



# **GOVERNING BOARD DIVERSITY 2014 SURVEY RESULTS**

**CALIFORNIA DEPARTMENT OF INSURANCE  
INSURANCE DIVERSITY INITIATIVE  
RELEASED: DECEMBER 8, 2014**

“

*Our workforce and our entire economy are strongest when we **embrace diversity** to its fullest, and that means opening doors of opportunity to everyone and recognizing that the American Dream excludes no one.*

”

– **THOMAS PEREZ, U.S. SECRETARY OF LABOR**





# 2014 GOVERNING BOARD DIVERSITY SURVEY

*first in the nation!*

# 2014 GOVERNING BOARD DIVERSITY SURVEY: WHO REPORTED?

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SURVEYED ALL COMPANIES WITH WRITTEN  
PREMIUMS OF **\$100 MILLION OR MORE**  
IN CALIFORNIA

OVER **200** INSURANCE COMPANIES  
SUBMITTED A REPORT

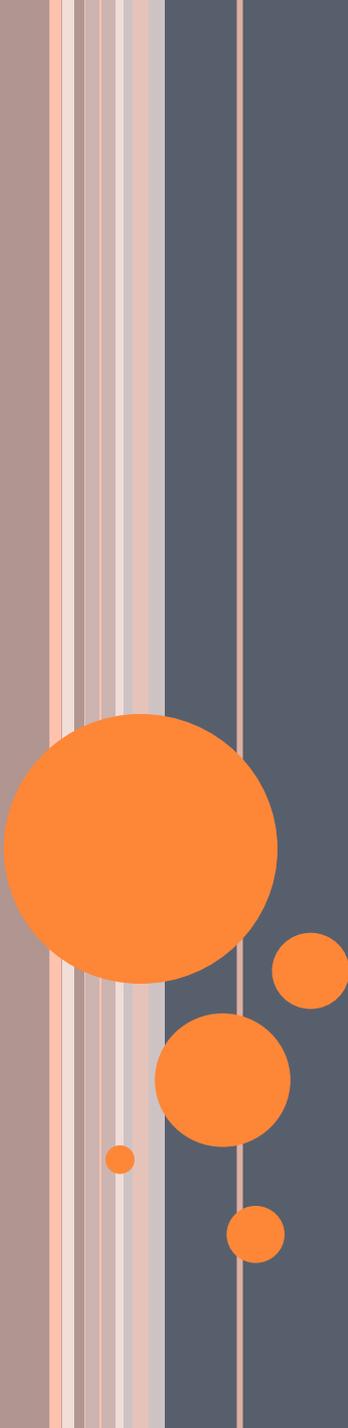


# 2014 GOVERNING BOARD DIVERSITY SURVEY: WHAT DID THEY REPORT ON?

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- DEMOGRAPHIC COMPOSITION
- LEADERSHIP IN DIVERSE BOARD MEMBERS
- OUTREACH EFFORTS & STRATEGIES TO DIVERSIFY BOARD MEMBERSHIP



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## 2014 GOVERNING BOARD DIVERSITY SURVEY

# KEY FINDINGS

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# DEMOGRAPHIC COMPOSITION OF GOVERNING BOARDS

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# KEY DEMOGRAPHIC FINDINGS

## BOARD MEMBERS

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TOTAL NUMBER OF BOARD MEMBERS:  
**1,153**

