



U.S. HOUSE COMMITTEE ON  
**FINANCIAL  
SERVICES**



**DIVERSITY AND INCLUSION: HOLDING AMERICA'S  
LARGEST INSURANCE COMPANIES ACCOUNTABLE**

*REPORT PREPARED BY THE MAJORITY STAFF OF THE COMMITTEE ON FINANCIAL SERVICES,  
U.S. HOUSE OF REPRESENTATIVES*

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*This report has not been officially adopted by the Committee on Financial Services and may not necessarily reflect  
the views of its Members.*



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## I. Executive Summary

In the 116th Congress, House Committee on Financial Services Chairwoman Maxine Waters established Congress' first Subcommittee on Diversity and Inclusion to "examine and resolve the systemic and economic exclusion of women, people of color, persons with disabilities, LGBTQ+ individuals, veterans, and other members of our society who have to fight for a seat at the table." Congresswoman Joyce Beatty has served as the Chair of the Subcommittee on Diversity and Inclusion since its inception. As part of the Subcommittee's ongoing and important work, on March 22, 2022, Chairwoman Waters and Subcommittee Chair Beatty issued letters to 27 of the largest property and casualty and life insurance companies in the United States requesting data on their diversity and inclusion policies and practices.

This report is the third in a series conducted by the Financial Services Committee and led by the Subcommittee on Diversity and Inclusion to hold the financial services industry accountable on its diversity and inclusion efforts. The previous reports highlighted diversity and inclusion challenges at the nation's largest banks and investment firms, identified areas of progress, and provided recommendations for improvements. Similar to banks and investment firms, insurance firms are integral to consumers' daily lives through the coverage and investments they offer.



The insurance industry helps protect households in the face of a variety of hardships and tragedies, from petty theft to major natural disasters to the loss of loved ones. To do so, insurance companies collect premiums from consumers and invest those premiums to pay out claims when households have insured losses. Collectively, the insurance industry possesses more than \$5.8 trillion in assets.<sup>1</sup> Insurance companies often make long-term investments in important sectors of the economy, including education, infrastructure, housing, farming, and businesses across the country.<sup>2</sup> The investment strategy of insurance companies can result in tangible, long-term projects being financed indirectly by policyholders.<sup>3</sup>

To better understand diversity and inclusion within the insurance sector, the Committee requested data from insurance companies that received direct premiums of \$7 billion or more (27 insurance companies total) to report and comment on their diversity and inclusion data and practices. The request included a self-assessment of data and activities ranging from 2017 to 2021 and solicited a mix of quantitative and qualitative responses. The request included six categories of quantitative data: Workforce Diversity, Executive Leadership Diversity, CEO Diversity, Board Diversity, Supplier Diversity, and Investment of Assets. In addition, firms were asked qualitative questions related to internal diversity and inclusion policies and practices.

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<sup>1</sup>U.S. Chamber of Commerce, [The Role of Insurance Investments in the U.S. Economy](#), Center for Capital Investments (Winter 2019).

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

## Key Findings

The key findings from Committee Staff are as follows:

### *Workforce Diversity*

- Among America's largest insurance companies, there was little change in racial, ethnic, and gender representation among employees over the five years queried (2017-2021).
- In 2021, the largest insurance companies had a lower percentage of employees of color (30.5%) compared to the largest banks (42%) and the largest investment firms (40.6%).
- Across all three reports, the Committee found that the largest banks, investment firms, and insurance companies reported that less than 1% of employees identified as American Indians or Alaska Natives.
- Just 4% of employees at insurance companies identified as having a disability in 2021, compared to almost 25% of adults in the United States who are living with a disability.
- Women had a higher representation of employment in lower-level roles, with 77.2% of administrative support employees identifying as women and 22.8% identifying as men.

### *Executive Leadership Diversity*

- Among companies surveyed, people of color were underrepresented in 2021 in executive-level positions, with an average of 16.2% of executives identifying as people of color.
- Among companies surveyed, women were underrepresented in 2021 in executive-level positions, with an average of 33.5% of executives identifying as women.
- The CEOs at the largest insurance firms were overwhelmingly White men (88.9%) in 2021. Specifically, 25 out of 27 (92.5%) of the largest insurance companies were led by men, and 26 out of 27 (96.2%) of the largest insurance companies were led by people who identify as White. Racial and gender CEO representation has remained unchanged since 2017.

### *Board Diversity*

- The Committee found that board diversity at the nation's largest insurance companies was similar to board diversity at the nation's largest investment firms and banks surveyed and covered in prior Committee reports: women comprised 28.5% of insurance boards, 28% of investment firm boards, and 30% of bank boards, and people of color comprised 22.3% of insurance boards, 17.5% of investment firm boards, and 20% of bank boards.

### *Supplier Diversity*

- The average amount of money spent with diverse suppliers at surveyed insurance companies was 2.7% with minority-owned suppliers, 2.4% with women-owned suppliers, and 1.2% with minority- and women-owned suppliers as a percent of overall procurement

spend.

### ***Investments of Assets***

- Twenty-seven companies invested in outside funds, and 22 companies (81.5%) stated that they invested in funds that maintain ESG disclosures. This is an increase from 2017, when only 13 companies (48.1%) invested in funds that maintained ESG disclosures.
- Twelve companies (44.4%) stated that they invest with women-owned asset managers, and 15 companies (55.6%) stated that they invested with minority-owned asset managers. These are increases from 2017, when nine companies (33.3%) invested with women-owned asset managers, and 13 companies (48.1%) invested with minority-owned asset managers.

### ***Practices to Support Diversity and Inclusion***

- For 2021, the budget allocated to diversity and inclusion for insurance companies on average was \$5.3 million (0.24% of the surveyed companies' average total budget) which increased from an average of \$3.2 million (0.13% of the surveyed companies' average total budget) in 2017.
- In 2021, 79% of insurance companies did not have a reporting structure in which the lead diversity officer reported to the company's CEO or President. Forty-seven percent (47%) of companies indicated a structure in which the diversity officer reported to the lead Human Resources Officer; 32% reported to a senior executive (e.g., Chief Administrative Officer, Global Head of Talent, etc.); and only 21% reported to the CEO or President.
- For 2020, 89% of companies indicated that they released a public statement in response to the murder of George Floyd and/or other instances of racial injustice during Summer 2020; 91% of these statements made commitments to advancing racial equity.
- Most companies (83%) made racial equity commitments related to implementing or continuing diversity and inclusion practices and policies; 16% committed to increasing workforce diversity; and only 0.04% committed to increasing board diversity and supplier diversity.

## **Recommendations**

### ***Workforce Diversity Recommendations:***

Findings related to workforce diversity demonstrated that the insurance companies that responded to the Committee's data inquiry had the strongest representation of diversity at lower level positions, but this diversity decreased within the company at higher positions, i.e., insurance professionals, executive leadership, and board membership.

- Insurance companies should regularly collect disaggregated data on their workforce, executive and board diversity, as well as conduct regular audits on pay and racial equity to better understand their current workforce, and why employees of color and women are not moving up the pipeline. This data should be made publicly available.
- Insurance companies should partner with historically Black colleges and universities (HBCUs), minority serving institutions (MSIs), and community colleges to build talent pipelines into these organizations.
- Insurance companies should create training academies that educate less-senior employees on job opportunities and match graduates with mentors and sponsors to support their career growth.
- Insurance companies should develop workforce diversity goals that are made public and shared with state regulators who can track progress against these goals.
- Legislative Proposal 1: [H.R.2123](#), *Diversity and Inclusion Data Accountability and Transparency Act (D&I DATA Act)*. This bill would make reporting requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 mandatory. Under the legislation, regulated entities, including insurance companies, would be required to disclose their diversity data, policies, and practices to their respective regulators.

### ***Board and Executive Leadership Diversity Recommendations:***

Findings related to board and executive leadership demonstrated an underrepresentation of people of color and women at the highest levels of insurers.

- Insurance companies should consider at least one diverse candidate for all executive positions and board positions when there are openings. Diverse candidates may include individuals with a disability, LGBTQ+ individuals, women, and people of color.
- Insurance companies should consider their board membership criteria and selection committee construction to reduce bias in the interview, selection, and appointment processes.
- Legislative Proposal 2: [H.R.1277](#): *Improving Corporate Governance Through Diversity Act of 2021 (Rep. Meeks)*. This bill would require public companies, including insurance companies, to annually disclose the voluntarily, self-identified gender, race, ethnicity and veteran status of their board directors, nominees, and senior executive officers. Among other requirements, the SEC Office Minority and Women Inclusion (OMWI) would publish best practices for compliance with diversity disclosures.

### ***Supplier Diversity Recommendations:***

Findings related to supplier diversity indicated that, on average, insurers are spending less than 10% of their annual procurement spend with minority- and/or women-owned firms. While there

is growing engagement in ESG fund investments, few insurers used diverse asset managers to manage their investments.

- Insurance companies should consider diverse suppliers whenever a procurement takes place, including when contracting for asset managers.
- Legislative Proposal 3: *The Diverse Investment Advisers Act (Rep. Beatty)*. This discussion draft would require companies that register and are registered with SEC to consider at least one diverse asset manager when contracting out for asset management services and report to the SEC on the extent to which they use diverse asset managers.
- Legislative Proposal 4: *Minority and Women Inclusion in Insurance Act*. This discussion draft would require the Federal Insurance Office to annually ask insurers about their supplier and workforce diversity performance and to publish this data in conjunction with the OMWI, and in partnership with State regulators.

### ***Diversity and Inclusion Practices and Policies Recommendations:***

Findings related to diversity and inclusion practices and policies indicated that, though all insurance companies have a diversity and inclusion statement and policy, these policies are not always related to outcomes, such as diversity in the workforce and procurement. It is imperative that diversity and inclusion is integrated throughout the entire business function.

- Insurance companies should include pay ranges in job descriptions to promote transparency and pay equity.
- Insurance companies should routinely evaluate existing diversity and inclusion programs to ensure the effectiveness and efficiency of programs.
- Insurance companies should have a lead diversity officer who can inform strategic discussions across the C-suite, and these leaders should report directly to the CEO.
- All staff performance reviews should include diversity, equity, and inclusion evaluations.
- Legislative Proposal 5: *Diversify Insurers' Workforce Study Act*. This discussion draft requires that the Federal Insurance Officer complete a study exploring rates of attrition and retention within the insurance industry. The study will also include best practices for reducing attrition and improving retention and promotion.



## II. Background

This report is the third in a series conducted by the Financial Services Committee and led by the Subcommittee on Diversity and Inclusion to hold the financial services industry accountable on its diversity and inclusion efforts. The previous reports highlighted the challenges regarding diversity and inclusion at the nation’s largest investment firms and banks, identified areas of progress, and provided recommendations for improvements. Similar to banks and investment firms, insurance firms are integral to consumers’ daily lives through coverage and investments offered.

The Committee is interested in examining diversity and inclusion at property and casualty (P&C) and life insurance firms because of its prevalence in the lives of nearly every adult in American.

P&C insurance helps to protect an individual’s property including homes, cars, and businesses<sup>4</sup>, and life insurance covers the risk of the death of a policyholder, as well as provides annuities or long-term investments to help protect a policyholder from outliving their income.<sup>5</sup>

While no one is required to have a bank account or make investments, it is often a requirement to obtain certain types of insurance. For example, almost all states require car insurance to register and drive a car; banks require home insurance to attain a mortgage; and some cities, like Houston, Texas, require those living in federally designated high-risk flood zones to have flood insurance.<sup>6</sup>

Within various sectors of the insurance industry, systemic bias and discrimination has led to disparate impacts among consumers.<sup>7</sup> Like loans and other financial products, insurance policies are priced according to the risk associated with the consumer. Insurance companies engage in risk assessments which include the use of complex algorithms that process massive amounts of data to determine the price that they will offer.<sup>8</sup> Unfortunately, research suggests that these risk assessments can sometimes result in disparate impacts on people of color wherein they are charged a higher premium based on factors that do not truly reflect their risk.<sup>9</sup> For example, in the auto insurance sector, a 2020 report from the Consumer Federation of America (CFA) found that the majority of auto insurance companies from the sample used data that acted as proxies for race (e.g., level of education and occupation) and did not seem to have a meaningful connection to a driver’s risk.<sup>10</sup> Projections from the U.S. Census suggests that by 2045, the United States will be “minority White,” such that people of color will make up the majority (50.3%) of the population.<sup>11</sup> Research



<sup>4</sup> [Allstate Insurance Company](#) (accessed Aug. 8, 2022).

<sup>5</sup> [P&C vs Life Insurance](#), Financial Edge (Feb. 11, 2022).

<sup>6</sup> Community Impact, [MAP: With FEMA’s new risk rating in effect, see how Houston-area community flood insurance premiums change](#), (Apr. 7, 2022).

<sup>7</sup> Center for Economic Justice, [The Center for Economic Justice’s Call to Insurers and Insurance Regulators](#) (Jun. 18, 2020).

<sup>8</sup> Anya E.R. Prince and Daniel Schwarcz, [Proxy Discrimination in the Age of Artificial Intelligence and Big Data](#), Iowa Law Review (2020).

<sup>9</sup> *Id.*

<sup>10</sup> ProPublica, [Higher Car Insurance Rates in Some Minority Neighborhoods](#), Consumer Reports Investigations (Apr. 21, 2017).

<sup>11</sup> [William H. Frey, The nation is diversifying even faster than predicted, according to new census data](#), Brookings (Feb. 2020)

shows that discrimination has a real cost to our entire economy,<sup>12</sup> and if people of color continue to be systemically marginalized, that cost will only increase.

Research also shows that individuals with disabilities and individuals who identify as LGBTQ+ face discrimination in the financial services industry. For example, the Subcommittee on Diversity and Inclusion held a hearing on May 24, 2022,<sup>13</sup> to explore barriers to financial services for persons with disabilities. Witnesses testified that persons with a disability have lower levels of employment and are less likely to work in financial services and the private sector more broadly.<sup>14</sup> Though some financial institutions have begun to develop meaningful employment opportunities for persons with disabilities, these efforts typically focus on service roles such as inventory management, fulfillment, and printing.<sup>15</sup>

The Subcommittee on Diversity and Inclusion held a hearing on November 9, 2021, examining LGBTQ+ employees' inclusion in the financial services sector. At this hearing, witnesses testified that within the financial services industry, few companies and organizations prioritize LGBTQ+ inclusion and data capture.<sup>16</sup> To date, data related to the experiences of employees with disabilities and those who identify as LGBTQ+ is scarce. Self-disclosure of these data may be depressed due to fear of retaliation or discrimination.<sup>17,18</sup> This report provides specific data on individuals with disabilities and individuals who self-identify as LGBTQ+, in addition to data disaggregated by race, ethnicity, and gender.

