

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER I: PROVISIONS APPLICABLE TO ALL COMPANIES

PART 910
SUPPLIER DIVERSITY REPORTS

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| 8 | Section | |
| 9 | 910.10 | Purpose |
| 10 | 910.20 | Applicability |
| 11 | 910.30 | Definitions |
| 12 | 910.40 | Supplier Diversity Report Requirements |

14 AUTHORITY: Implementing Section 155.49 of the Illinois Insurance Code [215 ILCS 5],
15 Section 25 of the Dental Service Plan Act [215 ILCS 110], Section 5-3 of the Health
16 Maintenance Organization Act [215 ILCS 125], Section 4003 of the Limited Health Service
17 Organization Act [215 ILCS 130], and authorized by Sections 155.49 and 401 of the Illinois
18 Insurance Code.

19
20 SOURCE: Former Part repealed at 43 Ill. Reg. 386, effective December 21, 2018; new Part
21 adopted at 48 Ill. Reg. _____, effective _____.

22
23 **Section 910.10 Purpose**

24
25 This Part implements and clarifies the requirements for risk-bearing entities authorized to do
26 business or accredited by this State to file public reports on whether and how they operate any
27 supplier diversity program as part of their procurement program. Nothing in this Part requires a
28 risk-bearing entity to establish a supplier diversity program or to conform the operation of a
29 supplier diversity program or procurement program to any specific standards.

30
31 **Section 910.20 Applicability**

- 32
- 33 a) Except as provided in subsection (b), this Part applies to every domestic, foreign,
34 and alien risk-bearing entity with a certificate of authority or accreditation from
35 the Director.
- 36
- 37 b) This Part does not apply to any qualified group workers compensation pool,
38 domestic captive insurance company, fraternal benefit society, or any risk-bearing
39 entity that, in this State, only transacts business to offer Medicare Part C or D
40 plans. For any year when reports are due, this Part also does not apply to any risk-
41 bearing entity with less than \$50,000,000 in total net admitted assets for the
42 current year as reflected on the Assets page of the annual statement filed with the
43 Director for the year ending December 31st immediately preceding.

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Section 910.30 Definitions

The following definitions apply to this Part:

"Accredited reinsurer" has the meaning ascribed in Section 173.1(1)(B) of the Code.

"Admitted assets" has the meaning ascribed in Section 3.1 of the Code.

"Affiliate" or "affiliated" has the meaning ascribed in Section 131.1(a) of the Code.

"Annual statement" means the annual statement described in Section 136 of the Code.

"BEMWPD Act" means the Business Enterprise for Minorities, Women, and Persons with Disabilities Act [30 ILCS 575].

"Business owned by a person with a disability" means a business that is at least 51% owned, or in the case of a corporation, at least 51% of whose outstanding shares of stock are owned, by one or more persons with a disability, and the management and daily operations of which are controlled by one or more persons with a disability.

"Captive insurance company" has the meaning ascribed in Section 123C-1(D) of the Code.

"Code" means the Illinois Insurance Code [215 ILCS 5].

"Company" has the meaning ascribed in Section 2(e) of the Code.

"Dental service plan corporation" has the meaning ascribed in Section 3 of the Dental Service Plan Act [215 ILCS 110].

"Department" means the Illinois Department of Insurance.

"Director" means the Director of the Department.

"Fraternal benefit society" has the meaning ascribed in Section 282.1 of the Code.

"Health maintenance organization" has the meaning ascribed in Section 1-2(9) of the Health Maintenance Organization Act [215 ILCS 125].

87
88 "Inclusion supplier" means a supplier that is a business owned by a person with a
89 disability, an LGBT-owned business, a minority-owned business, a veteran-
90 owned business, or a women-owned business.

91
92 "Insurance holding company system" has the meaning ascribed in Section
93 131.1(c) of the Code.