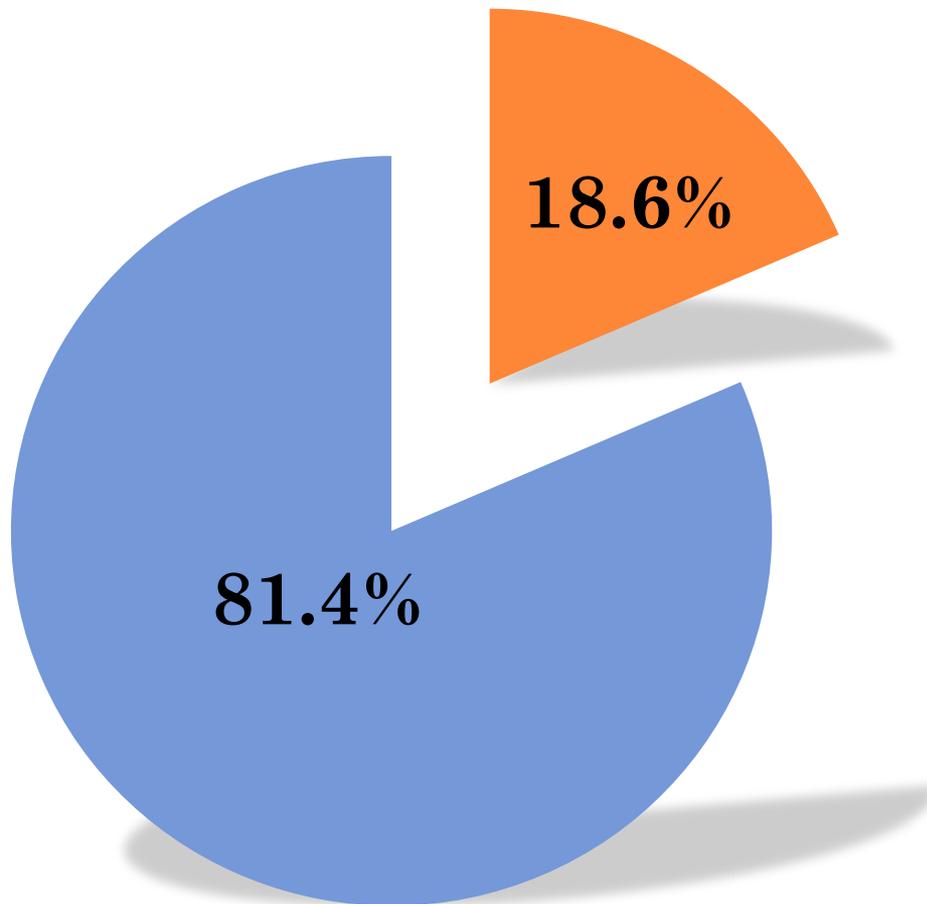
AVERAGE NUMBER OF BOARD MEMBERS  
PER INSURANCE COMPANY OR GROUP:  
**10 MEMBERS**



# KEY DEMOGRAPHIC FINDINGS

## GENDER

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### AVERAGE NUMBER OF

■ WOMEN ON  
BOARD: 1.9

■ MEN ON  
BOARD: 8.2



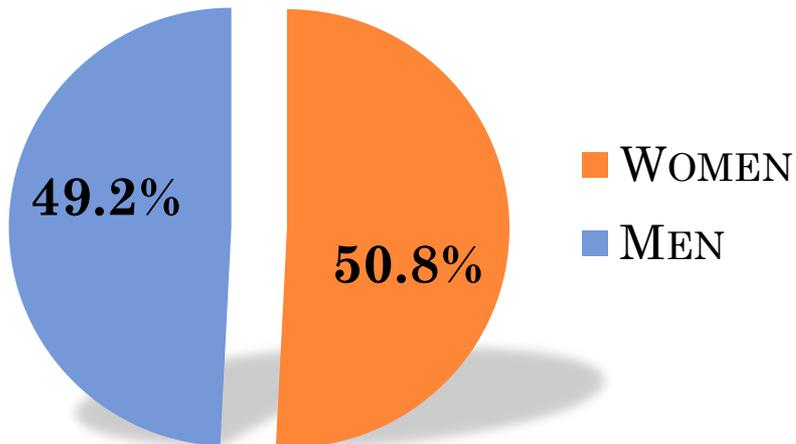
# KEY DEMOGRAPHIC FINDINGS

## GENDER

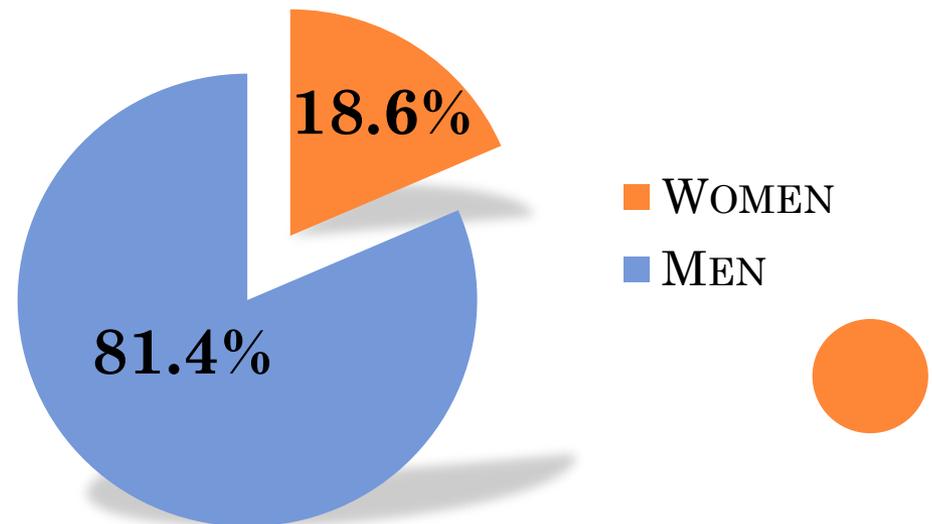
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WHILE WOMEN COMPRISE **OVER HALF** OF THE U.S. POPULATION AT **50.8%**, THEY MAKE UP *only* **18.6%** OF CALIFORNIA'S TOP INSURER GOVERNING BOARDS