Insurance, especially homeowners and auto insurance, is well-regulated at the state level most often by Insurance Commissions. The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization and is governed by the chief insurance regulators from all states and territories.<sup>19</sup> Of note, while NAIC was founded in 1871 and has provided some guidance to prohibit discrimination, NAIC only recently created a Special (EX) Committee on Race and Insurance.<sup>20</sup> In recent years, the Committee has explored topics of bias and discrimination in the insurance industry and proposed legislation.<sup>21,22</sup> In 2021, Representatives Bonnie Watson Coleman (NJ-12), Rashida Tlaib (MI-13), and Mark Takano (CA-41) re-introduced a bill, the "Prohibit Auto Insurance Discrimination Act" or "PAID Act," which

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<sup>12</sup> Citi, "Closing [the Racial Inequality Gaps: The Economic Cost of Black Inequality in the U.S.](#)" (Sept. 2020).

<sup>13</sup> House Committee on Financial Services, [Hearing on Diversity Includes Disability: Exploring Inequities in Financial Services for Persons with Disabilities, Including Those Newly Disabled Due to Long-Term COVID](#), 117th Cong. (May, 24, 2022).

<sup>14</sup> [Enhancing Economic Opportunity and Mobility for People with Disabilities through Asset and Income Limit Reforms](#), JP Morgan Chase & Co. Policy Center (accessed May 10, 2022).

<sup>15</sup> [The Power to Deliver Together](#), Bank of America Support Services (accessed May 10, 2022).

<sup>16</sup> House Committee on Financial Services, [Hearing on There's No Pride in Prejudice: Eliminating Barriers to Full Economic Inclusion for the LGBTQ+ Community](#), 117th Cong. (Nov. 9, 2021).

<sup>17</sup> *Ibid.*

<sup>18</sup> House Committee on Financial Services, Hearing Memorandum, May 24, 2022, [Diversity Includes Disability: Exploring Inequities in Financial Services for Persons with Disabilities, Including Those Newly Disabled Due to Long-Term COVID](#), 117th Cong. (May 19, 2022).

<sup>19</sup> [Our Story](#), National Association of Insurance Commissioners (accessed Sept. 8, 2022).

<sup>20</sup> [Race & Insurance](#), National Association of Insurance Commissioners (accessed June 5, 2022).

<sup>21</sup> House Committee on Financial Services, [Hearing on Drivers of Discrimination: An Examination of Unfair Premiums, Practices, and Policies in the Auto Insurance Industry](#), 116<sup>th</sup> Cong. (Mar. 4, 2020).

<sup>22</sup> House Committee on Financial Services, [Hearing on Examining Discrimination in the Automobile Loan and Insurance Industries](#), 116<sup>th</sup> Cong. (May 1, 2019).

would require that “insurance companies use only driving-related factors in determining car insurance rates and eligibility.”<sup>23</sup>

The Dodd-Frank Wall Street Reform and Consumer Protection Act established the Federal Insurance Office (FIO) within the Department of the Treasury, which has the authority to “monitor the extent to which traditionally underserved communities and consumers have access to affordable non-health insurance products.”<sup>24</sup> FIO does not issue regulations nor preempt state laws as the McCarran-Ferguson Act sets the standard that the insurance industry is regulated primarily at the state level.<sup>25</sup>

To provide a deeper understanding of the wide range of diversity issues within the P&C and life insurance industries, Chairwoman Maxine Waters and Diversity and Inclusion Subcommittee Chair Joyce Beatty sent a letter to the top 27 largest insurance companies (see Appendix X), as determined by premiums written. The letter requested diversity data covering a 5-year period, from calendar year 2017 to 2021, including demographic data on its board, staff, and executive leadership. In an expansion of diversity information previously collected by the Committee (e.g., race, ethnicity, gender), the survey sent to insurance companies asked about LGBTQ+ and disability diversity at multiple levels. The letter also requested information on procurement, internal policies and practices meant to support greater diversity and inclusion, and challenges in pursuing diversity and inclusion in this industry. Topics included in the request were the following:

1. Workforce Diversity
2. Executive Leadership Diversity
3. CEO Diversity
4. Board Diversity
5. Supplier Diversity
6. Investments of Assets
7. Practices to Support Diversity and Inclusion

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<sup>23</sup> [H.R. 1270](#)

<sup>24</sup> Congressional Research Service, “[The Dodd Frank Wall Street Reform and Consumer Protection Act: Insurance Provisions](#)” (Aug. 17, 2010).

<sup>25</sup> 5 15 U.S.C. §§ 1011-1015

The participating companies are in the chart below.

	Company Name	Direct Premiums (\$)
1	State Farm	66,153,063,455
2	GEICO* <sup>26</sup>	46,168,882,446
3	Progressive Insurance	41,737,283,351
4	Liberty Mutual Insurance	36,172,569,654
5	Allstate Insurance Company	34,316,667,551
6	Travelers	28,786,741,494
7	USAA	24,621,245,970
8	Chubb	24,054,673,303
9	Farmers Insurance	20,083,338,884
10	Nationwide Insurance	18,499,967,365
11	Zurich North America	13,623,337,989
12	AIG	13,408,425,055
13	The Hartford	12,378,219,253
14	CNA	11,746,819,856
15	New York Life	11,694,323,492
16	American Family Insurance	11,338,489,352
17	Northwestern Mutual	11,297,024,132
18	MetLife	10,493,252,875
19	Prudential	10,058,275,855
20	Auto-Owners Insurance Company	9,295,080,573
21	Lincoln Financial Group	8,370,518,021
22	Assurant	8,283,431,551
23	MassMutual	7,915,664,373
24	Tokio Marine Holdings Inc. Group*	7,717,104,740
25	Erie Insurance	7,613,519,268
26	Fairfax Financial	7,586,745,423
27	AXA XL	7,015,963,255

**Source:** Source: *AM BEST U.S. Property/Casualty – 2020 Financial Results*<sup>27</sup>; *AM Best U.S. Life/Health – 2020 Financial Results*<sup>28</sup>

<sup>26</sup> Tokio Marine Holdings Inc. Group and Berkshire Hathaway have multiple insurance companies within their holding group/organization. Tokio Marine HCC (under Tokio Marine Holdings Inc. Group) and GEICO (under Berkshire Hathaway) wrote the most premiums within these groups and the data presented is from these companies in the report.

<sup>27</sup> AM Best, [2021 Best's Rankings: U.S. Property/Casualty – 2020 Financial Results](#) (Mar. 22, 2021)

<sup>28</sup> AM Best, [2021 Best's Rankings: Life/Health– 2020 Financial Results](#) (Mar. 22, 2021)

### III. Insurance Data & Committee Staff Findings

#### A. Workforce Diversity

**Key Finding:** Among America’s largest insurance companies, there was little change in racial, ethnic, and gender representation among employees overall over the course of five years (2017-2021).

**Key Finding:** In 2021, the largest insurance companies had a lower percentage of employees of color (30.5%) than the largest banks (42%) in 2018, and the largest investment firms (40.6%) in 2020. In comparison, people of color comprised 38.4% of the U.S. population in 2020 according to the U.S. Census.



**In 2021, the largest insurance companies had a lower percentage of employees of color (30.5%) than the largest banks (42%) in 2018 and the largest investment firms (40.6%) in 2020.**

**Key Finding:** Across all three reports, the Committee found that the largest banks, investment firms, and insurance companies reported that less than 1% of employees identified as American Indians or Alaska Natives.

**Key Finding:** Just 4% of employees at insurance companies identified as having a disability in 2021, compared to almost 25% of adults in the United States who are living with a disability.

**Key Finding:** Women had a higher representation of employment in lower-level roles, with 77.2% of administrative support employees identifying as women and 22.8% of employees identifying as men.

To better understand workforce diversity, participating companies were asked questions related to its total workforce, Executive/Senior Level Official and Managers, First/Mid-Level Official and Managers, Professionals, Administrative Support Workers and Other Employee types.

## 1. Total Workforce Diversity



Among companies surveyed, there was little change in racial, ethnic, and gender representation among employees over the course of the five-year period (See Table 1). Specifically, there were only slight increases in employees who identified as Asian (+1.2%), Black or African American (+0.7%), Hispanic or Latino (+1.0%), and two or more races (+0.4%). The percentage of employees who identified as American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander remained the same. In 2021, White employees comprised 69.0% of the total workforce, while employees of color comprised 30.5%. This indicates underrepresentation of people of color in the total workforce as compared to the 2020 Decennial Census, at which time 42.2% of the U.S. population was comprised of people of color.<sup>29</sup> Among people of color at insurance companies, Black or African American employees comprised the highest percentage of employees of color at 11.5% (See Table 1). The share of women employees decreased minimally (-0.4%) from 2017 to 2021, but on average, there were more women than men in the total workforce of surveyed companies between across this five year period (See Table 1).

<sup>29</sup> United States Census Bureau, [Decennial Census: Hispanic or Latino and Not Hispanic or Latino by Race](#) (accessed Aug. 16, 2022).

**Table 1: Selected Total Workforce Diversity from 2017-2021**

	Women %	Men %	American Indian or Alaska Native %	Asian %	Black or African American %	Hispanic or Latino %	Native Hawaiian or Other Pacific Islander %	Two or More Races %	White %
2017	55.0	45.0	0.3	6.2	10.8	7.8	0.2	1.9	72.7
2018	54.9	45.1	0.3	6.4	10.8	8.2	0.2	2.0	71.8
2019	54.6	45.3	0.3	6.7	11.0	8.5	0.2	2.2	70.9
2020	54.4	45.5	0.3	7.1	10.9	8.5	0.2	2.2	70.5
2021	54.6	45.3	0.3	7.4	11.5	8.8	0.2	2.3	69.0

**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Note:** All 27 companies surveyed (100%) reported race and gender information for their total workforce from 2017-2021.

The percentage of people of color in the workforce varied significantly by company, and representation of people of color in the workforce ranged from 10% to 54.6% of the total workforce, with an average representation of 30.5%. For example, over half (54.6%) of Assurant’s employees were people of color, and at least 40% of the workforce at USAA, GEICO, New York Life, Allstate Insurance Company, and State Farm were people of color in 2021. In total, 21.4% of companies had at least 40% of their total workforce comprised of employees of color. Conversely, Erie Insurance and Auto-Owners Insurance Company had the lowest share of employees of color at just 10 percent. Eight companies (28.6%), including American Family Insurance, Auto-Owners Insurance Company, AXA XL, Erie Insurance, Lincoln Financial Group, MetLife Home and Auto, Nationwide Insurance, and Zurich North America, had less than 25% of their workforce comprised of people of color. (See Table 2.)

**Table 2: Total Workforce Race and Ethnicity Diversity by Firm for 2021**

Company Name	People of Color %
Assurant	54.6
USAA	49.2
GEICO	44.9
New York Life	43.9
Allstate Insurance Company	42.1
State Farm	40.0
Progressive Insurance	37.5
AIG	35.0
MetLife	33.3
Prudential	32.7
Chubb	30.5
Farmers Insurance	30.5
Liberty Mutual Insurance	29.9
The Hartford	29.7
Tokio Marine HCC	29.5
MassMutual	28.9
Fairfax Financial	28.4
Northwestern Mutual	26.8
CNA	26.6
Travelers	25.5
Lincoln Financial Group	23.5
Nationwide Insurance	23.4
American Family Insurance	23.1
Zurich North America	22.9
AXA XL	21.4
MetLife Home and Auto	20.7
Erie Insurance	10.2
Auto-Owners Insurance Company	10.0
<b>Average</b>	<b>30.5</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

On average, women comprised 54.6% of the workforce among surveyed companies in 2021. Twenty-six of 28 insurance companies (92.9%) had at least 50% of their total workforce comprised of women. MetLife Home and Auto, which is now owned by Farmers Insurance, had



the greatest percentage of women (62.4%). Only two companies surveyed (7.1%) had fewer than 50% of their total workforce comprised of women in 2021. See Table 3.

**Table 3: Total Workforce Gender Diversity by Firm for 2021**

Company Name	Women %
MetLife Home and Auto	62.4
Lincoln Financial Group	62.3
MetLife	61.0
The Hartford	60.7
GEICO	58.5
State Farm	57.4
Progressive Insurance	57.3
Allstate Insurance Company	57.1
CNA	56.7
Fairfax Financial	56.7
Chubb	55.5
Assurant	55.0
Travelers	54.1
Auto-Owners Insurance Company	53.3
Erie Insurance	53.3
Tokio Marine HCC	53.2
MassMutual	53.2
Liberty Mutual Insurance	53.2
USAA	52.6
American Family Insurance	52.3
Farmers Insurance	52.2
AIG	51.8
New York Life	51.4
Prudential	51.3
Nationwide Insurance	51.3
Zurich North America	51.1
Northwestern Mutual	47.9
AXA XL	46.9
<b>Average</b>	<b>54.6</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

As the Committee has conducted two other diversity and inclusion surveys on banking and investment management,<sup>30</sup> Committee staff was able to compare snapshots. The largest insurance companies had a lower percentage of employees of color (30.5%) in 2021 as compared to the largest banks (42%) in 2018 and the largest investment firms (40.6%) in 2020. In comparison, people of color comprised 38.4% of the U.S. population in 2020.<sup>31</sup> Across all three surveys, the Committee found that the largest banks, investment firms, and insurance companies reported that less than 1.0% of employees identified as American Indians or Alaska Natives.

