



# 2016 MULTISTATE INSURANCE DIVERSITY SURVEY

*State of California · District of Columbia · State of Minnesota  
State of New York · State of Oregon · State of Washington*

The complete set of [instructions](#) for the entire survey process for MIDS are available within the MIDS portal and on the [MIDS resource page](#).

## FREQUENTLY ASKED QUESTIONS

### GENERAL

**NOTE:** Many questions surrounding individual questions can be answered in the instructions also available on our webpage and within the portal. If you are unable to find an answer to your question, please email [mids.ca@insurance.ca.gov](mailto:mids.ca@insurance.ca.gov) for the California MIDS Team to review your individual issue.

#### **Q: What is the authority for this MIDS data call?**

A: As with any multistate survey, information is gathered and shared among the participating states. Surveys like MIDS and others done at the National Association of Insurance Commissioners (NAIC) level – for example, the Insurer Climate Risk Disclosure Survey – rely on the authority of each participating state to collect the data in a format which can be readily and easily understood. For this survey, the partner states have determined that the MIDS Portal is the most efficient format both for companies submitting their data and for the partner states reviewing it. Below, with the exception of the District of Columbia (which will apply the partner states' statutory authority as applicable, and will communicate directly with its nine licensed companies expected to report in response to MIDS), we have included each partner state's specific and/or general authority to require insurers to respond to the survey:

- **California:** CIC Sections 730 and 12924 (a). As the lead partner state, it is important to note that in California, the Commissioner has broad powers to examine an insurer's business and affairs whenever he deems necessary on any subject touching insurance business or in aid of his duties. (CIC Sections 730 and 12924 (a)). This includes the authority to request national and state-specific data on procurement and governing boards.
- **Minnesota**
  - Minnesota Statutes Chapter 45. Department of Commerce; General Powers (Specifically, Minn. Stat. section 45.027, subd. 1a.).
  - Minnesota Statutes Chapter 60A. General Insurance Powers (Specifically, Minn. Stat. section 60A.03).
- **New York:** New York Insurance Law Section 308 and 2404; New York Financial Services Law Sections 301.
- **Oregon:** Oregon Law Chapter 731.296.
- **Washington:** RCW 48.02.060(3)c.

#### **Q: Why are the national charts mandatory?**

A: Because in the United States insurers employ a holding company system to operate their insurance organizations, it is appropriate to review an insurance company's nationwide conduct.

***Q: How does California reconcile the MIDS survey (national, due 9/1 annually) with the California-specific AB 53 survey required under California Insurance Code 927 (California-only, due 7/1 in odd-numbered years)?***

A: In an effort to streamline the reporting burden for insurance companies, and specifically in order to mitigate the possibility that many states might launch similar surveys with different deadlines and reporting burdens, the California State Insurance Commissioner has specifically instructed that submission of the MIDS survey by the due date of 9/1 annually will fulfill the reporting requirements set forth in California Insurance Code (CIC) Section 927.2.

***Q: What is the penalty for failure to respond?***

A: Failure to respond as required under California Insurance Code Section 12924(a) may be enforced as provided in the California Code of Civil Procedure. Further authority requiring compliance may be found in CIC Sections 700(c), 730 and 12926.

***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 survey that is available on the [MIDS resource page](#).

***Q: Will MIDS be administered annually?***

A: Yes.

***Q: Do we still need to complete a separate Insurer Supplier Diversity (ISD) Survey and a Governing Board Diversity (GBD) Survey for the California Department of Insurance in addition to MIDS?***

A: MIDS includes reporting on procurement with diverse suppliers and diversity of company governing board, with reporting required by all companies that meet the threshold to report. No separate ISD and/or GBD surveys will be issued from the California Department of Insurance at this time.

***Q: How will the surveys be released publically?***

A: Similar to how it's been done in years past, all information collected from the surveys will be available for viewing on the California Department of Insurance's public website. Once results are ready to be released, the URL will be shared with everyone.

