

DEPARTMENT OF INSURANCE

300 Capitol Mall
Sacramento, CA 95814
(916) 492-3623
(916) 445-5280 (fax)
www.insurance.ca.gov



APPROVED 06/03/21

**CDI INSURANCE DIVERSITY TASK FORCE (IDTF)
1st QUARTERLY MEETING MINUTES**

**Thursday, March 11, 2021
10:00 a.m. – 12:00 p.m. PDT**

Task Force Meeting held virtually

I. Task Force Meeting Call to Order

A. Task Force Roll Call – California Department of Insurance (CDI) staff, Amy Ives

i. Task Force Members Present:

- (All attendees participated via Zoom and/or phone.) Mark Morales, Imelda Alejandrino, Annalisa Barrett, Dr. Fabiola Cobarrubias, Rebecca Aguilera-Gardiner, Jay Greene, Mark Morales, Cecil Plummer, Vikita Poindexter, Maria Salinas, Blong Xiong
- Absent: Milton Dellossier

B. Establishment of quorum – Quorum met

II. Review and Approval of 2020 4th Quarterly Task Force Meeting Minutes

Motion to Approve 4th Quarterly Minutes: Annalisa Barrett

Motion Seconded: Blong Xiong

III. Welcome Remarks and Attendee Introductions –

- a) CDI Executives/Staff –** Commissioner Ricardo Lara, Senior Deputy Commissioner and Legislative Director Michael Martinez, Deputy Commissioner Julia Juarez, Insurance Diversity Initiative Director Chandara Phanachone, CDI Attorney Monica Macaluso, CDI Attorney Karisa Yocham, Insurance Diversity Initiative Manager Uzma Rahman, CDI Boards Amanda Bastidas, Insurance Diversity Initiative Analyst Amy Ives
- b) Public Attendees –** James Cardenas, Ken Macias (Macias Consulting, Inc.) Anthony Belcher (Westech Environmental), Deanna LaTour-Jarquín (Personal Insurance Federation of California), Erika Gibson (Director, Supplier Diversity – Liberty Mutual Insurance), Don Stonehouse, Edna Zapata-Fuller (State Compensation Insurance Fund), Ruben Smith (Alvarado Smith)

Mark Morales, IDTF – We are very pleased to welcome all of you, including our special guest today, Commissioner Ricardo Lara.

Commissioner Lara, CDI – Welcomed attendees, including Task Force members, and newest appointee Dr. Cobarrubias to the Task Force. He is pleased that Dr. Cobarrubias is joining us, bringing with her board diversity and corporate governance leadership & expertise. Next week marks the one-year anniversary of the COVID-19 pandemic in California, and for many of us, we are still working from home. Throughout the course of the pandemic, we know that diverse businesses have been the most severely impacted. 2020 reinforces the value of the mission and purpose of the Task Force. A thank you to everyone for their continued commitment to being on the Task Force.

The 2020 Virtual Insurance Diversity Summit (VIDS) was a massive undertaking in the midst of a pandemic, and he extends his gratitude to the Task Force for their leadership and to CDI staff for all the hours and work they contributed to execute a successful event. After the Summit's opening keynote with Glenn Shapiro from Allstate and Dr. Cobarrubias from NORCAL Group, he knew we were in store for a great event. In July 2020, the National Association of Insurance Commissioners (NAIC) convened the Special Executive Committee on Race and Insurance. As an active member of this Committee, Commissioner Lara is proud to share the work of the Task

Force at the national level. The Diversity Initiative with the Insurance Diversity Task Force are leaders in the nation and an example for other states to follow within the insurance industry.

As a former legislator, he has always been focused on advocating for those who could not advocate for themselves. This year, he is sponsoring [SB 655](#), authored by Senator Steven Bradford who serves as the Chair of the Legislative Black Caucus. Commissioner Lara is sponsoring this bill as part of his commitment to expanding equitable and inclusive opportunities in the insurance industry, both in the boardrooms and procurement practices of insurance companies. He knows how it feels to be the only representative from a community in the boardroom.

Mark Morales, IDTF – Thanked Commissioner for his leadership. Wanted to also take the time to thank the Commissioner for the virtual tele-town halls he has hosted throughout 2020 and continuing this year. The work that the Commissioner is doing with all of the communities in California is very appreciated.