U.S. POPULATION IN 2013  
(U.S. CENSUS BUREAU)



2014 GOVERNING BOARD  
DIVERSITY SURVEY



# KEY DEMOGRAPHIC FINDINGS

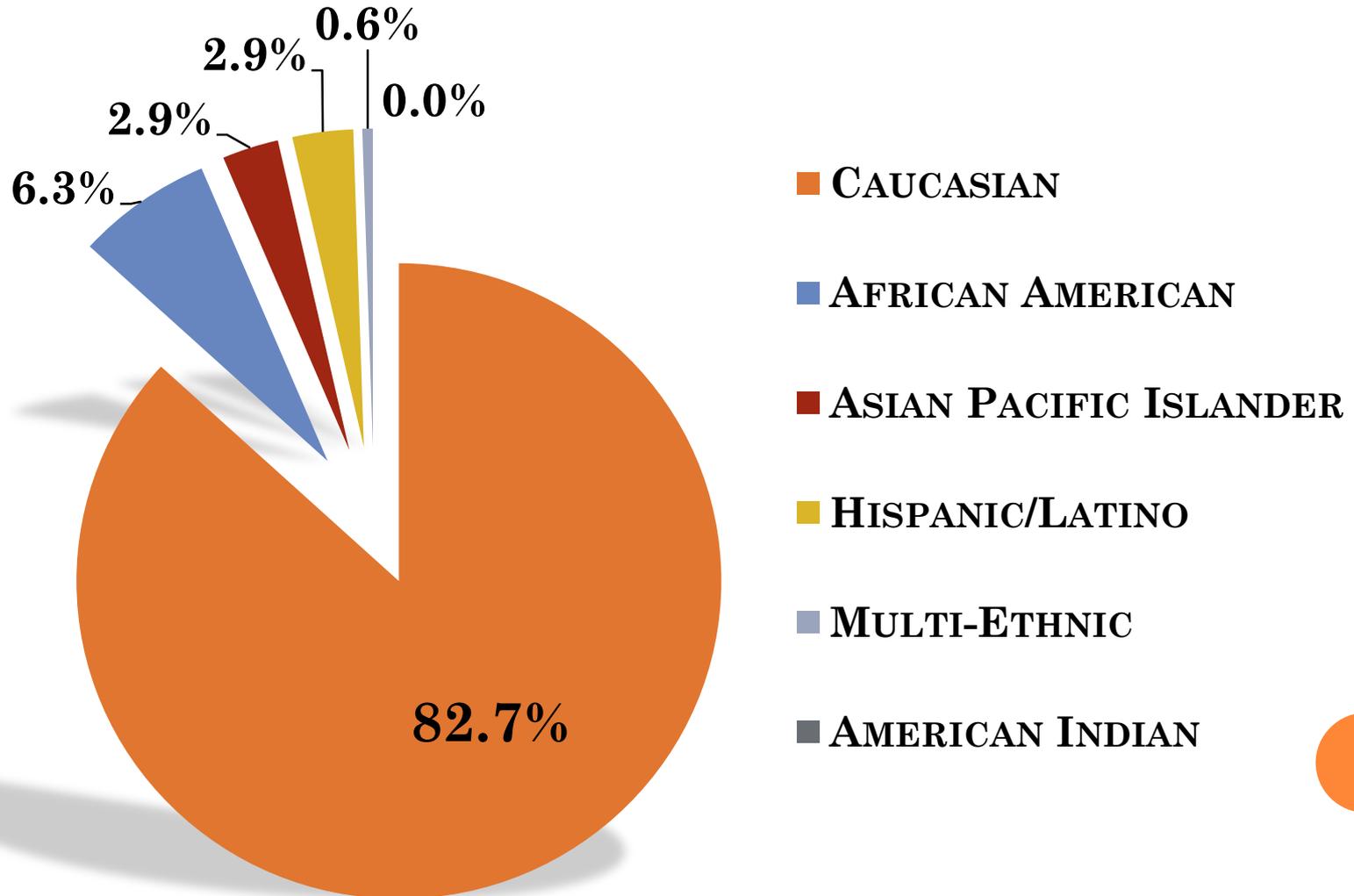
## ETHNICITY

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- **82.7%** CAUCASIAN PERSONS PER BOARD
  - **6.3%** AFRICAN AMERICAN PERSONS PER BOARD
  - **2.9%** HISPANIC/LATINO PERSONS PER BOARD
  - **2.9%** ASIAN PACIFIC ISLANDER PERSONS PER BOARD
  - **0.6%** MULTI-ETHNIC PERSONS PER BOARD
  - **0%** AMERICAN INDIAN PERSONS PER BOARD
