

# GLOSSARY



<b>Disabled</b>	An individual who self-identifies as having a disability, as defined in <u>Section 12102 of the federal Americans with Disabilities Act of 1990</u> .
<b>Disabled Veteran Business Enterprise (DVBE)</b>	A business enterprise that has the same meaning as defined in subparagraph (A) of paragraph (7) of subdivision (b) of <u>Section 999 of the Military and Veterans Code</u> , 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.
<b>Diverse Board Member</b>	An individual who self-identifies as a woman, nonbinary, Black, African American, Hispanic, Latino-Latina, Asian, Pacific Islander, Native American, Native Hawaiian, Alaskan Native, person with disabilities, veteran or disabled veteran, lesbian, gay, bisexual, transgender, or queer.
<b>Diverse Business / Supplier</b>	This can be any Women Business Enterprise (WBE), Minority Business Enterprise (MBE), Disabled Veteran Business Enterprise (DVBE), Veteran Business Enterprise (VOBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), Persons with Disabilities Business Enterprise (PDOBE) or a Multi-Certified Business Enterprise (MCBE) – which is a combination of one or more of the enumerated certifications – with a headquarters’ address in California or with at least a majority of the enterprise’s workforce in California.
<b>Diverse Spend</b>	Procurement dollars spent exclusively with certified business enterprises (e.g., WBE/MBE/DVBE/VOBE/LGBTBE/PDOBE) and/or classified diverse businesses (businesses identified as diverse by the insurer based on the definitions herein).
<b>Governing Board Diversity Policy Statement</b>	Any language that refers to a company/group’s policies specifically in regards to governing board diversity, with the goal increasing governing board diversity on the respective company/group’s board; this is not a general diversity statement of a company/group.
<b>Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)</b>	A business enterprise that is 51 percent owned, managed, operated, and controlled by one or more lesbian, gay, bisexual, or transgender (LGBT) individuals, has been legally formed in the United States, and exercises independence from any non-LGBT business enterprise.
<b>Minority Business Enterprise (MBE)</b>	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 those individuals. “Minority” includes African Americans, Hispanic Americans, Native Americans, and Asian Pacific Americans.



# GLOSSARY

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<b>Nonbinary</b>	Nonbinary is an umbrella term for people with gender identities that fall outside of the traditional conceptions of strictly either female or male.
<b>Outreach</b>	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).
<b>Person(s) with Disabilities</b>	A person who identifies as having any of the following: 1. A physical or mental impairment that substantially limits one or more major life activities as defined by subdivision (2) of Section 12102 of Title 42 of the <u>United States Code</u> , also known as the federal Americans with Disabilities Act of 1990. 2. A record of such an impairment. 3. Being regarded as having such an impairment as described under subdivision (3) of Section 12102 of the federal Americans with Disabilities Act of 1990.
<b>Persons with Disabilities Business Enterprise (PDBE)</b>	A business enterprise physically located in the United States or its trust territories, that is at least 51 percent owned by a person or persons with a disability or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more persons with a disability, and whose management and daily business operations are controlled by one or more of those individuals. Alternative names can be but are not limited to “Disability-owned business enterprise” or “Disabled-owned business enterprise.”
<b>Procurement</b>	This is the act of acquiring, buying goods, services or works from an external source, often via a tendering or bid process.
<b>Supplier Diversity Policy Statement</b>	Any language that refers to a company/group’s policies specifically in regard 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.
<b>Supplier Diversity Program</b>	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.
<b>Supplier/Vendor Headquarters</b>	‘Headquartered’ means where the supplier/vendor’s home office is located. <i>For example: If you purchase from their office in California, but the vendor is headquartered in Washington, this procurement would be reported on the National charts, not California charts.</i>
<b>Tier 2 Supplier</b>	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.

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# GLOSSARY

## 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 Business Enterprise or Veteran Owned Business Enterprise (VBE/VOBE)

A business enterprise physically located in the United States or its trust territories that is at least 51 percent owned by one or more veteran groups or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more veteran groups, and whose management and daily business operations are controlled by one or more of those individuals.

## Women Business Enterprise (WBE)

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 those individuals.

# Industry Categories



The following descriptions of industry categories are based on the 2022 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 print and digital 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 content, 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

## CLAIMS SERVICES

*Sector 52 Finance and Insurance*

**524291 Claims Adjusting:** This U.S. industry 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.



# Industry Categories

## 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.

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

**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.

## LEGAL SERVICES

*Sector 54 Professional, Scientific, and Technical Services*

**5411 Legal Services / 541110 Offices of Lawyers:** This industry group comprises establishments primarily engaged in offering legal services, such as those offered by offices of lawyers, offices of notaries, and title abstract and settlement offices, and paralegal services.

**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*

# Industry Categories

## 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 office supplies, stationery, and school 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.

## PERSONAL PROTECTIVE EQUIPMENT (PPE)

Sector 42 Wholesale Trade

**423450 - Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers:** This industry comprises establishments primarily engaged in the merchant wholesale distribution of professional medical equipment, instruments, and supplies (except ophthalmic equipment and instruments and goods used by ophthalmologists, optometrists, and opticians).

*Illustrative Examples:*

- Dental equipment and supplies merchant wholesalers
- Surgical dressings merchant wholesalers
- Electromedical equipment merchant wholesalers
- Patient monitoring equipment merchant wholesalers
- Hospital beds merchant wholesalers
- Prosthetic appliances and supplies merchant wholesalers
- Hospital furniture merchant wholesalers
- Surgical instruments and apparatus merchant wholesalers
- Medical and dental X-ray machines and parts merchant wholesalers
- First-aid kits (except household) merchant wholesalers
- Surgical and medical masks merchant wholesalers

## 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 513, Publishing Industries. Though printing and publishing are often carried out by the same enterprise, 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 Subsector 513, Publishing Industries, 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 Industry 31331, Textile and Fabric Finishing Mills.

**Excluded** from this subsector are establishments primarily engaged in manufacturing bare printed circuit boards. These establishments print, perforate, plate, screen, etch, or photoprint interconnecting pathways for electric current on laminates and are classified in Industry 33441, Semiconductor and Other Electronic Component Manufacturing. Establishments primarily providing printing brokerage services are classified in Industry 56199, All Other Support Services.

# Industry Categories

## 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: legal advice and representation; 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.*

## REAL ESTATE

*Sector 53 Real Estate and Rental and Leasing*

**531 Real Estate:** Industries in the Real Estate subsector group establishments 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) 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.

## 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 primarily engaged as independent contractors in the installation and maintenance of telecommunications systems are classified in Sector 23, Construction.

# Industry Categories

## 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.

## TRAVEL / ENTERTAINMENT

### *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.

Some establishments that provide food and beverage services are classified in other sectors. **Excluded** from this sector are civic and social organizations. These establishments are classified in Sector 81, Other Services (except Public Administration). Amusement and recreation parks, dinner theaters, and other recreation or entertainment facilities are classified in Sector 71, Arts, Entertainment, and Recreation. Motion picture theaters are classified in Sector 51, Information.

## EXAMPLES OF SERVICES AND THEIR INDUSTRY CATEGORIES

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
- Personal protective equipment – Wholesale Trade
- 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