IV. 2021 Legislation – Updates

Melissa Gear, CDI – SB 655 builds upon SB 534 (Bradford, 2019) and AB 53 (Solorio, 2012). SB 655 increases equity and diversity in the insurance industry. The main components of the legislation include:

- Codifying reporting requirements for underrepresented groups on insurance company governing boards to include requiring specified insurance companies to provide governing board diversity policy statement, or measurable goals;
- Lowering the existing California premium reporting threshold value from \$100 million to \$75 million as it relates to insurance company governing board and supplier diversity data; and
- Defining the term Diverse Investment Managers as a means for insurers to direct their social- and environmental-impact investments as part of the Department's California Organized Investment Network (COIN) program.

Melissa thanked Senator Bradford for being an ally for this important work. The bill was introduced on February 19, 2021 – doubly referred to the Senate Insurance Committee and the Senate Judiciary Committee with a tentative hearing date of March 25. We encourage anyone who wants to write support letters to get them to us (via email: diversity@insurance.ca.gov) in the next few days so they can be submitted to the Committees.

Rebecca Aguilera-Gardiner, IDTF – Inquired as to time frame of bill introduced to when it would go into effect.

Melissa Gear, CDI – Beginning at the hearing date of March 25 (for the Senate Insurance Committee), if everything passes and does not get stopped anywhere, the bill could be signed by the Governor in late August/early September with an effective date of January 1, 2022.

Annalisa Barrett, IDTF – Inquired to the number of companies that would be impacted if the \$75 million threshold is codified.

Melissa Gear, CDI – In 2018, 239 companies met the \$100 million threshold. If that threshold were lowered to \$75 million, it would have required reporting from 295 companies. In 2019, the number of companies required to report was 254, but if that threshold were lowered to \$75 million, there would be about 302 companies required to report.

Rebecca Aguilera-Gardiner, IDTF – Wanted to know if letter for support would be limited to just people and companies from California. She can put in her newsletter and request letters nationwide.

Uzma Rahman, CDI – No, we can have letters submitted from any organization.

Dr. Fabiola Cobarrubias, IDTF – Wanted clarification on the what codification entailed.

Chandara Phanachone, CDI – Currently, we ask respondent companies to report on their board composition in the aggregate. Under SB 655, the board diversity reporting requirement codification of the law would mean that companies outline what efforts are being made to diversify those boards, including information related to their board diversity policy statement, and measurable goals.

Chandara Phanachone, CDI – We have sent out emails regarding support letters with the deadline of March 16 at 5 pm (PDT) which applies to our internal deadline for our Diversity team to submit the letters electronically on behalf

of your organization. If you wish to submit them on your own, the deadline is March 17, as Melissa provided, if you would like for your organization to be incorporated in the Committee consultant's analysis.

V. Task Force Handbook

Mark Morales, IDTF - The Task Force Handbook has been updated, including a new section on virtual meetings. It's important that Task Force members complete and submit their handbook acknowledgment form to CDI.

Uzma Rahman, CDI – There is another form that coincided with the handbook that is for the form entitled “Authorization to Use Privately Owned Vehicle on State Business.” We want to make sure that Task Force members understand that they will need to respond via email and let us know if they intend to use their personal vehicle for reimbursement (should social distance orders change later this year). This enables us to reimburse Task Force for mileage, parking, etc.

Annalisa Barrett, IDTF – Is it required to send back even if we don't intend to submit reimbursement requests?

Uzma Rahman, CDI – Yes please. That way we know that it was seen and addressed.

VI. Task Force Elections

Mark Morales, IDTF – We currently have 2 advisory groups – the Governing Board Diversity Advisory Group and the Supplier Diversity Advisory Group. If Task Force members are not currently assigned to a group, I highly encourage you to join one of the groups. This is also a good time if you want to switch groups, or join both. All are encouraged to participate.

