

Date: 10/28/22

Virtual Meeting

SPECIAL (EX) COMMITTEE ON RACE AND INSURANCE WORKSTREAM ONE

Friday, October 28, 2022

11:00 a.m. – 12:00 p.m. ET / 10:00 – 11:00 a.m. CT / 9:00 – 10:00 a.m. MT / 8:00 – 9:00 a.m. PT

ROLL CALL

Doug Ommen, Co-Chair	Iowa	James J. Donelon	Louisiana
Karima M. Woods, Co-Chair	District of Columbia	Timothy N. Schott	Maine
Mark Fowler	Alabama	Chlora Lindley-Myers	Missouri
Alan McClain	Arkansas	Mike Causey	North Carolina
Ricardo Lara	California	Elizabeth Kelleher Dwyer	Rhode Island
Andrew N. Mais	Connecticut	Larry D. Deiter	South Dakota
Dean L. Cameron	Idaho	Jonathan T. Pike	Utah
Dana Popish Severinghaus	Illinois	Allan L. McVey	West Virginia
Amy L. Beard	Indiana	Jeff Rude	Wyoming

NAIC Support Staff: Brooke Stringer / Taylor Walker

AGENDA

1. Welcome
— *Commissioner Doug Ommen (IA) and Commissioner Karima M. Woods (DC)*
2. Discuss Workstream One Proposed Recommendations Attachment One
— *Commissioner Doug Ommen (IA) and Commissioner Karima M. Woods (DC)*
3. Receive Comments from Interested Parties
 - a. Frank O'Brien, Vice President, State Government Relations, American Property Casualty Insurance Association (APCIA) Attachment Two
 - b. Randi Chapman, Managing Director, State Relations, Blue Cross Blue Shield Association (BCBSA) Attachment Three
 - c. Miranda Motter, Senior Vice President of State Affairs and Policy, America's Health Insurance Plans (AHIP) Attachment Four
 - d. Erin Collins, Senior Vice President, State & Policy Affairs, National Association of Mutual Insurance Companies (NAMIC) Attachment Five
4. Consider Adoption of Proposed Recommendations
— *Commissioner Doug Ommen (IA) and Commissioner Karima M. Woods (DC)*
5. Discuss Any Other Matters Brought Before the Workstream
— *Commissioner Doug Ommen (IA) and Commissioner Karima M. Woods (DC)*
6. Adjournment

Date: 9/13/2022

Special (EX) Committee on Race and Insurance
Workstream One

Workstream One Proposed Recommendations

Given the industry's aging workforce and other challenges and opportunities facing the industry, Workstream #1 recognizes the critical importance of recruiting, retaining and promoting talent, at all levels of organizations, that is representative of insurers' customers and communities.

Workstream #1 also acknowledges, and fully supports, the existing commitment and initiatives by industry trade associations, CEOs and many insurers to increase diversity, equity and inclusion (DEI) in their organizations.

Workstream #1 embraces a broad definition of diversity, which includes differences of thought, education, background and experiences, in addition to differences based on race, gender, national origin, religion, age, disability, veteran status, sexual orientation, etc.

Workstream #1 appreciates that not all insurers are starting from the same place when it comes to DEI efforts and that change takes time but urges all insurers to develop and implement a strategy adapted to their circumstances to recruit and retain talent that is representative of their customers and communities.

Accordingly, Workstream #1 recommends the following actions:

- The NAIC in collaboration with insurance trade associations (including producer groups) should make available resources and develop materials for members of industry, insurance trade associations and state regulators to use to host programs that introduce students from local colleges and graduate schools to careers in insurance.
- Insurance trade associations should work together, where appropriate, to share DEI resources and best practices and make them widely available to their members, including blueprints to be used by companies for student internships, grants or similar programs and for recruiting talent from non-traditional networks and channels.
- The insurance industry should assess DEI at all levels of its organizations as well as among producers and third-party suppliers to identify opportunities for improvement and to measure changes in diversity over time.
 - As part of this assessment, insurance trade associations are encouraged to collect in a manner that facilitates evaluation across business lines (including distribution channels), and make available publicly on a regular basis, relevant data from their members.
- State regulators should use the opportunity of appropriate regulatory interactions to ask about, and regulated entities should be prepared to discuss, their efforts relating to talent recruitment and retention, including DEI initiatives and their impact.
- The NAIC should provide regular updates on the foregoing initiatives to our federal counterparts and the International Association of Insurance Supervisors (IAIS).
- Workstream #1 should evaluate periodically whether revisions to the foregoing actions are appropriate.



