

WELCOME TO THE

# 2020 STATE OF BOARD DIVERSITY IN CALIFORNIA'S INSURANCE INDUSTRY

RESULTS FROM THE 2020 CALIFORNIA INSURANCE DIVERSITY SURVEY

CALIFORNIA DEPARTMENT OF INSURANCE  
INSURANCE DIVERSITY INITIATIVE  
PRESENTED AT THE 2020 VIRTUAL INSURANCE DIVERSITY SUMMIT

2020 VIRTUAL  
INSURANCE  
DIVERSITY  
SUMMIT

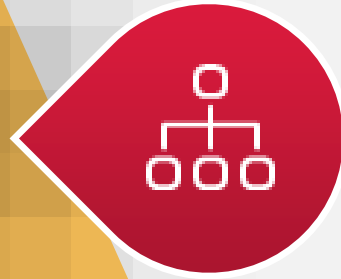
# 2020 VIRTUAL INSURANCE DIVERSITY SUMMIT

## BEFORE WE BEGIN

Thank you for joining us. There will be a Q & A segment at the conclusion. Special Thanks to our planning & production team. We hope you enjoy the presentation.

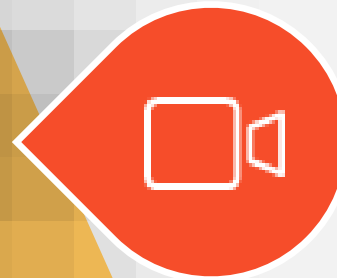
### PRINCIPLES OF COMMUNITY

Please be respectful and professional.  
Any comments and/or users deemed inappropriate will be removed.



### RECORDING

Audio, video, and chat will be monitored and recorded for record-keeping, training and quality-assurance



### MINIMAL DISTRACTIONS

By default, all participants will be muted and video turned off to minimize distractions.



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# MEET YOUR HOSTS



**CHANDARA K. PHANACHONE**

Director

Insurance Diversity Initiative  
California Department of Insurance



**UZMA RAHMAN**

Manager

Insurance Diversity Initiative  
California Department of Insurance



**LINDA AKUTAGAWA**

Insurance Diversity Task Force Member

Chair – Alliance for Board Diversity  
President & CEO – Leadership Education for  
Asian Pacifics

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# ABOUT THE SURVEY

2019

260

RESPONDENT COMPANIES

1,341

BOARD SEATS

2020

\$100 MILLION CALIFORNIA PREMIUM THRESHOLD

California Insurance Code Section 927 et seq.