Chandara Phanachone, CDI – The Task Force only meets 4 times per year, so the Advisory Groups are where the bulk of the work gets done. This is a great way to share your knowledge, insight, and perspective to advance the Task Force's mission.

a. Procedural Overview of Task Force Elections – Chandara Phanachone, CDI

As part of the Task Force elections process, there are two leadership positions: Chair and Vice Chair. The Task Force Handbook has been made available to each of you and includes details on the roles & responsibilities of each position. As part of the nomination process, each member may nominate a maximum of 2 members to each role, including him/herself for the position of Chair, Vice Chair, or both. If someone is nominated, they are required to accept or decline the nomination.

b. Nominations:

Asked for nominations of position of Task Force Chair for 2021-2022 – Cecil Plummer nominated Mark Morales.

No other nominations for role of Chair. Mark Morales accepted the nomination for Task Force Chair.

Asked for nominations for Task Force Vice Chair for 2021 – 2022 - Mark Morales nominated Rebecca Aguilera-Gardiner as Vice Chair –

No other nominations for role of Vice Chair. Rebecca Aguilera-Gardiner accepted the nomination.

Voting will take place at the 2nd Quarterly Task Force meeting in June. Prior to the election, candidates will complete their candidacy speech.

VII. Strategic Plan – Progress Updates and Discussion

Chandara Phanachone, CDI – The Strategic Plan was a collaborative effort developed with input from the Commissioner and the Task Force, as a means of having actionable goals and to date, we have achieved 50% of these goals. 2021 is the continuation of the progress that we already made. We want to continue the dialog and continue to ensure that we are able to achieve the goals that have been set forth.

Uzma Rahman, CDI – Our strategic plan is a 2-prong approach. We have strategic goals for the Governing Board Diversity and the Supplier Diversity portions of our program's mission.

A. Board Diversity Advisory Group Plans

On the Governing Board Diversity prong, our three goals are:

1. Generate Awareness of Value and Impact Associated with Governing Board Diversity Among Insurers
2. Publicize Achievements to Incentive Change Among Insurers
3. Highlight Impact of the Diversity Initiative and the Insurance Diversity Task Force

One way that we plan to accomplish our goal is to hold a series of webinars focused on board diversity. The three proposed topics for the webinars are:

1. Board Readiness: Keys to Success (Build Pipeline for Prospective Board Leaders)
2. Cascading Diversity into the Boardroom (Underscore Diversity as an Imperative for all Board Committees)
3. Board Diversity Policy Landscape (Discuss Impact of California's Board Diversity Laws on State and National Initiatives to Advance Diversity in the Boardroom)

Cecil Plummer, IDTF – Who is the intended audience for these webinars?

Annalisa Barrett, IDTF – The idea is to have sitting directors and have a peer-to-peer networking component.

Mark Morales, IDTF – Part of this goal is to encourage companies and providing them a pathway to success. While NASDAQ is still working through their rollout of their board diversity proposal, we can be a resource.

Annalisa Barrett, IDTF – Has many contacts with public companies and will promote these events to them. Can also complete direct outreach to private company's corporate secretaries.

Dr. Fabiola Cobarrubias, IDTF – Will you be sharing this information with the National Association of Corporate Directors (NACD)? They might be able to bring others to the table.

Cecil Plummer, IDTF – Do we think that NACD would be open to co-branding an event? Is this an option?

Annalisa Barrett, IDTF – We can explore the option to co-brand, however, would imagine that it would take a number of levels of approval. Might not be able to be done in as timely of fashion as we would want.

Mark Morales, IDTF - Does CDI have any issues/objection with co-branding events? It could be great for diverse chambers to be able to put on their logo and say they are hosting the event with the Department.

Julia Juarez, CDI - We have been able to co-brand many of the events that we have hosted in the past year. Normally for non-profits, it's not an issue. If we were trying to co-brand with companies, it might be more challenging.

Uzma Rahman, CDI - We will put this out to all of our networks and encourage everyone to share with theirs as well. The more attendees and attention we can have on this, the better. For the third board diversity webinar, the audience would be for general counsel, and outside counsel, and ideally would provide perspective on where we started and where we are now (regarding the national landscape of board diversity legislation).

Linda Akutagawa, IDTF – Just something to think about in terms of co-branding with multiple organizations – might want to caution against putting all the different logos. Perhaps if there is just one logo for the collective group, it will alleviate any confusion on which organizations is the actual host.

