

DEPARTMENT OF INSURANCE

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**CDI INSURANCE DIVERSITY TASK FORCE (IDTF)
1st QUARTERLY MEETING MINUTES**

**Thursday, March 22, 2018
10:00 a.m. – 12:00 p.m. PST
California Department of Insurance
300 Capitol Mall, Sacramento, CA 95814**

I. Welcome – Task Force Vice Chair Danielle Beavers

- A. Task Force Roll Call – CDI staff, Rebecca Ball.**
- i. Quorum Met. Task Force Present:**
- (Located in Sacramento) Danielle Beavers, Scott Diener, Salvador Peinado, Jr., Melanie Shelby, and Scott Syphax;
 - (Located in Los Angeles) Beverly Cole, Dawn Marchand, Mark Morales, Cecil Plummer, and Randolph Sinnott;
 - (Located in San Francisco) Imelda Alejandrino;
 - (Via Phone) Linda Akutagawa, Robin Billups, and Pat Fong Kushida.
- B. 4th Quarterly Minutes – Scott Diener moved to approve the minutes. Melanie Shelby seconded the motion. With 12 Ayes, 0 Nays, 0 Abstentions, the Minutes were approved.**

II. Insurance Diversity Initiative**A. Commissioner Dave Jones**

- i. Danielle Beavers, IDTF Vice Chair – Welcomed gathered attendees. Thanked Commissioner Dave Jones for his leadership and thanked CDI staff for stepping up and getting us closer to goal.**
- ii. Commissioner Dave Jones, CDI – Thanked IDTF members and he is equally pleased with their guidance and leadership. Welcomed and delighted to have on board the new Insurance Diversity Initiative (IDI or Initiative) Director – Chandara Phanachone. There's much progress to date and more to go. Commissioner Jones has worked with other states' commissioners for partnerships on Insurance Supplier Diversity (ISD) & and Governing Board Diversity (GBD) in a challenging insurance industry.**

IDTF certificates presented by CDI management in all three locations: Commissioner Jones in Los Angeles; Director Phanachone in Sacramento; and Deputy Commissioner Schnoll in San Francisco.

New Appointments

- Beverly Cole, IDTF (presented by Commissioner Jones)
- Cecil Plummer, IDTF (presented by Commissioner Jones)
- Dawn Marchand, IDTF (presented by Commissioner Jones)
- Imelda Alejandrino, IDTF (presented by Deputy Commissioner Schnoll)
- Scott Diener, IDTF (presented by Director Phanachone)

Reappointments

- Linda Akutagawa, IDTF (via phone)
- Salvador Peinado, Jr., IDTF (presented by Director Phanachone)

- Danielle Beavers, IDTF (presented by Director Phanachone)

Resigning IDTF Members and Recognition of Service

- Scott Syphax, (presented by Director Phanachone)
- Craig Holden, (via phone)
- Janice Brown, (via phone)
- Robin Billups, (via phone)
- Cathy Schwamberger, (via phone)

Commissioner Jones thanked Scott Syphax, Linda Akutagawa, and Sal Peinado for their leadership in heading up the planning for the Governing Board Diversity (GBD) Summit that transpired [on March 02, 2018], and the success of executives' peer-to-peer communication about the business case for governing board diversity and cited McKinsey & Company's Reports and data sets on [Diversity Matters](#) and [Delivering through Diversity](#).

II. Insurance Diversity Initiative

- A. Danielle Beavers, IDTF Vice Chair** – Called and moved the meeting to order. Scott Diener first to the motion. Melanie Shelby seconded the motion.
- B. Guest Introductions** – Anthony Belcher, CEO WestTech Environmental (Sac); Alexander Salazar, Social Media Coordinator for AP42 Inc. (SF); Dwight Ku, Assistant General Counsel CSAA (Phone); Siew Yee Lee, Minority Business Development Agency (MBDA) (Phone); Byron Tucker, Deputy Commissioner CDI (LA); Nancy Kincade, Press Secretary CDI (LA); Peter Streit, Investment Officer COIN CDI (LA); Gail Willis, LA Unified School District (LA).

