



Revision marks reflect changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.

**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. A qualified consumer organization is a national, state, or local organization that serves to protect the interests of consumers as they relate to the regulation of insurance. Their participation is based on their desire to collect and/or impart information of mutual concern and interest to insurance regulators and that represents a consumer perspective. One measure of whether an organization represents a consumer perspective is its source of funding.

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 January 1st and conclude December 31st.
- E. 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.
- F. No later than December 15th, the current Board shall select the NAIC funded and unfunded consumer representatives to serve in the next calendar year. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in NAIC meetings in the next calendar year.

Section 3. Consumer Applications

- A. By August 31st, NAIC staff shall post the applications on the NAIC Web site. The consumer representative web page shall include the following information: 1) a statement that the NAIC encourages those representing the public interest and consumer advocacy groups 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 consumer and community-based organizations 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 October 31st. Late applications may not be considered.

Section 4. Consumer Qualifications

- A. Applicants qualified to be NAIC consumer representatives shall:
 1. Demonstrate consumer-oriented skills;
 2. Demonstrate an expertise in NAIC committee issues;
 3. Represent a non-profit organization with a membership of at least 30 members;
 4. Submit a copy of their organization's by-laws reflecting the organization's purposes to represent consumer interests and promote consumer protection;
 5. Describe the applicant's need for funding with sufficient detail on source of funding and the need for NAIC financial support;
 6. Submit an application to the NAIC;
 7. Submit the signed NAIC Conflict of Interest Statement; and
 8. Commit to participating in NAIC meetings and conference calls.
- B. Consumers qualified to be NAIC funded consumer representatives shall also submit the current budget for their organization; describe the applicant's need for funding with sufficient detail on the source of funding; and explain the need for NAIC financial support.
- C. Successful applicants shall be notified as soon as the current Board reaches consensus on the number of positions available to be funded; then selects all of the funded and unfunded consumer representatives for the next year.

Section 5. Reimbursement of Expenses

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

Section 6. Consumer Representative Term

Consumer representatives shall serve staggered two-year terms. The term for which a designated consumer representative is eligible to receive funding to participate in NAIC meetings and conference calls shall start on January 1st and continue through December 31st.

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 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

The NAIC Consumer Participation Board of Trustees shall select the consumer participants on the NAIC/Consumer Liaison Committee. Consumer organizations (as defined in Section 1) that choose not to request funding in the Consumer Participation Program may ask to participate in the NAIC/Consumer Liaison Committee. The request should be made in a letter or an e-mail stating the name of their organization, its mission, the ways in which the organization is involved in insurance issues, the amount and sources of the organization's income, the name of the

individual who would represent the organization at NAIC, and provide the reasons the organization would like to participate in the 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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