Uzma Rahman, CDI – Working on the Diversity Designation plans as well. Continue to develop the scoring rubric. Have been working with our Data Analytics team to help us gather and analyze information. Our goal is to have this available to roll out by this year's Summit.

B. Supplier Diversity Advisory Group Plans

The main two goals for Supplier Diversity are:

1. Compile Online Resource Directory
2. Expand Insurer Procurement Opportunity Outreach

Uzma Rahman, CDI – We have completed the Online Resource Directory goal. Our website provides information on all of the diverse certification agencies as well as an updated list of Supplier Diversity contacts from the

California Insurance Diversity Survey (CAIDS). With regard to the second goal, Expand Procurement Outreach, we have been working on developing a series of matchmaking events. We have determined that it could be more impactful to suppliers to have a number of events leading up to the Diversity Summit in November. Have developed an interest survey to send to insurers to determine their procurement needs for the next 12 months. From there, she will look to diverse suppliers and try to match those needs. Ideally, we will hold 2 – 3 sessions ahead of the Summit in November. Potential dates for these sessions are May 6, May 7 or May 14 from 10 am – 11:30 am (PDT). We chose this timeframe to accommodate our East Coast partners as well.

Mark Morales, IDTF – Thinks it's imperative to get a date nailed down as soon as possible. Sixty days is usually the timeframe that he likes to get things scheduled, and we are inside of that now. So ideally, the sooner, the better.

VIII. Statewide Coalition on Diversity Initiatives (Coalition) – Updates and Discussion

Chandara Phanachone, CDI – This collaboration started in 2020 with the California Public Utilities Commission (CPUC) and CDI as we realized that we were doing much of the same thing. We recently held a subcommittee meeting with Office of Statewide Health Planning and Development (OSHPD) and CPUC to discuss our programs and how can we help each other. Our three agencies are similar as we are all codified in statute with a focus on advancing supplier diversity. We will have a full Coalition meeting in April where all of the agencies will meet to create a strategic plan.

Mark Morales, IDTF – We are the leaders in the nation with regard to our goals and efforts to utilize diverse suppliers. We should be trying to share our work with everyone that we can.

IX. Past/Upcoming Events & Announcements – Updates & Discussion

Amy Ives, CDI – The Commissioner will be speaking at the Diversity, Equity & Inclusion Conference for ACLI (American Council of Life Insurers) with Insurance Commissioner Andrew Mais from Connecticut and other panelists about racial empowerment. Should be a very good discussion.

Vikita Poindexter, IDTF – The National Association of Women Business Owners of California (NAWBO- California) will be holding the second part of the Art of Advocacy series. The first was held on February 23 and the second will be held March 23 from 1:30 – 3:30 pm (PDT). The speakers include author of AB 979 Assemblymember Chris Holden, Kristin Olsen and Senator Nancy Skinner.

Propel 2021 will also be hosted by NAWBO-California from April 28-29, 2021.. The theme is “Driving Change Through Diversity.” This will be an entirely virtual event. The keynote will be led by California Secretary of State Dr. Shirley Weber.

Cecil Plummer, IDTF – WRMSDC will be hosting the PrimeTime Pitch on March 31. This will give businesses the opportunity to establish new relationships with owners and buyers.

In talking about how they could best serve their clients, the overwhelming response from members of WRMSDC was that they needed access to events. They couldn't afford to pay for registration for everything due to the pandemic. Due to some very generous corporate sponsorships, all WRMSDC events are free for the rest of the year.

Jay Greene, IDTF – The Golden Gate Business Association (GGBA) will be holding their annual Power Lunch on May 26, 2021. The theme is “Resilient Business – Strong Community.” The event will be held virtually, but some components include: the Power of Connection, the Power Expo, and the Power Pitch contest.

Linda Akutagawa, IDTF - Not exactly diversity related, but still important. Serves on the [California Citizen Redistricting Commission](#) and the organization is launching a public education campaign for people to familiarize themselves with the redistricting process. Would like people to take a look at the site www.drawmycommunity.org and provide input as community members, business owners and advocates of their areas.

X. Public Comment

There were no public comments.

XI. Closing Remarks & Meeting Adjournment

Motion to Adjourn Meeting: Rebecca Aguilera-Gardiner
Motion Seconded: Annalisa Barrett