



INSURANCE DIVERSITY INITIATIVE: PROGRAM OVERVIEW + FACT SHEET

EXECUTIVE SUMMARY

The Insurance Diversity Initiative (IDI) was established by Insurance Commissioner Dave Jones in 2011 to increase procurement from diverse suppliers and increase governing board diversity in California's \$288 billion insurance industry. Since inception, procurement from diverse California businesses has increased 83% (from \$930 million to \$1.7 billion). Governing board diversity remains a challenge; in 2016, 80% of insurance company governing board seats were reported held by men, 96 insurance companies reported zero women on their governing boards, and 273 insurance companies reported zero persons of color on their governing boards. The initiative is focused on transparency, as "what gets measured, gets done."

ABOUT THE INSURANCE DIVERSITY INITIATIVE

The Insurance Diversity Initiative has three major components:

- surveys of insurance company supplier diversity and governing board diversity;
- a first in the nation Annual Diversity Summit which facilitates business matchmaking to increase contracts for California's diverse businesses with the nation's leading insurers and awards insurance industry leaders and stakeholders for achievements in diversity; and
- an Insurance Diversity Task Force comprised of industry leaders.

In 2011, Insurance Commissioner Jones asked insurance companies to participate in a voluntary survey regarding supplier diversity and governing board diversity, but only 29% of companies responded¹. In early 2012, the Commissioner directed the Department to prepare to issue a mandatory survey. Also in 2012, AB 53 was enacted to codify the supplier diversity survey so future commissioners would implement it as well.

Insurance Commissioner Dave Jones continued to implement the supplier diversity and governing board diversity surveys, and in 2016 California partnered with other states (District of Columbia, Minnesota, New York, Oregon, and Washington) to launch a national insurance supplier and governing board diversity survey called the Multistate Insurance Diversity Survey (MIDS).

CALIFORNIA INSURER SUPPLIER DIVERSITY RESULTS 2

Diverse procurement in California

2012	\$930 Million
2013	\$1.3 Billion
2014	\$1.5 Billion
2015	\$1.7 Billion

- **83% increase in the amount of goods and services insurance companies procured from California diverse owned businesses (2012-2015)**

Diverse Procurement by Certification

- Women Business Enterprises
 - 2012 (\$153 Million), 2013 (\$433 Million), 2014 (\$558 Million), 2015 (\$537 Million)
- Minority Business Enterprises

- 2012 (\$241 Million), 2013 (\$618 Million), 2014 (\$729 Million), 2015 (\$964 Million)
- Disabled Veteran Business Enterprises
 - 2012 (\$1 Million), 2013 (\$83 Million), 2014 (\$89 Million), 2015 (\$92 Million)
- LGBT Business Enterprises
 - 2012 (\$104,000), 2013 (\$6 Million), 2014 (\$5 Million), 2015 (\$6.6 Million)

Diverse Procurement by Ethnicity

- African-American
 - 2013 (\$154 Million), 2014 (\$173 Million), 2015 (\$157 Million)
- American Indian
 - 2013 (\$42 Million), 2014 (\$39 Million), 2015 (\$87 Million)
- Asian/Pacific Islander
 - 2013 (\$277 Million), 2014 (\$330 Million), 2015 (\$576 Million)
- Latino/Hispanic
 - 2013 (\$111 Million), 2014 (\$146 Million), 2015 (\$145 Million)

GOVERNING BOARD DIVERSITY SURVEY: RESULTS³

Total number of insurance company governing board members: 2,348

- **20% reported as women**
- **12% reported as persons of color**
 - 6% African-American
 - 3% Hispanic / Latino
 - 2% Asian Pacific Islander
 - 1% Multi-Ethnic
 - 0% American Indian
- **10% of board members reported as “other”**
- 3 board members identify as a disabled veteran
- 12 board members publicly identified as LGBT
- 96 reported zero women on their governing boards
- 273 companies reported zero persons of color on their governing boards

¹ Prior to AB 53, 58 of 203 companies (29%) responded to the 2011 Voluntary Survey regarding supplier diversity and governing board diversity (see <http://www.insurance.ca.gov/diversity/05-gbd/2011-VoluntarySurvey/index.cfm>). The companies that responded were largely those that already had a program in place; many of the top 200 insurance companies did not have a program in place prior to the Insurance Diversity Initiative.

² More than 200 California companies met the threshold to report from 2013-2015, representing 47% of the national insurance market.

³ More than 600 companies were requested to submit a survey as part of the national Multistate Insurance Diversity Survey (2016), representing 70% of the national insurance market. The 2014 Governing Board Diversity Survey of California’s top 200 insurers yielded nearly identical results.

NOTE: All data is self-reported by the respondents. All analysis is a direct result from the data contained in the submitted reports. Results reflect procurement and diversity statistics for the year prior to the survey year (i.e. 2014 data was reported during the 2015 reporting period). All data is based on public identification and self-identifying reporting.