

# 2020-21

## STRATEGIC PLAN

Insurance Diversity Initiative – Diversity Task Force



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## Message from the Director

The 2020 – 2021 Strategic Plan is the result of a collaborative effort between our Insurance Diversity Task Force (Task Force) and the California Department of Insurance (CDI) led by Insurance Commissioner Ricardo Lara. Our collective vision is to create greater opportunities for our diverse communities in California within the largest insurance market in the nation.

In developing the goals contained in this plan, we engaged in a series of thoughtful discussions with Commissioner Lara and Task Force members to understand the issues that are facing our communities with respect to supplier and governing board diversity. Along the way, we also gathered valuable feedback and information from a variety of internal and external stakeholders.

After analyzing the input that we received, we worked to create a plan that reflected the mission and goals of CDI's Insurance Diversity Initiative in concert with those of the Task Force, and that also helped define our path forward as we work together to create innovative programs and resources that will be meaningful for our stakeholders. This plan is intended to guide us into the new decade with actionable goals and key milestones.

Thank you to our incredibly dedicated cadre of Task Force members for the countless hours that they spent to provide us with their insightful feedback. And to our community of diverse business owners, government leaders, board members/directors, insurance company representatives, and industry stakeholders, we are incredibly fortunate for your support in helping us advance supplier and governing board diversity in the insurance industry!



Chandara K. Phanachone  
*Director, Insurance Diversity Initiative*

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**NOTE:** *The Insurance Diversity Initiative 2020-21 Strategic Plan is intended as a dynamic document that should remain relevant over the course of the year. This plan may evolve to reflect the needs of the Department and the Task Force as deemed necessary.*

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Sincerely,

Chandara K. Phanachone  
Director

# VISION

We strive to become leaders on the advancement of supplier and governing board diversity in the insurance industry in order to achieve greater equity for diverse business communities and board leadership.

# MISSION

The mission of the Task Force is to:

- Advise the Department of Insurance with member area(s) of expertise on Department initiatives to increase procurement with diverse suppliers and diversity on governing boards;
- Identify and promote insurance companies that are actively engaged in diversity issues;
- Explore the status of diverse representation on insurance company governing boards; and
- Provide recommendations to increase supplier or governing board diversity, which may include suggested changes to existing law.

# GOALS

- Increase insurer procurement from diverse suppliers
- Increase diversity on insurer governing boards

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## ABOUT THE INSURANCE DIVERSITY INITIATIVE & DIVERSITY TASK FORCE

*The Insurance Diversity Initiative was established in 2011 to increase procurement from diverse business enterprises (DBE or “diverse suppliers”) and advance governing board diversity among insurance companies within California’s \$310 billion insurance industry. To accomplish these goals, the Department of Insurance conducts outreach & research, creates partnerships, hosts events, and administers surveys to collect and publicly disseminate information about the state of diversity in the insurance industry. In 2012, the Task Force was created, and formally codified in 2020 pursuant to California Insurance Code Section 927 et. seq. with the signing of Senate Bill 534 (Bradford).*

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# 2020 – 21 | STRATEGIC GOALS

## >> Advancing Governing Board Diversity (GBD)

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### I. GENERATE AWARENESS OF GOVERNING BOARD DIVERSITY THROUGH EDUCATION AND ADVOCACY

**GOAL** Create awareness of value & impact associated with governing board diversity among insurers

#### Key Objectives:

- **A. Digital Communications Campaign for GBD Case Studies**
  - i. Publish case studies that highlight leading practices of companies that have achieved success in board diversity
- **B. Digital GBD Resource Toolkit**
  - i. Create an online toolkit that provides resources on advancing board diversity
- **C. Insurance Industry GBD Champion Event**
  - i. Establish key performance benchmarks for success

