

NATIONAL COUNCIL OF INSURANCE LEGISLATORS
ARTICLES OF ORGANIZATION AND BYLAWS REVIEW COMMITTEE
PHOENIX, ARIZONA
NOVEMBER 18, 2017
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Articles of Organization & Bylaws Review Committee met at the Sheraton Grand Phoenix Hotel on Saturday, November 18, 2017 at 12:45 p.m.

Assemblyman Will Barclay of New York, Chair of the Committee, presided.

Other members of the Committee present were:

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| Sen. Jason Rapert, AR | Sen. Neil Breslin, NY |
| Sen. Travis Holdman, IN | Asm. Kevin Cahill, NY |
| Rep. Steve Riggs, KY | Asm. Andrew Garbarino, NY |
| Sen. Dan "Blade" Morrish, LA | Sen. James Seward, NY |
| Rep. George Keiser, ND | Rep. Bill Botzow, VT |

Other legislators present were:

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| Rep. David Livingston, AZ | Sen. Jerry Klein, ND |
| Rep. Matt Lehman, IN | |

Also in attendance were:

Commissioner Tom Considine, NCOIL CEO
Paul Penna, Executive Director, NCOIL Support Services, LLC
Will Melofchik, Legislative Director, NCOIL Support Services, LLC

MINUTES

Upon a motion made and seconded, the Committee unanimously approved the minutes of its October 23, 2017 interim conference call committee minutes.

DISCUSSION/CONSIDERATION OF AMENDMENTS TO NCOIL ARTICLES OF ORGANIZATION AND BYLAWS

Asm. Barclay called the Committee to order and noted that an interim committee conference call meeting was held on October 23, 2017, during which the proposed amendments to the NCOIL Articles of Organization (AOO) and Bylaws were initially discussed. Asm. Barclay then began reviewing the proposed amendments.

The first proposed change was to amend the "Purpose" section in the AOO to clarify that NCOIL develops Model legislation in and discusses issues relating to financial services, not just insurance.

In Section III. of the AOO – Membership – Asm. Barclay stated that changes were proposed to clarify the difference between general NCOIL membership and contributing membership. Additionally, in the same Section, an amendment is proposed to delete

subsection “D” which calls for the Business Planning Committee to review the dues structure every two years and report to the Executive Committee. Commissioner Tom Considine, NCOIL CEO, noted that such review is done on an as-needed basis. In the same section, Asm. Barclay noted that a change was proposed in subsection “E” to clarify that an honorary membership cannot be given to a person employed or providing services to the insurance industry, in order to avoid any conflicts.

Asm. Barclay and Rep. George Keiser (ND) then noted that in Section IV.B. of the AOO, a technical amendment was needed. The first mention of the word “member” was mistakenly deleted. The Committee agreed.

Asm. Barclay then noted that the next proposed change was in Section V.A. of AOO – expanding the group of NCOIL Officers to include the two immediate Past Presidents. Additionally, changes were proposed throughout that Section to, as discussed earlier, clarify the difference between general NCOIL membership and contributing membership. Cmsr. Considine stated that such clarification is being proposed to make it clear that all 50 States are Member States and the States that pay dues are Contributing States. Too many times, NCOIL has said that the only “Members” are those that pay dues – that is not true. All 50 States are Members of NCOIL. Asm. Barclay and Cmsr. Considine both noted that there are still of course benefits to being a Contributing Member, such as being able to Chair a Committee, and serving on the Executive Committee.

Rep. Keiser questioned whether the language in Section V.I. of the AOO, which states that “Each Executive Committee Member must attend in person at least one Executive Committee meeting annually, or be excused by the President for good cause shown, or his/her Executive Committee membership will terminate automatically” achieves its intended purpose. Rep. Keiser stated, for example, if a legislator misses two meetings and does not get excused by the NCOIL President, that legislator’s membership is terminated automatically and would have to attend two more meetings to get reconsidered for Executive Committee membership.