VIA Email: bstringer@naic.org and twalker@naic.org

October 13, 2022

Commissioner Doug Ommen
Commissioner Karima M. Woods
Co-Chairs Workstream One
Special (EX) Committee On Race and Insurance
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Re: Special (EX) Committee On Race and Insurance Workstream One Proposed Recommendations

Dear Commissioners Ommen and Woods:

The American Property and Casualty Insurance Association (APCIA) appreciates the opportunity to provide these comments regarding Workstream One's Proposed Recommendations dated September 13, 2022. We agree that the challenges and opportunities facing the industry show the critical importance of recruiting, retaining and promoting talent, at all levels of organizations, that is representative of insurers' customers and communities. We also appreciate the workstream's acknowledgement of and support for the existing commitment and initiatives by industry trade associations, CEOs and many insurers to increase diversity, equity and inclusion (DEI) in their organizations.

APCIA supports the recommendations contained in the September 13 draft. The recommendations are balanced, targeted, and actionable. They build upon existing efforts while encouraging even greater efforts. APCIA urges their adoption by the Workstream and by the Special (EX) Committee On Race and Insurance.

Very truly yours,

A handwritten signature in black ink that reads "Francis C. O'Brien". The signature is written in a cursive style with a large, looped initial "F".

Francis C. O'Brien
Vice President, State Gov't. Relations



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

October 13, 2022

Commissioner Doug Ommen, Co-Chair
Commissioner Karima M. Woods, Co-Chair
Special Committee on Race and Insurance
National Association of Insurance Commissioners
444 North Capitol Street NW, Suite 700
Washington, D.C. 20001-1512

Submitted electronically to: Taylor Walker (twalker@naic.org) and Brooke Stringer (bstringer@naic.org)

RE: Exposure Draft of Workstream One Proposed Recommendations

Dear Commissioner Ommen and Commissioner Woods and members of Special (EX) Committee on Race and Insurance Workstream One:

Thank you for the opportunity to provide input on the Exposure Draft of Workstream One Proposed Recommendations on action steps that regulators and industry representatives can take to improve the level of diversity and inclusion in the insurance industry.

BCBSA is a national federation of 34 independent, community-based and locally operated Blue Cross and Blue Shield (BCBS) companies (Plans) that collectively provide health care coverage for one in three Americans. For more than 90 years, Blue Cross and Blue Shield companies have offered quality health care coverage in all markets across America — serving those who purchase coverage on their own, as well as those who obtain coverage through an employer, Medicare and Medicaid.

BCBSA is committed to addressing racial disparities that disadvantage people of color and historically underrepresented communities. BCBS companies have also demonstrated their commitment to addressing racial disparities from a corporate perspective. For example, the Special (EX) Committee on Race and Insurance invited Blue Cross Blue Shield IL to the NAIC 2021 Fall National Meeting to discuss its company DEI initiatives and community program focused on job training and student development.

BCBSA recognizes the significant work by Workstream One on the development of the recommendations and share your overall goals. However, we have concerns that some of the recommendations could require public disclosure of information that BCBSA would be unable to provide on behalf of individual Blue Plans. Specifically, we would not be able to make publicly available certain data and statistics specific to employees without authorization to use the information for the purposes described in the recommendations. In addition, such data and statistics could lack the accuracy necessary to facilitate the use cases proposed in the recommendations. Further, information related to practices around diversity in recruitment practices may include proprietary business practices.

