equity and Access Office), Amanda Bastidas (Appointments Officer), Stesha Hodges (Chief, Health Equity and Access Office), Chandara Phanachone (Director), Uzma Rahman (Manager), Amy Ives (Diversity Analyst)

V. Department Welcome Remarks

- a. Task Force Recognition of Service

Chandara Phanachone, CDI – Thanked Blong Xiong and Milton Dellossier for their service and contributions to the Insurance Diversity Task Force. During his service on the Task Force as the first Hmong American, Blong also served as Executive Director of the Asian Business Resource Center in the Central Valley. Milton Dellossier currently serves as the Vice President of Diversity, Equity and Inclusion (DEI) for Capital Investment Group. Prior to that, Milton was VP of DEI at Disney, and also previously led DEI programs for Morgan Stanley. We are grateful for their

contributions; we will miss them both and appreciate their time of service on the Insurance Diversity Task Force.

Mark Morales, IDTF – Thanked both Milton and Blong for their efforts and service and agrees that they will be missed. He also recognizes given their departure, there are opportunities for new voices to be heard and he is looking forward to working with the new Task Force members.

VI. Policy & Legislation - Updates

a. Legislative Update

Melerie Michael, CDI – There are three bills CDI is currently monitoring that impact the Task Force.

1. [Assembly Bill 1604 \(Holden\)](#), is similar to a bill that was introduced in 2021, AB 105 (Chiu, Cooper, Holden). This appears to be a reintroduction as AB 105 was vetoed by the Governor. AB 1604 would require all state boards and commissions consisting of one or more volunteers to have at least one person from an underrepresented community. This bill has been re-referred to Public Employment and Relations Board.

2. [Assembly Bill 1733h \(Quirk\)](#), this would modify the Bagley-Keene Open Meeting Act (Act). Among other provisions, AB 1733 would require that a teleconference option be available for all public meetings. Additionally, the bill would remove existing provisions of the Act that require each teleconference location to be identified in the notice and agenda and accessible to the public. The bill would instead require the state body to provide a means by which the public may remotely hear, or hear and observe, the meeting and may remotely address the state body via two-way audio-visual platform or two-way telephonic service, as specified, and would require information to be provided in any notice to the public indicating how the public can access the meeting remotely.

3. [Assembly Bill 1795 \(Fong\)](#) Encompasses part of AB 1733 as related to the Act, but mainly allows for in person and remote participation of publicly noticed meetings. bill has also been referred to Committee with no other activity at this time.

Amanda Bastidas, CDI - Barring anything passing from AB 1733, as it stands, [Executive Order N-1-22](#) will end temporary requirements for in-person meetings. This expires on March 31, 2022, this results in physical locations to be available for public meetings. Anyone that wants to call in can do so – but Task Force members that call in will have to publicly notice the location that they are calling from on the meeting agenda, and thus make that location accessible to the public. We are monitoring this very closely as AB 1733 would make the current situation (of virtual meetings) more permanent.

Annalisa Barrett, IDTF – Does this law apply to all meeting, including Advisory Groups?

Amanda Bastidas, CDI – That is correct. It is required of any meeting in which at least 3 members of the state body is present.

Chandara Phanachone, CDI – We are ramping up preparation for how to resume to the pre-pandemic meeting participation options. This would mean that Task Force members and the public could attend from our three CDI headquarter offices – Los Angeles, Oakland, or Sacramento. We will either have a member of the Diversity team or the Department physically available at each publicly-noticed location. I'll keep everyone informed as the developments unfold.

Kayte Fisher, CDI – An attorney in CDI's Health Equity and Access Office, I wanted to share about bill [AB 2029 \(Wicks\)](#), which is sponsored by the Department and Equality California. Health

insurance in California is not required to provide coverage for infertility. AB 2029, authored by Assemblywoman Buffy Wicks, would update outdated laws by requiring health insurance and health plans to cover diagnosis and treatment for infertility services, including in vitro fertilization (IVF) treatments. Additionally, AB 2029 would replace the discriminatory definition of infertility to ensure that all people who need access to fertility and infertility services are not denied because of an outdated definition that excludes single people, same-sex, and transgender people seeking to build families.

