



Reflects technical changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.

**Chairman's Cut Redline Exposure Draft Sept. 30, 2016**

**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 qualified 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 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 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.

**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 representative 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 representative 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. 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.

- F. ~~No later than December 15th~~By the end of the year, 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 NAIC or for positions as unfunded representatives. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in NAIC meetings in the next calendar year. Unfunded representatives will not receive reimbursement for travel expenses from NAIC, but are eligible for other benefits, including waiver of NAIC national meeting registration fees.

### Section 3. Consumer Representative Applications

- A. By August 31st, NAIC staff shall post the blank consumer representative 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 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 and community-based organizations and to offer the consumer perspective as it relates to the charges of the NAIC committees.
- B. Consumer representatives shall submit applications to the NAIC by October 31<sup>st</sup>. Late applications will not be considered.

### Section 4. Consumer Representative Qualifications

- A. Applicants qualified to be designated as NAIC ~~C~~consumer Rrepresentatives 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 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. ~~Describe the applicant's need for funding with sufficient detail on source of funding and the need for NAIC financial support;~~
  56. Submit an application to the NAIC;
  67. Submit the signed NAIC Conflict of Interest Statement; and
  78. Commit to attending regular NAIC meetings absent exceptional circumstances and notice; and to participating ~~on~~ NAIC meetings and 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. ~~Consumers-Applicants~~ qualified to be NAIC ~~funded~~ consumer representatives 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, ~~S~~successful applicants shall be notified as soon as that the current Board has reached consensus on the number of positions ~~available~~ to be funded; ~~then~~ 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 consumer representatives 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 ~~C~~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 representative 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 representative 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 representative 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.

## Section 9. Meetings of the Consumer Board of Trustees

- A. The Consumer Board of Trustees shall meet in person or via teleconference when necessary throughout the year.
- B. The meetings are not to be open to the public.

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**From:** Dowling, AnneMelissa [<mailto:AnneMelissa.Dowling@illinois.gov>]  
**Sent:** Thursday, October 06, 2016 5:06 PM  
**To:** Alexander, Lois  
**Cc:** Mullen, Timothy B.; Seemann, Lacey  
**Subject:** RE: NAIC - Exposure of Draft for Comment of Proposed Changes to Plan of Operations by Consumer Board of Trustees

Thanks.

I do not have substantive edits.

Section F we might define "by the end of the year" a bit more clearly ( calendar year prior to the new term?)

Also, in the section on term, "staggered two year terms" is an odd phrase. I suggest : a two year term and theboard will have staggered year appointments. Other wise it reads as a "staggered term" which is not meaningful.

Thanks so much.

Anne Melissa

Anne Melissa Dowling, CFA  
Acting Director, Illinois Department of Insurance  
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122 S. Michigan Avenue  
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312-590-8450 cell



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-----Original Message-----

From: Sonja L Thorne [mailto:slarkin-thorne@sbcglobal.net]

Sent: Wednesday, October 12, 2016 1:30 PM

To: Kreidler, Mike CMD Public

Cc: Alexander, Lois; Brenda Cude; Bonnie Burns; Timothy Jost; Birny Birnbaum; Amy Bach; Brendan Bridgeland; India Hayes Larrier; Debra Judy; Karrol Kitt; Peter Kochenburger; Sarah Lueck; Annalise Mannix; Roy S Mitchell; Lincoln Nehring; Jesse Ellis O'Brien; Pam Silverman; JoAnn Volk; Jackson Williams; Cindy Zeldin; Elizabeth Beth Abbott; Bailey Acevedo; Deborah Darcy; Adrienne Ellis; Howard Goldblatt; Marguerite Herman; Anna Howard; Betsy Imholz; Amy Killelea; Angela Lello; Claire McAndrew; Cary Sennett; Andrew Sperling; Silvia Yee

Subject: NAIC Consumer Participation Board of Trustees - Plan of Operation Changes - Letter of Support

Commissioner Mike Kreidler  
Chair, NAIC Consumer Board of Trustees

I write in support of the NAIC Consumer Board of Trustees suggested October, 2016 update to the current Plan of Operation, NAIC Consumer Participation Program.

The revisions are the result of two plus years of discussions, rewrites and acknowledgement of current practices and suggestions started by board member and funded consumer representative Timothy Stoltzfus Jost.