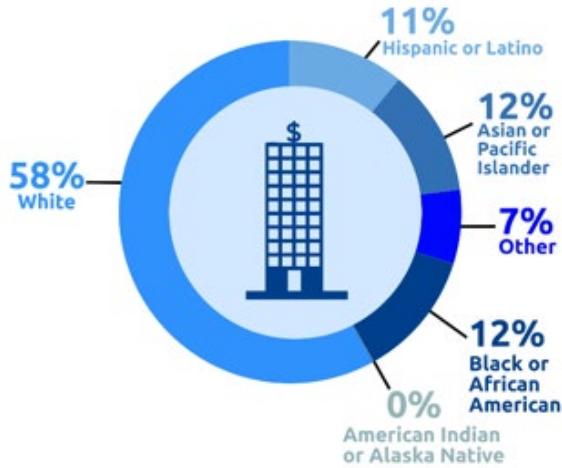
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<sup>30</sup> House Committee on Financial Services, [Diversity and Inclusion: Holding America's Large Banks Accountable](#) (Feb. 2020).

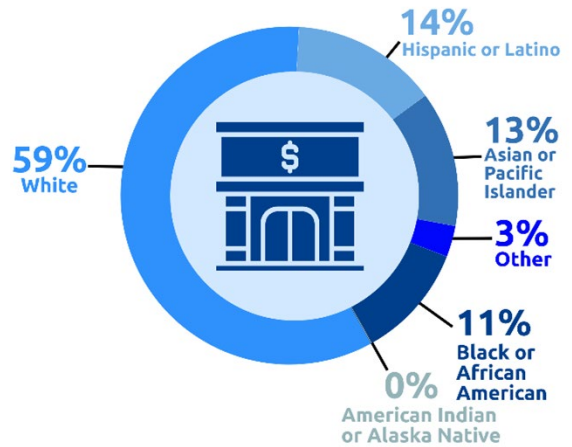
<sup>31</sup> United States Census Bureau, [Race](#) (accessed Sep. 6, 2022).

**Figure 1. Racial & Ethnic Diversity - Comparison of the Largest Insurance Companies to Largest Banks and Investment Firms**

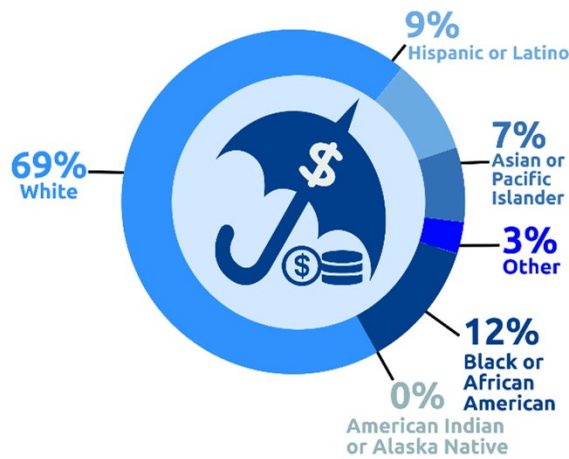
**U.S. Largest Banks Racial Diversity (2018)**



**U.S. Largest Investment Firm Racial Diversity (2020)<sup>32</sup>**



**U.S. Largest Insurance Companies Racial Diversity (2021)**



**Source:** U.S. House Financial Services Committee Staff Analyses

**Notes:** Data from the largest insurance companies are from 2021. Data from the largest banks are from 2018. Data from the largest investment management companies are from 2020. Data are rounded to the nearest whole number and other may include non-response as well as two or more races.

<sup>32</sup> House Committee on Financial Services, [Diversity and Inclusion: Holding America's Large Investment Firms Accountable](#), Page 11, Table 2 (Dec. 2021).

Among companies that provided the Committee with this information for 2021, the average percentage of employees identifying as LGBTQ+ in the total workforce was 2.6%. MassMutual reported the highest percentage of employees identifying as LGBTQ+ at 3.6%, and Prudential reported the lowest percentage of employees identifying as LGBTQ+ at 1.4%.<sup>33</sup> See Table 4 for details.

**Table 4: Percentage of Total Workforce by Company Identifying as LGBTQ+ in 2021**

Company Name	LGBTQ+ %
MassMutual	3.6
USAA	3.5
Lincoln Financial Group	3.4
Allstate Insurance Company	2.7
Travelers	2.2
New York Life	1.5
Prudential	1.4
<b>Average</b>	<b>2.6</b>

Source: U.S. House Financial Services Committee Staff Analyses

Only 11 companies provided quantitative information on the number of employees in their total workforce who identified as living with a disability in 2021. The average percentage of employees identifying as living with a disability at companies reporting this information was 4.0%.<sup>34</sup> USAA reported the highest percentage of employees living with a disability in the total workforce at 11.7%, and Fairfax Financial reported the lowest percentage of employees living with a disability at 0.2%.<sup>35</sup> See Table 5 for details.

<sup>33</sup> Only two companies, Allstate Insurance Company and New York Life, provided LGBTQ+ identity data about their total workforce in 2017; only seven companies provided quantitative data for this subpopulation 2021.

<sup>34</sup> House Committee on Financial Services, Hearing Memorandum, May 24, 2022, [Diversity Includes Disability: Exploring Inequities in Financial Services for Persons with Disabilities, Including Those Newly Disabled Due to Long-Term COVID](#), 117th Cong. (May 19, 2022).

<sup>35</sup> In a letter from USAA to the Committee on Financial Services (May 13, 2022). USAA informed the Committee that nearly 20% of their employees identify as veterans or military spouses or domestic partners.

**Table 5: Percentage of Employees by Company Identifying as Living with a Disability in 2021**

Company Name	Disability %
USAA	11.7
The Hartford	8.8
MetLife	5.7
MassMutual	5.3
Prudential	3.2
Travelers	3.0
Lincoln Financial Group	2.5
New York Life	1.5
Northwestern Mutual	1.1
Zurich North America	0.8
Fairfax Financial	0.2
<b>Average</b>	<b>4.0</b>

Source: U.S. House Financial Services Committee Staff Analyses

## B. Executive Leadership

**Key Finding:** Among companies surveyed, people of color were underrepresented in 2021 in executive level positions, with an average of 16.2% of executives identifying as people of color.

**Key Finding:** Among companies surveyed, women were underrepresented in executive level positions in 2021, with an average of 33.5% of executives identifying as women.



**Among companies surveyed, women were underrepresented in 2021 in executive level positions, with an average of 33.5% of executives identifying as women.**

### Executive Level Gender Diversity Compared to Other Levels

Though women are strongly represented in the insurance companies’ workforces overall, they seem to reach a proverbial glass ceiling, in which they encounter barriers to professional advancement. In 2021, women had strong representation at lower levels of employment, with 77.2% of administrative support employees identifying as women, and 22.8% of employees identifying as men. However, women were underrepresented in executive level management positions, with an average of 33.5% of executives identifying as women.<sup>36</sup> See Figure 2. Although

<sup>36</sup> All companies reported gender data at the executive level

no companies achieved gender parity at the executive management level, Nationwide Insurance was the closest to parity with 41.5% of executives identifying as women. Chubb was the furthest from parity with 23.4% of executives identifying as women. See Table 6 for details.

**Table 6: Gender Diversity by Company at the Executive Level for 2021**

Company Name	Women %
Nationwide Insurance	41.5
American Family Insurance	41.5
Lincoln Financial Group	40.6
The Hartford	39.6
USAA	39.0
Zurich North America	38.5
AIG	38.4
Northwestern Mutual	37.9
Liberty Mutual Insurance	37.7
CNA	36.2
MassMutual	35.7
State Farm	35.4
MetLife Home and Auto	34.1
Assurant	33.7
Fairfax Financial	33.7
Prudential	33.4
Travelers	32.8
Farmers Insurance	31.8
MetLife	31.0
New York Life	31.0
AXA XL	30.2
Allstate Insurance Company	29.9
Erie Insurance	27.3
Auto-Owners Insurance Company	27.3
Tokio Marine HCC	26.6
Progressive Insurance	25.8
GEICO	25.0
Chubb	23.4
<b>Average</b>	<b>33.5</b>

**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Note:** All 28 companies queried (100%) provided race and gender data at the executive level for 2021.

**Figure 2. Average Gender Composition of Insurance Company Executives in Most Recent Year Reported**



**Source:** U.S. House Financial Services Committee Staff Analysis of Investment Firm Data.

**Notes:** Data are rounded to the nearest whole number.

### **Executive Level Racial and Ethnic Diversity Compared to Other Levels**

Employees of color seem to hit the same glass ceiling as women within insurance companies. The percentage of employees who identified as people of color decreased at each higher level of employment, such that people of color comprised 38.9% of administrative support staff, 31.2% of professionals, 22.3% of first/mid-level managers, and 16.2% of executives/senior level officials. The majority of employees at the executive workforce level were White (83.3%).<sup>37</sup> See Table 7.

Although it appears that there are low barriers to entry for people of color to become part of the insurance workforce at the administrative level, the decreasing percentage of representation by people of color indicates potentially significant internal barriers for this group to achieve seniority in the insurance workforce. Understanding reasons for the decreasing representation of people of color at higher levels of employment, as well as understanding how to increase representation, is important future work.

Among people of color, Asian employees seem to achieve the greatest career mobility, but remained underrepresented within executive leadership. Asian employees were least represented at the administrative support level at 3.7% and were most highly represented at the professional

<sup>37</sup> All surveyed companies provided race and ethnicity data for their executive level workforce for 2021.

level at 11.6%. Among people of color, Asian employees were the most highly represented group at the executive level, at 7% of the executive workforce, and first/mid-level managers at 7.6%. Though Asian employees may be perceived as having substantial representations at higher employment levels compared to other people of color, these employees are still underrepresented compared to White employees.

Black or African American employees were least represented at the executive level employees at only 4.6% but had the strongest representation in administrative support positions at 18.7%. Furthermore, this group comprised 8.9% of professionals and 6.8% of first/mid-level managers. According to the 2020 Census, Black or African American people represent 12.1% of the U.S. population, which suggests that Black or African American employees are overrepresented in lower-level positions and underrepresented at higher levels of employment.

Hispanic or Latino employees were underrepresented at all levels of employment as compared to Census data where they represent 18.7% of the U.S. population.<sup>38</sup> Most notably, Hispanic or Latino employees comprised only 3.1% of executive leaders among surveyed companies, which is the level at which this group was least represented. Hispanic or Latino employees comprised 6.0% of first/mid-level manager positions and 7.9% of professional level positions. This group was most highly represented at the administrative support level, where Hispanic or Latino employees comprised 12.8% of workers.

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<sup>38</sup> United States Census Bureau, [Decennial Census: Hispanic or Latino and Not Hispanic or Latino by Race](#) (accessed Aug. 16, 2022).



**Table 7: Average Race and Ethnicity of Workforce at Different Employment Levels for 2021 as Compared to United States Demographic Data**

	American Indian or Alaska Native %	Asian %	Black or African American %	Hispanic or Latino %	Native Hawaiian or Other Pacific Islander %	Two or More Races %	White %
<b>Execs/Senior Level Officials</b>	0.1	7.0	4.6	3.1	0.0	1.4	83.3
<b>First/Mid-Level Managers</b>	0.2	7.6	6.8	6.0	0.2	1.5	77.3
<b>Professionals</b>	0.3	11.6	8.9	7.9	0.2	2.3	70.8
<b>Administrative Support Workers</b>	0.4	3.7	18.7	12.8	0.2	3.1	60.9
<b>Total Workforce</b>	<b>0.3</b>	<b>7.4</b>	<b>11.5</b>	<b>8.8</b>	<b>0.2</b>	<b>2.3</b>	<b>69.0</b>
<b>United States 2020 Census</b>	0.7	5.9	12.1	18.7	0.2	4.1	57.8

**Sources:** U.S. House Financial Services Committee Staff Analysis of Insurance Data; U.S. Census Bureau 2020 [Decennial Census Data](#).

**Note:** The Census also included a category for “some other race,” and people in this category comprised 0.5% of the population in 2020.

Companies differed greatly in the percentage of employees who identified as people of color at the executive level. On average, people of color comprised 16.2% of the executive level workforce across the participating companies. This demonstrates significant underrepresentation of people of color as compared to the United States during the 2020 Census, at which time people of color comprised 42.2% of the population.<sup>39</sup> GEICO had the highest percentage of executives of color (31.3%), and Erie Insurance had the lowest percentage (0.0%). See Table 8 for details.

<sup>40</sup> Board size varied by company in 2021, ranging from eight board members at Tokio Marine HHC to 28 board members at Farmers Insurance.

**Table 8: Executive Level Racial and Ethnic Diversity by Firm in Most Recent Year Reported**

Company Name	People of Color %
GEICO	31.3
Assurant	26.0
State Farm	24.6
USAA	24.4
American Family Insurance	22.0
Prudential	21.2
New York Life	20.8
AIG	20.5
MassMutual	19.7
Liberty Mutual Insurance	17.6
Allstate Insurance Company	17.5
Farmers Insurance	17.2
Nationwide Insurance	16.3
Chubb	15.8
Northwestern Mutual	15.5
The Hartford	15.1
Zurich North America	14.5
MetLife	13.8
MetLife Home and Auto	13.6
CNA	13.5
AXA XL	13.0
Fairfax Financial	12.9
Travelers	12.4
Lincoln Financial Group	12.2
Auto-Owners Insurance Company	9.1
Progressive Insurance	7.8
Tokio Marine HCC	6.3
Erie Insurance	0.0
<b>Average</b>	<b>16.2</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Executive Level LGBTQ+ Diversity Compared to Other Levels**

Only six companies (21.4%) provided quantitative information on the number of employees who identify as LGBTQ+ at various employment levels for 2021. Among reporting companies, the average percentage of executive level employees identifying as LGBTQ+ was 2.2%, and ranged from 0.9% at Prudential to 4.6% at MassMutual. See Table 9 for details. The average LGBTQ+ diversity at the executive level was similar to LGBTQ+ diversity at the first/mid-level manager level (2.1%), professional level (2.2%), and slightly lower than LGBTQ+ diversity at the administrative support worker level (3.2%).

**Table 9: LGBTQ+ Executive Workforce by Company**

Company Name	LGBTQ+ %
MassMutual	4.6
Allstate Insurance Company	3.4
Travelers	2.0
Lincoln Financial Group	1.0
New York Life	1.0
Prudential	0.9
<b>Average</b>	<b>2.2</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

### **Executive Level Disability Diversity and Comparison to Other Levels**

Only eleven companies (39.3%) provided quantitative information on the number of employees in their executive workforce who identified as living with a disability. The average percentage of executive-level employees at companies that disclosed this information who identified as living with a disability was 2.4%. The percentage of employees living with disabilities ranged from 0.0% at Northwestern Mutual to 7.6% at USAA. See Table 10 for details. The executive workforce had the smallest percentage of employees living with disabilities at 2.4%, as 3.6% of employees who were mid-level managers identified as living with a disability, 4.0% of employees who were professionals identified as living with a disability, and 5.4% of employees who were administrative support workers identified as living with a disability.

