



Reflects Edits Adopted by the NAIC/Consumer Board of Trustees on Dec. 28, 2016 and by NAIC/Executive (EX) Committee and Plenary on Apr. 11, 2017.

**PLAN OF OPERATION
NAIC CONSUMER PARTICIPATION PROGRAM
March 28, 2010**

Section 1. Mission

The mission of the NAIC Consumer Participation Program is to assist the NAIC in its efforts to support state insurance regulation by providing consumer views on insurance regulatory issues. To be appointed as consumer representatives, applicants must show a commitment to and experience with consumer advocacy regarding insurance issues. In most instances, consumer representatives represent a national, state or local organization that serves to protect the interests of consumers and that can provide information to insurance regulators representing a consumer perspective. In some instances, however, individuals may qualify to serve as consumer representatives as academics who specialize in insurance consumer issues or as individuals who have a history of independent insurance consumer advocacy. One measure of whether an organization or individual represents a consumer perspective is its source of funding. Another measure is the individual's history and track record of advocating for or representing the interests of insurance consumers.

Section 2. Board

- A. The NAIC Consumer Participation Board of Trustees shall consist of 12 members. The six NAIC members shall each serve one-year terms. The other six Board members shall be consumer representatives. The consumer members shall serve staggered two-year terms.
- B. The current president of the NAIC or his/her designee shall chair the Board.
- C. Immediately following the annual Officer Committee Assignment Meeting, the newly elected NAIC officers shall appoint the NAIC members to the Board, which may include the four NAIC officers. In December, the six NAIC members serving on the current Board shall appoint six consumer representatives to serve on next year's Board. The consumer representatives selected to serve on the Board shall have served for at least one year as a funded consumer representative. In the event there are not six consumer representatives with at least one year of experience with the program, the Board may fund a consumer who has applied for participation in the Funded Consumer Representative Program and appoint that person to the Board.
- D. The term of service for Board members shall begin on Jan. 1 and conclude Dec. 31.
- E. The Board may meet in person or via teleconference to conduct its business. Meetings of the Board are not public meetings.
- F. A consumer representative may be removed by a majority vote of the Board (four of the six regulators and four of the six consumer representatives) whenever in its judgment the best interests of the Board would be served thereby. A consumer representative chosen to represent an organization will be removed if the representative ceases to be affiliated with the organization, but a representative in this situation may re-apply to the Board during the annual application period to continue as an individual, independent consumer representative. To apply as an individual, independent consumer representative, the individual must provide all of the information required by the application, including the conflict of interest statement.

- G. By the end of the calendar year prior to the new term, the current Board shall select the NAIC funded and unfunded consumer representatives to serve in the next calendar year. Consumer representatives may apply to be funded by the NAIC or for positions as unfunded representatives. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in the NAIC meetings in the next calendar year. Unfunded representatives will not receive reimbursement for travel expenses from the NAIC but are eligible for other benefits, including waiver of the NAIC national meeting registration fees.

Section 3. Consumer Representative Applications

- A. By Aug. 31, NAIC staff shall post the blank consumer representative applications on the NAIC website. The consumer representative web page shall include the following information: 1) a statement that the NAIC encourages those individuals and consumer advocacy groups with a commitment to and experience with consumer advocacy, as well as a consumer perspective about regulating insurance, to apply; 2) a statement describing the NAIC and its services to the state insurance departments; 3) a schedule of the NAIC meetings for the following year and their locations; 4) a list of the NAIC committees and their memberships; and 5) an explanation that the role of the consumer representatives at NAIC meetings is to serve as a liaison to the consumer advocacy community and to offer the consumer perspective as it relates to the charges of the NAIC committees.
- B. Consumers shall submit applications to the NAIC by Oct. 31. Late applications will not be considered.

Section 4. Consumer Representative Qualifications

- A. Applicants qualified to be designated as NAIC Consumer Representatives shall:
 - 1. Demonstrate consumer-oriented skills;
 - 2. Demonstrate an expertise in NAIC committee issues;
 - 3. Represent a nonprofit organization with a membership of at least 30 members or otherwise demonstrate qualifications to serve as a consumer representative;
 - 4. Submit a copy of their organization's by-laws reflecting the organization's purposes to represent consumer interests and promote consumer protection, if they represent a consumer organization;
 - 5. Submit an application to the NAIC;
 - 6. Submit the signed NAIC Conflict of Interest Statement; and
 - 7. Commit to attending regular NAIC meetings absent exceptional circumstances and notice, and to participating on NAIC conference calls, including calls among consumer representatives. Consumer representatives will only be considered for reappointment if they in fact attend meetings and participate in meetings and calls.
- B. All applicants shall also submit the current budget for their organization, if they represent an organization. Applicants for a funded position must describe the applicant's need for funding with sufficient detail on the source of funding, and explain the need for NAIC financial support.
- C. On a date determined by NAIC leadership, successful applicants shall be notified that the current Board has reached consensus on the number of positions to be funded and has selected all of the funded and unfunded consumer representatives for the next year. The current Board will determine if applicants for funded positions who are not selected may be considered for unfunded positions.

Section 5. Reimbursement of Expenses

NAIC funded consumers shall submit expense reports itemizing the costs of attending NAIC meetings according to the NAIC Funded Consumer Representative Guidelines for Reimbursement of Expenses.

Section 6. Designated Consumer Representative Term

Designated consumer representatives shall serve a two-year term, and the Board will have staggered two-year appointments. The term for which a designated consumer representative is eligible to receive funding to participate in NAIC meetings and conference calls shall start on Jan. 1 and continue through Dec. 31.

Section 7. Annual Report

At the last national meeting each year, the NAIC president, the chairperson of the NAIC Consumer Participation Board of Trustees or the NAIC president's designee (if the chairperson is not available) shall report to the Executive (EX) Committee a summary of the Board's activities for the year and the consumer participation in NAIC meetings and conference calls as a result of the NAIC Consumer Participation Program.

Section 8. NAIC/Consumer Liaison Committee

To promote participation at NAIC meetings, the agenda of the NAIC/Consumer Liaison Committee shall be set no later than 21 days prior to the next NAIC meeting by the six consumer members of the Consumer Participation Board of Trustees and the chair of the NAIC/Consumer Liaison Committee. Any amendments made to this agenda are subject to the approval of the chair of the NAIC/Consumer Liaison Committee.

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