Finally, we respectfully ask for clarity regarding the recommendation that suggests that trade associations “share DEI resources and best practices and make them widely available to their members, including blueprints to be used by companies...”. In any circumstance where BCBSA might share resources and best practices with other industry trade organizations, we would have concerns about sharing legally privileged information, confidential or proprietary business practices.

Thank you for considering our comments. We appreciate the opportunity to work with you to support and promote initiatives that will lead to great diversity, equity, inclusion and belonging in the insurance industry. If you have any questions, please do not hesitate to contact Randi Chapman, managing director, state affairs or LaTonya Seanior-Smith, executive director, diversity, equity and inclusion.

Sincerely,

A handwritten signature in cursive script that reads "Clay S. McClure".

Clay S. McClure
Executive Director, State Affairs
Blue Cross Blue Shield Association



601 Pennsylvania Avenue, NW T 202.778.3200
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October 13, 2022

Iowa Commissioner Doug Ommen and
D.C. Commissioner Karima Woods
Co-Chairs
Special Committee on Race and Insurance
Workstream One

Delivered via email: to [Taylor Walker](#) and [Brooke Stringer](#)

Commissioners Ommen and Woods,

On behalf of AHIP¹, thank you for the opportunity to provide feedback on Workstream One’s draft set of proposed recommendations dated September 13, 2022, which were first exposed following a regulator-only call.

We appreciate the Workstream’s request for stakeholder feedback on a draft set of recommendations “developed to provide action steps that regulators and industry representatives can take to improve the level of diversity and inclusion in the insurance industry.” AHIP and our member plans are deeply committed to advancing diversity, equity, and inclusion (DEI) and have several questions that will help enhance our understanding of the Workstream’s proposed recommendations, specifically regarding intent and expectations. We look forward to supplementing this letter with further information.

At the outset, we would like to share some perspectives and reiterate the lenses through which we are reviewing the proposed recommendations. AHIP and our members believe that every American deserves access to affordable, high-quality care and health coverage – regardless of the individual qualities that make us who we are, like our race, color, gender, disability, or health status. For years, health insurance providers have been committed to improving health equity and combating social risk factors, like food insecurity and poverty, which can reduce health in our communities.

To ensure lasting and long-term success in improving health equity, AHIP and our member plans believe that America’s diversity must also be reflected at all levels within health care organizations. We recognize this occurs through sustained actions, including communications and listening sessions with internal and external stakeholders; company commitments to interview, hire, and promote candidates from diverse communities, including into the C-Suite; and the development of anti-bias, cultural humility, and conscious inclusion training.

¹ AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

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We appreciate the Workstream's strong statement in the proposed recommendations acknowledging the industry's "existing commitment by industry trades, CEOs and industry to increase diversity, equity and inclusion (DEI) in their organizations." This public acknowledgement is critical, and we appreciate the clear statement of support.

AHIP and our member plans also believe it is important to recruit, retain, and promote talent at all levels of organizations that is representative of insurers' customers and communities. Workstream One's stated recognition that not all insurers are starting from the same place when it comes to DEI efforts is also vital, particularly given the impact that geography can have on companies' diversity. This is an area that we trust the NAIC, and member regulators, are also currently contemplating in Workstream Two in its research and analysis of the levels of diversity and inclusion, including efforts to recruit and retain a diversity of talent, within the state insurance regulatory community and in departments of insurance across this country.

Again, as we outline the questions below, we look forward to a discussion about the proposed recommendations and how best to advance the important work of recruiting, retaining, and promoting talent, at all levels of organizations, that is representative of insurers' consumers and communities.

Definitions. The proposed recommendations include a "broad definition of diversity." That stated definition includes, "differences of thought, education, background, and experiences."

- Can the Workstream discuss this definition and how it is thinking about these elements for purposes of the outlined actions?
- Does the state insurance regulatory community have additional information or details that it can share for purposes of examining its own DEI efforts to operationalize and measure "differences of thought, education, background, and experiences"?
- Has Workstream One considered identifying two or three DEI metrics with clear definitions that can be operationalized and compared across markets and industries?