**Table 10: Disability Executive Workforce by Company**

Company Name	Disability %
USAA	7.6
MassMutual	4.6
The Hartford	3.8
MetLife	3.4
Travelers	1.9
Prudential	1.6
Zurich North America	1.2
Lincoln Financial Group	0.8
New York Life	0.8
Fairfax Financial	0.2
Northwestern Mutual	0.0
<b>Average</b>	<b>2.4</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

### C. CEO Diversity

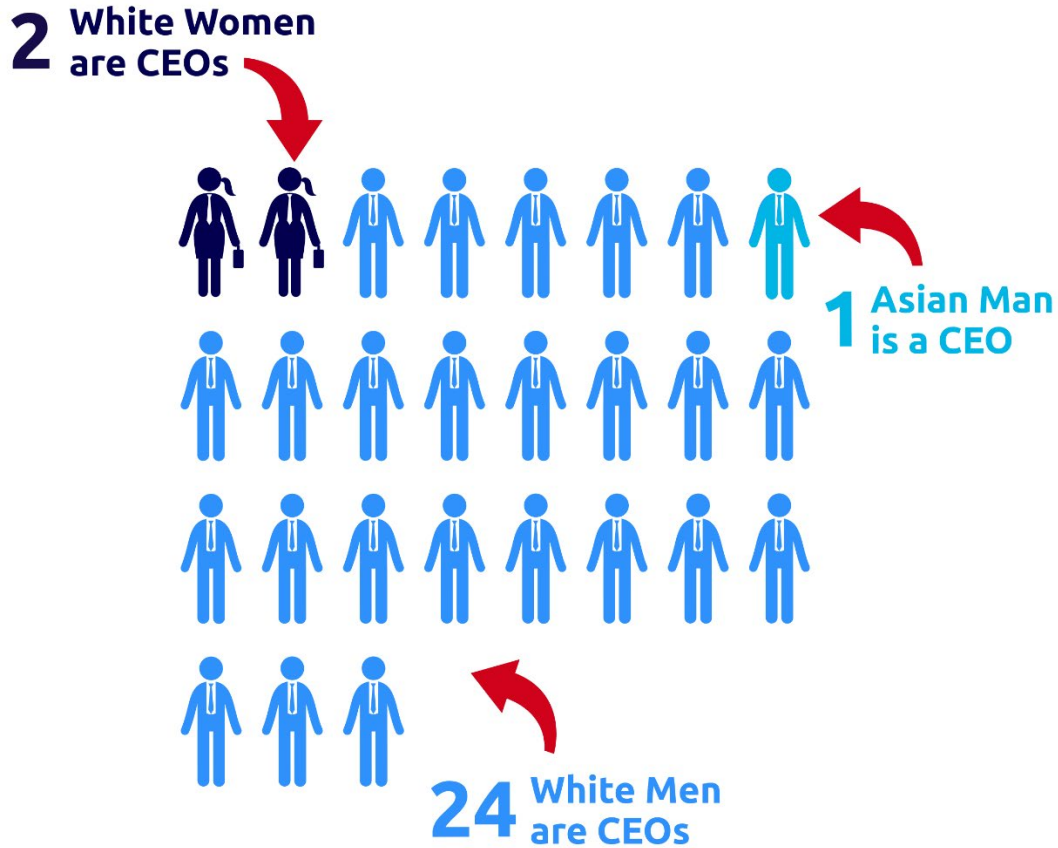
**Key Finding:** The CEOs at the largest insurance firms were overwhelmingly White men (88.9%) in 2021. Specifically, 25 out of 27 (92.5%) of the largest insurance companies were led by men, and 26 out of 27 (96.2%) of the largest insurance companies were led by people who identify as White. Racial and gender CEO representation has remained unchanged since 2017.



**CEOs at the largest insurance firms were overwhelmingly White men (88.9%) in 2021.**

Twenty-four out of 27 (88.9%) of surveyed companies were led by White men in 2021. Specifically, 25 of 27 (92.5%) of the largest insurance companies were led by men, and 26 of 27 (96.2%) of the largest insurance companies were led by people who identify as White. Two companies (7.4%) had White women CEOs (Progressive Insurance and Tokio Marine HHC), and one (3.7%) had an Asian man as its CEO (Fairfax Financial). No CEOs identified as LGBTQ+ or as living with a disability. The number of women and people of color leading insurance companies in 2021 did not change at all since 2017. See Figure 3 for details.

**Figure 3. Race, Ethnicity, and Gender Composition of Chief Executive Officers in Most Recent Year Reported**



Source: U.S. House Financial Services Committee Staff Analyses

### Other Select Roles

#### Racial and Ethnic Diversity in Other Select Roles

The survey asked for information about employees in roles in which diversity could potentially have outsized effects on outcomes, including in-house underwriters, agents, claims adjusters, and actuaries. Importantly, not all companies provided the Committee with race and ethnicity information for their employees for these roles. Only 19 of 27 companies provided information about in-house agents, 22 provided information on in-house claims adjusters, 26 provided information about in-house underwriters, and all 27 companies provided information about in-house actuaries. Using available data, staff analyses indicate that in-house underwriters had the lowest percentage of employees of color (23.1%), while in-house agents had the highest percentage of employees of color (30.9%) among the roles surveyed. See Table 11 for details.

**Table 11: Average Race and Ethnicity of Employees in Selected Job Titles for 2021**

		American Indian or Alaska Native %	Asian %	Black or African American %	Hispanic or Latino %	Native Hawaiian or Other Pacific Islander %	Two or More Races %	White %
	<i>n</i>	Average						
In-House Underwriters	26	0.3	3.6	9.9	6.8	0.2	4.1	74.5
In-House Agents	19	0.4	3.7	11.6	12.5	0.2	2.5	63.8
In-House Claims Adjusters	22	0.3	2.6	12.5	9.6	0.2	2.4	71.8
In-House Actuaries	27	0.0	18.2	3.1	5.2	0.1	2.5	70.0

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

### Gender Diversity in Other Select Roles

Not all companies provided quantitative gender data for select employee roles. Depending on the role, the number of reporting companies ranged from 19 to 27. Using available data, staff analyses indicate that in-house actuaries had the lowest percentage of women (38.1%), on average in 2021, while in-house underwriters had the highest percentage of women (58.6%), on average. See Table 12 for details.

### LGBTQ+ and Disability Diversity in Other Select Roles

Fewer than half of surveyed companies reported data for LGBTQ+ and disability diversity in 2021. Three companies reported LGBTQ+ diversity for in-house agents and six companies reported LGBTQ+ diversity for in-house underwriters and actuaries. Using available data, staff analyses indicate that in-house agents had the lowest percentage of employees identifying as LGBTQ+ (2.2%) and that in-house claims adjusters and in-house actuaries had the highest percentage of employees identifying as LGBTQ+ (3.5% for both). Five companies reported disability diversity for in-house claims adjusters and nine companies reported disability diversity for in-house underwriters and actuaries. Using available data, analyses indicate that in-house actuaries (2.5%) had the lowest percentage of employees who identified as living with a disability and that in-house claims adjusters (4.7%) had the highest percentage of employees who identified as living with a disability. See Table 12 for details.

**Table 12. Average Gender, LGBTQ+, and Disability Diversity of Employees in Selected Job Titles for 2021**

	Women %		Men %		LGBTQ+		Disability	
	<i>n</i>	Average	<i>n</i>	Average	<i>n</i>	Average	<i>n</i>	Average
<b>In-House Underwriters</b>	26	58.6	26	41.3	6	2.6	9	3.4
<b>In-House Agents</b>	19	44.9	19	54.5	3	2.2	6	3.6
<b>In-House Claims Adjusters</b>	22	52.4	22	47.5	4	3.5	5	4.7
<b>In-House Actuaries</b>	27	38.1	27	61.9	6	3.5	9	2.5

**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

## D. Board Diversity

**Key Finding:** The Committee found that board diversity at the nation’s largest insurance companies was similar to board diversity seen in prior Committee reports on the nation’s largest investment firms and banks, such that women comprised 28.5% of insurance boards, 28% of investment firm boards, and 30% of bank boards, and people of color comprised 22.3% of insurance boards, 17.5% of investment firm boards, and 20% of bank boards.



**Women comprised 28.5% of insurance boards, 28% of investment firm boards, and 30% of bank boards, and people of color comprised 22.3% of insurance boards, 17.5% of investment firm boards, and 20% of bank boards.**

In 2021, among surveyed companies, women comprised, on average, 28.5% of board membership and people of color comprised, on average 22.3% of board membership.<sup>40</sup> See Table 13 for a race and gender breakdown. While the rate of representation of Asian and Black board members mirrors their representation in the U.S. population, Hispanic or Latino board members are severely underrepresented.

**Table 13: Average Gender and Racial Board Composition in 2021**

	Women %	Men %	American Indian or Alaska Native %	Asian %	Black or African American %	Hispanic or Latino %	Native Hawaiian or Other Pacific Islander %	Two or More Races %	White %
Board	28.5	70.9	0.0	5.6	11.3	4.6	0.0	1.0	76.9

**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Notes:** All companies reported gender, race, and ethnicity information for 2021.

### Board Gender Diversity

While women comprised 28.5% of board membership on average in 2021, there was considerable variability across surveyed companies. While women comprised 10.0% of CNA’s board and 11.1% of AXA XL’s board in 2021, women comprised 50.0% of the board at Progressive Insurance in 2021. See Table 14 for further detail.

<sup>40</sup> Board size varied by company in 2021, ranging from eight board members at Tokio Marine HHC to 28 board members at Farmers Insurance.



**Table 14: Percentage of Women on Boards in 2021 by Company**

<b>Company Name</b>	<b>Women %</b>
Progressive Insurance	50.0
MassMutual	45.5
Zurich North America	44.4
American Family Insurance	43.8
Travelers	36.4
GEICO	36.4
New York Life	35.7
The Hartford	33.3
Liberty Mutual Insurance	33.3
MetLife	33.3
Nationwide Insurance	31.3
Prudential	30.8
Auto-Owners Insurance Company	30.8
Lincoln Financial Group	30.8
USAA	27.8
Allstate Insurance Company	25.0
Assurant	25.0
Fairfax Financial	25.0
AIG	23.1
State Farm	21.4
Northwestern Mutual	20.0
Chubb	20.0
Erie Insurance	18.2
Farmers Insurance	14.3
Tokio Marine HCC	12.5
AXA XL	11.1
CNA	10.0
<b>Average</b>	<b>28.5</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

## **Board Racial and Ethnic Diversity**

Similarly, there was significant variability in representation of people of color on boards. While people of color comprised, on average, 22.3% of insurance company boards in 2021, representation ranged from 0.0% at Zurich North America and AXA XL to 46.7% at Northwestern Mutual. See Table 15 for further detail.

**Table 15: Percentage of People of Color on Boards in 2021 by Company**

<b>Company Name</b>	<b>People of Color %</b>
Northwestern Mutual	46.7
The Hartford	41.7
Prudential	38.5
Lincoln Financial Group	38.5
Tokio Marine HCC	37.5
CNA	30.0
Farmers Insurance	28.6
MassMutual	27.3
Fairfax Financial	25.0
Assurant	25.0
Allstate Insurance Company	25.0
Nationwide Insurance	25.0
GEICO	22.7
USAA	22.2
State Farm	21.4
New York Life	21.4
Liberty Mutual Insurance	20.0
American Family Insurance	18.8
Progressive Insurance	16.7
MetLife	16.7
AIG	15.4
Chubb	13.3
Erie Insurance	9.1
Travelers	9.1
Auto-Owners Insurance Company	7.7
Zurich North America	0.0
AXA XL	0.0
<b>Average</b>	<b>22.3</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

## **Board LGBTQ+ and Disability Diversity**

Fifteen companies (55.6%) provided data on LGBTQ+ board diversity for 2021. Of these 15 companies, six companies reported inclusion of LGBTQ+ individuals on their board, with between 6.7% and 13.3% of board members identifying as LGBTQ+. The other nine reporting companies did not have any board members that identified as LGBTQ+. On average, 3.3% of board members of companies reporting LGBTQ+ board member status identified as LGBTQ+. Ten companies (37%) reported disability diversity of board members. Of reporting companies, no board members identified as living with disabilities.

## E. Supplier Diversity

**Key Findings:** The average amount of money spent with diverse suppliers at surveyed insurance companies was 2.7% with minority-owned suppliers, 2.4% with women-owned suppliers, and 1.2% with minority-and women-owned suppliers as a percent of overall procurement spend.

A supplier is “a person or organization that provides a needed resource such as a product or service.”<sup>41</sup> In the insurance industry, suppliers provide products or services related to underwriting, claims adjustment, or actuarial science regulatory compliance, and other goods and services. Suppliers can be independent contractors or organizations. Research shows that higher amounts of supplier diversity can reduce costs and increase quality by increasing competition for contracts, enable companies to access ideas that they had not previously had access to, and help attract and retain top talent within a company, among other benefits.<sup>42</sup>



**The average amount of money spent with diverse suppliers at surveyed insurance companies was 2.7% with minority-owned suppliers, 2.4% with women-owned suppliers, and 1.2% with minority-and women-owned suppliers as a percent of overall procurement spend.**

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The Committee requested information about the percentage of suppliers that were minority-owned, women-owned, or minority- and women-owned companies in the following categories:

1. Total Spend<sup>43</sup>
2. Underwriter Suppliers
3. Claims Adjuster Suppliers
4. Actuary Suppliers
5. Regulatory Compliance Suppliers
6. Other Supplier Diversity

Direct comparison of supplier diversity between data from the current report and the Committee’s prior diversity reports is not possible due to differences in data collection. Although direct comparison is not possible, examining the available data holistically demonstrates that there

<sup>41</sup> Lexico, [SUPPLIER English Definition and Meaning](#) (Accessed May 30, 2022).

<sup>42</sup> Accenture, [Five reasons why you should prioritize supplier diversity as part of your sourcing strategy](#) (2020).

