



CALIFORNIA DEPARTMENT OF INSURANCE
2015 INSURER SUPPLIER DIVERSITY SURVEY

Report Type: **Group**

Group / NAIC Code:

1278

Group / Company Name: **CSAA Insurance Exchange**

Our company / group enters into contracts to procure goods or services in California.

1. Does your company / group have a supplier diversity policy statement?

YES

A supplier diversity policy statement is any language that refers to the company's / group's policies in regards to supplier diversity, with the goal of procuring goods and services from diverse businesses

If yes, provide the supplier diversity policy statement below:

MissionTo identify certified minority, women, disabled service veteran and gay and lesbian-owned suppliers, who share the same values as our own, and provide them with opportunities to effectively compete for business at CSAA Insurance Group (CSAA IG). CharterThe Supplier Diversity Program is an integral component of CSAA IG's Corporate Diversity Strategy. It embraces several of our corporate values, including; we are caring, we have humility, we have the courage to do the right thing, and we are diverse and inclusive.CSAA IG recognizes the positive contribution a diverse supplier base can make to its business performance, customers, and the communities in which we work, live and serve. By creating opportunities for a broad supplier base that includes minority-owned, women-owned, disabled service veteran and gay and lesbian-owned businesses, CSAA IG is able to leverage powerful competitive dynamics to deliver products and services at the best value for our policyholders. In addition to diversity, CSAA IG is in the process of adding Corporate Social Responsibility and Environmental Sustainability as factors to be considered when awarding contracts to suppliers who compete to provide products and services in support of our mission.

- Provide a list of all documents in which the statement can be found (i.e. website, co. / group report, board charter, etc.):

Strategic Sourcing Practices Guide

- If the state is available online, provide link here:

http://csaa-insurance.aaa.com/content/aaa-ie/b2c/en/primary-nav/company-overview/corporate-responsibility1/supplier_diversity.html

If no, but will be creating one within the next 12 months, provide a timeline for when your co. / group expects the policy statement to be completed and any other details available at this time (i.e. policy language, policy creation team, etc.):

N/A

If no, please explain why:

N/A

2. Does your company / group have a supplier diversity program?

YES

A supplier diversity program is any formal plan and / or structure that has been setup specifically for the company / group to implement its supplier diversity policy statements.

If yes, provide an overview of the program:

Our supplier diversity program consists of six components: Policy Development and Documentation: Supplier diversity procedures outline the sourcing specialists' responsibilities to ensure diverse suppliers are sought out and presented with procurement opportunities. In addition, we have developed a subcontracting policy to encourage our prime suppliers to expand their current efforts in supplier diversity or take the necessary steps to build a supplier diversity program of their own. In 2015, selected prime suppliers will be required to report their certified diverse spend with their subcontractors quarterly. Strategic Sourcing and Supply Chain Management Steps to develop strategies for increasing spend with WMDVBEs may include the following:

- Review existing WMDVBEs and assess potential future business
- Review suppliers whose certifications have expired to determine if certifications can be renewed
- Contact uncertified suppliers identified in the selection process to determine if they are willing to become certified

Establishing an "opportunity list" is vital to identifying current and future procurement opportunities and may consist of the following steps:

- Sourcing Specialist reviews upcoming opportunities, which include expiring contracts and planned sourcing events, and build a list of opportunities for WMDVBE suppliers
- Sourcing Specialists will work internally to establish key company requirements for these anticipated events and contracts
- Create a rolling list at least two years out and updated quarterly
- Make list available to CSAA IG employees who attend events sponsored by WMDVBE advocacy organizations.