94
95 "LGBT person" means an individual who either is not cisgender or is not
96 heterosexual, or both, and includes, but is not limited to, an individual who
97 identifies as homosexual, bisexual, pansexual, asexual, aromantic, transgender,
98 nonbinary, gender nonconforming, or intersex. The term *does not include a*
99 *physical or sexual attraction to a minor by an adult.* [775 ILCS 5/1-103(O-1)]

100
101 "LGBT-owned business" means a business that is at least 51% owned, or in the
102 case of a corporation, at least 51% of whose outstanding shares of stock are
103 owned, by one or more LGBT persons, and the management and daily operations
104 of which are controlled by one or more LGBT persons.

105
106 "Limited health service organization" has the meaning ascribed in Section 1002 of
107 the Limited Health Service Organization Act [215 ILCS 130].

108
109 "Minority person" has the meaning ascribed in Section 2(A)(1) of the BEMWPD
110 Act.

111
112 "Minority-owned business" means a business that is at least 51% owned, or in the
113 case of a corporation, at least 51% of whose outstanding shares of stock are
114 owned, by one or more minority persons, and the management and daily
115 operations of which are controlled by one or more minority persons.

116
117 "NAIC" means the National Association of Insurance Commissioners.

118
119 "Person with a disability" has the meaning ascribed in Section 2(A)(4) through
120 (4.1) of the BEMWPD Act.

121
122 "Procurement program" means a risk-bearing entity or reporting group's
123 collection of policies, practices, and procedures to purchase goods or services by
124 means other than direct employment or voluntary labor.

125
126 "Qualified group workers compensation pool" has the meaning ascribed in
127 Section 107a.05(a) of the Code.

128
129 "Reporting group" means a risk-bearing entity combined with all affiliates that

130 participate in the same supplier diversity program or, absent a supplier diversity
131 program, the same procurement program.

132
133 "Risk-bearing entity" means a company, dental service plan corporation, health
134 maintenance organization, limited health service organization, or accredited
135 reinsurer.

136
137 "SERFF" means the System for Electronic Rate and Form Filing.

138
139 "Supplier" means any natural or legal person, including a subcontractor, who
140 provides goods or services to or on behalf of a risk-bearing entity or affiliate
141 pursuant to (i) a contract, including a contract to provide services to persons
142 covered under a policy form issued by the risk-bearing entity, or (ii) a single-
143 transaction purchase by the risk-bearing entity or affiliate. "Supplier" excludes
144 persons who only have an employment contract with the risk-bearing entity or
145 affiliate. Nothing in this definition requires a risk-bearing entity or reporting
146 group's supplier diversity program to apply to all possible types of suppliers.

147
148 "Supplier diversity policy statement" means any language that refers to the risk-
149 bearing entity or reporting group's policies to meet a goal of procuring goods and
150 services from suppliers owned and controlled by members of populations that
151 have been historically underrepresented in business opportunities.

152
153 "Supplier diversity program" means the portion of a procurement program that
154 reflects an intentional effort to include one or more historically underrepresented
155 populations in opportunities to become or remain suppliers, including any portion
156 created to fulfill a supplier diversity policy statement.

157
158 "Tier 2 supplier" means a supplier that is a subcontractor to another supplier that
159 directly contracts with or sells to the risk-bearing entity or reporting group.

160
161 "Unique paid inclusion supplier" means an inclusion supplier with which a risk-
162 bearing entity or reporting group has had transactions or contracts, regardless of
163 the number or value of transactions or contracts.

164
165 "Unique paid supplier" means a supplier with which a risk-bearing entity or
166 reporting group has had transactions or contracts, regardless of the number or
167 value of transactions or contracts.

168
169 "Veteran" has the meaning ascribed in 38 U.S.C. 101(2).

170
171 "Veteran-owned business" means a business that is at least 51% owned, or in the
172 case of a corporation, at least 51% of whose outstanding shares of stock are

173 owned, by one or more veterans, and the management and daily operations of
174 which are controlled by one or more veterans.

175
176 "Woman" means an individual who identifies as a woman or a member of the
177 female gender.

178
179 "Women-owned business" means a business that is at least 51% owned, or in the
180 case of a corporation, at least 51% of whose outstanding shares of stock are
181 owned, by one or more women, and the management and daily operations of
182 which are controlled by one or more women.