The recommended revisions will continue to allow the boards appointment of both individuals and organizations, at the national, state and local level who are committed to the protection and education of insurance consumers.

With this flexibility in appointments, the board has been able to build a team of extraordinary consumer representatives who bring both personal, and organizational experience, and knowledge, to the discussion with insurance regulators on how best to ensure consumers receive the best products and protection.

I also want to acknowledge the hard work and commitment of NAIC staff Lois Alexander who without her patience and great notes we would not have been able to reach this point.

Thank you for the opportunity to comment.

Sincerely,  
Sonja Larkin-Thorne  
Consumer Advocate  
NAIC Consumer Representative  
NAIC Consumer Participation Board

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**From:** "Kochenburger, Peter" <[peter.kochenburger@uconn.edu](mailto:peter.kochenburger@uconn.edu)>  
**Date:** October 13, 2016 at 8:59:29 AM MST  
**To:** "Alexander, Lois" <[LAlexander@naic.org](mailto:LAlexander@naic.org)>, 2011 NAIC CONSUMER LIST <[naic-consumer-reps@googlegroups.com](mailto:naic-consumer-reps@googlegroups.com)>  
**Cc:** "Seemann, Lacey" <[LSeemann@naic.org](mailto:LSeemann@naic.org)>  
**Subject: Re: NAIC Call Notice for NAIC Consumer Representatives Regarding Proposed Changes to the Plan of Operations**

Good morning. I will be coming back from a conference during today's call and may be late calling in. I support these changes, which as noted largely conform the Plan of Operations with the actual practices of selecting consumer representatives. While I have an obvious bias since I participate as an academic rather than as a representative of a consumer organization, allowing academics and individuals with sufficient relevant experience to apply expands both the applicant pool and the expertise and background of the consumers representatives selected. Also, there are far fewer consumer groups with insurance expertise in life and p/c as opposed to health insurance advocacy groups, and we are looking for more people in these areas, rather than reasons to narrow the applicant pool.

Thanks

Peter Kochenburger

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**From:** Howard Goldblatt <[Howard@insurancefraud.org](mailto:Howard@insurancefraud.org)>  
**Date:** October 13, 2016 at 9:10:18 AM MST  
**To:** Commissioner Kreidler <[MikeK@OIC.WA.GOV](mailto:MikeK@OIC.WA.GOV)>  
**Cc:** Lois Alexander <[LAlexander@naic.org](mailto:LAlexander@naic.org)>, Brenda Cude <[bcude@uga.edu](mailto:bcude@uga.edu)>, "Bonnie Burns" <[bburns@cahealthadvocates.org](mailto:bburns@cahealthadvocates.org)>, Timothy Jost <[JostT@wlu.edu](mailto:JostT@wlu.edu)>, "Birny Birnbaum" <[birny@sbcglobal.net](mailto:birny@sbcglobal.net)>, Amy Bach <[amy.bach@uphelp.org](mailto:amy.bach@uphelp.org)>, "Brendan Bridgeland" <[insuranceresearch@comcast.net](mailto:insuranceresearch@comcast.net)>, India Hayes Larrier <[India@NJCitizenAction.org](mailto:India@NJCitizenAction.org)>, Debra Judy <[djudy@cohealthinitiative.org](mailto:djudy@cohealthinitiative.org)>, Karrol Kitt <[kkitt@austin.utexas.edu](mailto:kkitt@austin.utexas.edu)>, Peter Kochenburger <[Peter.Kochenburger@uconn.edu](mailto:Peter.Kochenburger@uconn.edu)>, Sarah Lueck <[lueck@cbpp.org](mailto:lueck@cbpp.org)>, Annalise Mannix <[amannix.FIRM@comcast.net](mailto:amannix.FIRM@comcast.net)>, Roy S Mitchell <[roym@mhap.org](mailto:roym@mhap.org)>, Lincoln Nehring <[lincoln@utahchildren.org](mailto:lincoln@utahchildren.org)>, Jesse Ellis O'Brien <[jesseo@ospirg.org](mailto:jesseo@ospirg.org)>, "Pam Silverman" <[Pam\\_silberman@unc.edu](mailto:Pam_silberman@unc.edu)>, JoAnn Volk <[jcv28@georgetown.edu](mailto:jcv28@georgetown.edu)>, Jackson Williams <[jwilliams@dialysispatients.org](mailto:jwilliams@dialysispatients.org)>, Cindy Zeldin <[czeldin@healthyfuturega.org](mailto:czeldin@healthyfuturega.org)>, Elizabeth Beth Abbott <[Elizabeth.Abbott@opa.ca.gov](mailto:Elizabeth.Abbott@opa.ca.gov)>, Bailey Acevedo <[bacevedo@cssny.org](mailto:bacevedo@cssny.org)>, "Deborah Darcy" <[ddarcy@kidneyfund.org](mailto:ddarcy@kidneyfund.org)>, Adrienne Ellis <[aellis@mhamd.org](mailto:aellis@mhamd.org)>, Marguerite Herman <[marguerite.herman@gmail.com](mailto:marguerite.herman@gmail.com)>, Anna Howard <[Anna.Howard@cancer.org](mailto:Anna.Howard@cancer.org)>, Betsy Imholz <[bimholz@consumer.org](mailto:bimholz@consumer.org)>, Amy Killelea <[akillelea@nastad.org](mailto:akillelea@nastad.org)>, Angela Lello <[Angela.lello@autismspeaks.org](mailto:Angela.lello@autismspeaks.org)>, "Claire McAndrew" <[cmcandrew@familiesusa.org](mailto:cmcandrew@familiesusa.org)>, Cary Sennett <[csennett@aafa.org](mailto:csennett@aafa.org)>, Andrew Sperling <[Andrew@nami.org](mailto:Andrew@nami.org)>, Silvia Yee <[syee@dredf.org](mailto:syee@dredf.org)>, "Sonja L Thorne" <[slarkin-thorne@sbcglobal.net](mailto:slarkin-thorne@sbcglobal.net)>  
**Subject: Re: NAIC Consumer Participation Board of Trustees - Plan of Operation Changes - Letter of Support**