III. Task Force Member Updates

A. Announcements & Past or Upcoming Events

- i. Pat Fong Kushida, IDTF** – 2017 Diverse Business Enterprises (DBE) Conference held in Los Angeles, CA was focused on connecting DBEs with procurement opportunities with prime contractors, utility companies, and government agencies had 300+ attendees & 20+ exhibitors occurred on November 14th hosted by the California Asian Chamber of Commerce.
- ii. Pat Fong Kushida, IDTF** – 4th Annual California Policy Summit held in El Segundo, CA was focused on immigration and climate policies occurred on November 30th hosted by the California Asian Chamber of Commerce.
- iii. Chandara Phanachone, CDI** – Western Business Alliance's (WBA) LGBT Economic Summit & Conference 2018 held in San Francisco, CA was focused on LGBT economic equality hosted by the Golden Gate Business Alliance had 700+ attendees, including 22 national LGBT chambers of commerce. Commissioner Jones gave a speech about IDI during the Power Lunch segment of the event, underscoring his commitment to expanding economic and social opportunities for the LGBT business enterprise community.
- iv. Mark Morales, IDTF** – Western Business Alliance's WBA LGBT Economic Summit & Conference 2019 will be held in Los Angeles hosted by the Los Angeles Gay & Lesbian Chamber of Commerce.
- v. Chandara Phanachone, CDI** – Hispanic National Bar Association's 9th Annual Corporate Counsel Conference was held in San Francisco, CA where Commissioner Jones delivered the Plenary Keynote on diversity spend in the legal professional services and also addressing the humanitarian & economic conditions of Puerto Rico (PR).
- vi. Chandara Phanachone, CDI** – California Department of General Services' Small Business Advisory Council (SBAC) 1st Quarter Meeting held in West Sacramento, CA occurred on March 14th. Commissioner Jones presented information regarding the Insurance Diversity Initiative.
- vii. Chandara Phanachone, CDI** – 2018 Gender Equity Challenge Forum will be held in San Francisco, CA where CDI – Insurance Diversity Initiative will be one of nine honorees on April 18th hosted by the Gender Equality Principles Initiative. Our Initiative will be honored based on our commitment to expanding gender equity as evidenced by the work we have done in collecting and disseminating the data we have obtained from our Insurance Diversity Surveys and MIDS.
 - 1. Amorette Yang, CDI** – We are especially fortunate to be honored because our team had to undergo a rigorous application and review process that began earlier this year.

- viii. Danielle Beavers, IDTF Vice Chair – Greenlining’s Economic Summit will be held on May 24th in Oakland, CA where the focus is on justice rising. We will have notable social justice figures such as Delores Huerta as guests.
- ix. Cecil Plummer, IDTF – The Western Regional Minority Supplier Diversity Council’s Back in Black - Black Tie Awards & Fundraiser Gala will be held in San Ramon, CA on May 18th.
- x. Mark Morales, IDTF – The National LGBT Chamber of Commerce’s 2018 NGLCC International Business & Leadership Conference will be held in Philadelphia, PA on August 14th-17th.
- xi. Dawn Marchand, IDTF – The State Compensation Insurance Fund’s 4th Annual Supplier Diversity Summit will be held in Vacaville, CA on April 11th.
- xii. Amorette Yang, CDI – The Women’s Business Enterprise National Council’s (WBENC) National Conference & Business Fair will be held in Detroit, MI on June 19th-21st.

B. Updates

i. Request for Expertise Update:

1. Chandara Phanachone, CDI – The Initiative is in the process of finalizing the Request for Expertise (RFE) to conduct research that examines supplier diversity in the insurance industry based on an in-depth analysis of data, trends & patterns using the Multistate Insurance Diversity Survey (MIDS) data results that CDI has received to date.
2. Amorette Yang, CDI – Goal of the RFE is to produce a robust report using 5 years of data as part of the analysis, getting into the details including the trends in national spend on women business enterprises and the zero spend on LGBT business enterprise in Oregon, for example, by using academic researchers. We hope to have the final analysis ready in time for the distribution during the Summit in October 2018.
3. Durriya Syed, CDI – Ideally, the final analysis will produce some type of performance metric to help us better understand the MIDS data.
4. IDTF Beverly Cole – I would like to share the RFE report with key institutional investors.