<sup>43</sup> Total spend refers to the institution's total dollar amount spent for the procurement of goods and services during the calendar year reported.

is room to grow with regard to working with diverse suppliers. Among big banks, 8.9% of spend was on diverse suppliers. Among investment firms, women-owned supplier spend ranged from 0.3%-11.6% and minority-owned supplier spend ranged from 0.5% -17.1% over different categories. Among insurance companies, as examined in the current report, the average percentage of total spend with diverse suppliers was 2.7% with minority-owned suppliers, 2.4% with women-owned suppliers, and 1.2% with minority-and women-owned suppliers, meaning that more than 90% of spend was with suppliers who do not identify as minority- or women-owned. See Table 16 for details.

**Table 16: Average Percent Spend with Diverse Suppliers**

Type of Spend	Minority-Owned Suppliers %	Women-Owned Suppliers %	Minority- and Women-Owned Suppliers %
Total	2.7	2.4	1.3
Underwriter	0.9	0.3	0.0
Claims Adjustment	1.5	5.2	0.7
Actuarial	1.4	0.5	0.3
Regulatory Compliance	1.1	3.7	4.4

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Data

### **Minority-Owned Suppliers**

As seen above in Table 16, companies’ responses indicated that the average percentage of money spent on diverse suppliers was 2.7% on minority-owned suppliers. The area with the least diverse average spend with minority-owned suppliers was with underwriters, with an average of 0.9%. The area of greatest overall spend with minority-owned suppliers was claims adjustment, with an average of 1.5%. As the percentage of total spend with minority-owned suppliers was 2.7%, exceeding the 1.5% claims adjustment spend, data suggest that companies are engaging in slightly more spend with minority-owned suppliers in areas other than those which the Committee specifically asked about. Not all companies reported quantitative data for the different types of spend for minority-owned suppliers.

While the 23 companies that reported spend with minority-owned suppliers in 2021 spent an average of 2.7% with minority-owned suppliers, there was considerable variability such that GEICO reported 0.0% spend with minority-owned suppliers in 2021 and The Hartford reported 6.3% spend with minority-owned suppliers. See Table 17 for further detail.

**Table 17: Total Spend with Minority-Owned Suppliers in 2021**

<b>Company Name</b>	<b>Minority-Owned %</b>
The Hartford	6.3
Liberty Mutual Insurance	6.1
American Family Insurance	6.0
State Farm	4.8
MetLife	4.4
Northwestern Mutual	4.4
Prudential	4.3
Allstate Insurance Company	3.9
USAA	3.8
Nationwide Insurance	3.2
Lincoln Financial Group	2.8
MassMutual	2.0
AIG	1.6
New York Life	1.5
MetLife Home and Auto	1.5
AXA XL	1.3
Assurant	1.2
Erie Insurance	0.8
CAN	0.8
Zurich North America	0.6
Chubb	0.5
Farmers Insurance	0.4
GEICO <sup>44</sup>	0.0
<b>Average</b>	<b>2.7</b>

Source: U.S. House Financial Services Committee Staff Analyses

### **Women-Owned Suppliers**

As seen above in Table 16, the average total spend with women-owned suppliers was 2.4%. The area of least average spend with women-owned suppliers was actuarial spend, where the average was, 0.5% and claims adjustment was the area of the greatest average spend with women-

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<sup>44</sup> The total diversity spend of GEICO may not be reflective of the company's true spend due to internal data and reporting constraints.

owned suppliers, with an average of 5.2%. Not all companies reported quantitative data for the different types of spend for women-owned suppliers.

While the 23 companies that reported spend with women-owned suppliers in 2021 spent an average of 2.4% with women-owned suppliers, there was considerable variability such that The Hartford and GEICO reported 0.2% spend with women-owned suppliers in 2021 and Liberty Mutual Insurance reported 7.3% spend with women-owned suppliers. See Table 18 for further detail.

**Table 18: Total Spend with Women-Owned Suppliers in 2021**

Company Name	Women-Owned %
Liberty Mutual Insurance	7.3
Northwestern Mutual	5.8
MetLife	5.5
State Farm	5.0
American Family Insurance	4.4
Lincoln Financial Group	3.1
Nationwide Insurance	2.9
USAA	2.7
Prudential	2.2
Allstate Insurance Company	1.6
New York Life	1.6
MassMutual	1.0
Erie Insurance	1.0
Chubb	1.0
Farmers Insurance	0.9
MetLife Home and Auto	0.8
AIG	0.8
Zurich North America	0.6
AXA XL	0.5
CNA	0.5
Assurant	0.3
The Hartford	0.2
GEICO	0.2
<b>Average</b>	<b>2.4</b>

Source: U.S. House Financial Services Committee Staff Analyses



## **Minority- and Women-Owned Suppliers**

As seen above in Table 16, the average total spend with minority- and women-owned suppliers was 1.3%. The area of lowest spend with average amount spend with minority- and women-owned underwriters, where the average spend was 0.0%, and the area of greatest spend regulatory compliance, where the average was 4.4%. Not all companies reported quantitative data for the different types of spend for women- and minority-owned suppliers.


While the 21 companies that reported total spend with minority- and women-owned suppliers in 2021 spent an average of 1.3% with minority- and women-owned suppliers, there was considerable variability such that MetLife Home and Auto reported 0.0% spend with minority-owned suppliers in 2021 and Nationwide Insurance reported 5.1% spend with minority- and women-owned suppliers. See Table 19 for further detail.

**Table 19: Total Spend with Minority- and Women-Owned Suppliers in 2021**

<b>Company Name</b>	<b>Minority- and Women-Owned %</b>
Nationwide Insurance	5.1
American Family Insurance	4.0
MetLife	2.7
Northwestern Mutual	2.6
AIG	2.0
Lincoln Financial Group	1.8
USAA	1.4
Farmers Insurance	1.4
State Farm	1.0
New York Life	0.9
Allstate Insurance Company	0.9
Liberty Mutual Insurance	0.6
Assurant	0.5
Erie Insurance	0.3
CNA	0.2
Prudential	0.2
AXA XL	0.2
Zurich North America	0.2
GEICO	0.1
Chubb	0.1
MetLife Home and Auto	0.0
<b>Average</b>	<b>1.3</b>

Source: U.S. House Financial Services Committee Staff Analyses

## F. Investments of Assets

 **Twelve companies (44.4%) stated that they invest with women-owned asset managers, and 15 companies (55.6%) stated that they invested with minority-owned asset managers.**

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**Key Finding:** Twenty-seven companies invested in outside funds, and 22 companies (81.5%) stated that they invested in funds that maintain ESG disclosures. This is an increase from 2017, when only 13 companies (48.1%) invested in funds that maintained ESG disclosures.

**Key Finding:** Twelve companies (44.4%) stated that they invest with women-owned asset managers, and 15 companies (55.6%) stated that they invested with minority-owned asset managers. These are increases from 2017, when 9 companies (33.3%) invested with women-owned asset managers and 13 companies 48.1% invested with minority-owned asset managers.

Insurance company investments often finance long-term projects, and deploy capital focused on longer-duration and lower-volatility investments, investments that diverse asset managers are positioned to manage. Potential assets an insurance company may purchase include corporate bonds, municipal bonds, real estate debt and infrastructure-tied securities. In 2020, property and casualty insurance companies allocated most of their assets to bonds (55.38%), followed by common stock (25.89%).<sup>45</sup> Life insurers tend to have even longer investment horizons, at the end of 2018, more than 39% of general account bonds held by life insurers had a majority of more than 20 years and 73% had a majority of more than 10 years.<sup>46</sup> These investments are meaningful sources of capital formation for businesses of all sizes and community development impacting everyday Americans.

Some insurance companies have explored environmental, social and governance (ESG) investment strategies. According to one review of the insurance industry, “embracing long-term value creation, and its emphasis on stakeholders, society and sustainability, has become a strategic imperative for insurance companies.”<sup>47</sup> Moreover, there has been growing interest across Congress<sup>48</sup> to understand how the underwriting and investment policies of insurance firms are or are not consistent with broader sustainability commitments and the needs of customers, employees and society in the long-term.<sup>49</sup> Lastly, while many of the surveyed firms manage their own investment strategies, a minority of firms outsource the investment decisions to external asset managers to manage their holdings. Previous Committee hearings and research suggest that

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<sup>45</sup> [A Firm Foundation: How Insurance Supports the Economy](#), Insurance Information Institute (accessed May 18, 2022).

<sup>46</sup> [Assets and Investments](#), American Council of Life Insurers (accessed June 18, 2022).

<sup>47</sup> Aaron Byrne, Gaston Messineo, Josephine Noah, “[How Long-term value Can Guide Insurers Toward Sustainable Futures.](#)” Earnst & Young (Jan. 28, 2022).

<sup>48</sup> United States Senate, “[Letter from Senators Whitehouse, Warren, Merkley, and Van Hollen call on U.S. Insurance Companies to Act on Climate Change](#)”(Mar. 24, 2021).

<sup>49</sup> How long-term value can guide insurers toward sustainable futures.

diverse-owned and managed investment firms perform as well, or better than, firms with less diverse ownership and management.<sup>50 51</sup>

Of the 27 companies that did invest in outside funds, including MetLife Home and Auto, which is now owned by Farmers Insurance, 22 companies (81.5%) stated that they invested in funds that maintain ESG disclosures.<sup>52</sup> This is an increase from 2017, when only 13 companies (48.1%) invested in funds that maintained ESG disclosures. In 2021, 18 companies (66.7%) said that they had a policy or approach toward investing in ESG funds and provided the Committee with information about their ESG policy or approach. Twelve companies (44.4%) stated that they invest with women-own asset managers, and 15 companies (55.6%) stated that they invested with minority-owned asset managers. These are increases from 2017, when nine companies (33.3%) invested with women-owned asset managers and 13 companies (48.1%) invested with minority-owned asset managers. See Table 20 for details.

Seven companies (25%)—including Allstate Insurance Company, Assurant, CNA, Northwestern Mutual, Prudential, State Farm, and The Hartford—stated that they invested in funds that maintained ESG disclosures, had a policy or approach toward investing in ESG funds, invested with women-owned asset managers, and invested with minority-owned asset managers in 2021. Two companies (7.1%), including American Family Insurance and GEICO, stated that they did not engage in any of these activities in 2021.<sup>53</sup> See Table 20 for details.

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<sup>50</sup> ["New Study shows diverse-owned firms represent a small fraction of asset management industry despite equal performance."](#) Knight Foundation (Jan. 28, 2019).

<sup>51</sup> House Committee on Financial Services, "Subcommittee on Diversity and Inclusion Hearing [Diverse Asset Managers: Challenges, Solutions and Opportunities for Inclusion](#)" (June 25, 2019).

<sup>52</sup> In response to the Committee's survey, only one company, Progressive Insurance, stated that it did not invest in outside funds in 2021.

<sup>53</sup> As a fully-owned Berkshire Hathaway subsidiary, Berkshire Hathaway manages all GEICO investments and GEICO only has control over the index funds administered by a singular supplier managing 401k accounts. This supplier does not maintain ESG disclosures and is not administered by minority-owned or women-owned asset managers.

**Table 20: Yes/No Responses to Admitted Asset Questions**

Company Name	Does the Company Invest in Funds that Maintain ESG Disclosures? (Y/N)	For admitted assets, does the company have a policy or approach toward investing in ESG funds? (Y/N)	For admitted assets, does the company invest with women-owned asset managers? (Y/N)	For admitted assets, does the company invest with minority-owned asset managers? (Y/N)
AIG	✓	✓		
Allstate Insurance Company	✓	✓	✓	✓
American Family Insurance	✗	✗	✗	✗
Assurant	✓	✓	✓	✓
Auto-Owners Insurance Company	✓	✗	✓	✓
AXA XL	✓	✓		
Chubb	✓	✗	✗	✓
CNA	✓	✓	✓	✓
Erie Insurance	✓	✗	✗	✓
Fairfax Financial	✓	✓		
Farmers Insurance	✓	✓	✗	✗
GEICO	✗	✗	✗	✗
Liberty Mutual Insurance	✓	✓		
Lincoln Financial Group	✓	✓		
MassMutual		✓	✓	✓
MetLife	✗	✓	✓	✓
MetLife Home and Auto	✓	✓	✗	✗
Nationwide Insurance	✓	✗	✗	✓
New York Life	✓	✗	✓	✓
Northwestern Mutual	✓	✓	✓	✓
Progressive Insurance	N/A	N/A	N/A	N/A
Prudential	✓	✓	✓	✓
State Farm	✓	✓	✓	✓
The Hartford	✓	✓	✓	✓
Tokio Marine HCC	✗	✗		
Travelers	✓	✗	✓	✓
USAA	✓	✓	✗	✗

Zurich North America	✓	✓	✗	✗
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**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Note:** A checkmark indicates that a company said yes, an X indicates that a company said no, and a blank indicates that a company does not collect this information. N/A indicates that these questions were not applicable, as the company in question did not invest in outside funds.

Of the 26 companies that invested in outside funds, 18 (69%) provided quantitative information about the percentage of assets that were invested. The average percent of assets invested in ESG funds among these companies was 12.3%, and there was significant variability. While MassMutual invested 97% of its assets in ESG funds and AXA XL invested 86% of its assets in ESG funds, all other companies who reported quantitative information invested less than 11% of their assets in ESG funds. Moreover, 11 companies invested less than 1% of their assets in ESG funds. See Table 21 for details.

**Table 21: Percentage of Assets Invested in ESG Funds by Company**

Company Name	% of Assets Invested in ESG funds
MassMutual	97.0
AXA XL	86.0
Allstate Insurance Company	10.9
Prudential	7.9
Nationwide Insurance	6.4
Northwestern Mutual	6.0
Zurich North America	5.3
New York Life*	0.9
Erie Insurance	0.4
Farmers Insurance	0.4
MetLife Home and Auto	0.4
American Family Insurance	0.0
Assurant	0.0
GEICO	0.0
MetLife	0.0
Progressive Insurance	0.0
The Hartford	0.0
Tokio Marine HCC	0.0
<b>Average</b>	<b>12.3</b>

**Source:** U.S. House Financial Services Committee Staff Analysis of Insurance Data

**Note:** \*New York Life stated that fewer than 1% of assets were invested in ESG funds but did not provide an actual number to the Committee.