As an unfunded consumer representative I hope to participate in today's conference call. However, to make it clear i support the update to the Plan of Operation.

The update clearly gives flexibility for the appointment of consumer representatives especially in the property/casualty area. As has been stated by others who are more eloquent than I am I believe the proposed changes gives necessary flexibility for appointing consumer reps. We need to be broad in looking at what groups and who can best help insurance commissioners to fully understand the consumer perspective. We should not restrict and narrow the applicant pool but should look at the broad array of possible applicants.

**Howard Goldblatt**  
Director of Government Affairs  
Coalition Against Insurance Fraud  
202-393-7332

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Download [Insurance FraudWire](#) mobile app for iPhone, iPad & Android

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**From:** Birny Birnbaum <[birny@cej-online.org](mailto:birny@cej-online.org)>  
**Date:** October 13, 2016 at 10:19:28 AM MST  
**To:** Commissioner Kreidler <[MikeK@OIC.WA.GOV](mailto:MikeK@OIC.WA.GOV)>  
**Cc:** Howard Goldblatt <[Howard@insurancefraud.org](mailto:Howard@insurancefraud.org)>, Lois Alexander <[LAlexander@naic.org](mailto:LAlexander@naic.org)>, Brenda Cude <[bcude@uga.edu](mailto:bcude@uga.edu)>, Bonnie Burns <[bburns@cahealthadvocates.org](mailto:bburns@cahealthadvocates.org)>, Timothy Jost <[JostT@wlu.edu](mailto:JostT@wlu.edu)>, Amy Bach <[amy.bach@uphelp.org](mailto:amy.bach@uphelp.org)>, Brendan Bridgeland <[insuranceresearch@comcast.net](mailto:insuranceresearch@comcast.net)>, India Hayes Larrier <[India@NJCitizenAction.org](mailto:India@NJCitizenAction.org)>, Debra Judy <[djudy@cohealthinitiative.org](mailto:djudy@cohealthinitiative.org)>, Karrol Kitt <[kkitt@austin.utexas.edu](mailto:kkitt@austin.utexas.edu)>, Peter Kochenburger <[Peter.Kochenburger@uconn.edu](mailto:Peter.Kochenburger@uconn.edu)>, Sarah Lueck <[lueck@cbpp.org](mailto:lueck@cbpp.org)>, Annalise Mannix <[amannix.FIRM@comcast.net](mailto:amannix.FIRM@comcast.net)>, Roy S Mitchell <[roym@mhap.org](mailto:roym@mhap.org)>, Lincoln Nehring <[lincoln@utahchildren.org](mailto:lincoln@utahchildren.org)>, Jesse Ellis O'Brien <[jesseo@ospirg.org](mailto:jesseo@ospirg.org)>, Pam Silverman <[Pam\\_silberman@unc.edu](mailto:Pam_silberman@unc.edu)>, JoAnn Volk <[jcv28@georgetown.edu](mailto:jcv28@georgetown.edu)>, Jackson Williams <[jwilliams@dialysispatients.org](mailto:jwilliams@dialysispatients.org)>, Cindy Zeldin <[czeldin@healthyfuturega.org](mailto:czeldin@healthyfuturega.org)>, Elizabeth Beth Abbott <[Elizabeth.Abbott@opa.ca.gov](mailto:Elizabeth.Abbott@opa.ca.gov)>, Bailey Acevedo <[bacevedo@cssny.org](mailto:bacevedo@cssny.org)>, Deborah Darcy <[ddarcy@kidneyfund.org](mailto:ddarcy@kidneyfund.org)>, Adrienne Ellis <[aellis@mhamd.org](mailto:aellis@mhamd.org)>, Marguerite Herman <[marguerite.herman@gmail.com](mailto:marguerite.herman@gmail.com)>, Anna Howard <[Anna.Howard@cancer.org](mailto:Anna.Howard@cancer.org)>, Betsy Imholz <[bimholz@consumer.org](mailto:bimholz@consumer.org)>, Amy Killelea <[akillelea@nastad.org](mailto:akillelea@nastad.org)>, Angela