Uzma Rahman, CDI – Wondering if the new updated definition is inclusive enough.

Kayte Fisher, CDI – Feels comfortable that it is.

Annalisa Barrett, IDTF – Thanked Kayte for sharing this information. Where is this bill in the legislative process? Also, are there other states that have addressed this issue?

Kayte Fisher, CDI – The bill has been referred to the Health Committee. They have hired an external economist to work on the economic impacts. There are some other states – New Jersey and a few other states – have a mandate to cover infertility treatments. Those mandates are still somewhat exclusive to heterosexual couples. Some states have guidance and executive orders that they are not discriminatory. As far as she knows, when it comes to tackling of the definition, California would be in the lead.

b. Senate Bill 655 (Bradford) Education Campaign

Uzma Rahman, CDI – SB 655, which was signed by the Governor in 2021, lowers the reporting threshold for insurers from previously \$100 million to currently \$75 million in California written premiums. With the passage of SB 655, California Insurance Code (CIC) Section 927 et seq. requires California admitted insurers to report on the company's supplier diversity and procurement efforts. Commencing July 1, 2022, each admitted insurer, with premiums written equal to or in excess of \$75 million in California, must report biennially on their minority-, women-, LGBT-, veteran- and disabled veteran-owned business procurement efforts from the previous two years. Additionally, insurers must report on the demographic composition of their governing boards and goals regarding board diversity. Insurers must provide each of their board members with an opportunity to participate in a survey for the purposes of collecting the demographic information and submit that information back to the Department in the aggregate.

The Diversity Team hosted two informational webinars for all California admitted insurers in January and February to educate insurers about compliance under the law in the event that their company is subject to reporting. 198 and 88 attendees, respectively, attended each webinar. The participants were very active, asking great questions related to the California Insurance Diversity Survey. They also appreciated that the Department provided this platform to offer clarity on how to comply with the law.

c. California Insurance Diversity Survey (CAIDS)

Uzma Rahman, CDI – The CAIDS is set to launch on April 11, 2022 – the date that required companies will be receiving e-mail notifications to set up their accounts to create and submit the survey. In April and May, we will be hosting two sets of live webinars (informational and technical) to provide further guidance on available resources and outline the mechanics of completing the survey. By law, insurers may request an extension to submit their surveys, so June 1 will be the deadline for when extension requests are due to the Department. By July 1, all respondent companies (without extension approvals on file) must submit their completed survey(s). All companies with approve extension on file have until July 31 to submit their survey(s) to the Department. After which, the Department will proceed with August review, validation, and analysis as scheduled. Findings are statutorily required to be published online on November 1 and then will also be available later (in greater detail) in the fall at the Summit.

Fabiola Cobarrubias, M.D., IDTF – Wanted to know if it would be possible to see the survey in advance of sending out to insurers to see what will be asked.

Uzma Rahman, CDI – Yes, we are currently finalizing the questions and having IT add them to the online insurer portal. We'll be happy to share the survey copy as soon as it's all finalized for Task Force review.

VII. Task Force Handbook & Elections

a. Procedural Overview

Chandara Phanachone, CDI – Historically, we had the Task Force members review and acknowledge updates to the Task Force Handbook around the same time of year. However, we are currently engaged in recruitment for open positions on the Task Force and would like to share the Handbook with all Task Force members at one time. Therefore, we have just updated that Travel Policy to reflect updated information and will need all Task Force members to sign the STD 261 form – the update signed “Authorization to Use Privately Owned Vehicle” form if you decide to drive to the office for meeting purposes.

b. Action: Nominations for Chair and Vice Chair

With regard to elections for Chair and Vice Chair. Ensured that everyone read the handouts regarding the elections procedures as outlined in the Task Force Handbook, and confirmed no questions from the Task Force.

