

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
ARTICLES OF ORGANIZATION/BYLAWS REVISION AND
BUSINESS PLANNING COMMITTEES
SANTA FE, NM
NOVEMBER 18, 2011
DRAFT MINUTES

The National Conference of Insurance Legislators (NCOIL) Articles of Organization & Bylaws Revision and Business Planning Committees met at the Eldorado Hotel & Spa in Santa Fe, NM, on Friday, November 18, 2011, at 8:00 a.m.

Rep. Ron Crimm of Kentucky—co-chair of the Articles of Organization & Bylaws Revision Committee—and Rep. Robert Damron of Kentucky, acting chair of the Business Planning Committee, presided.

Other members of the Committees present were:

Rep. Greg Wren, AL	Sen. Carroll Leavell, NM
Sen. Vi Simpson, IN	Sen. James Seward, NY
Rep. George Keiser, ND	Rep. Charles Curtiss, TN

Other legislators present were:

Rep. Don Flanders, NH	Rep. Bill Botzow, VT
Assem. Nancy Calhoun, NY	Sen. Mike Hall, WV

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Mike Humphreys, Nolan Associates, NCOIL Director of State-Federal Relations
Jordan Estey, Nolan Associates, NCOIL Director of Legislative Affairs & Education

MINUTES

After a motion made and seconded, the Committees voted unanimously to approve the minutes of their joint July 15, 2011, meeting in Newport, Rhode Island.

ARTICLES OF ORGANIZATION & BYLAWS REVISION COMMITTEE PROPOSED AMENDMENTS

Rep. Crimm said that a proposed revision to Articles Section VI(F) would require NCOIL to notify an Executive Committee member with three absences from NCOIL meetings that, in order to remain on the Executive Committee, he or she must attend NCOIL within the next year. Currently, Rep. Crimm said, a member must attend the next meeting after being notified in order to remain on the Executive Committee.

Rep. Damron asked about the potential impact of the amendment on state insurance committee chairs, who become automatic voting members of the Executive Committee at their first NCOIL meetings. He said, among other things, that political turnover in a legislature could impact whether a committee chair maintains his/her chairmanship, and so could affect whether he/she attends NCOIL and retains Executive Committee status. He noted that chairs might return to power in future years.

The Bylaws Committee, in discussing whether a possible exemption for committee chairs would be appropriate, noted among other things that chairs remain on the Executive Committee for as long as they retain their chairmanships. Legislators also noted that, under

the amendment, non-committee chairs could miss as many as five consecutive meetings before losing their Executive Committee status.

Upon a motion made and seconded, and after determining not to pursue a state committee chair exemption, the Bylaws Committee voted to approve the amendment to Articles Section VI.F regarding attendance at NCOIL meetings and Executive Committee status. Rep. Damron opposed the motion.

Rep. Crimm then reported that a proposed amendment to Bylaws Section IV, regarding NCOIL committees, would add the following provision:

A final vote may not be conducted on a model act until the committee has reviewed, deliberated, and received testimony on each section of the proposal during one of three meetings during the year.

Ms. Nolan commented that supporters of the revision may have intended to ensure that full NCOIL committees examine proposed model acts, in addition to legislators who may have participated in prior conference calls. She and Bylaws Committee members said that full committees already review sections of models that were addressed on previous calls. Legislators expressed concern that the proposed amendment could tie the hands of committee chairs, that the “received testimony” requirement may not always be appropriate, and that “during the year” may not be a suitable timeframe.

Upon a motion made by Sen. Leavell and seconded by Sen. Simpson, the Committee voted unanimously to lay the proposed Section IV Bylaws amendment on the table.

Ms. Thorson reported that a third amendment would revise Bylaws Section V.F so that the NCOIL Executive Director would send a quarterly report to the NCOIL President of all checks written under \$500, rather than send to all NCOIL officers. Ms. Nolan said that for administrative purposes, Nolan Associates pays expenses under \$500 and that two signatures, including that of the NCOIL President, are required for checks of \$500 or more.

Following Committee discussion, legislators voted in favor of sending the report to only the President, as well as to make a technical change to the Section V(F) language.

There being no further business, the Bylaws Committee meeting adjourned at 8:30 a.m., and the Business Planning Committee met immediately after.

BUSINESS PLANNING COMMITTEE

FUTURE MEETING LOCATIONS

Rep. Damron said that Rep. Craig Eiland (TX) had suggested Galveston, Texas, as a possible site for the 2014 NCOIL Annual Meeting. Rep. Damron and Sen. Leavell, among others, expressed support for holding a meeting in Galveston. Rep. Damron expressed confidence that Texas legislators could secure sponsorships to help defray costs.

Rep. Crimm said that Louisville, Kentucky, would also be a good location for a future meeting.

Rep. Keiser made a motion to request that Galveston and Louisville venues present at the Spring Meeting their plans for hosting a future NCOIL conference. There was no opposition to the motion.