Lello <[Angela.lello@autismspeaks.org](mailto:Angela.lello@autismspeaks.org)>, Claire McAndrew <[cmcandrew@familiesusa.org](mailto:cmcandrew@familiesusa.org)>, Cary Sennett <[csennett@aafa.org](mailto:csennett@aafa.org)>, Andrew Sperling <[Andrew@nami.org](mailto:Andrew@nami.org)>, Silvia Yee <[syee@dredf.org](mailto:syee@dredf.org)>, Sonja L Thorne <[slarkin-thorne@sbcglobal.net](mailto:slarkin-thorne@sbcglobal.net)>  
**Subject:** CEJ Preliminary Comments on NAIC Consumer Participation Board of Trustees - Plan of Operation Changes

Hi All,

CEJ will be submitting more detailed comments shortly and will copy the other reps. However, given the comments posted by other reps to date, I wanted to share a few preliminary comments.

The proposed changes are not a consensus document of the Consumer Board of Trustees, but the Chair's proposal based on discussion. We appreciate Chair Kreidler's efforts as well as those of all the other CBoT members.

CEJ is opposed to changes opening the door to appointment of individuals for several reasons. As someone involved in the creation of the consumer participation program in the early 1990's, I can state there was a conscious decision to focus on representatives of consumer organizations for designation as NAIC consumer representatives -- to ensure the representatives were representing consumers and not merely themselves. Anyone can call him or herself a consumer representative, but a person who works for an organization accountable to consumers is truly a consumer representative.

In addition to the issue of accountability to consumers, there is also the issue of whom the NAIC would be funding. If an individual not representing a consumer organization or consumers is designated as a funded rep, the NAIC would then be funding individuals to participate instead of funding organizations. The premise of the consumer participation program financial assistance is to provide such assistance to organizations which would otherwise not be able to participate.



We also believe that the Plan of Op can be revised to recognize and accommodate designation of academics who work with or on behalf of consumers as well as situations in which a consumer rep loses his or her organization in mid-term.

The argument that appointment of individuals is necessary to get more PC reps is factually incorrect. There have been a number of organizations working on PC issues whose applications have been denied over the past several years.

CEJ will share our specific proposals by the end of next week.

Birny

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**From:** Jost, Timothy [mailto:JostT@wlu.edu]  
**Sent:** Thursday, October 13, 2016 3:05 PM  
**To:** Alexander, Lois; Seemann, Lacey  
**Subject:** comments on proposed changes to the Plan of Operation

Please convey to Commissioner Kreidler and the CBOT my support for the proposed changes to the Plan of Operation. For the 6 years I have been a consumer representative we have continuously failed to observe the requirement of our Plan of Operation in selecting consumer representatives. The proposed amendments reflect our actual practice, which I believe is the right approach.

