



MULTISTATE INSURANCE DIVERSITY SURVEY

GLOSSARY

Disabled Owned Business Enterprise (DOBE)

'Disabled owned business enterprise' means a business enterprise physically located in the United States or its trust territories, that is at least 51 percent owned by person(s) with disabilities, or, in the case of any publicly owned business at least 51 percent of the stock of which is owned by one or more persons with disabilities, and whose management and daily business operations are controlled by one or more of these individuals, who provide proof of United States citizenship or legal resident alien status.

Disabled Veteran Business Enterprise (DVBE)

'Disabled veteran business enterprise' definitions tend to vary as currently there is no uniform definition available for DVBEs. Each definition for a DVBE has been specified by the government agency that created its own program. The federal government, for example, has two categories and several states have their own state-level definitions and requirements (such as CA & NY, see definitions below). Companies are encouraged to determine what constitutes a DVBE for the state within which they conduct business with a DVBE.

CALIFORNIA: 'Disabled veteran business enterprise' has the same meaning as defined in subparagraph (A) of paragraph (7) of subdivision (b) of Section 999 of the Military and Veterans Code, or any successor provision. Disabled veteran business enterprise certification eligibility requirements shall be consistent with those imposed by the Department of General Services, and this section applies only to those disabled veteran business enterprises certified by the Department of General Services." (Source: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=mvc&group=00001-01000&file=999-999.13>)

Diverse Business / Supplier

This can be any Women Business Enterprise (WBE), Minority Business Enterprise (MBE), Disabled Veteran Business Enterprise (DVBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), or a Multi-Certified Business Enterprise (MCBE) – which is a combination of one or more of the enumerated certifications – headquartered in one of the partner states administering MIDS.

Diverse Spend

Procurement dollars spent exclusively with certified business enterprises (e.g., WBE/MBE/DVBE/VOBE/LGBTBE) and/or classified diverse businesses (businesses identified as diverse by the insurer based on the definitions herein).

Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)

'LGBT business enterprise' (LGBTBE) means a business enterprise that is 51 percent owned, managed, operated, and controlled by one or more lesbian, gay, bisexual, or transgender (LGBT) individuals who are citizens or lawful permanent residents of the United States, has been legally formed in the United States, and exercises independence from any non-LGBT business enterprise.

Minority Business Enterprise (MBE)

'Minority business enterprise' means a business enterprise, physically located in the United States or its trust territories, that is at least 51 percent owned by a minority group or groups, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more of these individuals. "Minority" includes African Americans, Hispanic / Latino Americans, Native Americans, Asian Pacific Americans, and/or Multi-Ethnic Americans who provide proof of United States citizenship or legal resident alien status.

Outreach

Practices and strategies implemented to bring awareness to, introduce, and/or make a connection between two organizations. For the purposes of this survey, "outreach" focuses on the practices and strategies of an insurer to bring awareness to, introduce, and/or make connections within the context of its diversity programs (supplier diversity and/or governing board diversity).

Procurement

This is the act of acquiring, buying goods, services or works from an external source, often via a tendering or bid process.

Supplier Diversity Policy Statement

Any language that refers to a company / group's policies specifically in regards to supplier diversity, with the goal of procuring goods and services from diverse businesses; this is *not* a general diversity statement of a company / group.

Supplier Diversity Program

A formal plan and / or structure set up specifically for a company / group to implement its supplier diversity policy statement; this is *not* a general diversity program of a company / group.

Supplier/Vendor Headquarters

'Headquartered' means where the supplier/vendor's home office is located. You may purchase from their office in California, while they are headquartered in Washington. This procurement would be reported on the Washington and National charts, not California charts.

Tier 2 Supplier

A company that supplies goods / services for the Tier 1 company (primary company that is in contract). A Tier 2 company is typically smaller than a Tier 1 company.

Total Procurement

The total dollar amount (\$) of all invoices paid out to all suppliers (diverse and non-diverse) reported by industry category. All procurement spend reported should only be procurement paid directly to the vendor.

This **excludes** payments including but not limited to: producers and/or agents and payments to policyholders/claimants.

This **includes** payments paid, including but not limited, to: body shops or other vendors whether or not in the company's preferred network, ACH payments as long as the payment is paid directly to the vendor, and credit card and/or p-card purchases as long as the payment is paid directly to the vendor.

Note: Any paid invoices by suppliers that do not fall into the outlined categories should be reported as "other". All reported procurement should include any kind of discount(s) being applied to the purchase; please report the actual amount paid.

Veteran Owned Business Enterprise (VOBE)

'Veteran owned business enterprise' means a business enterprise physically located in the United States or its trust territories, that is at least 51 percent owned by a current or former member of the United States' military or armed

forces, or, in the case of any publicly owned business at least 51 percent of the stock of which is owned by one or more of these individuals, and whose management and daily business operations are controlled by one or more of these individuals, who provide proof of United States citizenship or legal resident alien status.