### II. PUBLICIZE ACHIEVEMENTS to INCENTIVIZE CHANGE AMONG INSURERS

**GOAL** Introduce and Implement Insurance Diversity Designation for Insurance Companies

#### Key Objectives:

- **A. Define criteria for industry standards in supplier and/or governing board diversity & implement a diversity designation (providing an opportunity for insurance companies to be publicly recognized for their achievements)**

**GOAL****Foster Change through Increased Recognition & Publicity****Key Objectives:**

- **A. GBD Engagement Campaign Progress Update & Congratulatory Letter**
  - i. Recognize the progress of insurers who have successfully achieved board diversity as part of the GBD Engagement Campaign by sending congratulatory letters to those companies

### **III. HIGHLIGHT IMPACT OF THE DIVERSITY INITIATIVE & TASK FORCE**

**GOAL****Increase Media Engagement/Exposure of Achievements and Impact****Key Objectives:**

- **A. Actively seek out opportunities that recognize and extol the impact of the Diversity Initiative & the Task Force**

**GOAL****Share Leading Practices of the Diversity Initiative at the National Level****Key Objectives:**

- **A. Become a recognized industry leader in setting and sharing best practices in supplier and governing board diversity programs**

**GOAL****Develop Tangible Metrics to Quantify Impact of Insurance Diversity Summit****Key Objectives:**

- **A. Understand target audience needs & demographics in order to create programming that enhances value for stakeholders**

# 2020 – 21 | STRATEGIC GOALS

## >> Advancing Supplier Diversity

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### I. COMPILE ONLINE RESOURCE DIRECTORY

**GOAL** Educate Insurers and Diverse Suppliers by Providing Access to Resources

**Key Objectives:**

- A. Online CDI Resource Directory that provides links to diverse certification agencies for insurers and suppliers
- B. Online CDI Resource Directory that provides links to insurers' supplier diversity programs for diverse suppliers

### II. EXPAND INSURER PROCUREMENT OPPORTUNITY OUTREACH

**GOAL** Educate and/or Connect Diverse Suppliers with Procurement Opportunities by Partnering with Key Industry Allies to Co-Host Event

**Key Objectives:**

- A. CDI/Task Force to Co-Host a (series of) Meet the Prime Suppliers Industry Event(s)
- B. Targeted Outreach to Insurance Industry Events and/or Conferences

**GOAL** Create value and impact through a series of more focused insurance industry events.

**Key Objectives:**

- A. CDI/Task Force to Co-Host Industry Day for Diverse Suppliers on Focused Topic of Interest
- B. Create a Marketing Plan To Assess Value and Impact



# 2020-21

## STRATEGIC PLAN

Revised 08/20



### Contact Us

California Department of Insurance  
[www.insurance.ca.gov/diversity](http://www.insurance.ca.gov/diversity) | [diversity@insurance.ca.gov](mailto:diversity@insurance.ca.gov)





# Cal-CRIS

**Contact us: [westechenvironmental@1westech.com](mailto:westechenvironmental@1westech.com)**

Cal-CRIS Launches Rating Index System for Insurance Diversity

**To: Anthony Belcher CEO  
WesTech Environmental, LLC**

**From: Venita J. Johnson  
Senior Advisor, Operations  
WesTech Environmental, LLC**

## **Update: California Competitive Rating Index System (CAL-CRIS)**

### **Cal-CRIS Rollout Date: Year End Diversity Summit (November 2020)**

As the Cal-CRIS product launch date at the CDI 2020 Year End Diversity Summit in November approaches, the stakes are high for our communications team to ensure messaging is solidified and everything is ready to go for the big day. It's during this time that developing a sound communications strategy is pertinent.

How well we execute could be the determining factor on how well the launch is received by our target audience of insurers and consumers. From identifying our goals to picturing how we want the event to be framed in the media, these elements of our strategy are not to be overlooked.