≡+

≡+



CAIDS  
CALIFORNIA  
INSURANCE DIVERSITY SURVEY

2018

250

RESPONDENT COMPANIES

1,227

BOARD SEATS

2020 CAIDS – STATE OF BOARD DIVERSITY

# A CLOSER LOOK



## BOARD DEMOGRAPHICS

- **GENDER**
- **ETHNICITY**
- **OTHER DIVERSE CATEGORIES**



## ORGANIZATIONAL PRACTICES

- **TERM LIMITS**
- **BOARD DIVERSITY GOALS**
- **OUTREACH EFFORTS**
- **DIVERSE EXECUTIVE SEARCH**



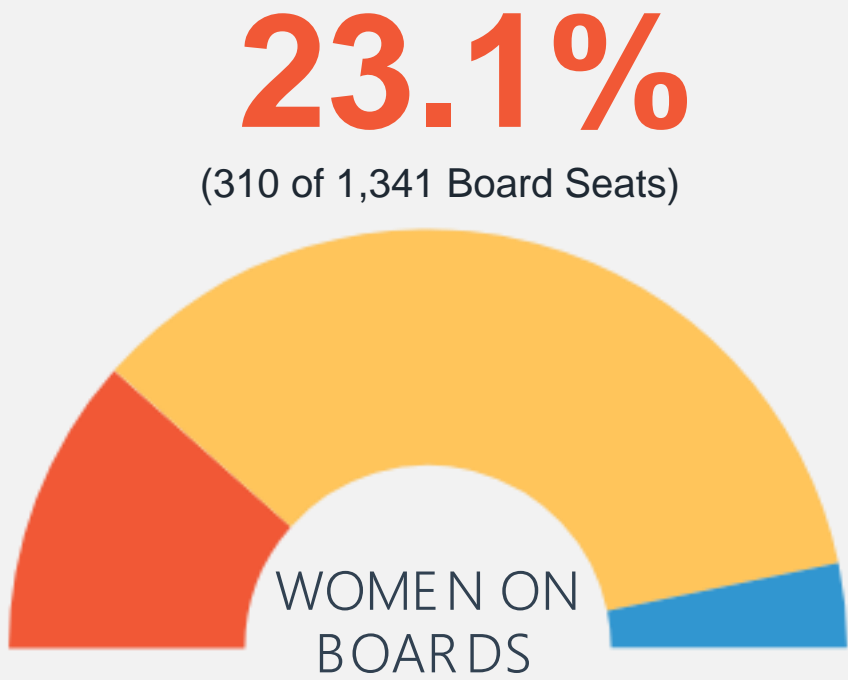
## TRENDS & KEY FINDINGS

- **STRIVING FOR A CRITICAL MASS**
- **LOOKING AHEAD**

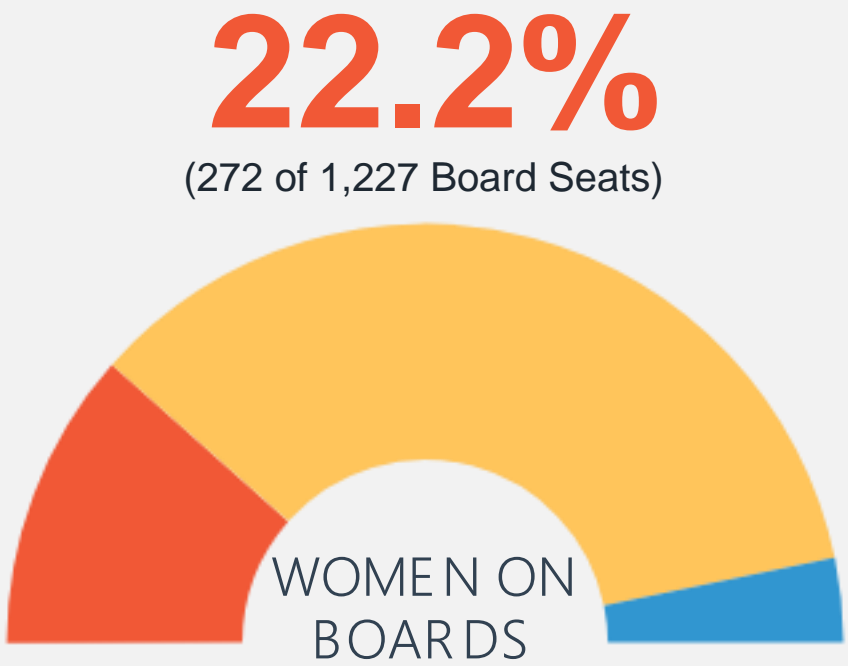
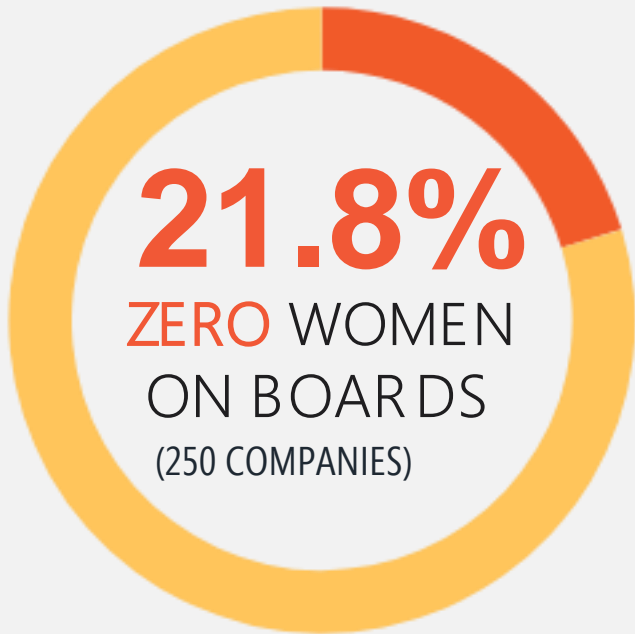
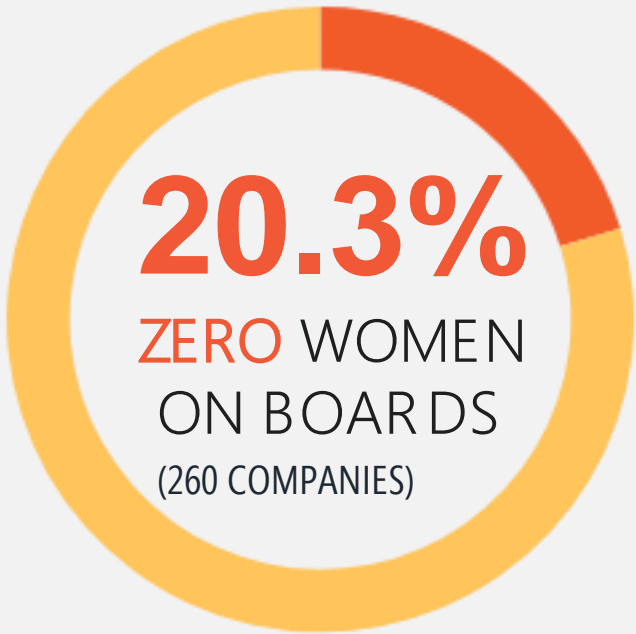
# GENDER DIVERSITY – 2020 CAIDS RESPONDENTS