ii. Multistate Insurance Diversity Survey (MIDS) 2018

1. Amorette Yang, CDI – MIDS 2018 will launch shortly in partnership with the jurisdictions of New York, Oregon, Washington, Washington D.C., and California. The Governing Board Diversity (GBD) survey will be conducted this year as part of MIDS 2018. The GBD Summit held earlier this month gave us a refresh call to action after the robust discussion with Commissioner Jones and the attending CEOs and Board Members. Letters will be sent to insurers meeting the prerequisite threshold to report.
2. Danielle Beavers, IDTF Vice Chair – How can IDTF contribute and assist in helping [in reaching out to the insurers that may be reluctant to respond to MIDS]?
3. Melanie Shelby, IDTF – Can Commissioner Jones send a letter to the CEO to invite [their company] to participate?
 - a. Amorette Yang, CDI – The letter being sent in April will have all of the respective partner states as signatories and will be sent to all insurers that have collected \$100M in premiums [per annum] in California, or that have collected \$300M in premiums [per annum] nationally, and are licensed in one of the partner states – those are our prerequisite threshold reporting criteria.
4. Beverly Cole, IDTF – Boardroom Bound 2020 has a second person effective with facilitating introductions, such as Peter Kenny, Vice President at JPM Asset Management in New York, NY. Kenny made it his personal mandate to reach out to financial institutions, and was effective at getting minority representation on board [for the financial industry].
5. Cecile Plummer, IDTF – Have we acknowledged or incentivized insurers who are leaders in supplier or governing board diversity?
 - a. Amorette Yang, CDI – During our annual summit, we host an awards ceremony to recognize leaders in the industry (based on the MIDS data we receive). In the past, such industry leaders have included CSAA Insurance Group and Kaiser Permanente.

iii. Cecile Plummer, IDTF – How can we help companies start supplier diversity programs? Perhaps we can incentivize [desired] behavior by emphasizing greater returns on investment (ROI), and highlighting the benefits such as a better understanding of a company’s customer base.

1. Mark Morales, IDTF – As an executive, you never want to report zeros across the board, especially in regards to supplier diversity. That, alone, should incentivize companies to

come to the Annual Diversity Summit. Perhaps a session on how to initiative supplier diversity programs.

- iv. Danielle Beavers, IDTF Vice Chair – During 2014, GBD data gathered by the Greenlining Institute had from those responses received saw that 50% companies had zero reporting.
- v. Imelda Alejandrino, IDTF – What is their incentives?
- vi. Cecile Plummer, IDTF – Helping four major companies in starting supplier diversity programs, finding benefits found in tax codes and other legislative items. Working with the Hackett Group to strive for programs incentivizing employees and increase the companies' consumer base perception.
- vii. Beverly Cole, IDTF – Disney's program had business case on guests attending parks with charts to show their participation in the magic quadrants.
- viii. Imelda Alejandrino, IDTF – Earnings value versus community value.
- ix. Mark Morales, IDTF – Without the requirements in place many companies wouldn't have any participation, and those companies initially didn't know what to do.
- x. Salvador Peinado, Jr., IDTF – I like the ideas, legislative mandates, innovation on ISD and ISD growth and on to ISD & inclusion of employees too.
- xi. Scott Diener, IDTF – At Norcal Group with \$300M in premiums, we believe in diversity, only 2 of 10 on our board of directors are white/straight/men. Majority of our ISD are in legal professional services such as attorneys, actuaries, and accountants.
- xii. Danielle Beavers, IDTF Vice Chair – Moving on to subcommittees.
- xiii. **IDTF Advisory Groups**
 - 1. Amorette Yang, CDI – Since we have four quarterly IDTF meetings in a year, it'll be helpful to have subcommittees meeting more frequently, which we will be referring to as advisory groups. This is an opportunity for us to dig further the mission of the Initiative and further discuss the issues and possible ideas.
 - 2. Chandara Phanachone, CDI – Two specific subcommittees, or advisory groups, will be formed by those with the subject matter expertise and/or interest: one on ISD and one on GBD where the IDTF Chair appoints the advisory group chairs and staff support provided by CDI. These issues are near & dear to Commissioner Jones and we can only move forward from here.
 - 3. GBD Advisory Group Volunteers – Scott Diener, Salvador Peinado, Jr., Danielle Beavers, Randolph Sinnott, Imelda Alejandrino, and Beverly Cole.
 - 4. ISD Advisory Group Volunteers – Salvador Peinado, Jr., Danielle Beavers, Dawn Marchand, Mark Morales, Cecil Plummer, Beverly Cole, and Pat Fong Kushida.
 - 5. Mark Morales, IDTF – A clearinghouse for procurement among utilities is a success from the CPUC General Order 156. In Los Angeles, a similar clearinghouse is being developed to benefit the LA 2028 Summer Olympics. And, perhaps it would benefit insurance companies and diverse suppliers to register and utilize this tool, as well.
- xiv. Danielle Beavers, IDTF Vice Chair – Annual Insurance Diversity Summit 2018
- xv. **Annual Insurance Diversity Summit 2018**
 - 1. Rebecca Ball, CDI – The 2017 Diversity Summit was the largest event, and survey respondents most commonly stated it was well organized, however, parking was the biggest challenge. From participants as they registered for the summit stated they were most looking forward to business matchmaking followed by the next most looking forward to the resource expo. This year's summit will be held in Los Angeles at The California Endowment on Monday, October 1st. Summit planning committee will start with monthly meetings and more frequently as we get closer to the summit. An email will go to the IDTF, responses of those interested should be address to Rebecca Ball.
 - 2. Amorette Yang, CDI – Currently ideas around themes are shaping the panels and we look forward to IDTF members' own experiences as we prepare webinars prior to the summit. Also, assistance in sponsorships is appreciated since state funds may not be used for food and beverages.
 - 3. Chandara Phanachone, CDI – We're being strategic in our sponsorship outreach this year. Please take a look at the Sponsorship flyer that we have included; sponsorship packets will be coming soon.
 - a. Melanie Shelby, IDTF – TF member Melinda Guzman has tirelessly worked on sponsorships in the past.
 - 4. Mark Morales, IDTF – IDTF and their represented organizations are still unable to sponsor the summit.
 - 5. Scott Diener, IDTF – What is this year's sponsorship needs?