Requested for verbal nominations for the role of Chair:

- Rebecca Aguilera-Gardiner nominates Mark Morales as Chair
- Mark Morales accepted nomination.
- No other nominations for role of Chair.

Requested for verbal nominations for the role of Vice Chair:

- Mark Morales nominates Rebecca Aguilera-Gardiner as Vice Chair
- Rebecca Aguilera accepted nomination
- No other nominations for Vice Chair.

Next Steps in the Elections Process:

Nominees will be asked to draft their candidacy statements that will be delivered at the 2nd Quarterly Insurance Diversity Task Force Meeting. It will be a slate as there are only 2 nominees (one nominee per position). Thanked Task Force members for their participation.

VIII. Statewide Coalition on Diversity Initiatives – Updates

a. Guest: Drisha Melton - California Public Utilities Commission (CPUC)

- CPUC Supplier Diversity
- Question & Answer
- [NOTE: Additional links to documents provided by the CPUC can be found at the end of this document.](#)

Chandara Phanachone, CDI – In June of 2020, Chandara worked with Stephanie Green from CPUC to create a statewide group of agencies who were working collectively towards diversity initiatives. That group is now known as the California Statewide Coalition for Diversity Initiatives. Today, we have Drisha Melton from the CPUC to share highlights of their supplier diversity program and the proposed addition of LGBTQ+ spend goals in their rulemaking procedures.

Drisha Melton, CPUC – Oversees Supplier Diversity Program for CPUC. Many programs that California Public Utilities Commission are responsible for include: assistance with consumer complaints, fraud scam assistance, low income assistance, as well as California Lifeline and Alternate Rates for Energy.

[General Order \(GO\) 156](#) provides the framework for the CPUC supplier diversity program. CPUC Supplier Diversity program is over 30 years old. Currently, the goals for diverse spend are 21.5%: 15% minority business enterprises (MBE), 5% women business enterprises (WBE), and 1.5% disabled veteran business enterprises (DVBE). In 2021, CPUC opened Rulemaking 21-03-010 to update GO 156.

In 2021, the total diverse spend from utilities in California was \$12.3 billion. This includes both larger companies (e.g. Edison, PG & E, Comcast, Cox, T-Mobile, Verizon, Frontier) and smaller companies. As of 2021, Community Choice Aggregators (CCAs) are also required to report per SB 255.

CPUC Diverse Spend in California – By (Diverse) Business Category:

LGBT: \$49.8 million (.13%)

WBE: \$4.1 billion (10.5%)

MBE: \$7.3 billion (18.6%)

DVBE: \$810.4 million (2.1%)

Subcontracting: \$2.3 billion (5.9%)

8(a): \$745, 834 (.02%)

Part of Drisha's responsibility (along with her counterpart Bezawit Dilgassa) is to submit an annual report to the State Legislature every September 1 on the procurement for the utilities industry.

They are currently in the middle of Proposed Rulemaking proceedings. Some of the changes that are being proposed via Senate Bill 255 (Bradford) include:

- Add reporting requirements for certain Electric Service Providers & Community Choice Aggregators to GO 156
- Encourage voluntary compliance to the program by other non-utility entities, including exempt wholesale electric generators, distributed energy resource contractors, and energy storage system companies
- Adopt target percentage procurement goal for LGBT business enterprises (LGBTBE). The OIR proposes a goal for LGBTBEs of 0.5% and increasing to 1.5% in three years (from 2022 – 2024)
- Incorporate Disabled-Owned Business Enterprises
- Require utility annual reports include data on workforce & board diversity.

CPUC encourages businesses to get certified because it's free to them. It's subsidized by the utilities. Usually they are put into the Supplier Clearinghouse within 30 days.

Annalisa Barrett, IDTF – Asked Drisha to share about the requirement to report on Board Diversity.