***Q: If reporting as a group, does the filing include only the companies named on the Respondents list or all companies within the group?***

A: If reporting as a group, the group's filing may include:

- Only companies that are *required* to report within the group (see [2016 MIDS Respondents](#)).
- All companies within the group – this includes any *optional* companies that did not meet the requirements to report.

***NOTE:*** *it is understood that some groups may need to file multiple group reports under the same group code due to varied procurement practices for specific sets of managed companies. The portal allows for users to select the companies that will comprise each group report, so as to allow for one group to file multiple group reports.*

***Q: Are group insurers expected to complete one survey for each state (six total), or is one survey response sufficient?***

A: Groups only need to file ONE report per group. Filing from the group must include all three sections of the survey completed in their entirety (GBD, ISD Narrative, & ISD Charts).

***Q: Is this survey required for surplus lines carriers?***

A: Yes.

***Q: Is there a deadline to request an extension for submission of the survey? (Maximum 30-days)***

A: Extensions must be requested and approved at least 24-hours prior to the September 1 deadline. Please include a list of companies with NAIC numbers for which you are requesting the extension.

**Q: How can I gain access to information and resource documents covered in the bi-weekly technical webinars?**

A: All resources are available on our webpage: [www.insurance.ca.gov/diversity/12-MIDS](http://www.insurance.ca.gov/diversity/12-MIDS)

**Q: Are we required to begin tracking the information included in the MIDS?**

A: As with past surveys in California, the partner states understand that not all companies have developed tracking mechanisms. While there is no requirement, it is strongly suggested that companies consider implementing a tracking system as MIDS is an annual survey.

**Q: Do we have to sign an affidavit with our survey submission?**

A: Yes. The affidavit is created once you click “submit”. Please see page 9 of the MIDS 2016 Instructions available on our webpage. Please sign the affidavit with the name of the person that your company designates to sign; be sure if you are signing someone else’s name they know that their name is being used.

## TECHNICAL

**Q: If we have two companies on the list and want to submit as a group, which unique link do we use to create an account?**

A: You may use any of the unique links sent to any of the individual companies within the group to create an account.

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

A: Contact [MIDS.CA@insurance.ca.gov](mailto:MIDS.CA@insurance.ca.gov).

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

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

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 you’d like to designate as the primary user in the “Update Profile” section.

**Q: If I’m listed as a primary or secondary user, will I receive all communications regarding MIDS?**

A: Yes.

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

A: If you’d like an HTML copy, yes. If you’d like fillable Word and Excel documents for the Narratives and Charts (respectively), contact [MIDS.CA@insurance.ca.gov](mailto:MIDS.CA@insurance.ca.gov).

**Q: Does the final submission need to be done by the primary account user or can a secondary user submit?**

A: Any authorized user may submit a survey. A primary user is able to submit surveys for all companies they are designated as the primary user for. A secondary user is only able to submit surveys for companies they are directly assigned to by the primary user.

**Q: Do I have to complete the survey parts in order (1 – 3)?**

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

**Q: Where can we put comments to explain variances?**

A: Question 8 in Part 1: Governing Board Diversity and Question 9 in Part 2: Supplier Diversity both offer “additional comment” sections.

**Q: Can two users be in the portal at one time?**

A: Yes, more than one user can be in the portal at the same time; however, it is strongly recommended that the multiple users be working on different sections of the survey as to not cause issues with saving data.

## PART 1: GOVERNING BOARD DIVERSITY

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

A: Yes.

**Q: The first question in Part 1 of the survey states: "Provide the name of the company with the public, U.S.-based Board of Directors that represents the ultimate controlling party 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 that is mixed employee with non-employees?**

1. If the majority of the board are public (non-employees, please count them all in your numbers). 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 [mids.ca@insurance.ca.gov](mailto:mids.ca@insurance.ca.gov)

**Q: What if our highest governing board authority 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.

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

A: California learned from its 2014 Governing Board Diversity Survey that some board members serve in these positions as well, thus these are simply options from which a company can choose. The goal of seeking a company's non-employee members boards is to avoid collecting data on boards that are served 100% by internal employees.