2019

2018



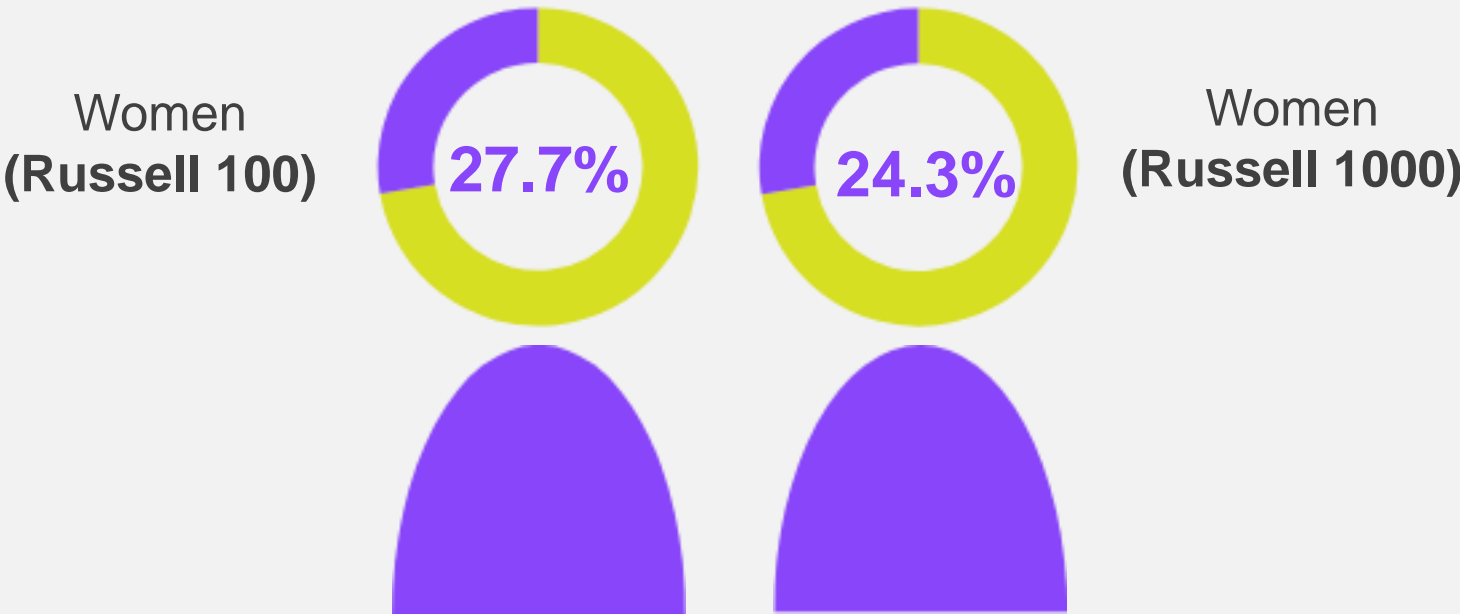
23.1% Women  
70.4% Men  
6.5% Decline to State



