

NATIONAL COUNCIL OF INSURANCE LEGISLATORS  
BUDGET COMMITTEE  
OKLAHOMA CITY, UT  
DECEMBER 6, 2018

The National Council of Insurance Legislators (NCOIL) Business Planning and Budget Committee met at the Renaissance Oklahoma City, on Thursday, December 6 at 5:15 p.m.

NCOIL Treasurer, Rep. Matt Lehman, IN, Chair of the Committee presided.

MEMBERS OF THE COMMITTEE PRESENT:

Sen. Jason Rapert (AR)  
Sen. Dan "Blade" Morrish (LA)  
Rep. Steve Riggs (KY)

OTHER LEGISLATORS PRESENT;

Asm. Ken Cooley (CA)  
Rep. Martin Carbaugh (IN)  
Sen. Gary Dahms (MN)  
Rep. Tom Oliverson (TX)  
Rep. Joe Schmick (WA)  
Sen. Paul Utke (MN)

ALSO PRESENT:

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

Rep Lehman called the meeting to order.

A motion was made by Rep. Riggs and seconded by Sen. Rapert to approve the minutes of the Salt Lake City on July 12<sup>th</sup>

Penna went over the budget showing support and revenue of \$1,152,000 and expenses of \$1,060,524.10 for an excess of \$91,475.90.

Sen Rapert made a motion to adopt the 2019 budget that Asm Cooley seconded. The motion carried on a voice vote.

UPDATED BUDGET MODEL

Rep Lehman stated that he sits on the legislative council in Indiana which approves spending. And routinely CSG and NCSL cost his state between \$425,000 for one organization and \$250,00 for the other.

NOCIL last raised dues increased in 2002 and he believes that NCOIL should increase dues to \$20,000, beginning in 2020 because the organization has moved in a direction that has become

more efficient in how it works. It is laser focused on insurance. Also, raising the dues enhances the organizations' significance.

Lehman told the story of Y2K and Amish lanterns. They cost suppliers \$3 to make and were selling for \$10 and no one was purchasing them. The price was raised to \$20 each and they sold out because of the perception of value. He stated he sees good things happening at NCOIL and a dues increase gives states more of a reason to participate, and if NCOIL lost 25 percent it would still break even. He then introduced the stipend concept and turned it over to Commissioner Considine to introduce.

Commissioner Considine stated that we've discovered dues are too low. Even when we have contributing states there is a lack of legislator participating because they have to pay out of own pocket or use campaign funds, where permissible and other organizations like NCSL provide stipends. We like the idea of increased value and increase participation of dues funding 2 legislators per state per meeting. This would create a much more vibrant participation and an upward spiral among all levels from commissioners, state trades and participants. That of course leads to a larger audience and great cross-section of participation.

Rep. Riggs stated he loves the concept. It gives the states some money back to send participants. He asked how we thought it would affect states that send more legislators.

Rep. Lehman stated he thought that it would not affect states that come more often because we're not talking about spending big dollars and many interested legislators will not get the stipend. Might go ranking from minority party

Rep. Oliverson stated that if 3 legislators come to every meeting from the House and 3 from the Senate they could rotate who gets the stipend and the total cost will be less for everyone.

Rep. Riggs wanted to make sure that it was explained to the states and Rep. Lehman stated that we would be sending a letter with the 2019 dues – which remain the same amount at \$10,000 - stating this is effective with the 2020 dues.

Sen. Rapert stated he appreciate efforts and is supportive of the dues increase if it brings more legislators in to participate. Not every state has a problem sending legislators. He noted that he and Rep. Ferguson consistently come to NCOIL meetings.

NCOIL has been showing new value and breathed life back into the organization. He has seen the organization grow. The purpose of this not to build coffers but to offer more services and develop more members and it's a great and noble goal. He cautioned that there might be a few impediments to come and weigh through compliance issues but he supports it.

Sen. Morris is supportive and stated it best serves NCOIL. Even with a 20 percent decrease will still see more legislators.

Rep. Lehman noted that the scholarship program still exists and will be available to draw more legislators to participate.

Asm. Cooley stated that this is a program of innovation. He stated he had her the church sermon when he was 18 that asked did anyone know the last 7 words of the church? The answer – "We've never done it that way before". Part of a healthy organization is to promote value and innovate; this strengthens the role of NCOIL.

A motion was made by Asm. Cooley and seconded by Rep. Carbaugh and carried on a voice vote.

There being no other business the committee adjourned at 5:46.