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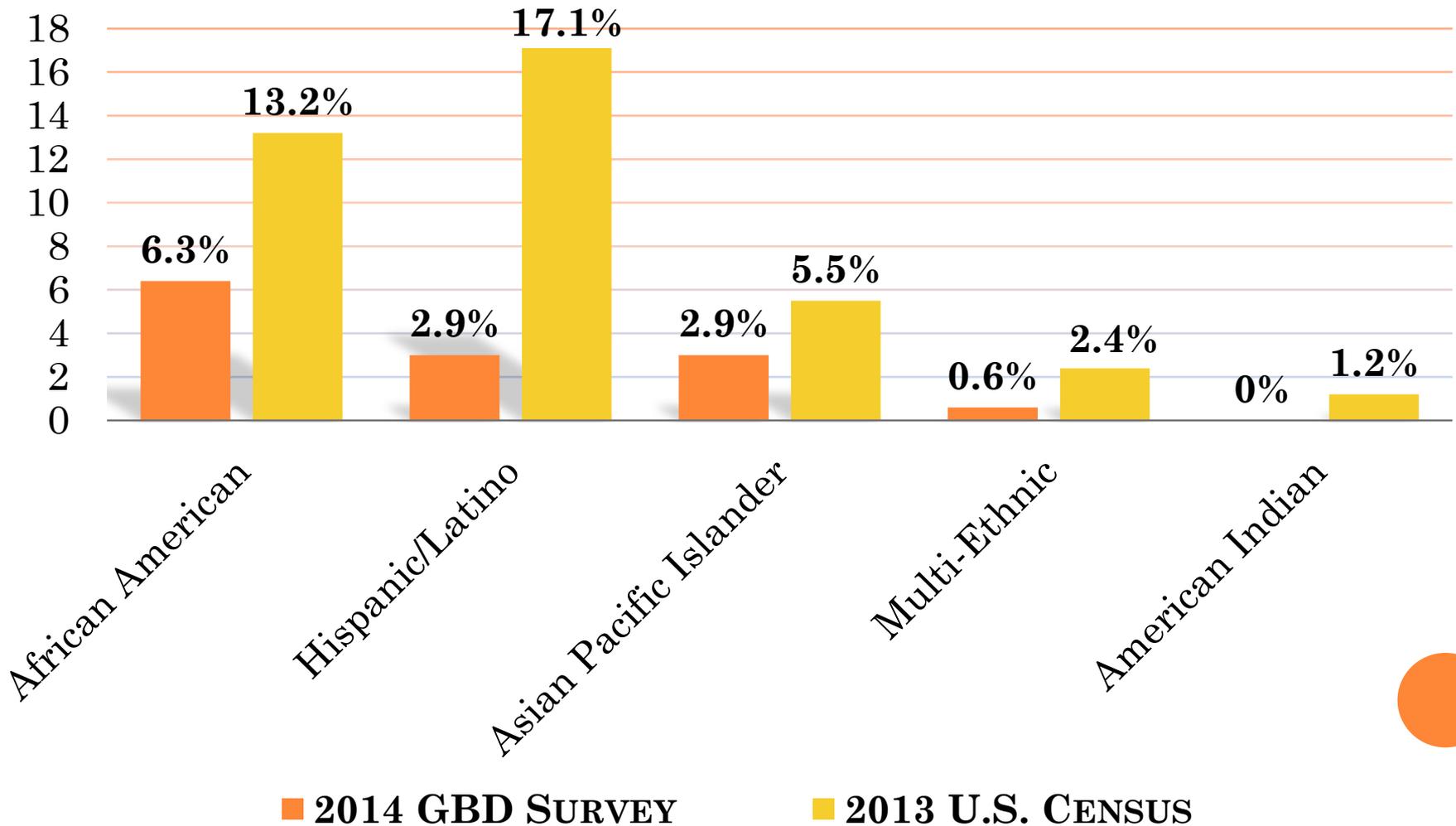
# KEY DEMOGRAPHIC FINDINGS

## ETHNICITY



# KEY DEMOGRAPHIC FINDINGS

## ETHNICITY



# KEY DEMOGRAPHIC FINDINGS

## OTHER

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**TOTAL NUMBER OF BOARD MEMBERS:  
1,153**

**NUMBER OF DISABLED VETERAN BOARD  
MEMBERS: 1**

**NUMBER OF BOARD MEMBERS WHO  
PUBLICLY IDENTIFY AS LGBT: 4**



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# LEADERSHIP AMONG DIVERSE BOARD MEMBERS