Ten companies reported on the percentage of assets that were managed by women-owned companies in 2021. Of these, all companies reported that fewer than 2% of assets were managed by women-owned companies during this year, and seven companies reported that 0.0% of their assets were managed by women-owned companies. The average percentage of assets managed by women-owned companies was 0.5%. See Table 22 for details. Although New York Life stated that fewer than 1% of assets were managed by women-owned companies, this company would not provide an actual number to the Committee.

**Table 22: Percentage of Assets Managed by Women-Owned Companies**

Company Name	% of Assets Managed by Women-Owned Companies
Prudential	1.9
Assurant	1.7
New York Life*	0.9
MassMutual	0.0
American Family Insurance	0.0
Farmers Insurance	0.0
GEICO	0.0
MetLife Home and Auto	0.0
Nationwide Insurance	0.0
Zurich North America	0.0
<b>Average</b>	<b>0.5</b>

**Source:** *U.S. House Financial Services Committee Staff Analysis of Insurance Data*

**Note:** \*New York Life stated that fewer than 1% of assets were invested in women-owned but did not provide an actual number to the Committee.

Twelve companies reported on the percentage of assets that were managed by minority-owned companies in 2021. While both Prudential and Allstate Insurance Company had more than 5.0% of their assets managed by minority owned companies (Prudential = 8.3%, Allstate Insurance Company = 5.2%), 10 companies reported that fewer than 2% of assets were managed by minority-owned companies during this year, and seven companies reported that 0.0% of their assets were managed by minority-owned companies. On average, reporting companies had 1.4% of assets managed by minority-owned companies. See Table 23 for details.

**Table 23: Percentage of Assets Managed by Minority-Owned Companies**

Company Name	% of Assets Managed by Minority-Owned Companies
Prudential	8.3
Allstate Insurance Company	5.2
Assurant	1.7
New York Life*	0.9
Nationwide Insurance	0.6
MassMutual	0.0
Northwestern Mutual	0.0
American Family Insurance	0.0
Farmers Insurance	0.0
GEICO	0.0
MetLife Home and Auto	0.0
Zurich North America	0.0
<b>Average</b>	<b>1.4</b>

**Source:** U.S. House Financial Services Committee Staff Analysis of Investment Firm Data

**Note:** \*New York Life stated that fewer than 1% of assets were invested in minority-owned companies but did not provide an actual number to the Committee.

## Diversity Practices and Policies

**Key Finding:** For 2021, the budget allocated to diversity and inclusion for insurance companies on average was \$5.3 million (0.24% of the surveyed companies' average total budget) which increased from an average of \$3.2 million (0.13% of the surveyed companies' average total budget) in 2017.

**Key Finding:** In 2021, 79% of insurance companies did not have a reporting structure in which the lead diversity officer reported to the company's CEO or President. Forty-seven percent (47%) of companies indicated a structure in which the diversity officer reported to the lead Human Resources Officer; 32% reported to a senior executive (e.g., Chief Administrative Officer, Global Head of Talent, etc.); and only 21% reported to the CEO or President.

**Key Finding:** For 2020, 89% of companies indicated that they released a public statement in response to the murder of George Floyd and/or other instances of racial injustice during Summer 2020; 91% of these statements made commitments to advancing racial equity.

**Key Finding:** Most companies (83%) made racial equity commitments related to implementing or continuing diversity and inclusion practices and policies; 16% committed to increasing



workforce diversity; and only 0.04% committed to increasing board diversity and supplier diversity.

## G. Organizational Commitment to Diversity and Inclusion/Diversity Policies and Practices

### *Budget*

For 2021, the budget allocated to diversity and inclusion for insurance companies on average was \$5.3 million (0.24% of the surveyed companies' average total budget) which increased from an average of \$3.2 million (0.13% of the surveyed companies' average total budget) in 2017.<sup>54</sup> See Table 24 below.

**Table 24: 2021 Diversity and Inclusion Budget for Insurance Companies**

Company Name	D&I Budget (\$)	D&I Budget as Percentage of Total Company Budget (%)
CNA	\$ 1,583,474	0.9%
Northwestern Mutual	\$17,693,000	0.9%
Tokio Marine HCC	\$100,000	0.9%
Nationwide Insurance	\$13,900,000	0.3%
Liberty Mutual Insurance	\$9,017,841	0.13%
Lincoln Financial Group	\$3,187,699	0.13%
Prudential Financial	\$7,812,026	0.12%
Farmers Insurance	\$ 4,853,319	0.11%
Zurich North America	\$1,000,000	0.1%
GEICO	\$9,042,748	0.1%
American Family Insurance	\$2,046,612	0.09%
MassMutual	\$2,131,528	0.06%
USAA	\$7,400,000	0.06%
AIG	\$6,294,057	0.05%
The Hartford	\$2,168,162	0.05%
Erie Insurance	\$866,855	0.04%
Allstate Insurance Company	\$2,239,357	0.024%
Progressive Insurance	\$894,420	0.016%
Assurant	\$ 8,150,000	Did not provide this information
<b>Average</b>	<b>\$5,283,216</b>	<b>0.23%</b>

Source: U.S. House Financial Services Committee Staff Analysis of Insurance Company Data

<sup>54</sup> 19 of the 27 participating companies submitted data regarding the average annual budget allocated to diversity and inclusion.

**Note:** Five companies: Fairfax Financial, New York Life, State Farm, AXA XL, and Travelers indicates that they do not track this information; One company, Metlife, indicated that they do not disclose this information; three companies, Auto-Owners Insurance Company, Chubb, and Prudential did not respond to this item.

## ***Diversity Staff***

We asked companies to report the number of staff that they have dedicated to diversity and inclusion work.<sup>55</sup> Companies who reported this data had an average 12 staff dedicated to diversity and inclusion in 2021, increasing from an average of eight in 2017.

Companies were asked whether their company has a lead diversity officer.<sup>56</sup> Of those who responded, 96.2% of companies indicated that they had a lead diversity officer, which increased from 80% in 2017. The titles of the lead diversity officers included Head of Diversity, Inclusion, Equity and Belonging; Chief Diversity Officer; Chief Diversity and Community Development Officer, VP of Diversity, Equity, and Inclusion, Inclusive Excellence Vice President; Director of Diversity and Inclusion; SVP Inclusive Solutions; SVP HR/Inclusion Diversity and Equity, SVP, Global Talent Acquisition and Head of Inclusion & Diversity; and Diversity and Inclusion Consultant.

Though asked about lead diversity officers, several companies indicated roles that do not solely focus on diversity and inclusion. Specifically, Auto-Owners Insurance Company listed their Senior Vice President, Human Resources; Progressive Insurance listed Chief Human Resource Officer; and Fairfax Financial listed VP, Human Resources and SVP, Global Head of Human Resources.

## ***Reporting Structure***

Responses indicated that the majority of the companies did not have a reporting structure in which the lead diversity officer reported to the CEO or President from 2017-2021.<sup>57</sup> Of these 19 companies, 21% reported that their lead diversity officer reported to the President or CEO. These companies include Erie Insurance, whose VP, Chief Diversity & Community Development Officer report directly to the CEO; Metlife, whose Global Chief Diversity, Equity and Inclusion Officer reports directly to the CEO; Chubb, whose Chief Culture Officer reports to the President and COO. Auto-Owners Insurance Company also indicated that their lead DI staff reports directly to the CEO, however their response indicated that the Senior Vice President, Human Resources covers diversity and inclusion for the company.

47% of companies reported that their lead diversity officer reported to the lead Human Resources Officer (e.g., Chief Human Resource Officer, SVP, Human Resources, etc.), and 32% of companies reported that their lead diversity officer reported to an alternative leader within the

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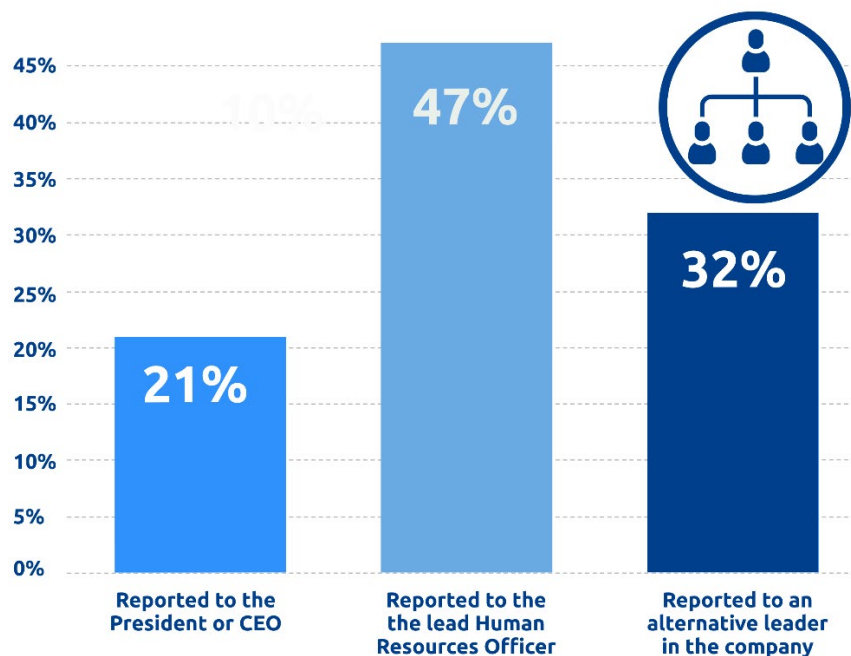
<sup>55</sup> 26 companies provided information for this item.

<sup>56</sup> For 2021, 20 companies provided information for this item.

<sup>57</sup> 19 companies described their reporting structure for 2021.

company including titles such as Vice Chairman, Chief People Officer, Chief Operating Officer, Global Head of Talent Management & Employee Experience, Chief Administrative Officer, and Chief of Staff to the President and CEO-Elect.

**Figure 4. Reporting Structure of Insurance Companies for 2021**



**Source:** *U.S. House Financial Services Committee Staff Analysis of Investment Firm Data*

### ***2020 Racial Equity Commitments***

Companies were asked whether they had a policy related to addressing and/or acknowledging social issues that may occur during instances of national civil unrest, such as the murder of George Floyd.<sup>58</sup> The majority of companies, 66%, indicated that they did have a social issues awareness policy, which increased from 50% in 2020, and from 39% between 2017 and 2019.

For 2020 only, companies were asked whether they released a public statement in response to the murder of George Floyd (and/or other instances of racial injustice during Summer 2020) between May 2020 and September 2020. In total, 89%, indicated that they did release a statement.<sup>59</sup>

<sup>58</sup> 21 companies responded to this item for 2021

<sup>59</sup> Three companies—Chubb, Liberty Mutual Insurance, and Geico-- provided statements that directly mentioned the murder of George Floyd and/or Summer 2020 in addition to how the company responded to said occurrence. Thus, both companies were included in the analysis.

Out of the companies that made statements in response to the murder of George Floyd and other instances of injustice in 2020, 83% of the companies made commitments to advancing racial equity. The types of racial equity commitments were categorized based on workforce diversity, board diversity, supplier diversity, and diversity and inclusion practices and policies. Two of the companies made general statements with no direct mention of an actionable step the company would take to advance racial equity (See Appendix IV).

***Workforce***

Four companies committed to increasing workforce diversity.

Company Name	Date of Statement	Commitment
<b>American Family Insurance</b>	4-Jun-20	"We've started this work already, creating the American Family Insurance Institute for Corporate and Social Impact, signing the CEO Action for Diversity and Inclusion Pledge, committing to inclusive excellence, hiring diverse talent and impacting our communities. We can and will do more."
<b>Nationwide Insurance</b>	1-Jun-20	"Nationwide has established a Social Justice Task ... to identify new, tangible ways the company can increase its impact on societal issues like racism The company has also committed to preparing additional education and activism resources for its associates, including implicit bias training, the creation of racial discussion forums and social justice volunteerism opportunities."
<b>USAA</b>	3-Jun-20	"We have been focused on creating a diverse and inclusive workplace for a long time, but there is more work to do. We remain committed to hiring diverse talent ..."
<b>Zurich North America</b>	26-Aug-20	"It starts with the formation of a Zurich North America Executive Diversity and Inclusion Council. We will purposefully guide and hold ourselves accountable to ensuring that we measurably improve workforce diversity, inclusion, equity and belonging."

***Board Diversity***

One company committed to increasing board diversity.

Company Name	Date of Statement	Commitment
<b>Prudential</b>	1-Jun-20	"We are proud that Prudential already has a diverse board, but we have more to do. To drive greater accountability, we tied senior executive long-term compensation to diverse representation goals in 2018, with financial consequences if we don't make progress."

### *Supplier Diversity*

One company committed to increasing supplier diversity.

Company Name	Date of Statement	Commitment
<b>Zurich North America</b>	26-Aug-20	“Building on relationships with diverse distributors and business owners: Our business units will seek to further develop relationships with diverse brokers, agents, distributors and suppliers...”

### *D&I Practices and Policies*

Twenty companies committed to implementing or continuing diversity and inclusion practices and policies.

Company Name	Date of Statement	Commitment
<b>AIG</b>	1-Jun-2020	“...the AIG Foundation will make a US\$250,000 donation to the NAACP Legal Defense Fund and a US\$250,000 donation to Amnesty International. In addition, each colleague globally will receive an additional paid day off to volunteer for an organization that focuses on education about the importance of equality, diversity, inclusion, criminal justice reform, and human and civil rights, or otherwise provides support for underrepresented and at-risk groups.”
<b>Allstate Insurance Company</b>	15-Jun-20	“We are conducting a top-to-bottom review of our operating practices, pay and promotions for people of color and women to further promote equity and equality at Allstate Insurance Company...we are observing Juneteenth as an annual company holiday...”
<b>American Family Insurance</b>	4-Jun-20	“...creating the American Family Insurance Institute for Corporate and Social Impact, signing the CEO Action for Diversity and Inclusion Pledge, committing to inclusive excellence...”
<b>Assurant</b>	1-Jun-20	"We will continue to do our part within Assurant to speak out and celebrate the differences that make us stronger, enhance the communities where we live and work, provide inclusive opportunities and take actions to safeguard the wellbeing of all of our employees."
<b>Auto-Owners Insurance Company</b>	4-Jun-20	"We have policies and procedures in place to address discriminatory behavior of any kind. Racism, and all other forms of discrimination, is not tolerated."