Reporting and Goal Setting For reporting purposes we consider WMDVBEs to be valid if they possess a current certifications from National Minority Supplier Development Council (NMSDC) and/or Women's Business Enterprise National Council (WBENC). Disabled Veteran Business Enterprises (DVBE) are acceptable if certified by the California Department of Governmental Services (DGS). Other certifications are accepted on a case by case basis. Our short term goal is 8% diversity spend for 2015 and 10% for 2016. Our long term supplier diversity goal is 15% diversity spend by 2020. Program Measurement, Monitoring and Refinement We will measure our progress with the following:

- Total WMDVBE spend in dollars and % for the period broken out by MBE, WBE, DVBE and GLTBE spend
- Previous period results for comparison
- Actual WMDVBE % compared to company-wide goal
- Same break down for each line of business

Training and Education We are developing a training program with a consistent diversity message. The training will focus on helping CSAA IG employees develop an appreciation of why supplier diversity is important; why supplier diversity is a critical business strategy; what supplier diversity is and is not; how supplier diversity impacts their roles, responsibilities and daily decision-making; and ways to effectively use readily available supplier diversity tools and resources. Training will also include different mediums such as web-based, department staff meetings, brown bag lunches, etc. which can be employed. Outreach and Communications Our outreach strategy consists of internal and external efforts. Internal components:

- Identifying upcoming RFP's and RFI's and conduct research to identify potential list of qualified diverse suppliers
- Identifying and targeting specific commodities with a large concentration of diverse suppliers
- Conduct supplier searches in the WRMSDC, WBEC-West and Supplier Clearinghouse databases

External Components

- Participate in DOI sponsored events.
- Join and participate in the Western Regional Minority Supplier Development Council (WRMSDC), Disabled Veteran Business Alliance (DVBA) and Women's Business Enterprise Council –West (WBEC-WEST) organizations
- Attend targeted trade fairs and conferences with specific and anticipated procurement opportunities and metrics.
- Host supplier diversity symposiums at CSAA IG and invite diverse suppliers to meet with internal stakeholders.

Internal Communications Publish stories internally regarding our supplier diversity outreach efforts. External communications We will communicate externally to share information regarding the growth of our supplier diversity initiative. Information may include:

- Supplier diversity vision, mission and charter statement
- Stories of our use of diverse suppliers

If no, but will be creating one within the next 12 months, provide a timeline for when your company / group expects the program to begin and any other details available at this time (i.e. program plan, program director, etc.):

N/A

If no, please explain why:

N/A

3. Does your company / group conduct outreach specifically to diverse businesses? **YES**

If yes, respond to parts a, b, c, d, and e below.

a. Share all company / group outreach and communication strategies and practices that are conducted specifically to diverse businesses. Specify what outreach is conducted specifically to California diverse businesses:

CSAA Insurance Exchange is a member of the Disabled Veterans Business Alliance (DVBA), Western Regional Minority Supplier Development Council (WRMSDC) and Women's Business Enterprise Council-West (WBEC-West). Our participation with the organizations is the main avenue we pursue to conduct outreach and communicate with diverse suppliers. We are Co-Chair of the DVBA's Corporate Advisory Board and we're a sponsor of their annual Keeping the Promise Business Expo. We're currently working with the WRMSDC on identifying and communicating to our diverse suppliers in our claims supplier database.

b. Share any outreach and communication strategies and practices about supplier diversity conducted internally to company / group employees:

We communicate internally with our employees about our supplier diversity program strategies and practices and look for opportunities where employees will be able to access to learn more about our supplier diversity program. Furthermore, we are working with various business units to identify procurement opportunities for WMDVBEs. The Recruiters Event we held on June 3rd, 2015 is a direct result of internal outreach.

c. Check below all outreach and communication practices in which your company / group engages:

EVENT – seminars, meet-and-greets, summits, etc.

- Host matchmaking
- Host supplier diversity events
- Internal Awards Program
- Participate in matchmaking
- Participate in supplier diversity events
- Sponsor matchmaking
- Sponsor supplier diversity events

Share the name of an event you attended / hosted that has best guided and / or influenced growth of your Supplier Diversity efforts:

Hosting our inaugural supplier diversity symposium set the stage for hosting additional events at our corporate headquarters. We plan on hosting similar events, focusing on staffing services and the other marketing.

MEDIA – advertising, announcements, interviews, webinars, etc.

- Traditional media (newspaper, television commercial, etc.)
- Ethnic media outlets
- Social media; please specify: **LinkedIn, we posted all supplier diversity awards and recognitions.**
- Trade publications

Share the name of a media group or outlet that has best guided and / or influenced growth of your Supplier Diversity efforts:

ORGANIZATIONS – membership, affiliation, sponsorship, etc.