22.2% Women  
70.7% Men  
7.2% Decline to State

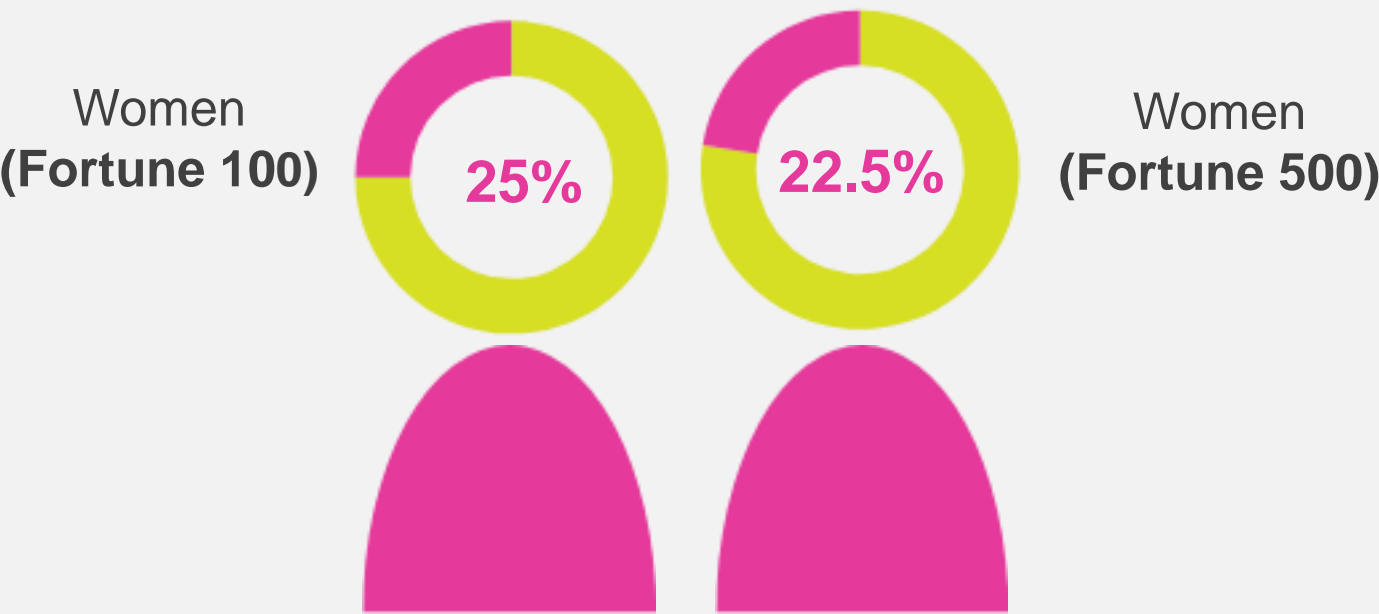
# GENDER DIVERSITY – ACROSS the COUNTRY

2019



Source: 2020 Women on Boards Gender Diversity Index (2019)

2018



Source: 2018 Missing Pieces Report – Alliance for Board Diversity & Deloitte

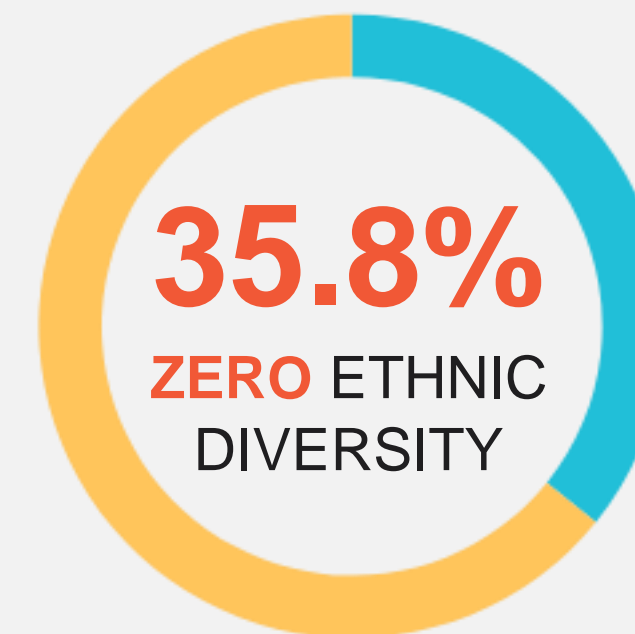


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# ETHNIC DIVERSITY – 2020 CAIDS RESPONDENTS