**Q: Is "the average number of years served by the current board..." in question 4 the mean or the median?**

A: The mean (add all values and divide by number of values). The 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: Companies should report on the board in place as of December 31, 2015.

**Q: We surveyed board members with little response; since these items are what they "publicly identify" as, is it acceptable to include answers based on what I know of board members?**

A: We strongly encourage that the data submitted is what each board member identifies as, and in turn we strongly discourage any guesses / assumptions based on a board members' appearance.

## PARTS 2 & 3: INSURER SUPPLIER DIVERSITY NARRATIVE + CHARTS

**Q: Is reporting for suppliers located in the 6 partner states required separately for each state or combined for all 6 states?**

A: Each company / group reports procurement data for each of the 6 states on separate charts within the portal.

In sum, there are 7 identical charts; each to report procurement information for each of the following:

1. **CHART 1:** National – this chart is inclusive of spend within the United States of America (*including spend from all six partner states*)
2. **CHART 2:** California
3. **CHART 3:** Washington, D.C. (*listed as 'District of Columbia' on the Charts Navigation page*)
4. **CHART 4:** Minnesota
5. **CHART 5:** New York
6. **CHART 6:** Oregon
7. **CHART 7:** Washington

**NOTE:** *each chart requires reporting for a different state, with the exception of the national chart which requires reporting for procurement in the United States.*

**Q: Can a company choose not to complete the national section and just complete the applicable state charts?**

A: No. All seven charts must be completed for this section of the survey to be considered complete.

**Q: Can a company choose to only complete information for California?**

A: No. All seven charts must be completed for this section of the survey to be considered complete.

**Q: Why are the national charts mandatory?**

A: Because in the United States insurers employ a holding company system to operate their insurance organizations, it is appropriate to review an insurance company's nationwide conduct.

**Q: If a company is licensed to do business in only one of the participating states, why does it need to complete charts for the other states?**

A: The licensing stipulation only applies for threshold purposes. If a company is licensed in at least one of the six partner states, it is required to report procurement for all six partner states and the United States on the seven charts found within the MIDS portal. Spend is reported with businesses headquartered in each state. For example, if Company X procures goods/services from businesses headquartered in Oregon, it will report spend with those businesses on the Oregon Chart. The instructions provide an in-depth explanation of the charts and the tables within each chart; read and review the instructions carefully as you complete the survey.

**Q: Are we reporting spend for calendar year 2015 only?**

A: Yes.

**Q: Are expenses paid by the parent company that are not charged to the company that is completing the survey reportable? For example real estate, telecom and other expenses that are paid by the parent company and not the company that is required to complete the survey.**

A: Unless you are filing a group report, you will have to report all spend as it pertains directly to your individual company. For example, real estate, telecom, and other expenses paid by the parent company would not be included in the charts you are submitting as an individual company.

**Q: What is the definition of "goods or services?"**

A: The goods and services for which we are collecting procurement data can be found on the [charts sample](#). These industry categories have been vetted by the insurance industry as the goods and services procured most often by the industry. You may find the definition for each category [here](#).

***Q: Can dollars spent with suppliers (like body shops) chosen by claimants or policyholders be included in total procurement spend?***

A: Total procurement spend should include all money paid out DIRECTLY to diverse business vendors only. Do not include money paid out to policy holders/claimants (customers) to pay vendors.

***Q: If we do not have any "diverse" procurement in a state, but we have "non-diverse" procurement, are we still required to complete a chart?***

A: Yes, you must still complete Table 1 – Total Procurement as your company / group has procurement within the state. The chart would reflect \$0 spend with diverse businesses but would include the company's total procurement overall (diverse + non-diverse spend).