Drisha Melton, CPUC – Still in the rulemaking phase. The Commissioner from the CPUC who is spearheading this wants to see that the boards and workforce are representative of the supply chain. Has not passed yet, but very certain it will be in the program going forward. Edison, San Diego Gas &E, California American Water and So Cal Gas have already provided this information voluntarily. T Mobile also does a good job of identifying their workforce.

Mark Morales, IDTF – It's very exciting to see these updates.

Drisha Melton, CPUC – it has been a long process. In 2015, there was no goal. The Commission wanted to have a few years to review data. She knows that they can do better. \$830 million is a good dollar amount of spend, but knows that it can be an even bigger part of the diverse spend. When given a goal, people step up to the plate. When you do have a goal, it causes them to get serious. Complimented Vice Chair Rebecca Aguilera-Gardiner on her work keeping the DVBES front of mind with the CPUC.

Cecil Plummer, IDTF – Is there somewhere on the website where they can see the year over year?

Drisha Melton, CPUC –The [CPUC website has all the annual reports to the Legislature](#) and it's possible to look at each individual utility. There was a decent amount of increase in diverse spend in 2019, 2020 it dropped, 2021 was just a slight increase. Some years the increases were more significant than others. She gives credit to utilities that are seeking out the smaller suppliers. Think that there is always opportunity to do more.

Cecil Plummer, IDTF – Supplier.io did a report that the number of suppliers has increased, but the overall dollar amount/percentages have not really changed; it is just a of shifting the same money around.

Drisha Melton, CPUC – In 2018/2019, there was a study done of the last 30 years. In the last 2-3 years, it's been off because of COVID. It played a significant role. We are still seeing residual effects. CPUC asks them to report all procurement.

Cecil Plummer, IDTF – We expected to see the overall dollars drop, but not the spread of the money.

Chandara Phanachone, CDI - Thanked Drisha for joining the meeting and sharing about the great work that CPUC continues to do. Much of the Diversity Initiative was modeled after General Order 156.

IX. Strategic Plan – Progress Updates & Discussion

a. 2020 – 2021 Progress Report – Supplier and Board Diversity

Chandara Phanachone, CDI – Provided status update on goals from 2020 – 2021 Strategic Plan. Some major wins included the signing of SB 534 and SB 655 – both bills authored by Senator Steven Bradford and sponsored by Commissioner Lara. The Insurance Diversity Task Force was codified in statute per the enactment of SB 534. Additionally, codification of the Insurance Diversity Survey enabled us to collect data on both supplier and board diversity beginning with the 2020 CAIDS. Some other highlights included:

- Co-Founded Statewide Coalition on Diversity Initiatives with CPUC

- Board Diversity Engagement Campaign
- Hosted matchmaking events
- Developed framework for Diversity Designation
- Strengthened our national visibility and involvement on the National Association of Insurance Commissioner's (NAIC) Special Executive Committee on Race & Insurance
- Spearheaded engagement opportunities with state and national leaders including NASDAQ, California State Legislature, California Secretary of State, Alliance for Board Diversity, among others.

Fabiola Cobarrubias, M.D., IDTF - Congratulated Chandara and Diversity team, including Amy and Uzma, on all of their work. Wondering if there are changes being made in other states.

Chandara Phanachone, CDI – Yes, she is part of the Diversity Leaders Forum at the NAIC level. They are currently working on the benchmarking survey to understand the current state of diversity, equity, and inclusion initiatives among state insurance regulatory agencies. NAIC created their own DEI initiatives. All states are at different phases of DEI. One of the key things is understanding the nuances with every state. California is a leader in many respects, but other states encounter other legal and political challenges.