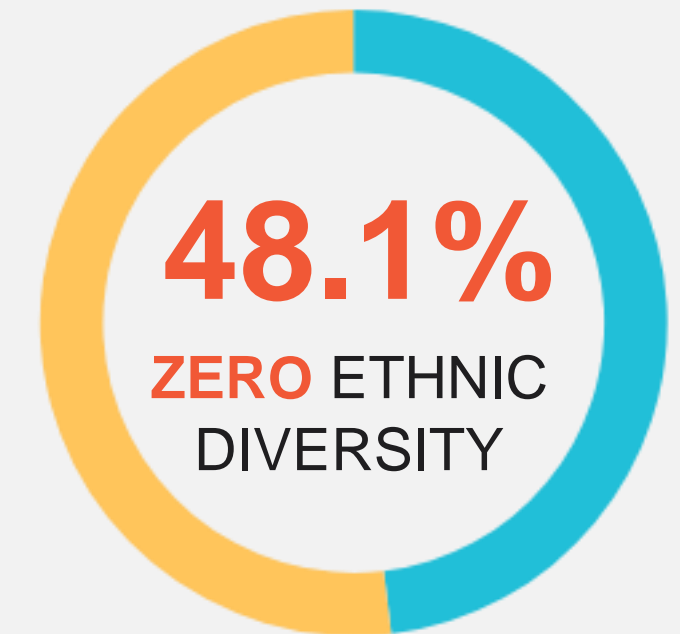
Representation among ethnically diverse board members continues to remain a challenge within the insurance industry, and is not reflective of the U.S. population. In 2018 and 2019, among the boards of respondent insurance companies, 48.1% and 35.8%, respectively, reported zero ethnic diversity.

ETHNICITY	2019 CAIDS	2019 U.S. Population	2018 CAIDS
African American	6.5%	13.4%	6.4%
Asian/Pacific Islander	4.4%	6.1%	4.6%
Hispanic/Latino	3.4%	18.5%	3.2%
Multi-Ethnic	0.8%	2.8%	0.7%
Caucasian	79.1%	60.1%	79.6%
American Indian	0%	1.3%	0%
Other	5.7%	N/A	5.4%



(Among Boards of  
260 Companies)

2019



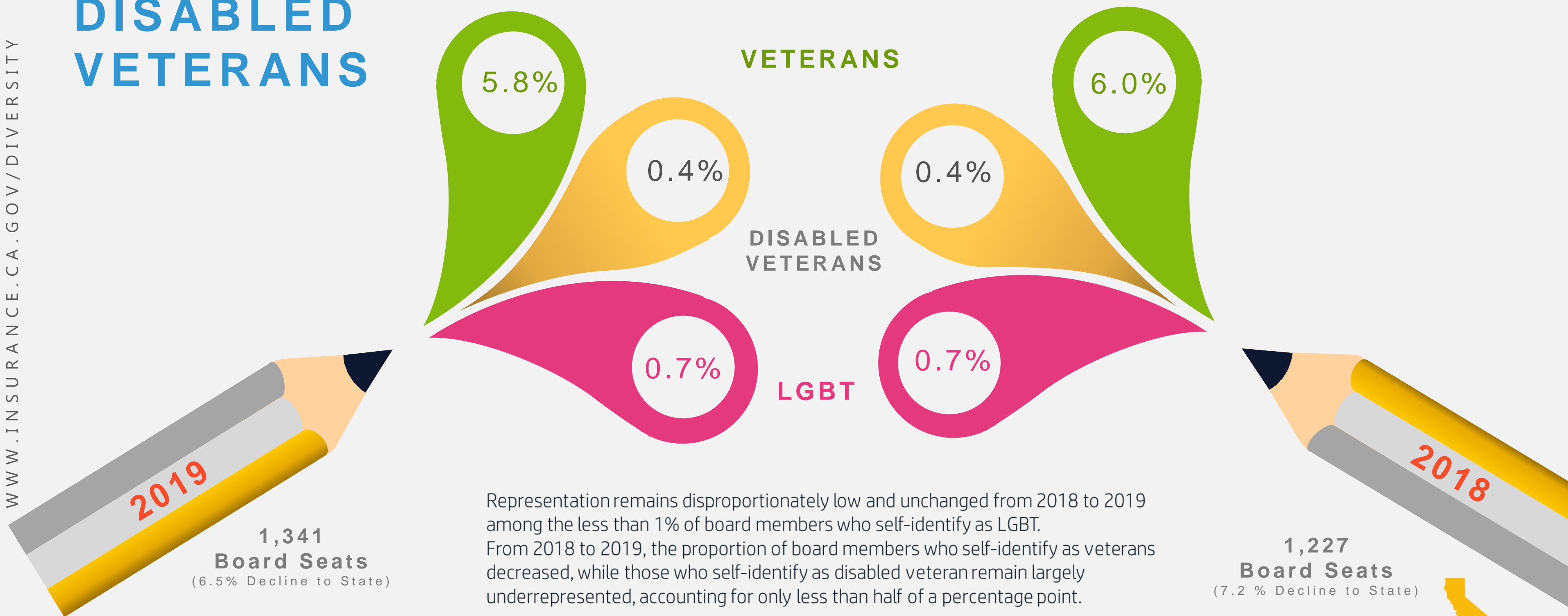
(Among Boards of  
250 Companies)