Insurance Trade Associations. AHIP appreciates Workstream One's recognition of the value of trade associations in facilitating discussions of best practices among industry thought leaders. In June of 2019, AHIP launched an initiative to bring together the best thinking on how to address social barriers to health and long-term well-being. AHIP's Project Link is bringing together health insurance providers from different markets and geographies to address an array of issues impacting all Americans, from housing to healthy eating to transportation. It is establishing clear strategies and goals for insurance providers, ensuring new programs addressing social determinants of health are scalable, sustainable, and measurable in improving health and affordability for everyone. Using Project Link as our foundation, AHIP is developing research and policy agendas at both the state and federal level to improve the health, well-being, and financial stability for consumers, patients, and taxpayers.

AHIP and our member plans believe that we all have a responsibility to create social and physical environments that promote better health for all Americans and AHIP's Project Link is solving this disconnect by bringing us together with a collective vision for enhancing quality of life, improve community health and reduce long term costs.

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- Can the Workstream discuss how it is thinking about health insurance providers that may not be members of insurance trade associations? How will the work taking place in insurance companies – in various markets across the country - that are not members of trade associations be captured and evaluated?
- As you know, insurance trade associations have limitations in the type of information that can be requested, gathered, and held on behalf of member plans. Has the Workstream discussed those challenges and had the opportunity to develop recommendations from regulators for trade associations? As a trade association itself, has the NAIC discussed this issue, and does it have any best practices it can provide as it looks to capture and make public the DEI efforts of its own state department of insurance members?

Sensitive Data. The protection of sensitive data is of utmost importance to regulators and health insurance providers. DEI data is highly sensitive data as it reflects individual's race, gender, national origin, region, age, disability, veteran status, sexual orientation.

- How is Workstream One thinking about privacy, data risks and exposing the industry to litigation risks?
- How is Workstream One thinking about the voluntary nature of providing one's information on personal identity to its employer who then would share that information with its trade association? How should proper notification and consent be considered for this level of data sharing?
- How are regulators thinking about how they hold this information for their own departments of insurance – individually and collectively as the NAIC?
- How is Workstream One thinking of using the data to encourage and promote DEI improvement?

Expectations and Next Steps. Can Workstream One speak to its expectations around implementation and timing? Additionally, can the Workstream speak to next steps, relative to further discussions, including revisions based on stakeholder comments/questions and any further opportunities that may be provided to comment on specific language?

AHIP has been deeply engaged in the work of the Special Committee on Race and Insurance and appreciates the opportunity to participate in discussions with regulators and stakeholders. We believe this work is essential. Again, thank you for the opportunity to pose an initial set of questions relative to the September draft and we look forward to providing more detailed comments after an initial discussion with Workstream One members.

Sincerely,

Miranda Creviston Motter
AHIP, Senior VP of State Affairs and Policy



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October 13, 2022

Commissioner Doug Ommen, Co-Chair
Commissioner Karima Woods, Co-Chair
Special (EX) Committee on Race and Insurance, Workstream One
c/o Brooke Stringer, NAIC Assistant Director of Financial Policy and Legislation
444 N. Capitol St. NW, Suite 700
Washington, DC 20001

Re: Workstream One Proposed Recommendations

Dear Co-Chairs and Committee Members:

On behalf of the National Association of Mutual Insurance Companies (NAMIC),¹ thank you for the opportunity to provide comments on the NAIC Special (EX) Committee on Race and Insurance's Workstream One Proposed Recommendations. We especially appreciate the collaboration and outreach from the workstream as you continue to develop your recommendations.