Cmsr. Considine clarified that the AOO states “annually”, so Rep. Keiser’s statement was inaccurate in that if the legislator missed two meetings, there is still the opportunity to attend another meeting. Rep. Keiser acknowledged that, and stated that the main point is that the section should not call for automatic removal from the Executive Committee – the NCOIL President should be able to excuse the legislator’s absence both before and after a missed meeting. Rep. Steve Riggs stated that there has to be some consequence to missing a calendar year of NCOIL meetings. Cmsr. Considine stated that, from a practical and functional perspective, prior to this meeting, NCOIL staff wrote to everyone who would fall into this category to inform them of their possible removal of the Executive Committee, and to reach out to NCOIL President Steve Riggs, or NCOIL Support Services Executive Director Paul Penna, if they believe they have reason to be excused. Those that wrote back were provided a waiver/excuse from President Riggs. Sen. Travis Holdman stated that there is nothing in the Section that doesn’t allow the President to grant a waiver/excuse after a meeting, for instance, if a legislator had registered for a meeting but had to cancel at the last second, the President could still grant an excuse afterwards.

Asm. Barclay then noted a proposed change to Section VI of the AOO – switching the order of Secretary and Treasurer in the ranking of NCOIL Officers. Asm. Barclay noted that this was a suggested change from Rep. Bill Botzow with the reasoning being that

the responsibilities of the Treasurer position are more substantive than the Secretary's, so it would be better for the incoming Officer to have less responsibilities at first and get a general sense of what it's like to be an Officer before taking on more responsibility.

The next proposed change discussed was in Section III.B.9. of the Bylaws to clarify the purpose and duties of the Articles of Organization and Bylaws Revision Committee. Additionally, Asm. Barclay noted that in Section III.B.6. of the Bylaws, the name of the Financial Services & Investment Products Committee was proposed to be changed to the Financial Services Committee in an effort to avoid redundancy since an investment product is a financial service.

Asm. Barclay then noted a proposed change to Section III.D. of the Bylaws to state that a task force or subcommittee shall continue in existence until it has accomplished the purposes for which it was created or until the next annual meeting of NCOIL, whichever occurs earlier.

The next proposed change discussed was to Section III.G. of the Bylaws to clarify the procedure for Executive Committee consideration of Resolutions and Model laws.

Asm. Barclay then noted a proposed change to Section VI.A of the Bylaws to clarify the procedure of the re-adoption process for Model Laws. Cmsr. Considine stated that currently, after five years from original adoption, the relevant Committee can either vote to re-adopt the Model or allow it to "sunset." Cmsr. Considine stated that this section needs to be changed to allow the relevant Committee to re-adopt the Model for an interim period to allow for additional study or drafting.

Rep. Riggs then discussed the proposed change of NCOIL's name changing from the National Conference of Insurance Legislators to the National Council of Insurance Legislators. By definition, NCOIL is technically a "council" that meets three times per year and holds "conferences." Additionally, a name change to an organization like NCOIL is a good way to draw attention to it, particularly with NCOIL's 50th anniversary approaching. Above all, it is more accurate for the "c" to stand for council rather than conference. Asm. Barclay stated that one issue that was brought up on the Oct. 23 interim committee meeting conference call when discussing this was whether a name change would impose a financial burden on the organization. Cmsr. Considine stated that it would be approximately \$800 in related costs.

Rep. Bill Botzow stated that the definition for "conference" is a formal meeting for discussion; the definition for "council" is an advisory, deliberative or legislative body of people formally constituted and meeting regularly. Based on those definitions, "council" seems more appropriate for NCOIL. Rep. Riggs stated that the only downside he could see to a name change is that of breaking from tradition, which is always difficult, but sometimes necessary.

Sen. Jason Rapert stated that a Motion for a name change should clarify that the Motion includes the name will be changed in "any such place as needed" to clarify that more than just the AOO and Bylaws will need to be changed to reflect the name change. Sen. Holdman incorporated Sen. Rapert's request in his Motion to accept the proposed amendments to the AOO and Bylaws; Rep. Botzow seconded the Motion. The Committee then voted without objection by way of a voice vote to adopt the amendments to the NCOIL AOO and Bylaws.

ADJOURNMENT

There being no further business, the Committee adjourned at 1:45 p.m.