The only change I would suggest is to allow individuals who cease to represent an organization to reapply immediately to continue as independent consumer representatives. There have been several instances where a consumer representative is working closely with a working group on an initiative and then loses his or her job or the organization ceases to exist. In this situation, we can experience a serious loss of continuity. I see no good reason not to allow an immediate reapplication, subject to approval by CBOT, to allow continued participation in an ongoing effort.

Timothy Jost

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October 25, 2016

Commissioner Mike Kreidler  
Chair, NAIC Consumer Board of Trustees

Dear Commissioner Kreidler:

I support the October 2016 revisions in the NAIC Consumer Participation Program Plan of Operations. These revisions bring the Plan of Operations much closer to the guidelines that have been used informally in the last several years. I believe the revisions maintain the integrity of the program while still leaving some flexibility in decision-making.

The most significant change (in my view) in the Plan of Operations is the official recognition that individuals who do not represent consumer organizations may be appointed as consumer representatives. We have followed this practice for years, explicitly as well as indirectly through, for example, the appointment of academics who do not truly represent consumer organizations – and I fall into the latter category as the University of Georgia is not a “consumer organization.” I would like to emphasize that I hope that this and future Boards will recognize that representation of consumers rather than representation of individual interests is at the heart of the Consumer Participation Program. Traditionally, the test of whether an individual represented consumers was a strong connection with a membership consumer organization. As ways to interact with consumers continue to evolve, there may be other methods to demonstrate that connection. However, in the meantime, I believe that the majority of those chosen for the Consumer Participation Program should represent consumer organizations. In the future, there may be clear ways that an applicant who does not represent a consumer organization can demonstrate that she or he hears from, provides feedback to, and is accountable to insurance consumers, which I think are the assumptions we make about the reason we appoint individuals who represent consumer organizations.

I appreciate the open process used to gather the input that led to these revisions and the exposure of the plan revisions before taking a vote on them.

Sincerely,

A handwritten signature in black ink that reads "Brenda J. Cude". The signature is written in a cursive, flowing style.

Brenda Cude, NAIC Consumer Representative

**From:** Latham, Anna M (CED) [mailto:anna.latham@alaska.gov]  
**Sent:** Friday, October 28, 2016 12:40 PM  
**To:** Alexander, Lois  
**Subject:** FW: NAIC - Exposure of Draft for Comment of Proposed Changes to Plan of Operations by Consumer Board of Trustees

Dear Lois,

I did not make any substantive changes to the Plan of Operations, but I edited the document. I've attached a revised copy.

Best,

Anna

*Anna Latham*  
*Deputy Director*  
*State of Alaska-Division of Insurance*  
*(907)-465-2518*

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**Reflects technical changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.  
Chairman's Cut Redline Exposure Draft Sept. 30, 2016  
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NAIC CONSUMER PARTICIPATION PROGRAM  
March 28, 2010**

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- B. Consumer representatives shall submit applications to the NAIC by October 31<sup>st</sup>. 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 non-profit 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. Applicants qualified to be NAIC consumer representatives 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**

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NAIC funded consumer representatives 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 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 representative 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 representative participants on 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 representative 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.

**Section 9. Meetings of the Consumer Board of Trustees**

- A. The Consumer Board of Trustees shall meet in person or via teleconference when necessary throughout the year.
- B. The meetings are not to be open to the public.

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Reflects technical changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.

**Chairman's Cut Redline Exposure Draft Sept. 30, 2016**

**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 qualified 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 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~~ and that can provide information to insurance regulators representing a consumer perspective. In some instances, however, individuals may qualify to serve as consumer representatives if they have the requisite commitment and experience but are employed by a college or university as opposed to a consumer organization 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 representative 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 representative 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. 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.

- F. ~~No later than December 15th~~By the end of the year, 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 NAIC or for positions as unfunded representatives. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in NAIC meetings in the next calendar year. Unfunded representatives will not receive reimbursement for travel expenses from NAIC, but are eligible for other benefits, including waiver of NAIC national meeting registration fees. Priority shall be given to applications from individuals affiliated with recognized consumer organizations.