It is our hope that Commissioner Ricardo Lara and his staff would provide the most recent ISD surveys, feedback and suggestions to help improve the effectiveness of the Cal-CRIS website and app (Cal-CRISx). Additionally, we would like the Commissioner to consider allowing space in the DOI newsletter to introduce Cal-CRISx to insurance companies, as well as provide a 7-minute presentation during the November Diversity Year End Summit.

We are confident Cal-CRISx can help provide the leverage to encourage insurance companies to submit their ISD surveys and actively engage in diversity issues. As consumers become educated in the comparative analysis of insurance companies and insurer commitment to diversity and inclusion, insurance companies will want to be highly ranked and in the forefront of diversity practices as they compete in the \$310 billion California insurance industry.

## Cal-CRIS OVERVIEW: Competitive Rating Index System

Cal-CRIS analyzes the diversity and inclusion efforts by California insurance companies as promulgated in the ISD survey.

### Cal-CRIS methodology

- 1) Assignment of a numeric point value in each of the survey categories, and each sub-section based upon insurer performance
- 2) Quantify the point values using a basis of comparison
- 3) Provide the data free of charge to consumers, businesses, diversity suppliers, outreach coordinators and public purchasing agencies

For the first time ever, information from insurance companies are given a diversity rating score and a ranking level based on that score. Information from the ISD survey is intended to foster relationships between insurers and California's diverse suppliers; and give consumers a tool to participate in promoting diversity and inclusion.

The targeted areas of effort and methodology—which are the basis for the website and mobile app— center upon the answers to the primary questions in the survey. A **Cal-CRIS score** is a numerical expression generated based upon these factors. The Cal-CRIS score is similar to the “FICO” score used for consumers. The point values are similar to FICO to give consumers a frame of reference for the meaning of the scores. Based upon a Cal-CRIS score, consumers can determine how “worthy” a company is of consumer business in terms of diversity.

For example, a base Cal-CRIS score is determined by responses to diversity questions in the ISD survey. Additional points may be earned from environmental, health and safety questions in the survey which address the social responsibility efforts of insurers that benefit ALL Californians in areas beyond diversity (e.g., climate change, conservation, green initiatives, renewable energy sources, etc.).

Cal-CRIS is designed to create a diversity strategic plan that marshals resources in the most efficient manner to reach the CDI desired diversity initiative objectives through voluntary insurer compliance. Insurers are motivated to achieve high rankings for promotion to consumers. Cal-CRIS brings focus and effectiveness to the diversity initiative by clearly comparing mutually agreed upon attainable objectives, accountability for results, and feasible expectations based on the resources allocated.

## **Supplemental Questionnaire: Thwarting the Diversity Backlash**

Organizations that frame diversity solely in terms of racial or gender discrimination, a practice that emerged from early diversity training models of the 1990s, are in danger of fomenting resistance by insurance companies and/or resentment from the general public.

On the other hand, companies with poorly executed diversity programs have been vulnerable to backlash for some time. Shoring up weaknesses in diversity efforts in both cases can help consumers understand insurance company diversity objectives and help ensure that consumer dollars are spent with companies which embrace consumer core values.

## **Confusion About Objectives**

One common mistake that diversity planners make is failing to include or consider the majority population in their strategies. That is what often causes backlash and charges of reverse discrimination. By offering supplemental questions with a broader appeal to all Californians, the survey not only stresses that diversity means honoring and actualizing individual differences but includes issues relevant to the majority population as well. The goal of Cal-CRIS is to leave no Californian behind.

Sometimes insurance companies or consumers simply don't understand what diversity leaders are trying to accomplish. What Cal-CRIS does is broaden that understanding while increasing the inclusion pool to diverse participants. The survey encourages insurers to leverage all of the talent and potential within today's culture.

Diversity is evolving. Most of us have been down the path of those early workshops and seminars dealing with bias, but Cal-CRIS is going much deeper. We now have credible data that empowers consumers and suppliers regarding their interactions with insurers.

Best Regards,

Venita

Venita J. Johnson  
Senior Advisor, Operations  
WesTech Environmental, LLC