<b>Chubb</b>	Unknown	"Chubb is taking specific actions to be an anti-racist company, among them are supporting programs to address inequality and promote social, economic and racial justice through the Chubb Rule of Law Fund. The Fund has made seven grants, including four announced in early 2021 that total \$1.1 million, on initiatives to improve police and community relations, and to understand and reduce racial inequities throughout the criminal justice process."
<b>CNA</b>	Jun-20	"...today we unite in solidarity and in the pursuit of progress, and we are directing \$100,000 in support of nonprofits advocating for equal rights."
<b>Farmers Insurance</b>	3-Jun-20	"...mobilizing the Farmers® Black Professional Alliance (BPA), an Employee Resource Group (ERG), to help identify and elevate regular dialogue within senior leadership in an effort to continue listening, learning and finding tangible ways to show support for the Black community. Donating \$250,000 to the Los Angeles Urban League, an organization committed to advancing equal opportunities on behalf of African Americans and other minority groups."
<b>Liberty Mutual Insurance</b>	3-Jun-20	"When millions of Americans protested racial injustice following the murder of George Floyd in May, we made critical investments and amplified our support of the racial justice movement. At the same time, we launched a Racial Justice & Equity match campaign for employees that proved to be the most successful in our history, raising more than \$1 million for social justice organizations."
<b>MassMutual</b>	2-Jun-20	"...our Passages Business Resource Group...will host a Brave Space discussion on Friday to talk about these recent events and consider ways we can work together to build a sustainable, lasting effort to fight inequality and recognize and value the differences among us."
<b>New York Life</b>	2020	"This moment demonstrates exactly why we have established our ongoing programs that enable respectful dialogue and promote a safe workplace forum for employees to share their perspectives and feelings on issues like race relations, unconscious bias, and race at work. You have my personal commitment that we will continue to support these important conversations."
<b>Progressive Insurance</b>	Jun-20	"This June, we donated \$1M through our foundation to the Equal Justice Initiative in support of the organization's goals to end mass incarceration, excessive punishment and racial injustice. We know our words and actions aren't enough to bring about broader change, so we are working to help enact change at a higher level through my involvement with the Business Roundtable and as a member of the CEO Action for Diversity & Inclusion."
<b>Prudential</b>	1-Jun-20	"We are hosting smaller sessions across the enterprise to enable employees to engage and reflect, and to help us understand the further actions we can take to make a measurable difference."
<b>State Farm</b>	5-Jun-20	"We pledge to work with the NAACP Legal Defense and Educational Fund, Inc. and will make a \$1 million donation toward education and research around social injustice and its impacts to communities."
<b>USAA</b>	3-Jun-20	"[We] will continue to encourage employee participation in our eight diversity and inclusion business groups and create forums that promote an engaged workforce. We will model crucial conversations..."

<b>Zurich North America</b>	26-Aug-20	"We will purposefully guide and hold ourselves accountable to ensuring that we measurably improve workforce diversity, inclusion, equity and belonging."
<b>Nationwide Insurance</b>	11-Jun-20	"On top of its existing efforts, the company is announcing a \$1 million, multi-year commitment to support local and national programs dedicated to fostering social justice."
<b>Northwestern Mutual</b>	1-Jul-20	"We have engaged the organization in company-wide dialogue and offered learning opportunities. We have also created a new task force – Sustained Action for Racial Equity – that is taking a holistic look at additional actions that can have the greatest impact both internally and externally."
<b>GEICO</b>	7-Jul-20	"A \$1 million contribution to the Equal Justice Initiative; A 3 to 1 match of associate contributions to the Equal Justice Initiative, Race Forward, the Center for Constitutional Rights and the NAACP Legal Defense Fund; and an investment of an additional \$25 million over five years toward sustainable initiatives and programs that promote our diversity and inclusion strategy through recruiting..."
<b>Travelers</b>	8-Jun-20	"The Travelers Companies, Inc. (NYSE: TRV) today announced a commitment of \$1 million to assist nonprofits dedicated to advancing racial equality across the United States and rebuilding damaged businesses in Minnesota, where the company has had a significant presence for more than 165 years".

## 1. Implementation of Employment Practices to Promote Workforce Diversity and Inclusion

This section examines efforts made by insurance companies to promote a diverse workforce through recruiting, assessment, evaluation, and other means.

### *Recruitment*

Based on company responses, outreach to diverse organizations in order to recruit people of color, women, veterans, and LGBTQIA+ employees into the insurance workforce has remained consistently high between 2019 and 2021. In 2017, 100% of companies reached out to organizations serving women and people of color, and 85.1% of companies reached out to organizations serving LGBTQIA+ individuals and veterans. This outreach remained the same between 2017 and 2019, aside from a slight 3% increase for veteran outreach in 2019. In 2021, 96.2% indicated that they reached out to organizations serving women and people of color, and 92.5% reached out to organizations serving LGBTQIA+ individuals and veterans.



Companies were also asked about the extent to which they recruit from diverse educational institutions; all companies responded to this item. 100% indicated that in 2021 they reached out to

institutions serving students of color, which increased from 88.9% in 2017; 85.2% reached out to organizations serving women in 2021, which increased from 74.1% in 2017.

### ***Evaluation***

Participants were asked to indicate whether their company regularly evaluated its diversity and inclusion programs. Ninety-two percent (92%) indicated that the company did conduct a regular evaluation in 2021, which increased from 80% in 2017.<sup>60</sup> When asked to specify how often this evaluation occurred, 15% of companies indicated that they conducted analysis annually, 42% companies indicated that they evaluated bi-annually or more than once annually, and 15% did not define regularly.

For 2021, 100% indicated use of quantitative measures to evaluate diversity performance, which increased from 80% in 2017.<sup>61</sup> For both 2020 and 2021, 100% indicated use of qualitative measures to evaluate diversity performance, which increased from 81% in 2017.<sup>62</sup>

From 2017 to 2019, companies varied in the extent to which they included diversity and inclusion objectives in the performance plans of its managers. For 2017, only 51.9% of companies indicated use of diversity and inclusion objectives in evaluations which decreased to 48.1% in 2018 and 2019. In 2020, that percentage increased to 59.3% and remained at that percentage through 2021.

## **2. Consideration of Supplier Diversity in Procurement and Business Practices**

This section examines efforts that America’s largest insurance companies have taken to include diverse suppliers in their procurement and business practices through the implementation of policies, outreach, and other means.

### ***Supplier Diversity***

Participants were asked whether their company had a supplier diversity policy.<sup>63</sup> The majority of participants, 66.7%, indicated that their company had a supplier diversity policy in 2021 and 2020, which increased from 51.8% in 2017 to 2019. For 2021, 95% indicated that its supplier diversity policy was aimed at providing business opportunities to minority-owned businesses and women-owned businesses<sup>64</sup> and 94.7% for veteran-owned and LGBTQ-owned businesses.<sup>65</sup>

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<sup>60</sup> 25 companies provided a response to this item

<sup>61</sup> 25 companies provided a response to this item

<sup>62</sup> 26 companies provided a response to this item

<sup>63</sup> All 27 companies responded to this item

<sup>64</sup> 20 companies provided a response to this item

<sup>65</sup> 19 companies provided a response to this item



Participants were asked whether they maintained a list of qualified businesses that may compete for upcoming contracting opportunities.<sup>66</sup> For 2021, 68% of companies indicated that they did maintain a list, which increased from 52% in 2017. When asked to identify the type of businesses, 95% indicated that they maintained a list of minority-, women-, veteran-, and LGBTQ-owned businesses in 2021, which increased from 70% in 2017.<sup>67</sup>

Participants were asked whether their company has an ongoing process to publicize its procurement opportunities. Consistently from 2017 to 2021, the majority of companies indicated that they do not publicize its procurement opportunities. Several companies including Assurant, American Family Insurance, Zurich North America, Chubb, Liberty Mutual Insurance, MassMutual, Nationwide Insurance, Metlife, and USAA, indicated they do publicize these opportunities on an on-going basis.

Companies were given the opportunity to describe additional practices that have been successful in advancing supplier diversity objectives within their respective company. Some common practices included hosting events to improve awareness of opportunities, offering scholarships for diverse business owners at major universities, and partnerships with advocacy organizations such as National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council (WBENC), Disability: IN, National Gay & Lesbian Chamber of Commerce (NGLCC), Department of Veterans Affairs, National Associations of Women and Minority Owned Law Firms.

### **3. Practices to Promote Transparency of Organizational Diversity and Inclusion**

This section examines the extent to which insurance companies have implemented practices to promote transparency of organizational diversity and inclusion efforts.

#### ***Promoting Transparency***

Companies were asked if they publish information about its diversity and inclusion efforts on its website.<sup>68</sup> For 2021, 96% of companies indicated that their company did publish this information, which increased from 74% in 2017. Companies were then asked to specify the types of efforts published on its website. Sixty-nine percent (69%) of companies indicated that they published its diversity and inclusion strategic plan the company's commitment to D&I, 61% published the company's progress towards achieving diversity and inclusion within the workforce, and 57.7% published the company's progress toward achieving diversity and inclusion in procurement efforts. Ninety-six percent (96.2%) of companies also indicated that their company publicized opportunities to promote diversity and inclusion, including employment and internship opportunities, while 61% published mentorship and developmental programs for employees.

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<sup>66</sup> 22 companies provided a response to this item

<sup>67</sup> 20 companies provided a response to this item

<sup>68</sup> All 27 companies responded to this item.

#### 4. Diversity and Inclusion Practices and Policies

Insurance companies were asked the extent to which they utilized common diversity and inclusion workplace strategies. For 2021, 66.7% of companies indicated that they evaluate employees' diversity and inclusion performance on an ongoing basis; 96.2% recruit diverse talent; 88.9% offer employee resource groups; 96.3% connect with diverse communities; and 96.3% provide diversity training.

Participants were asked whether they collect gender pay equity data.<sup>69</sup> For 2021, 92.3% indicated that they collect gender pay equity data; 65.2% of those companies indicated that they use an external company to conduct this evaluation.

##### *Diversity and Inclusion Challenges*

Most companies indicated that the following factors were not challenges in implementing diversity and inclusion: evaluating performance under diversity and inclusion policies, having a consistent definition of diversity and inclusion, data collection/self-identification, and geographic limitations. For 2021, 53.8% indicated that talent retention has been a challenge in fostering diversity and inclusion, increasing from 26.9% in 2017 to 2019.<sup>70</sup>

Allstate Insurance Company, AXA XL, Chubb, Liberty Mutual Insurance, and Zurich North America all noted that talent retention was not unique to their company and cited the "Great Resignation" as a key contributor to attrition. Another common theme described by companies like Prudential, New York Life, Liberty Mutual Insurance, and The Hartford was the issue of poaching by competitor companies. One unique challenge also described by Liberty Mutual Insurance is combatting the stereotype that insurance "is boring or old-fashioned."

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<sup>69</sup> 26 companies responded to this item

<sup>70</sup> 26 companies responded to this item

## IV. Recommendations and Legislative Proposals to Improve Diversity and Inclusion



Based on this report’s findings, the Committee staff identified the following recommendations as opportunities for insurance companies to pursue; and legislative proposals for Congress to promote transparency and accountability in the advancement of diversity and inclusion.

### **Workforce Diversity Recommendations:**

Findings related to workforce diversity demonstrated that the insurance companies that responded to this data inquiry had some level of diversity in the workforce as a whole, but diversity decreased within the company at higher positions i.e., insurance professionals, executive leadership and board membership.

- Insurance companies should collect disaggregated data regularly on workforce, executive and board diversity, as well as conduct regular audits on pay and racial equity to better understand their current workforce, and why employees of color and women are not moving up the pipeline. This data should be made publicly available.
- Insurance companies should partner with historically Black colleges and universities (HBCUs), minority serving institutions (MSIs), and community colleges to build talent pipelines into these organizations.
- Insurance companies should create training academies that educate less-senior employees on job opportunities and match graduates with mentors and sponsors to support their career growth.
- Insurance companies should develop workforce diversity goals that are made public and shared with state regulators who can track progress against these goals.
- Legislative Proposal 1: [H.R.2123](#), *Diversity and Inclusion Data Accountability and Transparency Act (D&I DATA Act)* (Rep. Beatty). This bill would make reporting requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 mandatory. Under the legislation, regulated entities, including insurance companies would be required to disclose their diversity data, policies, and practices to their respective regulators.

### **Board and Executive Leadership Diversity Recommendations:**

Findings related to board and executive leadership demonstrated an underrepresentation of people of color and women at the highest levels of insurers.

- Insurance companies should consider at least one diverse candidate for all executive positions and board positions when there are openings, diverse candidates may include individuals with a disability, LGBTQ+ individuals, women or people of color.
- Insurance companies should consider their board membership criteria and selection committee construction to reduce bias in the interview, selection, and appointment process.
- Legislative Proposal 2: [H.R.1277](#): *Improving Corporate Governance Through Diversity Act of 2021* (Rep. Meeks). This bill would require public companies including insurance companies to annually disclose the voluntarily, self-identified gender, race, ethnicity and veteran status of their board directors, nominees, and senior executive officers. Among other requirements, the SEC OMWI would publish best practices for compliance with diversity disclosures.

### **Supplier Diversity Recommendations:**

Findings related to supplier diversity indicated that, on average, insurers are spending less than 10% of their annual procurement spend with minority- and/or women-owned firms. While there is growing engagement in ESG fund investments, few insurers used diverse asset managers to manage their investments.

- Insurance companies should consider diverse suppliers whenever a procurement takes place, including when contracting for asset managers.
- Legislative Proposal 3: *The Diverse Investment Advisers Act* (Rep. Beatty). This discussion draft would require companies that register and are registered with SEC to consider at least one diverse asset manager when contracting out for asset management services and report to the SEC on the extent to which they use diverse asset managers.
- Legislative Proposal 4: *Minority and Women Inclusion in Insurance Act*. This discussion draft would require the Federal Insurance Office to annually ask insurers about their supplier and workforce diversity performance and to publish this data in conjunction with the OMWI, and in partnership with State regulators.

### **Diversity and Inclusion Practices and Policies Recommendations:**

Findings related to diversity and inclusion practices and policies indicated that, though all insurance companies have a diversity and inclusion statement and policy, these policies are not always related to outcomes such as diversity in the workforce and procurement. It is imperative that diversity and inclusion is integrated throughout the entire business function.