### Section 3. Consumer Representative Applications

- A. By August 31st, NAIC staff shall post the blank consumer representative 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~~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 and ~~community-based organizations~~ and to offer the consumer perspective as it relates to the charges of the NAIC committees.
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- A. Applicants qualified to be designated as NAIC Cconsumer Rrepresentatives shall:
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  2. Demonstrate an expertise in NAIC committee issues;
  3. Represent a non-profit 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. Describe the applicant's need for funding with sufficient detail on source of funding and the need for NAIC financial support;~~
  - ~~6.~~ 56. Submit an application to the NAIC;
  - ~~7.~~ 67. Submit the signed NAIC Conflict of Interest Statement; and
  - ~~8.~~ 78. Commit to attending regular NAIC meetings absent exceptional circumstances and notice; and to participating on ~~in~~ NAIC ~~meetings and~~ 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. ~~Consumers~~ Applicants qualified to be NAIC ~~funded~~ consumer representatives 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 as soon as that the current Board has reached consensus on the number of positions available to be funded; then 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.

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

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#### **Section 7. Annual Report**

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#### **Section 8. NAIC/Consumer Liaison Committee**

The NAIC Consumer Participation Board of Trustees shall select the consumer representative 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 representative 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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A. The Consumer Board of Trustees shall meet in person or via teleconference when necessary throughout the year.

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-----Original Message-----

From: Birny Birnbaum [mailto:birny@cej-online.org]

Sent: Friday, October 28, 2016 4:13 PM

To: Alexander, Lois; Kreidler, Mike (Cmrs. Private); naic-consumer-reps@googlegroups.com

Subject: CEJ Comments on Proposed Changes to Consumer Participation Plan of Operation

Hi,

Attached please find CEJ's proposed edits to the Plan of Operation exposure draft of September 30, 2016. The file shows our proposed changes in redline, accompanied by a comment note for each proposed edit. This cover e-mail provides context for the attached comments.

Many of our comments can be considered editorial and not substantive, such as moving provisions related to the Board of Trustees to the Section describing the Board. However, we also offer substantive edits regarding the issue of designation of individuals who do not represent consumers as consumer representatives.

CEJ is opposed to changes opening the door to appointment of individuals who do not represent or are accountable to consumers for several reasons. As someone involved in the creation of the consumer participation program in the early 1990's, I can state there was a conscious decision to focus on representatives of consumer organizations for designation as NAIC consumer representatives -- to ensure the representatives were representing consumers and not merely themselves.

Anyone can call him or herself a consumer representative, but a person who works for an organization accountable to consumers is truly a consumer representative.

In addition to the issue of accountability to consumers, there is also the issue of whom the NAIC would be funding. If an individual not representing a consumer organization or consumers is designated as a funded rep, the NAIC would then be funding individuals to participate instead of funding organizations. The premise of the consumer participation program financial assistance is to provide such assistance to organizations which would otherwise not be able to participate.

We also believe that the Plan of Op can be revised to recognize and accommodate designation of academics who work with or on behalf of consumers as well as situations in which a consumer rep loses his or her organization in mid-term.

The argument that appointment of individuals is necessary to get more PC reps is factually incorrect. There have been a number of organizations working on PC issues whose applications have been denied over the past several years.

Birny

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CEJ Comments on Exposure Draft of Changes to Plan of Operation  
October 28, 2016



Reflects technical changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.

Chairman's Cut Redline Exposure Draft Sept. 30, 2016

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

**Section 1. Mission**

The mission of the NAIC Consumer Participation Program is to encourage and support the participation of consumer representatives in NAIC activities to ensure members of the NAIC receive perspectives from consumer stakeholders. To achieve this mission, the NAIC designates certain individuals from consumer organizations as NAIC consumer representatives and provides financial assistance for the expenses associated with NAIC consumer participation to those organizations which would otherwise not be able to participate but for the financial assistance. The designated individuals from these consumer organizations are called funded NAIC consumer representatives. In some cases, individuals from consumer organizations with the resources to participate in NAIC activities without financial assistance are designated as unfunded NAIC consumer representatives. In yet other cases, individuals who are academics from non-profit educational organizations, who teach and research on consumer issues, and who have represented the consumer interest are designated as funded or unfunded NAIC consumer representatives. The qualifications for appointment as an NAIC consumer representative – whether funded or unfunded – include

- Ability to represent, protect the interest of and be accountable to consumers;
- Commitment to, and experience with, consumer advocacy related to issues before the NAIC; and
- Absence of a conflict of interest that could compromise the representation of consumers.

Additionally, designation as an unfunded NAIC consumer representative requires a demonstration of the organization's financial need.