183
184 **Section 910.40 Supplier Diversity Report Requirements**

185
186 By April 1 of every year, every risk-bearing entity *authorized to do business in this State or*
187 *accredited by this State with total net admitted assets of at least \$50,000,000* for the current year
188 as reflected on the Assets page of the annual statement filed with the Director for the year ending
189 December 31st immediately preceding must *submit a two-page report on its voluntary supplier*
190 *diversity program, or the risk-bearing entity's procurement program if there is no supplier*
191 *diversity program, to the Department.* (Section 155.49(a) of the Code) The submission must
192 adhere to the following requirements:

- 193
194 a) The report must be submitted on the template provided on the Department's
195 website at <https://idoi.illinois.gov/companies/industry-supplier-diversity> and must
196 contain the following information:
- 197
198 1) The filing year in which the report is submitted;
 - 199
200 2) The official name, NAIC code, and NAIC group code of the risk-bearing
201 entity and, if submitted as a reporting group under subsection (b)(1), of the
202 reporting group and every affiliated risk-bearing entity that is subject to
203 Section 910.20 and covered by the same supplier diversity program or
204 other procurement program. For risk-bearing entities, the official name is
205 the full legal name on the certificate of authority or other registration with
206 the Department. For reporting groups, the official name is the group name
207 on file with the NAIC;
 - 208
209 3) An answer whether the risk-bearing entity or reporting group currently has
210 a supplier diversity program, and if not, whether they intend to create one
211 within the next 12 months.
- 212
213 A) If there is a supplier diversity program, the report must provide a
214 brief overview of the program, a link to any website that currently
215 exists for the program, and a disclosure and explanation of whether

- 216 the program applies to Tier 2 suppliers.
 217
 218 B) If there is an intent to create a supplier diversity program within
 219 the next 12 months, the report must provide a timeline for its
 220 expected beginning and a summary of any other details currently
 221 available, such as a program director or program plan.
 222
 223 C) If there is no supplier diversity program and no intent to create one
 224 within the next 12 months, the report must explain why.
 225
 226 4) *The name, address, phone number, and email address of the point of*
 227 *contact for the supplier diversity program or procurement program for*
 228 *vendors to register with the program. (Section 155.49(a)(1) of the Code)*
 229 If the program has a contract, agreement, or other express arrangement
 230 with a third party to register suppliers on the risk-bearing entity or
 231 reporting group's behalf, the point of contact must be from the third party;
 232
 233 5) Government and private *local and State certifications* the risk-bearing
 234 entity or reporting group *accepts or recognizes for minority-owned,*
 235 *women-owned, LGBT-owned, or veteran-owned business status.* (Section
 236 155.49(a)(2) of the Code) If a local or State certification does not exist for
 237 one of those types of inclusion suppliers but the risk-bearing entity or
 238 reporting group accepts other certifications for them, such as national or
 239 international certifications, the report must identify those certifications.
 240 The report also may, but is not required to, identify local, State, and
 241 national certifications the risk-bearing entity or reporting group accepts for
 242 status of business owned by persons with a disability or by any other
 243 historically underrepresented population defined by the supplier diversity
 244 program. If the risk-bearing entity or reporting group runs its own
 245 program to recognize or certify suppliers that meet the definition of one or
 246 more inclusion supplier statuses defined in Section 910.30, the report must
 247 identify the statuses of inclusion supplier and summarize or provide a
 248 weblink to a list of the documentation required from suppliers for
 249 eligibility verification;
 250
 251 6) *The voluntary goals on inclusion suppliers for the calendar year in which*
 252 *the report is made in each category for the entire procurement budget of*
 253 *the risk-bearing entity or reporting group and the commodity codes or a*
 254 *description of particular goods and services for the area of procurement*
 255 *in which the risk-bearing entity or reporting group expects most of those*
 256 *goals to focus on in that year. (Section 155.49(a)(4) of the Code) Goals*
 257 *related to overall spend or contract spend on inclusion suppliers must be*

258 expressed in flat-dollar amounts or as percentages of the total spend for
259 the procurement category. If the risk-bearing entity or reporting group has
260 goals related to the number inclusion suppliers or a percentage of
261 inclusion suppliers versus total suppliers, the report must specify whether
262 the goal is in terms of unique paid suppliers;
263