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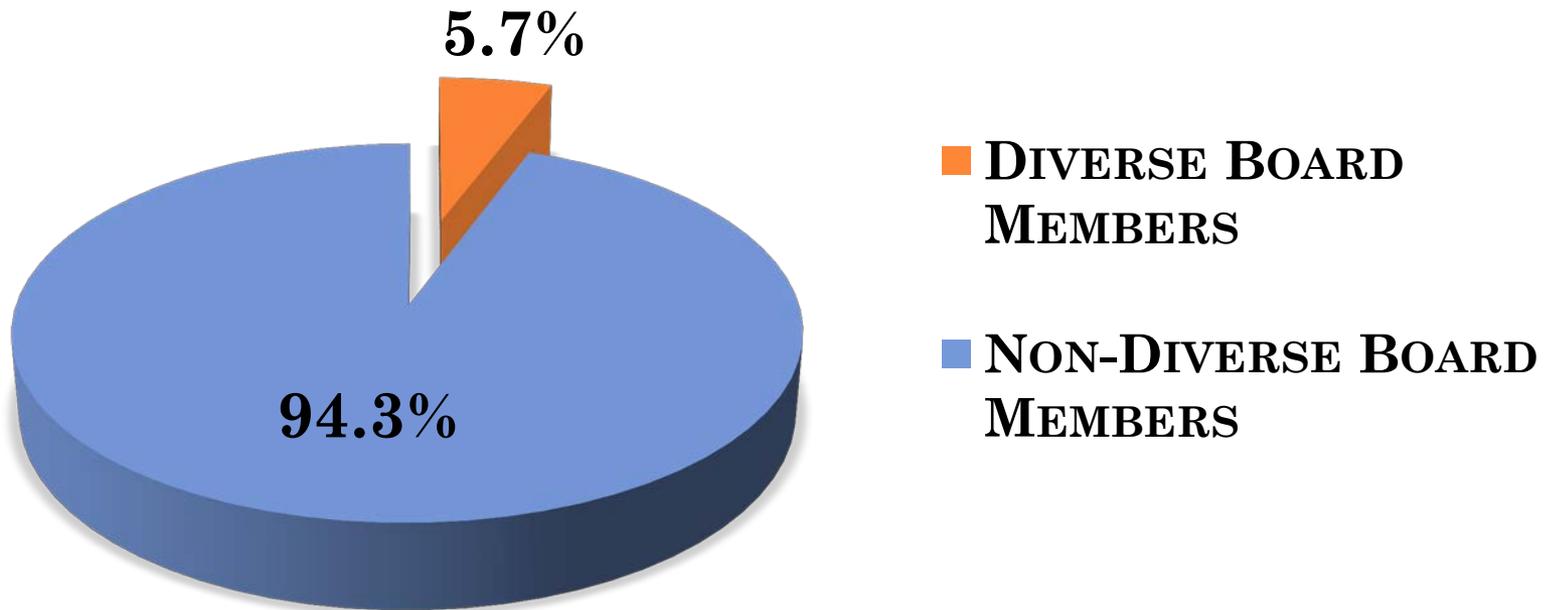
# KEY LEADERSHIP FINDINGS

## OFFICER OF THE CORPORATION

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### 66 DIVERSE BOARD MEMBERS

SERVE AS AN OFFICER OF THE CORPORATION



# KEY LEADERSHIP FINDINGS

## OFFICER OF THE CORPORATION

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OF THE 66 OFFICER POSITIONS HELD BY DIVERSE BOARD MEMBERS, APPROXIMATELY **TWO-THIRDS** HELD TOP LEADERSHIP POSITIONS:

**CHAIR**  
**PRESIDENT**



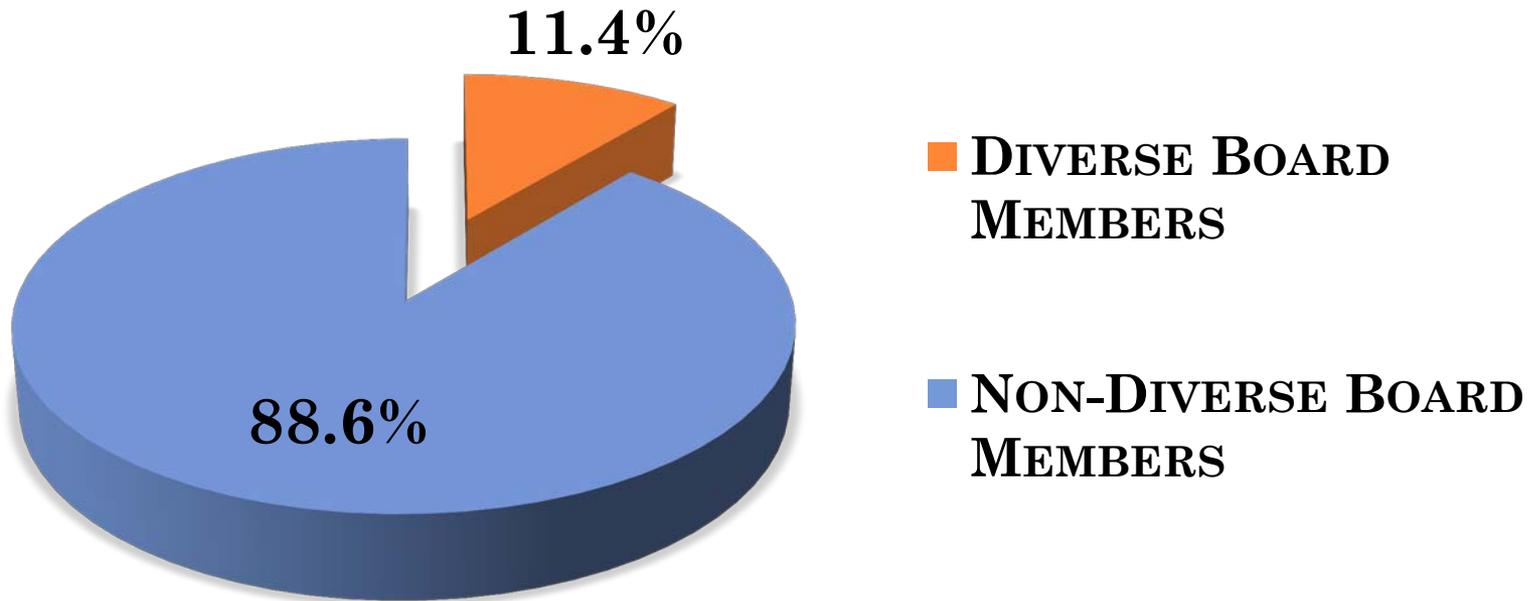
# KEY LEADERSHIP FINDINGS

## CHAIR OF A BOARD COMMITTEE

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### 131 DIVERSE BOARD MEMBERS

SERVE AS A CHAIR OF A BOARD COMMITTEE



# KEY LEADERSHIP FINDINGS

## CHAIR OF A BOARD COMMITTEE

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*Committees on which most of the 131 diverse board members serve as Chair:*

**GOVERNANCE**

**INVESTMENT**

**AUDIT**

**NOMINATING & CORPORATE**

**COMPENSATION**

**FINANCE**



# KEY LEADERSHIP FINDINGS

## TERM LIMITS

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**38 COMPANIES** REPORTED HAVING BOARD TERM LIMITS...

*Examples of board term limits:*

SEVEN 12-YEAR TERMS (MAX. YEARS: 84)

ONE 18-YEAR TERM (MAX. YEARS: 18)

ONE 15-YEAR TERM (MAX. YEARS: 15)

TWO 5-YEAR TERMS (MAX. YEARS: 10)

FIVE 1-YEAR TERMS (MAX. YEARS: 5)

7 DIRECTORS ELECTED ANNUALLY



# KEY LEADERSHIP FINDINGS – TERM LIMITS

OF THE COMPANIES WITHOUT TERM LIMITS,  
THE AVERAGE NUMBER OF YEARS SERVED BY THEIR  
CURRENT BOARD:

# 8.1 YEARS



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# OUTREACH EFFORTS & STRATEGIES TO DIVERSIFY BOARDS

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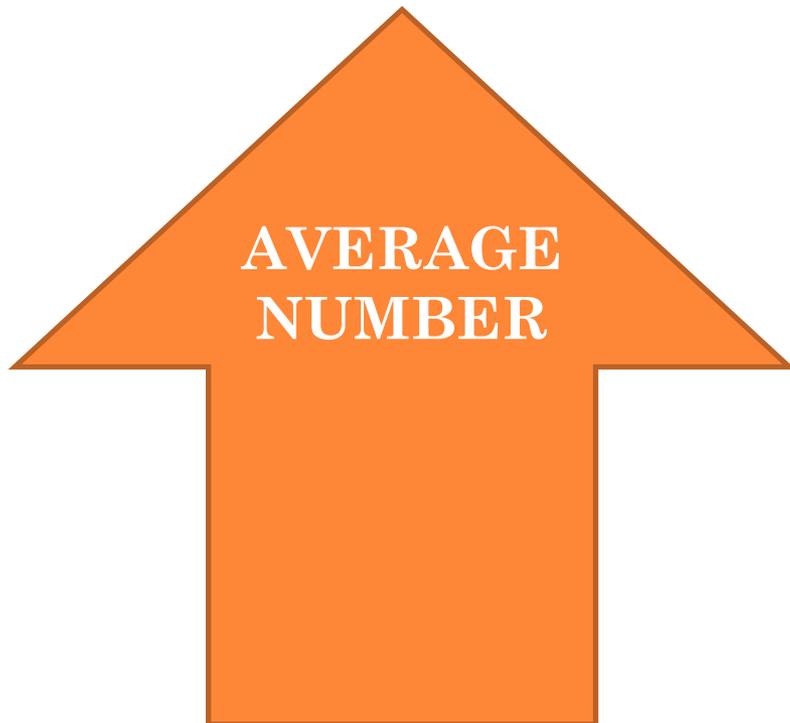