6. Amorette Yang, CDI – Sponsorship on average is estimated at \$8,000-\$10,000 and estimated \$30,000 for other components of the Summit.
- xvi. Danielle Beavers, IDTF Vice Chair – Moving on to the GBD Summit Recap
- xvii. **Governing Board Diversity Summit Update**
 1. Salvador Peinado, Jr., IDTF – Background: C-Suite Level participation for the previous Annual Diversity Summit were low, so Melinda Guzman initiated discussion with IDTF on how to increase participation. Salvador Peinado, Jr. approached CSAA Director who was onboard and had early conversations with [CDI Deputy Commissioner] Amorette Yang and Commissioner Jones with Linda Akutagawa to spearhead. The GBD Summit occurred on March 02, 2018 in San Francisco where a select group of CEOs and C-suite level guests convened to discuss the challenges and opportunities with achieving diversity at the governing board level. The GBD Summit was facilitated according to Chatham House Rules, which encouraged greater participation from C-Suite Level attendees. Vivian Hunt of McKinsey & Company traveled from London to present key findings from McKinsey’s newly published report (as of January 2018), namely Delivering through Diversity, which made a huge impression on attendees.

VI. Public Comment

A. Attendee Open-Forum – Diversity Related Updates

- i. Anthony Belcher, Westech –Just because insurers conduct outreach, doesn’t mean it nets results. They must provide detail of their programs.
- ii. Imelda Alejandrino, IDTF – At WBENC, I am Vice President of the Global Services Team. I can tell you that what motivates small businesses is business opportunities. As such, we need to educate and create pathways to help businesses engage with insurance companies. We can begin by learning to understand that purpose for engaging supplier diversity by examining different programs. Before WBENC could gain a global understanding of corporations, such as women business enterprise procurement processes, those corporations had to crawl before walking and then walk before they were running towards progress of increased diversity suppliers. Corporate goals and mission statements should reflect this.
- iii. Rebecca Ball, CDI - Reminder that IDTF Chair and Vice Chair nominations will take place through electronic voting process (per IDTF suggestions) leading up to next IDTF Meeting on June 7, 2018.

VII. Next Steps and Adjourn

A. Contact us: diversity@insurance.ca.gov

B. Next Meeting: 2nd Quarterly Meeting, Thursday, June 7, 2018

- i. Danielle Beavers – Moved to adjourn.
- ii. Sal Peinado, Jr. – 2nd the motion.