- ~~assist the NAIC in its efforts to support state insurance regulation by providing consumer views on insurance regulatory issues. To be qualified 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 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 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.~~

**Comment [B1]:** Please see accompanying e-mail, explaining our position that individuals who do not represent consumers should not be designated as consumer representatives.

**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 representative 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 representative 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. The Board may meet in person or via teleconference to conduct its business. Meetings of the Board are not public meetings.

~~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.~~

**Comment [B2]:** This was moved from proposed new Section 9 since it deals with the Board and is slightly reworded with no intent to change intent.

**Comment [B3]:** Does section 2E refer only to removal of a consumer representative from the Board? This seems to be the intent since the provision is currently in Section 2: Board. If section 2E refers to removal of any consumer representative, the provision is better placed in Section 6: Term. We moved this provision to Section 6 since we believe the intent is to apply the removal provision to any consumer representative.

F. ~~No later than December 15th~~By the end of the year, 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 NAIC or for positions as unfunded representatives. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in NAIC meetings in the next calendar year. Unfunded representatives will not receive reimbursement for travel expenses from NAIC, but are eligible for other benefits, including waiver of NAIC national meeting registration fees.

### Section 3. Consumer Representative Applications

A. By August 31st, NAIC staff shall post the blank consumer representative applications on the NAIC Web site. The consumer representative web page shall include the following information: 1) a statement that the NAIC encourages those meeting the qualifications set out in Sections 1 and 5 ~~representing the public interest, 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 and community-based organizations and to represent the consumer perspective as it relates to the charges of the NAIC committees.

**Comment [B4]:** This edit has two purposes – to avoid a third description of qualifications in the document (since Sections 1 and 5 also contain the qualifications) and to remove the reference to individuals.

**Comment [B5]:** We feel that “represent” is a more accurate and substantive description than “offer.”

B. Consumer representatives shall submit applications to the NAIC by October 31<sup>st</sup>. Late applications will not be considered.

### Section 4. Consumer Representative Qualifications

A. Applicants qualified to be designated as NAIC Consumer Representatives shall:

1. Demonstrate ability to represent consumers' interests-oriented skills;
2. Demonstrate an expertise in issues before the NAIC committee issues;
3. Demonstrate accountability to consumers' interests by;

**Comment [B6]:** It is unclear what “consumer-oriented skills” means. The focus has always been on the ability to represent consumer interests

**Comment [B7]:** As explained in our cover-email, we don't agree that individuals who do not represent consumers should be designated as consumer representatives. These edits are our proposal to describe the three categories of organizations which have routinely provided NAIC consumer representatives.

- a. ~~Representing a non-profit consumer education or advocacy organization with a membership of at least 30 members; or~~
  - b. ~~Appointment with a non-profit academic institution, teaching and researching on consumer issues and experience representing the consumer interest; or~~
  - c. ~~Representing a public agency that is independent of insurance regulatory agencies and whose mission is to represent and advocate on behalf of consumers, 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. ~~Describe the applicant's need for funding with sufficient detail on source of funding and the need for NAIC financial support;~~
  56. Submit an application to the NAIC;
  67. Submit the signed NAIC Conflict of Interest Statement; and
  78. Commit to ~~attending regular NAIC meetings absent exceptional circumstances and notice; and to participating on~~ NAIC ~~meetings and~~ 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. ~~Consumers All a~~ Applicants ~~qualified to be NAIC funded consumer representatives shall also~~ submit the current budget for their organization ~~if they represent an organization;~~ Applicants for designation as a funded consumer representative position ~~must describe and demonstrate the organization~~ 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, S~~ successful applicants shall be notified ~~as soon as that~~ the current Board ~~has reached~~ consensus on the number of positions ~~available~~ to be funded; ~~then 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.~~

Comment [B8]: "Qualified to be . . ." is unnecessary here, since this requirement applies to all applicants.

Comment [B9]: We suggest cleaning up this language – demonstrating the need for funding must include "sufficient detail on the source of funding."

#### Section 5. Reimbursement of Expenses

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

#### Section 6. Designated Consumer Representative Term

- A. Designated 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.
- B. 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.
- C. If, during the term of service, a designated consumer representative ceases to be affiliated with the organization the representative was representing at the time of designation, the Board shall remove the representative unless:
  - a. the representative's organization does not offer a replacement representative; and
  - a-b. the representative continues to be free of a conflict of interest.