Legislators then discussed the following meeting schedule:

2012 Spring Meeting	Biloxi, Mississippi
2012 Summer Meeting	Burlington, Vermont
2012 Annual Meeting	Point Clear, Alabama
2013 Spring Meeting	Washington, DC
2013 Summer Meeting	Philadelphia, Pennsylvania
2013 Annual Meeting	Nashville, Tennessee
2014 Spring Meeting	Savannah, Georgia (<i>tentative</i>)
2014 Summer Meeting	Boston, Massachusetts

Rep. Damron said that Ms. Nolan had started looking at Savannah hotels for the 2014 Spring Meeting. Ms. Nolan said that NCOIL historically had high spring meeting attendance in Hilton Head and Charleston, South Carolina, and in Savannah, Georgia. She reported that she had negotiated \$137 and \$165 room rates for legislators and industry, respectively, with the Hyatt Regency Savannah for Spring 2014. Ms. Nolan also said that certain NCOIL attendees had conveyed their interest in another Savannah meeting to NCOIL staff.

After discussion of Georgia dues payments, Rep. Keiser made a motion to accept Savannah as the 2014 Spring Meeting location, pending the state paying NCOIL membership dues. After further discussion, Rep. Keiser amended his motion to specify that Georgia would need to pay its dues by the 2012 Spring Meeting and that, if not, NCOIL staff would consider alternative venues. The motion, as amended, was approved unanimously.

Legislators then discussed locations and hotels surrounding Savannah, sponsorships, and hosting meetings in contributing member versus general member states, among other things. Rep. Keiser said that he understood legislators' desire to hold meetings in member states but cautioned that it was important to consider financial ramifications.

Ms. Nolan said it was also important to consider airport and other transportation options, and legislators mentioned Arizona and California as possible locations.

SCHOLARSHIP CONTRIBUTION POLICY

Rep. Keiser said that a company contributing to the Insurance Legislators Foundation (ILF) scholarship fund wanted to target its contributions to legislators in its home state. He said that as a result certain legislators in the state had submitted expenses for scholarship reimbursement after an NCOIL meeting, although they had not been awarded a scholarship prior. He said that, in one case, a legislator had attended only a few meetings at an NCOIL conference.

Rep. Keiser said that NCOIL pro bono counsel, Jule Rousseau, had sent a letter to NCOIL determining that directed contributions were not allowed under the Internal Revenue Service 501(c)(3) charitable organization rules. Rep. Keiser asked that the Committee provide direction for future NCOIL Presidents regarding scholarship policies.

Sen. Leavell asked how scholarships were awarded. Rep. Keiser said that the ILF sends letters to state legislative leaders in advance of an NCOIL meeting that tell them of scholarship availability. He said the NCOIL President approves scholarships on a case-by-case basis. Ms. Nolan added that NCOIL tries to focus on legislators from general-member states and that partial scholarships are sometimes awarded to cover registration fees for legislators from contributing-member states, among other things.

Responding to a question from Assem. Calhoun regarding the pro bono counsel's letter, Ms. Nolan said that counsel had said that an organization could lose its 501(c)(3) status if it

permitted contributed funds to be directed either to a state or to a specific individual. Rep. Curtiss read a section of the letter that recommended that NCOIL maintain its position against allowing donations targeted to specific states and/or individuals.

Ms. Nolan said that NCOIL informs contributors that donations cannot be directed to specific states and/or individuals. She said that NCOIL welcomes recommendations of legislators who may wish to participate in NCOIL and that suggestions are considered along with other factors.

Following further discussion of scholarship guidelines and reimbursement requests, Ms. Nolan explained that scholarships are awarded for a set amount of money and that they include criteria for reasonable travel and meal expenses. Rep. Damron said that NCOIL requires scholarship recipients to submit receipts for reimbursement.

Sen. Simpson suggested that NCOIL ask counsel to clarify a paragraph related its recommendation that NCOIL continue to prohibit directed donations. She asked that counsel then resubmit the letter to NCOIL leaders.

Rep. Damron said that ILF letters sent to scholarship fund contributors following an NCOIL meeting should thank them for contributing to the scholarship fund and should include language from NCOIL pro bono counsel that outlines legal prohibitions on targeted donations. He said that the letter should also indicate that NCOIL encourages legislators to apply for scholarships and that such applications must be completed in advance of a meeting.

In response, Ms. Nolan proposed that NCOIL staff work with pro bono counsel to develop a standardized letter for the Committee to approve. She said that legislative staff from the home state of the company that sought to target its scholarship contributions had indicated that the state's legislators/staff did not understand the restriction on directed contributions because other organizations permitted such practices. Rep. Damron replied that NCOIL should direct pro bono counsel to redraft its letter to NCOIL in a form that could be shared with the state. He said that NCOIL could then use the letter to explain the ILF restrictions on targeted contributions while also indicating that:

- NCOIL wants legislators to continue to apply for scholarships
- scholarship applications must be submitted in advance of a meeting
- scholarship recipients must comply with ILF guidelines/procedures

Following further discussion of state budgets, travel restrictions, and ethics codes, Rep. Keiser moved to approve Rep. Damron's recommendations. Legislators unanimously approved the motion. Rep. Damron then indicated that NCOIL officers and Ms. Nolan would work toward scholarship policy protocols. Sen. Leavell advised that the redrafted pro bono letter should only be used as necessary.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:30 a.m.