

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
INSURANCE LEGISLATORS FOUNDATION BOARD MEETING
SANTA FE, NEW MEXICO
NOVEMBER 18, 2011
MINUTES

The Insurance Legislators Foundation (ILF) Board of the National Conference of Insurance Legislators (NCOIL) met at the Eldorado Hotel & Spa in Santa Fe, New Mexico, on Friday, November 18, 2011, at 4:00 p.m.

Rep. George Keiser of North Dakota, president of the Board, presided.

Other members of the Board present were:

Rep. Greg Wren, AL
Rep. Robert Damron, KY
Sen. Vi Simpson, IN
Sen. Carroll Leavell, NM
Sen. James Seward, NY
Rep. Charles Curtiss, TN

Sen. Ralph Hise of North Carolina was also present.

Others present were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director

MINUTES

Upon a motion made and seconded, the Board voted unanimously to approve the minutes of its November 20, 2010, meeting in Austin, Texas.

ADMINISTRATION FINANCIAL REPORT

Ms. Nolan reported on the June 30, 2011, and September 30, 2011, unaudited ILF financials. She said that the ILF had received \$175,852 in support and revenue; incurred \$113,647 in total expenses; experienced a \$62,205 change in net assets; and had \$170,861 in net assets as of September 30.

Sen. Leavell asked how the ILF was funded. Ms. Nolan described block grants and contributions that funded the ILF and said that contributions could be provided for legislator scholarships or for general purposes. She said that the ILF received block grants for *NCOILetter* administration, among other things.

The Board unanimously approved the financials as presented.

ELECTION OF ILF BOARD AND OFFICERS

Rep. Keiser said that current Board officers included himself as President, Sen. Leavell as Vice President, and Sen. Simpson as Secretary/Treasurer.

Following a motion that made and seconded, the Board adopted the following new slate of officers:

President:	Sen. Leavell
Vice President:	Sen. Simpson
Secretary/Treasurer:	Rep. Curtiss

Membership on the ILF Board also included:

Rep. Greg Wren, AL	Sen. James Seward, NY
Rep. Robert Damron, KY	Rep. Brian Kennedy, RI
Rep. George Keiser, ND	Rep. Craig Eiland, TX
Sen. William J. Larkin, Jr., NY	Rep. Kathie Keenan, VT

REPORT ON SCHOLARSHIP ACTIVITY

Ms. Nolan reported that 16 legislators had received scholarships to the Annual Meeting and that 14 of the scholarship recipients were from general-member states. She said that other legislators had received partial scholarships to cover registration fees.

SCHOLARSHIP CONTRIBUTION POLICY

Rep. Keiser said that a question had been raised regarding whether industry representatives could designate their scholarship contributions for specific state legislators. He said there was concern that such a practice could conflict with Internal Revenue Service (IRS) 501(c)(3) gifting rules. He reported that NCOIL had asked its pro bono counsel, Jules Rousseau, to review the issue and that Mr. Rousseau, in a October 31 letter to NCOIL, had determined that directed contributions were not allowed under 501(c)(3) charitable organization rules.

Ms. Nolan said that NCOIL always informed contributors that their donations could not be directed to specific legislators. She said that NCOIL welcomed suggestions regarding potential scholarship recipients, but she stressed that many items were considered when awarding scholarships.

Rep. Keiser said that NCOIL had established guidelines for ILF scholarships that required attendance at NCOIL sessions, among other things, and that the guidelines were provided in advance to legislators who accepted scholarship offers.

Sen. Simpson said that the scholarship issue was not just a matter of rules but also a legal matter because the IRS prohibited 501(c)(3) organizations from providing what it defined as a "private benefit." She said that an ILF contribution tied to a particular person or delegation would be considered a private benefit.

Rep. Keiser and others agreed that maintaining the ILF's 501(c)(3) designation was critical. Sen. Leavell indicated that legislators, in a meeting held earlier in the day, had instructed NCOIL staff to act in accordance with Mr. Rousseau's determination.

During further discussion, Rep. Keiser said it was too early to tell how Annual Meeting scholarships to general-member legislators might encourage dues paying.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:30 p.m.