Mark Morales, IDTF – Wants to applaud Task Force and Department for all the work that was done. Made many strides and knows we will make more in the future.

b. New 2022 – 2023 Strategic Plan Discussion

Chandara Phanachone, CDI – Through our Advisory Group meetings, we solicited input from Task Force members on what should our priorities for the upcoming years. This plan is an ongoing collaboration. One of the key things we realize is that it will take more than aspirations. It will take us coming together and creating actions which will turn into measurable outcomes. We also know that many insurance companies have been doing this work, and we want to build in a mechanism to recognize champions in this industry who have set out and achieved their DEI goals.

Impact Pillar I - Education & Awareness

Strategic Goal #1: *Increase Awareness of Leading Practices & Impact of the Diversity Initiative and Insurance Diversity Task Force through Education and Advocacy*

Key Objectives:

- A. Objective 1A - Share Insurance Industry Best Practices in Advancing Diversity, Equity, and Inclusion in the Supply Chain & Boardroom –
 - a. Develop and/or compile educational resources to highlight leading practices & challenges related to advancing board diversity and/or supplier diversity
 - b. Connect insurers to informational resources
- B. Objective 1B - Increase Awareness of the Impact and Leading Practices of the Insurance Diversity Initiative at the State and National Level –
 - a. Continue to share leading practices & impact of the Diversity Initiative as a national model program among state and national-level organizations such as the National Association of Insurance Commissioner's (NAIC) Special Executive

Committee on Race & Insurance; Statewide Coalition for Diversity Initiatives, California State Legislature, NASDAQ, etc.

- C. Objective 1C - Develop & Execute Integrated Communications Plan – Embark on a concerted communications plan to ensure that the delivery of the information and resources will reach its intended audience.

Impact Pillar II – Community Engagement

Strategic Goal #2: *Deepen Engagement with Insurance Industry and Community Stakeholders*

Key Objectives:

- A. Objective 2A - Identify, lead, and provide access to tools that enhance collaboration and/or engagement within the insurance industry –
 - a. Develop & Implement Board Diversity Engagement Campaign – Identify and collaborate on opportunities to share resources and engage with insurance board directors, C-suite, and executives
 - b. Develop and Implement Supplier Diversity Engagement Campaign - Identify and collaborate on opportunities to share resources and engage with chief procurement officers, supplier diversity leaders, and/or functional program leaders of insurance companies
- B. Objective 2B - Collaborate with community and/or industry stakeholders on events and programs focused on advancing supplier and board diversity
 - a. Develop toolkit for Task Force members that may include talking points, slide deck, one- page fact sheet, etc. to share at events
 - b. CDI and/or task force member(s) to speak at or engage with stakeholders at mission-related community event.

Impact Pillar III – Access to Opportunities

Strategic Goal #3: *Connect Diverse Business Leaders to Opportunities Within the Insurance Industry*

Key Objectives:

- A. Objective 3A – Identify organizations that can potentially connect aspiring diverse board directors with board leadership opportunities
 - a. Direct engagement with CA insurance company boards to point them to resources from reputable sources
 - b. Partner with California state agencies and organizations to share leading practices of a diverse Task Force
- B. Objective 3B - Lead and/or collaborate on events that increase access to insurance industry procurement opportunities for diverse suppliers
 - a. Promote access to programs designed to increase local and statewide procurement with diverse suppliers (i.e. California Office of the Small Business Advocate’s Source Diverse, Source Local, Southern California Regional Alliance Marketplace for Procurement, etc.).

- C. Objective 3C - Strengthen partnership with California Coalition for Diversity Initiatives to provide access to resources and opportunities for diverse suppliers

Impact Pillar IV – Recognition & Accountability

Strategic Goal #4: Create Opportunities to Recognize Champions and Increase Transparency in the Insurance Industry

Key Objectives:

- A. Objective 4A - Refine and Launch Insurance Diversity Designation to Recognize Champion Companies
 - a. Recognize insurance companies that are making notable strides in diversity across 3 dimensions:
 - 1) board diversity, 2) supplier diversity, and 3) socially-responsible community investments.
 - b. This goal builds off of the 2021 strategic goal, and is intended to formally recognize companies that align their intensions with measurable outcomes related to diversity, equity, and inclusion.
- B. Objective 4B - Heighten Transparency on State of Diversity in California's Insurance Industry
 - a. Share Diversity Data and Statistics - Create infographics, reports, and other marketing materials that highlight California's insurance industry diversity statistics, policies, and/or key practices

Annalisa Barrett, IDTF – Thanked and commended Chandara for taking all of the information and making it understandable and digestible.