***Q: If our supplier diversity policy statement is in the process of being finalized, can we submit our survey stating "yes"?***

A: If the supplier diversity policy statement is not finalized, and you are able to share it, yes, you may choose yes and make a note that this is a draft and not finalized. If the supplier diversity statement is not finalized and cannot be shared, you must submit your survey with "no – but creating on in the next 12 months".

***Q: Are producers and/or agents excluded?***

A: Yes.

***Q: Do we include payments to federal or state government department? (i.e. IRS, Department of Insurance, Post Office, et al.)***

A: The Multistate Insurance Diversity Survey is to capture insurance company procurement practices. Per the glossary available on our webpage, the definition of procurement is: –“the act of acquiring / buying goods, services or works from an external source, often via a tendering or bid process.”

If you procured from these entities based on the above definition and made the payments directly to these entities, it should be counted.

***Q: Do I round up or down to record only whole numbers on the charts?***

A: If the decimal is less than or equal to .50, round down. If the decimal is greater than or equal to .51, round up.

***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 requests data on spend with a company's primary supplier (or "tier 1" supplier). However, in Part 2, Question 6 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: Should vendor spend be reported based on where the vendor is headquartered? By way of example, if we have operations in Texas but buy goods from a company based in Minnesota, would we then would report the spend on both the National and Minnesota charts?***

A: Yes, vendor spend should be reported based on where the vendor is headquartered. Your example is exactly right, the National charts will include all spend a company / group has in the entire country, which would include all spend listed in the partner states' charts as well.

***Q: If we purchase goods or services from the California offices of an Arizona headquartered business, would we include that in our California spend?***

A: No. Only companies headquartered in California count toward California spend; Oregon headquartered businesses for Oregon, etc. A supplier that is headquartered in Arizona would be included in the spend reported on the National charts.

***Q: For national expenditures - do we report only the expenditures made in the participating states or all states in which we are licensed to write business?***

A: The National charts should include spend within all 50 states, including spend in both the partner states and non-partner states, and regardless of where an insurer writes business.

**Q: Are public companies considered to be non-diverse spend? 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: For Table B, is it just for contracts signed in 2015? Or, for example, if we have a two-year contract with a vendor signed in 2014, and we paid out in 2014 and 2015, would we report the total contract dollars in Table B?**

A: Table B requests information on contracts signed in 2015. However, if a company has entered into a multi-year contract, the amount reported should only be the amount paid out in the year 2015.

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

A: Companies have the ability to determine which of its suppliers they consider diverse. However, please note that most 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: For the national charts, do we include spend with vendors who have a corporate address in a US territory? Puerto Rico? Guam? US Virgin Islands?**

A: Yes.

**Q: In previous communications you have stated that you are aware that all suppliers may not respond to the requested information. However, we do track that data and would like to include the spend; can we include those amounts even if not confirmed by the supplier?**

A: Yes. The charts can be inclusive of information gathered from your suppliers and information your company has tracked/collected via its internal systems.

**Q: Do we count procurement made with a credit card?**

A: No. Procurement should only be counted if the invoice was paid directly to the vendor.

**Q: What if my services 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 you 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
- Reporting agencies (ex. Standard & Poor’s) – 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: Do we report on ACH (automatic no invoiced) payments?**

A: Yes, as long as the payment is being paid directly to the vendor.

**Q: If we hire a defense attorney to represent a policyholder, is this considered to be legal services?**

A: Yes.

**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 maintain a database of diverse suppliers. The online databases below are maintained by other **CA state agencies** that are accessible to the public and include some of the state's diverse suppliers. **Other states may or may not have similar programs.**

- A complete overview of the CPUC Supplier Diversity resources can be found here:  
<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>
- DGS DVBE: <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>
  - Search database for DVBE: <http://www.bidsync.com/DPXBisCASB>
- DBE Certification: [http://www.dot.ca.gov/hq/bep/business\\_forms.htm](http://www.dot.ca.gov/hq/bep/business_forms.htm)
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