

**DEPARTMENT OF INSURANCE**

300 CAPITOL MALL  
SACRAMENTO, CA 95814  
(916) 492-3382  
(916) 445-5280 (FAX)  
[www.insurance.ca.governing](http://www.insurance.ca.governing)



## CDI INSURANCE DIVERSITY TASK FORCE 3<sup>RD</sup> QUARTERLY MEETING MEETING MINUTES

Wednesday, July 16<sup>th</sup>, 2014

10:00 a.m. - 12:00 p.m.

California Department of Insurance  
300 Capitol Mall, Sacramento, CA 95814

- I. **Welcome & Open Meeting – Chair Melinda Guzman**
  - a. Roll Call
  - b. Attendee Instructions
  - c. Review 2<sup>nd</sup> Quarter Meeting Notes
  - d. Review Agenda
  
- II. **Insurer Supplier Diversity**
  - a. **AB 53 – Legislative Amendments**
    - i. **Phyllis Marshall** – Does the rationale for DGS reference federal requirements? Principal place of business in CA but have all employees outside of CA
    - ii. **Melanie Ramil** – Employees → original definition of bill but insurers and stakeholders explained it doesn't work like this in practice. It's why we came up with the HQ address in CA. Allows for actual #s from insurers. Don't know if they match and Federal definitions. Ease for veterans and not the tie them down in requirements of business
    - iii. **Cecil Autry** – Would companies get credit for procuring across the Board (i.e. #s outside of CA)
    - iv. **Larry Gill** – The other report was optional so you won't get those #s unless mandatory
    - v. **Chris Shultz** – This is from a bill and can be talked about with the legislature, it's a difficult question to tackle
    - vi. **Michael Keeley** – Genesis of bill is to encourage economic activity in CA
    - vii. **Michael Gunning** – Since we don't know all CA businesses, it's hard to determine what does or does not count. So Chris is right.
    - viii. **Gordon de Lang** – If we can't show 51% ownership, we don't get credit; promoting spend requires helping biz with capital.
  - b. **2015 Insurer Supplier Diversity Survey**
    - i. **Ramil** – Internally looking at staff and survey, since we've been looking at the survey from last year. We'll go through a review process. Due July 1,

2015. We'll give a 3-4 month period: set-up call with me and Naveen to set-up review

### III. Governing Board Diversity

#### a. 2014 Governing Board Diversity

- i. Naveen Habib – Governing Board Diversity Survey timeline update
- ii. Syphax – Standing committees are not like advisory committees. It might be a question you receive – what committees people report on – be as expansive as possible
- iii. Ramil – Professor Mark Harris & students will be looking at GBD survey to provide qualitative /quantitative analysis once results are posted on October 1<sup>st</sup>

#### b. Governing Board Diversity Workshop

- i. Guzman – Governing Board Workshop – call / email me for updates or dialogue

### IV. Events

#### a. 3<sup>rd</sup> Annual Insurance Diversity Summit + Matchmaking

- i. Ramil – Looking at early December – CEOs /CAOs /CPOs. C-Suite panel this year. We'll see results from ISD / GBD Surveys as well as try Matchmaking – we are open to feedback!
- ii. Syphax – On matchmaking piece – between emerging managers and investment division – any way to get at that. Sector would have multiplier effect
- iii. Marshall – Looking to future – we need to know how to match make through technology—create a database to allow for virtual matchmaking perhaps?
- iv. Autry – Bring together insurance companies and vendors
- v. Guzman – Business is all about relationships – yes sometimes these are tedious – but the big thing about matchmaking sessions is you can make the connections and not always walk away with a contract. There are a lot of additional steps needed to have a win-win. Some things work for some people, not all
- vi. Danielle Beavers – Really excited about upcoming summit. The fear that I have is that we are assuming some level of sophistication and leaving out insurers who don't understand Supplier Diversity or have built that infrastructure as well. If you only have a sophisticated agenda, we are leaving out other insurers from economic development
- vii. Gunning – There's a huge learning curve and I think we need what Danielle just suggested – an insurer-only workshop
- viii.
- ix. Guzman – We have 2 important goals here: we will have a 3<sup>rd</sup> Summit to realize the reality of getting people connections; get insurers to meet and learn how to work on Supplier Diversity and progress forward
- x. Sal Peinado – Concerns with Task Force – there isn't an avenue for Supplier Diversity people to learn anything; quarterly meetings to discuss avenues, issues, difficulties we are having as a group aren't enough
- xi. Guzman – Let me suggest this: organize a working group to think about posting a webinar to encourage Supplier Diversity folks talking and

working together. Let's have that dialogue to see how we can facilitate and fund something like that

- xii. Marshall – Sounds like insurers are looking for direction. Someone indicated that there are minority businesses that help establish such programs. There are folks we work with who do that type of work

## V. 2<sup>nd</sup> Quarter Recap

### a. Ramil

- i. Bay Area Council Roundtable
- ii. USC Price School of Public Policy's research results and report
- iii. CSAA Supplier Diversity event
- iv. DVBE Alliance Webinar
- v. Attended grand opening of the San Francisco office of MBDA – working with diverse businesses in San Francisco

### b. Guzman – Are there any announcements regarding activities of interest?

### c. Ramil – If you are holding events, please tell us! We would love to share your success stories!

### d. Guzman – It's also convention season – annual conventions that have matchmaking sessions, etc.

### e.

### f. Shultz – Apologies Melinda, but can we go back to AB 53 for a minute – specifically DVBE and minority / women owned businesses in CA. I get the feeling the definition is not accurate, thoughts? We have thirty-five people in the room and we can't agree on a definition

### g. Bob Garcia – AB 344's last version was trying to modernize definition for PUC procurement

### h. Gordon – Comparable agency & certification in CA should be considerations

### i. Shultz – 2013 we measured one thing; I don't want to keep changing the definition so we can measure progress

### j. Marshall – Establish by multiplier & not a single test; headquarters address doesn't make sense to me. There may be a test by which you can determine the correct answer

### k. Guzman – Since most companies are emerging; tax base is here, likely to be CA based employees

### l. Shultz – Push & pull here. AB 53 created reporting criteria that didn't exist; headquarters address is something insurers know & certifiers know

### Syphax – Whether company is domiciled in CA or anywhere else and employees in CA have to do withholding with EDD. Instead of looking at employees, look at dollar amount of withholding – what's being paid out? Employee's taxes in CA to CA franchise tax board

### Ramil – What data does an insurance company have that they can send via form that tells us a vendor is a CA business? Only two – HQ & remit form

### Shultz – Challenge – there is legislation currently pending [Omnibus Bill] that would change this language. Staff needs to huddle to knock this out. We need to set up such a process

### m. Garcia – Committee bill is set for hearing in August

## VI. 4<sup>th</sup> Quarter Meeting Date – Naveen Habib

- a. Thursday, October 2, 2014 | 10 AM – 12 PM | CDI Sacramento

**VII. Public Comment**

- a. **Bernard Ashcroft** – Get business cards to make contact – about matchmaking event in
  - i. Dec. Dos asked us to do another one as they said it was best one they'd ever been to. We're meeting with all procurement officers, we think by doing a pre-match, we can do better on the day off. We know the challenges, but do we have the fortitude to forward and do better? Let's be progressive and do better in 2014.
- b. **Don Stoneham** – We at Agape Enterprises can help insurance companies with developing Supplier Diversity programs!

**VIII. Adjourn – Chair Melinda Guzman**