Imelda Alejandrino, IDTF – At some point, I would like to discuss about how procurement opportunities are worked out and presented to suppliers. In some of the things she's hearing, it's not consistent. Companies usually have certain vendors in mind for opportunities, so it has not changed much in the last ten years.

Uzma Rahman, CDI – What industry are you speaking of?

Imelda Alejandrino, IDTF – All the industries. No specific industry. Frustrated that things have not changed. Current practice is very selective and does not seem fair.

Chandara Phanachone, CDI – Should we add it to the agenda for the quarterly or an advisory group?

Imelda Alejandrino, IDTF – It would be nice for when we have time and interest in furthering this discussion.

Chandara Phanachone, IDTF – We are planning an Insurance Industry Supplier Diversity Forum where we could discuss more in depth. Perhaps that might be a way for us to engage and learn about current practices on this issue.

Mark Morales, IDTF – This is a good idea. Perhaps Tommy can share how it's done at Kaiser.

X. 2022 Virtual Insurance Diversity Summit

Uzma Rahman, CDI – This year’s Diversity Summit will be November 9 and 10. By that time, we will have completed analysis from the 2022 CAIDS and will be excited to share the results. We are working on the feedback from matchmaking. Our goal is to make it more conducive to allow for smaller, more in depth conversations with insurers. We are diving deeper into the theme of this year.

Rebecca Aguilera-Gardiner, IDTF – Will it be in person or virtual?

Chandara Phanachone, CDI – Given the uncertainty surrounding COVID-19 as it evolves this year, and knowing that as a state agency, we would be subject to the Governor’s Executive Orders, the Summit will be virtual, again, this year.

Mark Morales, IDTF – We have had greater attendance in the last two years with the event being virtual. While it’s nice to see and meet people in person, it’s also a good idea to keep it this way.

XI. Past/Upcoming Events/Announcements – Updates and Discussion

Cecil Plummer, IDTF – WRMSDC Construction Day will be in person on March 31 at the Overlook in Oakland

Rebecca Aguilera-Gardiner, IDTF – The Veterans in Business Network will be holding their annual event on November 14 &-15 in San Diego. This event will be held in person. First, they will have teambuilding right off the bat, then will tactical networking. We are adding a 1:1 business matchmaking as well.

Cecil Plummer, IDTF – WRMSDC just had their second cohort graduate from their [Corporate Ready](#) program. This program prepares suppliers by teaching them both national and international standards and qualification requirements of major corporations and government organizations in one place.

Imelda Alejandrino, IDTF – WBENC will be having their 25th Anniversary National Conference June 6 – 8 in Atlanta.

XII. Public Comment: public attendee open forum related to items on Agenda

There was no public comment

XIII. Closing Remarks and/or Future Agenda Items

Mark Morales, IDTF – Thanked everyone for their time and contributions to this meeting.

XIV. Adjournment

Motion to adjourn meeting: Rebecca Aguilera-Gardiner

Motion seconded: Cecil Plummer

Links to Documents Provided by CPUC

- [CPUC Supplier Diversity Program](#)
- [2019 Report to the Legislature – Provides a five year assessment of GO 156 procurement.](#)
- [GO 156 Procurement Reports and Plans](#)
- [CPUC's Utility Supplier Diversity Reports to the Legislature](#)
- [CPUC Supplier Diversity Presentation to Insurance Diversity Task Force \(03/2022\)](#)