264 7) *On the second page, a narrative explaining the results of the program and*
265 *the tactics to be employed to achieve the goals of its voluntary supplier*
266 *diversity program. (Section 155.49(a)(3) of the Code)*
267

268 A) The results must include the following for the preceding calendar
269 year with respect to suppliers in Illinois and nationally:

270 i) for each procurement category:

- 271 • the total amount of procurement spend;
- 272
- 273 • if the risk-bearing entity or reporting group has a
274 supplier diversity program, the total amount of
275 spend with inclusion suppliers;
- 276
- 277 • the total dollars in contracts signed; and
- 278
- 279 • the total number of unique paid suppliers;
- 280

281 ii) for each type of certification, if any, accepted or recognized
282 by the risk-bearing entity or reporting group:

- 283 • the total spend on inclusion suppliers;
- 284
- 285 • the total dollars in contracts signed with inclusion
286 suppliers; and
- 287
- 288 • the total number of unique paid inclusion suppliers;
- 289
- 290

291 iii) if the risk-bearing entity or reporting group has a supplier
292 diversity program, the percentage of total procurement
293 spend overall that is composed of total spend on inclusion
294 suppliers overall.
295
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298 B) The description of the current tactics in Illinois and nationally must
299 include, but need not be limited to, whether the risk-bearing entity
300 or reporting group conducts outreach specifically to inclusion

301 suppliers, and if so, what outreach and communication strategies
302 and practices are conducted with inclusion suppliers and internally
303 among the risk-bearing entity or reporting group's employees. The
304 report must identify the specific outreach and communications
305 practices that the risk-bearing entity or reporting group uses,
306 including:

- 307
- 308 i) direct outreach to specific suppliers;
- 309
- 310 ii) types of events that the risk-bearing entity or reporting
311 group hosts;
- 312
- 313 iii) forms of media that are used to conduct outreach and
314 communications;
- 315
- 316 iv) membership in organizations that facilitate or help guide
317 the outreach and communications; and
- 318
- 319 v) any other programs used to implement a supplier diversity
320 program, such as mentorship, technical assistance or
321 training for inclusion suppliers, a supplier diversity
322 website, or third-party assistance with locating inclusion
323 suppliers.
- 324

325 C) Nothing in this paragraph requires a risk-bearing entity or
326 reporting group to meet any specific goals or use any specific
327 tactics; and
328

- 329 8) if deemed appropriate by the risk-bearing entity or reporting group, any
330 other information that would help contextualize, qualify, expand upon, or
331 explain variability or uncertainty in fields of the report, or any other
332 information about its voluntary supplier diversity program outside the
333 scope of the prescribed questions that the risk-bearing entity or reporting
334 group wants to voluntarily express. For example, the risk-bearing entity
335 or reporting group may use this field to identify other fields where the
336 reported information could be incomplete, imprecise, estimated, or
337 rudimentary due to specified factors outside the risk-bearing entity or
338 reporting group's control.
- 339

340 b) Group filings

- 341
- 342 1) Subject to subsection (b)(2), if a risk-bearing entity authorized to transact
343 business or accredited by this State participates in the same supplier

344 diversity program or the same procurement program as one or more
345 affiliates, the reporting group may submit a single, combined report on
346 behalf of the risk-bearing entity and those affiliates.
347

348 2) If two or more affiliated risk-bearing entities authorized to transact
349 business or accredited by this State either do not participate in the same
350 supplier diversity program or do not participate in the same procurement
351 program, a separate report must be filed for each supplier diversity
352 program or procurement program in which any of those affiliated risk-
353 bearing entities participates.
354

355 c) The report must be submitted as a searchable Portable Document Format (PDF)
356 file via SERFF.
357

358 d) Pursuant to Section 155.49(b) of the Code, the entire report will be published on
359 the Department's public website for five years. The Department will reject a
360 report as noncompliant if the risk-bearing entity or reporting group furnishes the
361 report with a claim that any of the information provided is confidential,
362 proprietary, or privileged.