2018



2020 CAIDS

# LGBT, VETERANS & DISABLED VETERANS



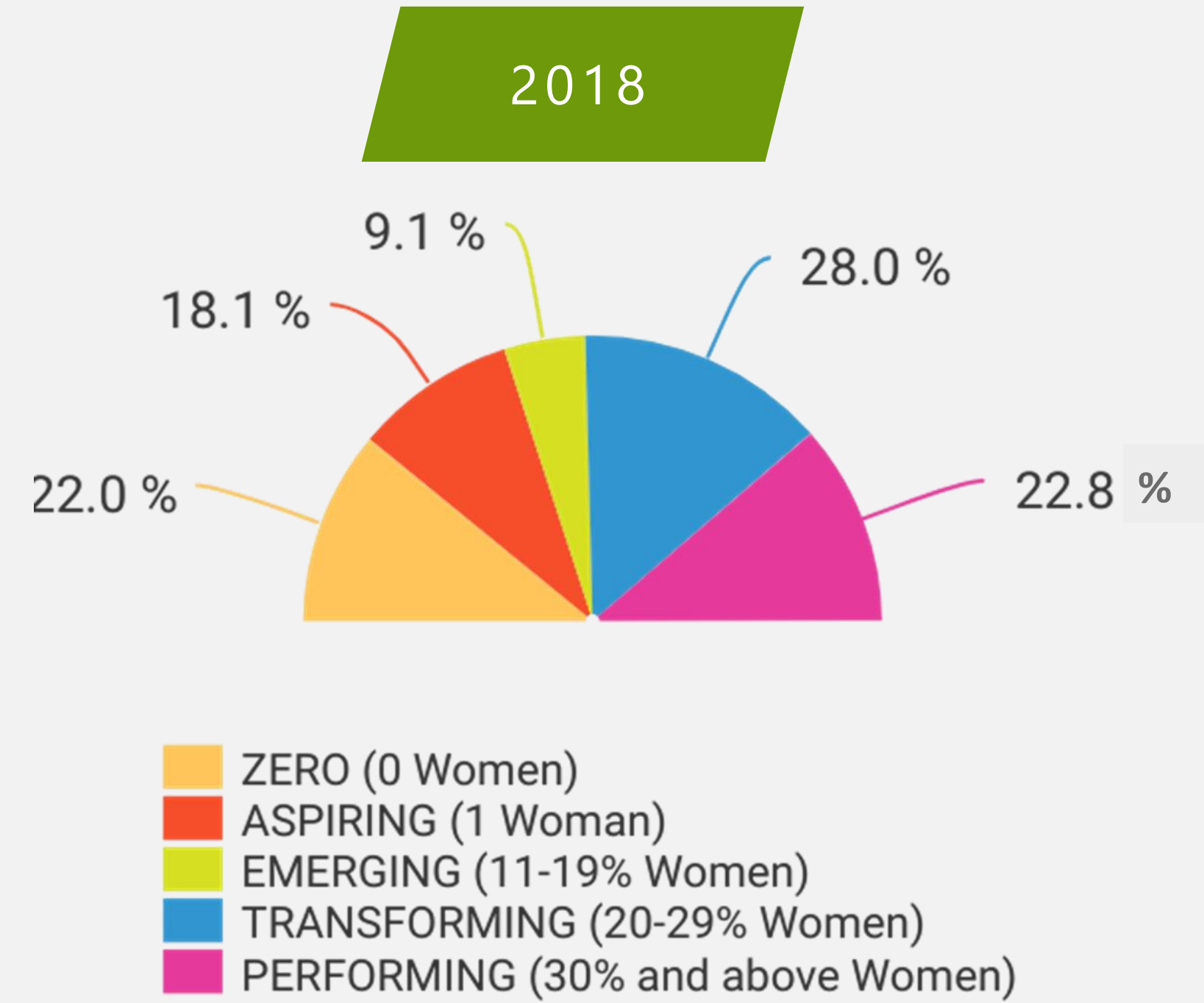
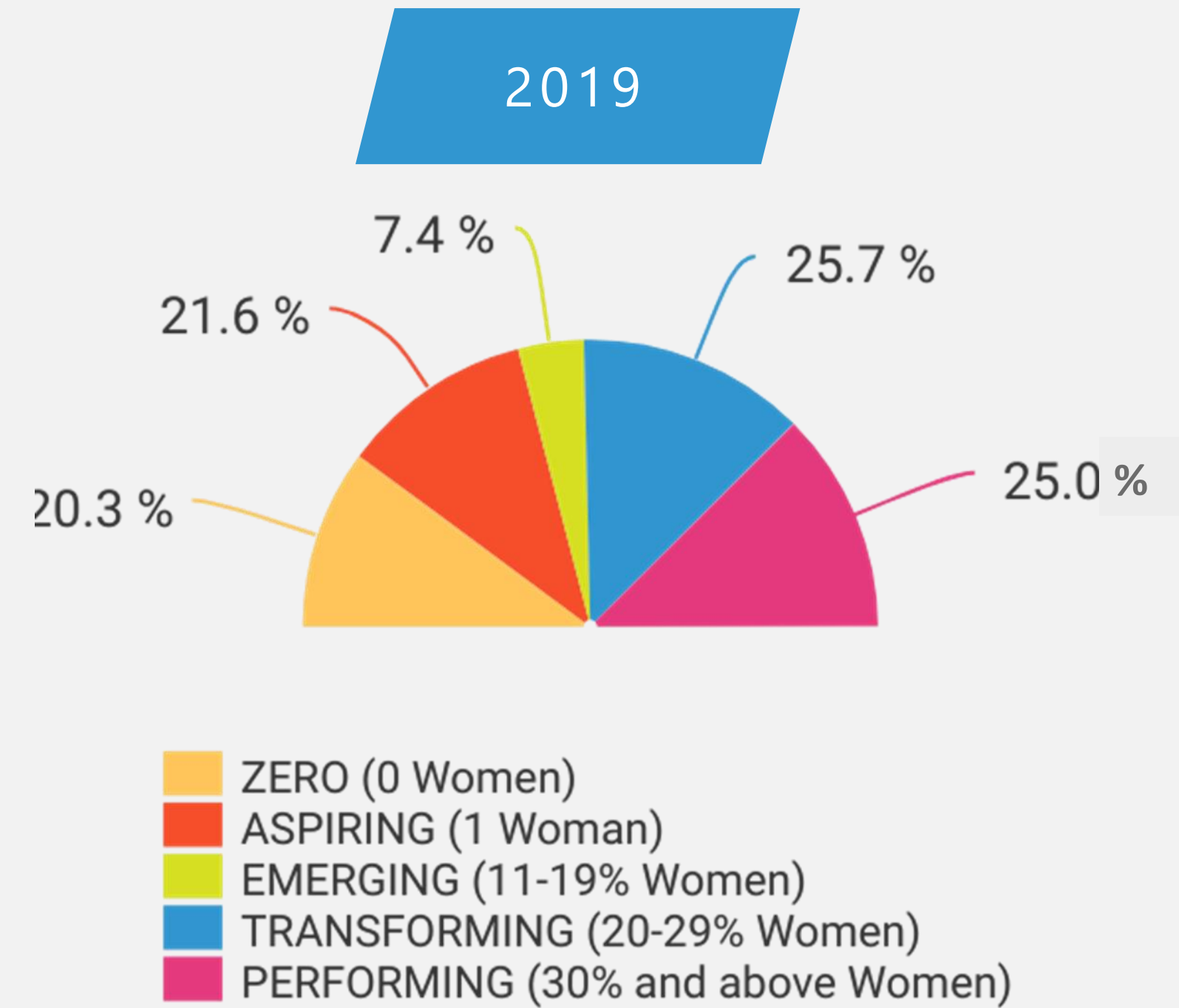
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# STRIVING for a CRITICAL MASS



# STRIVING for a CRITICAL MASS

In 2019, our analysis indicates that 25% of the boards of those companies met or exceeded the 30% critical mass threshold -- indicating the level at which women can be an influential body within the boardroom. The majority of PERFORMING companies have at least 3 women on their boards.