Women Business Enterprise (WBE)

'Women business enterprise' means a business enterprise physically located in the United States or its trust territories, that is at least 51 percent owned by a woman or women, or, in the case of any publicly owned business at least 51 percent of the stock of which is owned by one or more women, and whose management and daily business operations are controlled by one or more of these individuals, who provide proof of United States citizenship or legal resident alien status.

INDUSTRY CATEGORIES

The following descriptions of industry categories are based on the 2017 North American Industry Classification System (NAICS) definitions; with the exception of the language added in italics below.

These are provided as a guidance tool and as such are broad in their depictions; companies / groups are not limited to the confines of the descriptions listed here to provide data about the categories

ADVERTISING / MARKETING

Sector 54 Professional, Scientific, and Technical Services (the sector as a whole)

- **541810 Advertising Agencies:** This industry comprises establishments primarily engaged in creating advertising campaigns and placing such advertising in periodicals, newspapers, radio and television, or other media. These establishments are organized to provide a full range of services (i.e., through in-house capabilities or subcontracting), including advice, creative services, account management, production of advertising material, media planning, and buying (i.e., placing advertising).
- **541613 Marketing Consulting Services:** This U.S. industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations on marketing issues, such as developing marketing objectives and policies, sales forecasting, new product developing and pricing, licensing and franchise planning, and marketing planning and strategy.
- Illustrative Examples:
 - Customer services management consulting services
 - New product development consulting services
 - Marketing management consulting services
 - Sales management consulting services

FINANCIAL / INVESTMENT SERVICES

Sector 52 Finance and Insurance

- **5231 Securities and Commodity Contracts Intermediation and Brokerage:** This industry group comprises establishments primarily engaged in putting capital at risk in the process of underwriting securities issues or in making markets for securities and commodities; and those acting as agents and/or brokers between buyers and sellers of securities and commodities, usually charging a commission.

CLAIMS SERVICES

Sector 52 Finance and Insurance

- **524291 Claims Adjusting:** Comprises establishments primarily engaged in investigating, appraising, and settling insurance claims.
 - *This may include: cause-of-loss investigators, claims adjusting, claims processing services, claims consultants, fire investigators, insurance claims investigation services, insurance settlement offices, and loss control consultants; as well as, auto body shops, general contractors, landscapers, remediation services, and other similar services related to the claims process.*

FACILITIES

Sector 56 Administrative & Support and Waste Management and Remediation Services

- **561210 Facilities Support Services:** This industry comprises establishments primarily engaged in providing operating staff to perform a combination of support services within a client's facilities. Establishments in this industry typically provide a combination of services, such as janitorial, maintenance, trash disposal, guard and security, mail routing, reception, laundry, and related services to support operations within facilities. These establishments provide operating staff to carry out these support activities; but are not involved with or responsible for the core business or activities of the client. Establishments providing facilities (except computer and/or data processing) operation support services and establishments providing private jail services or operating correctional facilities (i.e., jails) on a contract or fee basis are included in this industry.

HUMAN RESOURCES

Sector 54 Professional, Scientific, and Technical Services (The Sector as a Whole)

- **541612 Human resources Consulting Services:** This U.S. industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations in one or more of the following areas: (1) human resource and personnel policies, practices, and procedures; (2) employee benefits planning, communication, and administration; (3) compensation systems planning; and (4) wage and salary administration.
- Illustrative Examples:
 - Benefit or compensation consulting services
 - Employee assessment consulting services
 - Personnel management consulting services
 - Human resources consulting services

INFORMATION TECHNOLOGY

Sector 51 Information (The Sector as a Whole)

The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Web search portals, data processing industries, and the information services industries.

- **541513 Computer Facilities Management Services:** This U.S. industry comprises establishments primarily engaged in providing on-site management and operation of clients' computer systems and/or data processing facilities. Establishments providing computer systems or data processing facilities support services are included in this industry.

OFFICE SUPPLIES

Sector 44-45 Retail Trade (4532 Office Supplies, Stationery, and Gift Stores)

- **453210 Office Supplies and Stationery Stores:** This industry comprises establishments primarily engaged in one or more of the following: (1) retailing new stationery, school supplies, and office supplies; (2) retailing a combination of new office equipment, furniture, and supplies; and (3) retailing new office equipment, furniture, and supplies in combination with selling new computers.

PRINT SERVICES

Sector 31-33 Manufacturing

- **323 Printing and Related Support Activities:** Industries in the Printing and Related Support Activities subsector print products, such as newspapers, books, labels, business cards, stationery, business forms, and other materials, and perform support activities, such as data imaging, platemaking services, and bookbinding. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations.
Processes used in printing include a variety of methods used to transfer an image from a plate, screen, film, or computer file to some medium, such as paper, plastics, metal, textile articles, or wood. The printing processes employed include, but are not limited to, lithographic, gravure, screen, flexographic, digital, and letterpress. In contrast to many other classification systems that locate publishing of printed materials in manufacturing, NAICS classifies the publishing of printed products in Subsector 511, Publishing Industries (except Internet). Though printing and publishing are often carried out by the same enterprise (a newspaper, for example), it is less and less the case that these distinct activities are carried out in the same establishment. When publishing and printing are done in the same establishment, the establishment is classified in Sector 51, Information, in the appropriate NAICS industry even if the receipts for printing exceed those for publishing. This subsector includes printing on clothing because the production process for that activity is printing, not clothing manufacturing. For instance, the printing of T-shirts is included in this subsector. In contrast, printing on fabric (or grey goods) is not included. This activity is part of the process of finishing the fabric and is included in the Textile Mills subsector in Industry 31331, Textile and Fabric Finishing Mills.