# KEY OUTREACH FINDINGS

## DIVERSITY AS EVALUATION CRITERIA

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**66 COMPANIES** AFFIRMED THAT DIVERSITY IS AN ATTRIBUTE WITHIN ITS FORMAL EVALUATION CRITERIA OF PROSPECTIVE BOARD MEMBERS



**WOMEN**  
1.3 → 2.3

**AFRICAN AMERICAN**  
0.2 → 1.0

**HISPANIC/LATINO**  
0.2 → 0.4

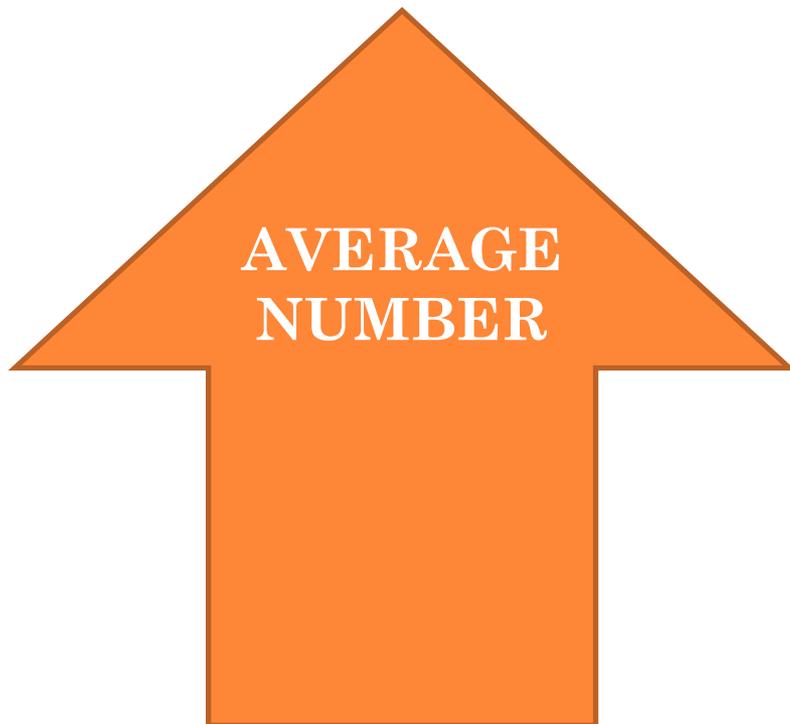


# KEY OUTREACH FINDINGS

## DIVERSITY IN THE MISSION STATEMENT

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**33 COMPANIES** AFFIRMED THAT INCREASING/IMPROVING DIVERSITY ON THEIR GOVERNING BOARDS IS PART OF THEIR MISSION STATEMENT



**WOMEN**  
1.6 → 2.5

**AFRICAN AMERICAN**  
0.5 → 1.0

**HISPANIC/LATINO**  
0.2 → 0.4

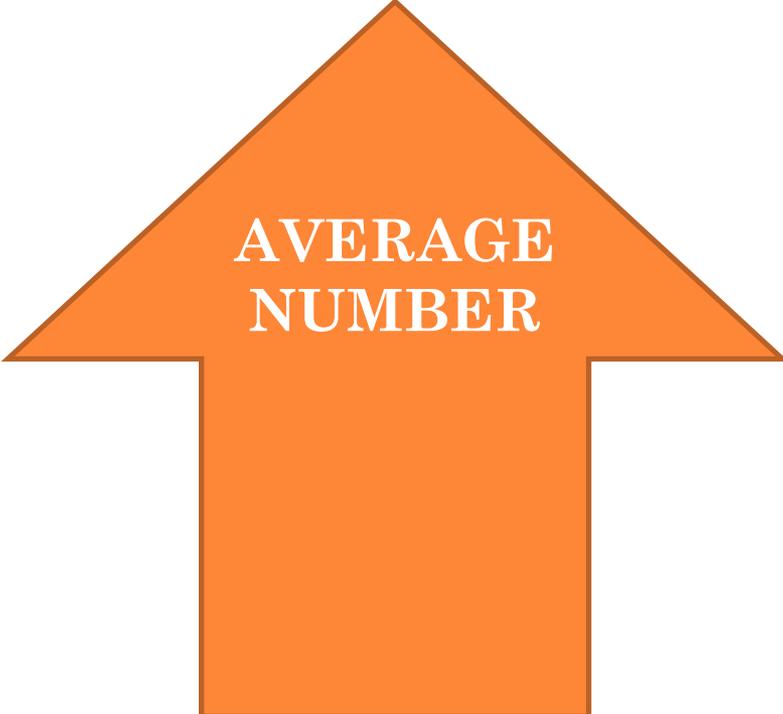


# KEY OUTREACH FINDINGS

## ACTIVE DIVERSITY OUTREACH

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**56 COMPANIES** AFFIRMED THAT THEY ACTIVELY ENGAGE IN OUTREACH EFFORTS TO DIVERSIFY THEIR BOARD



