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By Email to comments@insurancecompact.org

May 14, 2007

Ms. Frances Arricale, Executive Director
Interstate Insurance Compact Regulation Commission
444 North Capitol Street N.W.
Washington, D.C. 20001-1509

Re: Public Comments on Proposed Operating Procedure for Submission of Requests
by the Consumer Advisory Committee for Financial Assistance and Consideration
and approval of Requests by the Commission

Dear Fran:

The Vermont Department of Banking, Insurance, Securities and Health Care Administration respectfully submits the following comments and proposed revisions to the Proposed Operating Procedure for Submission of Requests by the Consumer Advisory Committee for Financial Assistance and Consideration and approval of Requests by the Commission (the "Rule").

Comments and Proposed Changes

a. Section 101 Purpose and Scope.

The guiding principle of the Rule is to "enable effective participation" by the consumer advisory committee in the Commission's affairs. This term is taken from Article IX, Section 3 of the Commission's Bylaws, but the Bylaws do not elaborate on the term. We suggest that the determination of what is "effective participation" should be made by the full Commission in its discretion, based on a recommendation by the Management Committee in consultation with the Executive Director.

Article VIII, Section 3 of the Commission Bylaws provides:

Subject to the availability of budgeted funds, and unless the Commission provides otherwise, members of the legislative committee and of the consumer advisory committee shall be reimbursed for any reasonable and necessary expenses they incur attending all duly convened Commission and committee meetings in accordance with the travel and expense reimbursement policies approved by the Commission.



To clarify the scope of the proposed Rule, we suggest the addition of a new sentence:
"This Operating Procedure shall not apply to the reimbursement of expenses subject to Article VIII, Section 3 of the Bylaws of the Commission."

b. Section 102 Procedure.

Subsection (b) requires the Management Committee to forward a request for financial assistance, with the Management Committee's recommendation on the request, to the Commission for "consideration in due course."

We suggest a requirement for more definite action by the Commission, specifically, that the Commission be required to include the request for financial assistance on the agenda of its next regularly scheduled meeting.

c. Section 103 Standards for Consideration of Requests for Financial Assistance.

Section 102(a) states that requests for financial assistance are subject to the "availability of budgeted funds." We suggest that this condition be explicitly stated as one of the standards for consideration in Section 103.

d. Accountability of the Recipient of Financial Assistance

The draft Rule does not include specific provisions regarding the consumer advisory committee's accountability for any financial assistance. We suggest that any grant of financial assistance be made subject to a written undertaking by the beneficiary of the grant (i.e., applicable advisory committee members): (i) to use the funds as described in the approved request for financial assistance; (ii) that the funds are subject to any conditions attached to the grant as set forth in the written undertaking; and (iii) that the beneficiary will provide an accounting of the use of the funds at the request of the Executive Director.

We would be happy to discuss any of these proposed revisions with you further.

Sincerely,



Paulette J. Thabault
Commissioner