PROFESSIONAL SERVICES

Sector 54 Professional, Scientific, and Technical Services (The Sector as a Whole)

The Professional, Scientific, and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services. ***Actuarial services should be included in this section.***

This sector *excludes* establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics. These establishments are classified in Sector 56, Administrative and Support and Waste Management and Remediation Services.

For the purposes of this survey, legal services will be counted in a separate category and should not be reported here.

TELECOM

Sector 51 Information

- **517 Telecommunications:** Industries in the Telecommunications subsector group establishments that provide telecommunications and the services related to that activity (e.g., telephony, including Voice over Internet Protocol (VoIP); cable and satellite television distribution services; Internet access; telecommunications reselling services). The Telecommunications subsector is primarily engaged in operating, and/or providing access to facilities for the transmission of voice, data, text, sound, and video. Transmission facilities may be based on a single technology or a combination of technologies.

Establishments in the Telecommunications subsector are grouped into three industry groups. The first two are comprised of establishments that operate transmission facilities and infrastructure that they own and/or lease, and provide telecommunications services using those facilities. The distinction between the first two industry groups is the type of infrastructure operated (i.e., wired and/or wireless, or satellite). The third industry group is comprised of establishments that provide support activities, telecommunications reselling services, or many of the same services provided by establishments in the first two industry groups, but do not operate as telecommunications carriers. Establishments primarily engaged as independent contractors in the installation and maintenance of broadcasting and telecommunications systems are classified in Sector 23, Construction.

Establishments known as Internet cafes, primarily engaged in offering limited Internet connectivity in combination with other services such as facsimile services, training, rental of on-site personal computers, game rooms, or food services are classified in Subsector 561, Administrative and Support Services, or Subsector 722, Food Services and Drinking Places, depending on the primary activity.

REAL ESTATE

Sector 53 Real Estate and Rental and Leasing

- **531 Real Estate:** Industries in the Real Estate subsector group establishments that are primarily engaged in renting or leasing real estate to others; managing real estate for others; selling, buying, or renting real estate for others; and providing other real estate related services, such as appraisal services.

This subsector includes equity Real Estate Investment Trusts (REITs) that are primarily engaged in leasing buildings, dwellings, or other real estate property to others. Mortgage REITs are classified in Subsector 525, Funds, Trusts, and Other Financial Vehicles.

Establishments primarily engaged in subdividing and developing unimproved real estate and constructing buildings for sale are classified in Subsector 236, Construction of Buildings. Establishments primarily engaged in subdividing and improving raw land for subsequent sale to builders are classified in Subsector 237, Heavy and Civil Engineering Construction.

TRAVEL / ENTERTAINMENT

Sector 71 Arts, Entertainment, and Recreation (The Sector as a Whole)

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Some establishments that provide cultural, entertainment, or recreational facilities and services are classified in other sectors. *Excluded* from this sector are: (1) establishments that provide both accommodations and recreational facilities, such as hunting and fishing camps and resort and casino hotels are classified in Subsector 721, Accommodation; (2) restaurants and night clubs that provide live entertainment in addition to the sale of food

and beverages are classified in Subsector 722, Food Services and Drinking Places; (3) motion picture theaters, libraries and archives, and publishers of newspapers, magazines, books, periodicals, and computer software are classified in Sector 51, Information; and (4) establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides, are classified in Subsector 487, Scenic and Sightseeing Transportation.

Sector 72 Accommodation and Food Services (The Sector as a Whole)

The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.

LEGAL SERVICES

54 Professional, Scientific, and Technical Services

- **5411 Legal Services / 541110 Offices of Lawyers:** This industry comprises offices of legal practitioners known as lawyers or attorneys (i.e., counselors-at-law) primarily engaged in the practice of law. Establishments in this industry may provide expertise in a range or in specific areas of law, such as criminal law, corporate law, family and estate law, patent law, real estate law, or tax law.
- **541120 Offices of Notaries:** This industry comprises establishments (except offices of lawyers and attorneys) primarily engaged in drafting, approving, and executing legal documents, such as real estate transactions, wills, and contracts; and in receiving, indexing, and storing such documents.
- **541199 All Other Legal Services:** This U.S. industry comprises establishments of legal practitioners (except offices of lawyers and attorneys, settlement offices, and title abstract offices). These establishments are primarily engaged in providing specialized legal or paralegal services.
- Illustrative Examples:
 - Notary public services
 - Patent agent services (i.e., patent filing and searching services)
 - Paralegal services
 - Process serving services

Examples of services and their industry categories (also found in FAQ):

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.

- **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