Since the establishment of the Special Committee, NAMIC has consistently worked with regulators to enhance access to insurance and insurance careers as we answer the call to improve diversity and inclusion in the US insurance ecosystem. We are stronger and more successful when we leverage and include diverse backgrounds, skills, knowledge, and perspectives of our policyholders, vendors, and our employees. Mutual insurance companies are built on the notions of community and inclusivity; the mutual model has a long and proud history of service to minority communities. Many member companies still in business today were founded by ethnic minorities that were new migrants to this country. Further evidence can be found with the creation of the NAMIC Mutual Insurance Foundation² and its mission to create scholarships for students pursuing insurance-related fields of study. To date the Foundation has awarded more than \$496,000 in scholarships to students pursuing careers in insurance and risk management; 71% of scholarship recipients have been women or minorities. We

¹ NAMIC is the largest property and casualty insurance trade association in the country, with more than 1,500 member companies. NAMIC supports regional and local mutual insurance companies as well as seven of the top 10 property/casualty insurers in the United States. Nationally, NAMIC members companies write \$357 billion in annual premiums, and our members account for 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets.

² <https://www.namicmutualfoundation.org/about-us/>



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would invite the NAIC to work with the NAMIC Mutual Insurance Foundation to promote these scholarships to even more students around the country.

Turning to specific comments on the exposed recommendations document, we appreciate the workstream’s acknowledgment of existing commitments and initiatives by the industry. NAMIC encourages the workstream to seek productive opportunities to engage with the industry to tell their positive stories and seek communal learning toward best practices. We also applaud the workstream for embracing a broad definition of diversity, to include “differences of thought, education, background, and experiences” in addition to protected classes.

We agree that insurers should develop and implement diversity and inclusion strategies adapted to their particular circumstances, customers, and communities. We also agree with Recommendation 1 that the NAIC and state regulators should make available resources and develop materials for hosting programs that introduce students to careers in insurance. We have previously offered to partner in such efforts and look forward to bringing many of these events to fruition in the future.

There are other areas of the workstream’s recommendations that NAMIC strongly rejects. We strongly disagree with the inclusion of Recommendations 3 and 4 and seek their removal. As an insurance trade association, we will not collect sensitive human resource data from our members for the purpose of either evaluation or publication. Not only is it inappropriate, but it may also violate other areas of the law. We note that many insurers voluntarily publish their own assessments of their workforce and supplier diversity, but encouraging a third party to do so, one over which the NAIC or a state insurance department has no jurisdiction, is simply not a reasonable request. Furthermore, the depth of data collected is likely to vary across insurers, and to the extent employee demographic data collection is required by law, its collection and permitted uses are extremely limited – the Equal Employment Opportunity Commission requires it for companies with more than 100 employees, and such collection triggers numerous Federal and State privacy protection laws that would further complicate any sort of data sharing.

NAMIC has routinely promoted member company DE&I initiatives and will continue to do so, both in terms of association related programs, like the Foundation’s scholarship and publicly recognizing the wide variety of efforts currently underway within member companies. We do, however, draw a distinction between that and efforts aimed at specific data collection, evaluation, and publication.

State regulators have specific statutory authority to examine matters related to financial solvency and market conduct. Consumers are best served when regulators focus their limited resources on those statutory objectives to maintain healthy and competitive insurance markets.



NAIC Special Committee on Race and Insurance – Workstream One
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NAMIC continues to believe the Committee’s charges related to enhancing the insurance talent pipeline are a valuable area for the NAIC’s focus and efforts. The looming retirement cliff and accompanying talent crisis in insurance is a problem for the industry and regulators alike. While we reject and will not collect and report member DEI data, we renew our commitment to working with you to invest in future insurance professionals by cultivating the talent pool with an appropriate focus on students and other professionals from diverse backgrounds.

NAMIC and our members strongly believe that treating all employees and policyholders with dignity and fairness is essential to the success of our industry. We look forward to the continued conversation and work ahead to improve access for all stakeholders to the insurance mechanism, insurance careers, and the economic empowerment made possible by our industry. Thank you again for the opportunity to collaborate, and we look forward to remaining engaged as a trusted resource as the Workstream’s work progresses.

Sincerely,

Neil Alldredge
President & CEO