2020 CAIDS

# KEY ORGANIZATIONAL PRACTICES

## % of Boards without Term Limits



## % of Boards with Goals to Advance Board Diversity



## % of Board with Diversity Outreach Efforts



## % of Boards that Retain Diverse Search Firm

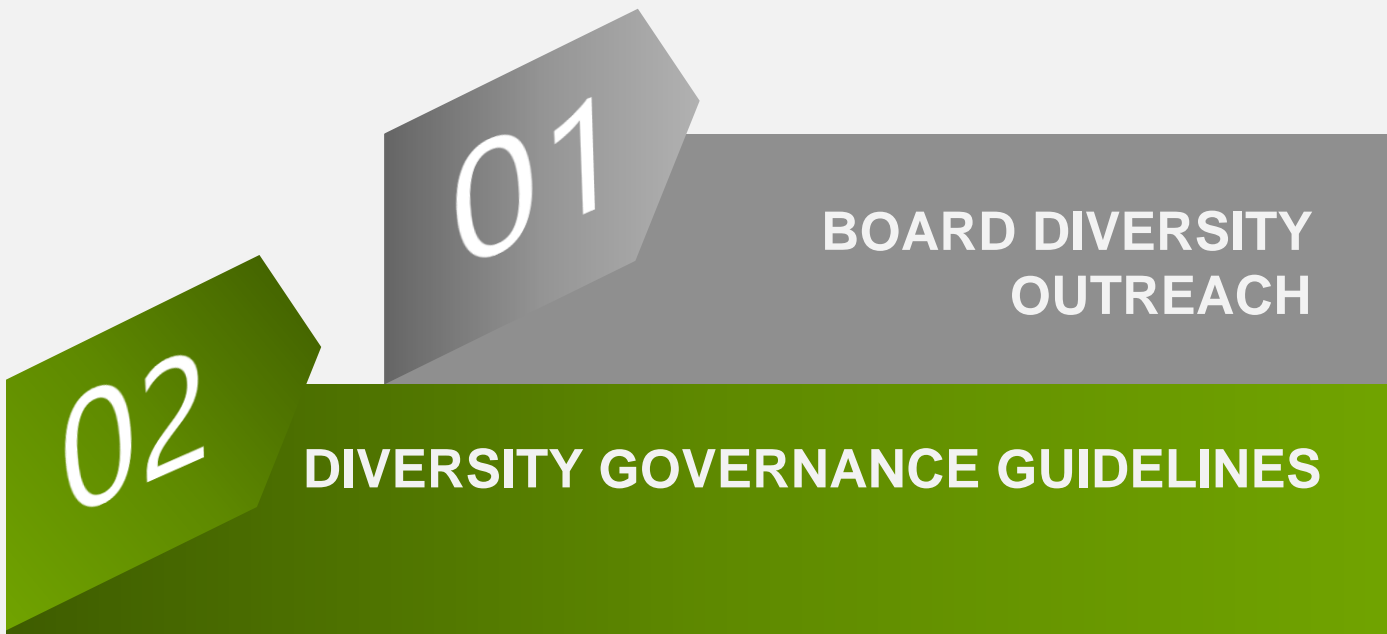


# KEY FINDINGS



In 2018 and 2019, on average, insurance companies with diverse outreach efforts had **~10% more gender diversity** on the board.

# KEY FINDINGS



On average, companies in 2019 with diverse governance guidelines or policy statements had **6.7% more ethnic diversity on the board.**

## LOOKING AHEAD

In the COVID-19 crisis, diversity and inclusion matter more than ever...

McKinsey & Company

## Diversity Wins: How Inclusion Matters

May 2020

“There is ample evidence that diverse and inclusive companies are more likely to make better, bolder decisions—a critical capability in the crisis.

The business case for inclusion and diversity (I&D) is stronger than ever. For diverse companies, the likelihood of outperforming industry peers on profitability has increased over time, while the penalties are getting steeper for those lacking diversity.”



# CONTACT US



## IN APP

### SEND US A NOTE IN THE APP

Messages to “Event Organizer” for a Quick Response

## EMAIL

### SEND US AN EMAIL

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## ADDRESS

### WRITE TO US

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Sacramento, CA 95814