AVERAGE  
NUMBER

**WOMEN**

1.2 → 2.6

**AFRICAN AMERICAN**

0.3 → 1.0

**HISPANIC/LATINO**

0.2 → 0.4



**29 COMPANIES** *are committed  
to Governing Board Diversity  
by doing all 3!*

**#1 EVALUATION CRITERIA**

**#2 MISSION STATEMENT**

**#3 OUTREACH EFFORTS**



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# **MOST DIVERSE INSURER GOVERNING BOARDS: GENDER & ETHNICITY**

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# MOST DIVERSE BOARDS

## GENDER

Company	Total No. of Board Seats	No. of Women	Total Seats (%)
CA Casualty Indemnity Exchange	17	8	47%
Standard Insurance Company	11	5	45%
Loya Casualty Insurance Company	5	2	40%
NORCAL Mutual Insurance Company	10	4	40%
Aetna Life Insurance Company	13	5	38%
Principal Life Insurance Company	11	4	36%
Zenith Insurance Company	3	1	33%
CSAA Insurance Exchange	13	4	31%
MA Mutual Life Insurance Company	13	4	31%
TIAAA	13	4	31%
Blue Shield of California	10	3	30%
Genworth Life Insurance Company	10	3	30%
Health Net Life Insurance Company	10	3	30%
Primerica Life Insurance Company	10	3	30%

# MOST DIVERSE BOARDS

## ETHNICITY

Company	Total No. of Board Seats	No. of Ethnic Board Members	Total Seats (%)
Loya Casualty Insurance Company	5	5	100%
Tokio Marine Group	10	6	60%
Blue Shield of California	10	5	50%
Western Service Contract Corporation	4	2	50%
Delphi Financial Group	7	3	43%
Kaiser Permanente Insurance Company	14	6	43%
Allianz Life Insurance Company of North America	6	2	33%
Fidelity & Guaranty Life Insurance Company	9	3	33%
Fire Insurance Exchange	12	4	33%
MA Mutual Life Insurance Company	13	4	31%
TIAAA	13	4	31%
Farmers Insurance Group	10	3	30%
NORCAL Mutual Insurance Company	10	3	30%
Primerica Life Insurance Company	10	3	30%

# **MOST DIVERSE COMPANIES OVERALL**

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**BLUE SHIELD OF CALIFORNIA**

**LOYA CASUALTY INSURANCE COMPANY**

**MA MUTUAL LIFE INSURANCE COMPANY**

**NORCAL MUTUAL INSURANCE COMPANY**

**PRIMERICA LIFE INSURANCE COMPANY**

**TIAAA**



# LOOKING AHEAD

## ROOM FOR IMPROVEMENT

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**21 COMPANIES HAVE ZERO WOMEN ON  
THEIR GOVERNING BOARDS  
(155 MEN, 0 WOMEN)**

**45 COMPANIES HAVE ZERO ETHNIC PERSONS  
ON THEIR GOVERNING BOARDS  
(312 CAUCASIAN PERSONS,  
0 ETHNIC PERSONS)**



“

*The topic of board diversification was until recently an exercise in corporate social responsibility, ethics, morality...Today, this discussion has moved well beyond the moral imperative to a new discussion.*

*Core business concepts such as **competitive advantage, organizational performance, creativity, innovation and shareowner value** are the new talking points linked to a diverse slate of board members.*

”

– DOUGLAS C. FREEMAN, CEO VIRTCOM CONSULTING

SOURCE:

CALPERS WHITEPAPER, “*BOARD DIVERSIFICATION STRATEGY: REALIZING COMPETITIVE ADVANTAGE AND SHAREHOLDER VALUE*”



# CA DEPARTMENT OF INSURANCE RESOURCES

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- *For more information about the*  
**2014 GOVERNING BOARD DIVERSITY SURVEY:**  
[HTTP://WWW.INSURANCE.CA.GOV/DIVERSITY/7-GOVERNING/](http://www.insurance.ca.gov/diversity/7-governing/)
- *For more information about the*  
**INSURANCE DIVERSITY INITIATIVE:**  
[HTTP://WWW.INSURANCE.CA.GOV/DIVERSITY/](http://www.insurance.ca.gov/diversity/)
- **CONTACT:** [DIVERSITY@INSURANCE.CA.GOV](mailto:diversity@insurance.ca.gov)