- Insurance companies should include pay ranges in job descriptions to promote transparency and pay equity.
- Insurance companies should routinely evaluate existing diversity and inclusion programs to ensure the effectiveness and efficiency of programs.

- Insurance Companies should have a lead diversity officer who can inform strategic discussions across the C-suite, and these leaders should report directly to the CEO.
- All staff performance reviews should include diversity, equity and inclusion evaluations.
- Legislative Proposal 5: *Diversify Insurers' Workforce Study Act*. This discussion draft requires that the Federal Insurance Officer complete a study exploring rates of attrition and retention within the insurance industry. The study will also include best practices for reducing attrition and improving retention and promotion.

## Appendix I: Insurance Companies with Direct Premiums Over 7b

	Company Name	Direct Premiums (\$)
1	State Farm	66,153,063,455
2	GEICO*	46,168,882,446
3	Progressive Insurance	41,737,283,351
4	Liberty Mutual Insurance	36,172,569,654
5	Allstate Insurance Company	34,316,667,551
6	Travelers	28,786,741,494
7	USAA	24,621,245,970
8	Chubb	24,054,673,303
9	Farmers Insurance	20,083,338,884
10	Nationwide Insurance	18,499,967,365
11	Zurich North America	13,623,337,989
12	AIG	13,408,425,055
13	The Hartford	12,378,219,253
14	CNA	11,746,819,856
15	New York Life	11,694,323,492
16	American Family Insurance	11,338,489,352
17	Northwestern Mutual	11,297,024,132
18	MetLife	10,493,252,875
19	Prudential	10,058,275,855
20	Auto-Owners Insurance Company	9,295,080,573
21	Lincoln Financial Group	8,370,518,021
22	Assurant	8,283,431,551
23	MassMutual	7,915,664,373
24	Tokio Marine Holdings Inc.*	7,717,104,740
25	Erie Insurance	7,613,519,268
26	Fairfax Financial	7,586,745,423
27	AXA XL	7,015,963,255

**Source:** AM BEST U.S. Property/Casualty – 2020 Financial Results; AM Best U.S. Life/Health – 2020 Financial Results

**Note:** Tokio Marine Holdings Inc. Group and Berkshire Hathaway have multiple insurance companies within their holding group/organization. Tokio Marine HCC (under Tokio Marine Holdings Inc. Group) and GEICO (under Berkshire Hathaway) wrote the most premiums within these groups and the data presented is from these companies in the report.

## **Appendix II: Methodology**

### **Summary of Diversity Data Request**

Chairwoman Waters and Chair Beatty asked Life and Property and Casualty insurance companies with direct premiums over \$7 billion (27 total) to report and comment on their diversity and inclusion data and practices. The request included a self-assessment of data and activities ranging from 2017 to 2021 and solicited a mix of quantitative and qualitative responses.

After receiving company responses, Committee staff confirmed that the survey has been completed in its entirety. If data from a company were incomplete, missing, or unclear, staff reached back out to the company to provide the opportunity to update data. Once quantitative data were confirmed from all companies, Committee staff analyzed investment firms' responses. Qualitative responses were also analyzed by Committee staff to identify common themes among investment firms' diversity and inclusion practices as well as highlight common challenges to implementing diversity initiatives. Following staff analysis of data, companies were given the opportunity to confirm the accuracy of the analysis.

### **Report Data**

MetLife sold MetLife Home and Auto to Farmers Insurance in 2021. Farmers Insurance was able to provide some information on MetLife Home and Auto, including workforce data, data on independent agents and independent brokers, suppliers, and assets. The data submitted by MetLife include life insurance, other insurance and additional products sold by MetLife's independent brokers. It does not include the property and casualty business that was sold to Farmers Insurance. Farmers Insurance submitted data on MetLife Home and Auto for 2017 to 2020 where available.

Tokio Marine Holdings Inc. Group has multiple companies within the group. As Tokio Marine HCC had \$6.8 billion in direct premiums in 2021, the most premiums within Tokio Marine Holdings Inc. Group, it is included in the current report. Similarly, although Berkshire Hathaway owns GEICO, GEICO is included in the report and referred to as such rather than as Berkshire Hathaway as GEICO wrote most premiums within the Berkshire Hathaway group.

Over many categories, the Committee asked for information about types of diversity tracked that the Committee did not explicitly mention. While responses were too heterogeneous for quantitative analysis, it is notable that some companies tracked the number of veterans, spouses or domestic partners of veterans, those working outside the U.S., or those who said that their race was "other" or did not identify a race for certain categories. In addition, companies tracked supplier spend with various types of suppliers including veteran-owned, service-disabled veteran-owned, LGBTQ+-owned, and small-business-owned, and people living with disabilities-owned.

## **Limitations on Scope of Analysis**

The workforce diversity information contained in this report, including race, ethnicity, gender, LGBTQ+, and disability status is voluntarily disclosed. It is common that totals do not equal 100% within this report.



## Appendix III: Glossary of Terms

**Disability:** An individual with a disability is defined by the ADA as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.

**Gender:** For the purposes of this analysis, gender is treated as binary (male/female). “Male” and “Female” are defined at the discretion of the insurer, though many indicated that this was self-reported information. At times, men and women are used to describe groups of persons who identified as male or female.

**Holding company:** A company created to buy and possess the shares of other companies, which it then controls

**Insurance firms:** A financial institution that provides or sells insurance.

**Investment firms:** For-profit organizations that are SEC registered persons and the entities they work for and regulated pursuant to the Investment Advisers Act of 1940 and are responsible for managing investments on behalf of its clients, which includes investment managers, fund managers, and asset managers that are required to act as a fiduciary.

**LGBTQIA+/LGBTQ+:** Lesbian, gay, bisexual, transgender, questioning (or queer), Intersex, and Asexual. The “+” stands for plus and is an inclusive way too represent gender and sexual identities that letters and words cannot yet fully describe.

**Life Insurance firms:** An insurance firm that sells or provides life insurance policies.

**People of color:** Individuals from any racial or ethnic group that is not White alone.

**Property and Casualty Insurance firms:** Property and Casualty firms are companies that provide coverage on assets, as well as liability insurance for accidents, injuries, and damage to others or their belongings. Property and Casualty firms cover several things, including auto insurance, home insurance, marine insurance, and professional liability insurance.

**Race/ethnicity:** Totals for the number of employees in each racial/ethnic category was defined at the firms’ discretion, though many banks indicated that this was self-reported information. For the purposes of this analysis, the following racial/ethnic categories were used:

**Asian:** Employees identifying their ethnicity as “Chinese-American,” “Korean-American,” “Japanese American,” “Middle Eastern,” “South East Asian,” or “Indian-American”

**Pacific Islander:** “Native Hawaiian,” or “Pacific Islander”

**Black:** Employees identifying as “Black” or “African American;”

**Latinx:** Employees identifying as “Latino” or “Hispanic;”

**Indigenous:** Employees identifying as “American Indian” or “Native Alaskan;”

**Two or More Races:** Employees identifying as two or more races.

**White:** Employees identifying as “White;”

**Diverse/Diverse-owned:** “Diverse” was defined at the firms’ discretion, though many institutions define “diversity” as belonging to any of these groups, including people of color, racial/ethnic minorities, women, veterans, LGBTQ+ individuals, persons with disabilities or other protected classes;

**Women-owned:** “Women-owned” was defined at the firms’ discretion, though it generally means majority ownership.

**Underrepresented groups/persons:** Used to describe the low representation of persons from certain racial, gender, and other social identity groups in a particular setting, relative to their proportion in the general population.

## Appendix IV: Racial Equity Commitments in Response to George Floyd

Company Name	Public Statement (Y/N)	Link to Statement	Date
Allstate Insurance Company	Y	<a href="https://www.AllstateInsuranceCompanynewsroom.com/news/driving-societal-change/">https://www.Allstate Insurance Companynewsroom.com/news/driving-societal-change/</a>	15-Jun-20
Erie Insurance	Y	<a href="https://web.archive.org/web/20200920023404/https://www.erieinsurance.com/">https://web.archive.org/web/20200920023404/https://www.erieinsurance.com/</a>	20-Jun
The Hartford	Y	*Submitted a copy of email sent to all associated from the CEO	2020
Lincoln Financial Group	Y	<a href="https://newsroom.lfg.com/lincoln-financial-strengthens-commitment-to-advance-racial-equity.htm">https://newsroom.lfg.com/lincoln-financial-strengthens-commitment-to-advance-racial-equity.htm</a> <a href="https://newsroom.lfg.com/lincoln-financial-group-statement-on-ongoing-racial-unrest.htm">https://newsroom.lfg.com/lincoln-financial-group-statement-on-ongoing-racial-unrest.htm</a>	3-Jun-20
MetLife	Y	<a href="https://www.linkedin.com/feed/update/urn:li:activity:6673266570925494274/">https://www.linkedin.com/feed/update/urn:li:activity:6673266570925494274/</a>	20-Jun
Nationwide Insurance	Y	<a href="https://news.nationwide.com/nationwide-makes-investment-to-fight-racism/">https://news.nationwide.com/nationwide-makes-investment-to-fight-racism/</a>	11-Jun-20
Northwestern Mutual	Y	<a href="https://twitter.com/nm_financial/status/1273985471748636672">https://twitter.com/nm_financial/status/1273985471748636672</a>	19-Jun-20
American Family Insurance	Y	<a href="https://newsroom.amfam.com/how-will-you-respond/">https://newsroom.amfam.com/how-will-you-respond/</a> <a href="https://newsroom.amfam.com/turning-anger-into-action/">https://newsroom.amfam.com/turning-anger-into-action/</a>	4-Jun-20
AIG	Y	<a href="https://www.aig.com/about-us/newsroom/stories/standing-as-allies-with-black-communities">https://www.aig.com/about-us/newsroom/stories/standing-as-allies-with-black-communities</a>	6/1/2020
Assurant	Y	<a href="https://www.assurant.com/newsroom-detail/NewsReleases/2020/June/no-place-for-hate-embracing-inclusion-acting-with-respect-always">https://www.assurant.com/newsroom-detail/NewsReleases/2020/June/no-place-for-hate-embracing-inclusion-acting-with-respect-always</a>	1-Jun-20

Auto-Owners Insurance Company	Y	*Submitted a copy of email sent to all associated from the CEO	4-Jun-20
Chubb	Y	<a href="https://about.chubb.com/diversity-equity-inclusion/racial-justice.html">https://about.chubb.com/diversity-equity-inclusion/racial-justice.html</a>	Not a statement in 2020
CNA	Y	<a href="https://www.linkedin.com/feed/update/urn:li:activity:6674038851364818944/">https://www.linkedin.com/feed/update/urn:li:activity:6674038851364818944/</a>	20-Jun
Farmers Insurance	Y	<a href="https://newsroom.farmers.com/news-releases?item=123166">https://newsroom.farmers.com/news-releases?item=123166</a>	3-Jun-20
Liberty Mutual Insurance	Y	<a href="https://www.libertymutualgroup.com/about-lm/giving-back/focus-giving/racial-justice-and-equity">https://www.libertymutualgroup.com/about-lm/giving-back/focus-giving/racial-justice-and-equity</a>	not 2020
MassMutual	Y	<a href="#">My Letter to MassMutual Employees on our Commitment to Inclusion (linkedin.com)</a>	2-Jun-20
New York Life	Y	<a href="https://www.newyorklife.com/newsroom/ted-mathas-uniting-against-racism?cmpid=osm_nr_cc_tw_na_na_na_na_na_na_60220">https://www.newyorklife.com/newsroom/ted-mathas-uniting-against-racism?cmpid=osm_nr_cc_tw_na_na_na_na_na_na_60220</a>	2020
Progressive Insurance	Y	<a href="https://web.archive.org/web/20200621211952/https://www.progressive.com/about/diversity-and-inclusion/">https://web.archive.org/web/20200621211952/https://www.progressive.com/about/diversity-and-inclusion/</a>	20-Jun
Prudential	Y	<a href="https://www.news.prudential.com/prudential-we-will-ultimately-be-judged-by-our-actions.htm?utm_source=prudential&amp;utm_medium=newsroom&amp;utm_campaign=BI">https://www.news.prudential.com/prudential-we-will-ultimately-be-judged-by-our-actions.htm?utm_source=prudential&amp;utm_medium=newsroom&amp;utm_campaign=BI</a> <a href="https://news.prudential.com/charles-lowrey-business-insider-racial-equity.htm">https://news.prudential.com/charles-lowrey-business-insider-racial-equity.htm</a>	1-Jun-20
State Farm	Y	<a href="https://newsroom.statefarm.com/our-commitment-to-a-better-society/">https://newsroom.statefarm.com/our-commitment-to-a-better-society/</a>	5-Jun-20
USAA	Y	<a href="https://communities.usaa.com/t5/USAA-News/Fighting-Racial-Injustice/ba-p/232167">https://communities.usaa.com/t5/USAA-News/Fighting-Racial-Injustice/ba-p/232167</a>	3-Jun-20
Zurich North America	Y	<a href="https://insights.zurichna.com/2020-08-26-zna-ceo-shares-next-steps-on-diversity">https://insights.zurichna.com/2020-08-26-zna-ceo-shares-next-steps-on-diversity</a> <a href="https://www.zurichna.com/knowledge/articles/2020/08/9-actions-on-racial-equity-from-zurich-north-america">https://www.zurichna.com/knowledge/articles/2020/08/9-actions-on-racial-equity-from-zurich-north-america</a>	26-Aug-20

Travelers	Y	<a href="https://investor.travelers.com/newsroom/press-releases/news-details/2020/Travelers-Pledges-1-Million-to-Support-Racial-Justice-Efforts-and-Minnesota-Communities/default.aspx">https://investor.travelers.com/newsroom/press-releases/news-details/2020/Travelers-Pledges-1-Million-to-Support-Racial-Justice-Efforts-and-Minnesota-Communities/default.aspx</a>	8-Jun-20
GEICO	Y	*Submitted a copy of email sent to all associated from the CEO	12-Jul-20
Fairfax Financial	N		
AXA XL	N		
Tokio Marine HCC	N		

**Source:** *U.S. House Financial Services Committee Staff Analysis of Insurance Company Data*

**Note:** *Some companies submitted multiple statements. However, this chart only includes one link per company.*