- Member of a certification agency

- Member of ethnic chamber of commerce
- Member/affiliate of other organization, please specify:

Disabled Veteran Business Alliance

Share the name of an organization that has best guided and / or influenced growth of your Supplier Diversity efforts:

Western Regional Minority Supplier Development Council

PROGRAMS – mentorship, training, locator, etc.

- Diverse supplier registration portal
- Manage and run a supplier diversity mentorship program (in-house)
- Participate in a supplier diversity mentorship program
- Subscriber to a supplier locator program (or 3rd party service that identifies diverse suppliers)
- Operate a website dedicated to a Supplier Diversity Program

http://csaa-insurance.aaa.com/content/aaa-ie/b2c/en/primary-nav/company-overview/corporate-responsibility1/supplier_diversity.html

- Technical assistance / training program for diverse suppliers

Share the name of a program that has best guided and / or influenced growth of your Supplier Diversity efforts:

Hosting targeted supplier engagement sessions.

- d. Explain how, and to what extent, these strategies and practices have been successful in establishing relationships with diverse businesses:

Targeted supplier engagement sessions differ from matchmaking in that the latter seeks to qualify a diverse supplier in order to set-up a meet and greet with sourcing personnel. Our targeted supplier engagements are focused on a specific need and we invite

4. Does your co. / group require and/or encourage its primary suppliers to subcontract with diverse businesses? **YES**

If yes:

- a. Do you track procurement spend with Tier 2 diverse suppliers? **YES**

b. Please explain:

We successfully piloted our Tier 2 subcontracting reporting policy. On July 1, 2015, we rolled out our Tier 2 subcontracting reporting requirement to our top 30 suppliers, which applies to both non-diverse and diverse suppliers. It is important to CSAA In

5. Does your co. / group set internal targets or goals in regards to its supplier diversity statement and / or program? **YES**

If yes, please explain:

CSAA Insurance Exchange has established both short term and long term spend targets. At this time we have not established supplier diversity goals for the various business units or spend categories.

6. Describe in detail any updates, progress, and / or best practices established by your company / group in the two years since the 2013 Insurer Supplier Diversity Survey was administered; include any awards or recognition received for Supplier Diversity work:

CSAA Insurance Exchange has made great strides in developing its supplier diversity program. We've incorporated supplier diversity in our procurement practices. Reflecting our progress in supplier diversity, in 2014, we received the DOI's Supplier Diversity Champion's award. We were selected as Co-Chair of the DVBA's Corporate Advisory Board and we were appointed by Commissioner Jones to serve on the Insurance Diversity Task Force.

7. Additional Comments:

At this time we are not able to identify national spend and hence did not fill out the national spend charts.

8. Points of contact for the company's / group's supplier diversity operations for diverse business enterprises:

PRIMARY CONTACT

Contact Name: **Salvador Peinado, Jr.**
 Title: **Sr. Supplier Diversity and Innovation Advisor**
 Phone Number: **925-279-5667**
 Email Address: **Salvador.Peinado@csaa.com**
 Mailing Address **3055 Oak Road MS 370 Walnut Creek, CA 94597**

SECONDARY CONTACT

Contact Name: **Kevin Moore**
 Title: **Interim Chief Sourcing Executive**
 Phone Number: **925-279-5777**
 Email Address: **Kevin.Moore@csaa.com**
 Mailing Address **3055 Oak Road MS 370 Walnut Creek, CA 94597**

GENERAL CONTACT

Contact Name: **[Redacted]**
 Title: **Supplier Diversity**
 Phone Number: **1-877-744-6174**
 Email Address: **Supplier.Diversity@csaa.com**
 Mailing Address **3055 Oak Rd MS 370 Walnut Creek, CA 94597**

LIST OF COMPANIES INCLUDED IN THIS REPORT

Company Name	Company NAIC Number
CSAA Insurance Exchange	15539
CSAA General Insurance Company	37770
CSAA Fire & Casualty Insurance Company	10921
CSAA Affinity Insurance Company	11681
CSAA Mid-Atlantic Insurance Company	10675
CSAA Mid-Atlantic Insurance Company of New Jersey	42960
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