Comment [B10]: Section 2E (part) moved here

Comment [B11]: This is our suggested edit to that portion of 2E not contained in the prior paragraph.

#### 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 representative participation in NAIC meetings and conference calls as a result of the NAIC Consumer Participation Program.

**Section 8. NAIC\_#Consumer Liaison Committee**

~~All designated consumer representatives are members of the NAIC Consumer Liaison Committee. The NAIC Consumer Participation Board of Trustees shall select the consumer representative 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 representative 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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**Comment [B12]:** Seems like NAIC Consumer Liaison is more appropriate than NAIC/Consumer.

**Comment [B13]:** Is this first sentence needed? Aren't all designated representatives automatically on Consumer Liaison?

**Comment [B14]:** Moved this to Section 2: Board



Reflects technical changes adopted by the NAIC/Consumer Board of Trustees on Nov. 17, 2014.  
Chairman's Cut Redline Exposure Draft Sept. 30, 2016 with New Comments Only

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

**Section 1. Mission**

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**Comment [AL1]:** Anna Latham (AK) 10/28/16: Suggest deleting "be qualified to".

**Comment [AL2]:** Anna Latham (AK) 10/28/16: Suggest deleting "as they relate to the regulation of insurance."

**Comment [AL3]:** Amy Bach (102916): Suggest deleting, "as academics who specialize in insurance consumer issues or as individuals who have a history of independent insurance consumer advocacy."

**Comment [AL4]:** Amy Bach (102816): Suggest deleting, "Another measure is the individual's history and track record of advocating for or representing the interests of insurance consumers."

**Comment [AL5]:** Amy Bach (102816): Suggest adding, "Another measure is the individual's history and track record of advocating for or representing the interests of insurance consumers."

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**Comment [AL6]:** Timothy Jost (10/13/16): The only change I would suggest is to allow individuals who cease to represent an organization to reapply immediately to continue as independent consumer representatives. There have been several instances where a consumer representative is working closely with a working group on an initiative and then loses his or her job or the organization ceases to exist. In this situation, we can experience a serious loss of continuity. I see no good reason not to allow an immediate reapplication, subject to approval by the CBOT, to allow continued participation in an ongoing effort.

**Comment [AL7]:** Anna Latham (AK) 10/28/16: Note from Lois – this part was in red with no apparent suggested change – Anna, could you assist with this comment?



- F. By the end of the year, 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 NAIC or for positions as unfunded representatives. NAIC funded consumer representatives will receive reimbursement from the NAIC for travel expenses incurred to participate in NAIC meetings in the next calendar year. Unfunded representatives will not receive reimbursement for travel expenses from NAIC, but are eligible for other benefits, including waiver of NAIC national meeting registration fees.

**Comment [AL8]:** Director Dowling (10/6/16): Section F – Suggest we might define “by the end of the year” a bit more clearly (e.g. calendar year prior to the new term)

**Comment [AL9]:** Anna Latham (AK) 10/28/16: Suggest adding, “the” prior to NAIC.

**Comment [AL10]:** Anna Latham (AK) 10/28/16: Suggest adding, “the” prior to NAIC.

**Comment [AL11]:** Amy Bach (102816): Suggest adding, “Priority shall be given to applications from individuals affiliated with recognized consumer organizations.”

### Section 3. Consumer Representative Applications

- A. By August 31st, NAIC staff shall post the blank consumer representative applications on the NAIC Web site. 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.
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  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. Applicants qualified to be NAIC consumer representatives 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.

**Comment [AL12]:** Anna Latham (AK) 10/28/16: Suggest format update to close up space where wording is being removed.

**Comment [AL13]:** Anna Latham (AK) 10/28/16: Suggest adding a period.

### Section 5. Reimbursement of Expenses

NAIC funded consumer representatives 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 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.

**Comment [AL14]:** Director Dowloing (10/6/16): Also, in the section on term, "staggered two year terms" is an odd phrase. I suggest: replacing with, "a two year term and the board will have staggered year appointments." Otherwise, it reads as a "staggered term" which is not meaningful.

**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 representative 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 representative participants on 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 representative 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.

**Section 9. Meetings of the Consumer Board of Trustees**

- A. The Consumer Board of Trustees shall meet in person or via teleconference when necessary throughout the year.
- B. The meetings are not to be open to the public.

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