

**NATIONAL ASSOCIATION OF HEALTH UNDERWRITERS
POLICY & PROCEDURES**

POLICY TITLE:	Legislative Defense Expenditure
CLASSIFICATION:	Legislative
POLICY NUMBER:	02-01-L
DEPARTMENT COORDINATION:	Legislative/Board of Trustees
MOTION:	Ken Schmidt
DATE APPROVED:	February 1, 2005
AMENDED:	May 18, 2015, June 20, 2012
SUNSET:	2018

PURPOSE: To specify the circumstances and procedures for withdrawing funds from NAHU's Legislative Defense Funds (LDFs).

POLICY: For use of LDF funds for legislative, regulatory, and related expenses, an affirmative vote of a simple majority of the Board of Trustees (BOT) shall be required. Disbursement of loans or grants in excess of \$10,000 requires an affirmative vote of at least 75% of the BOT. In an emergency situation, where a state chapter needs to utilize LDF monies on an immediate basis and a full meeting of the BOT cannot be convened in a timely fashion, the NAHU Legislative Management Team (LMT) can authorize disbursements of up to \$10,000 with a unanimous vote.

If recognition of an urgent and previously unrecognized need for a federal or legislative expenditure is identified and must be acted upon before the next regularly scheduled Legislative Council meeting, the LMT, can authorize disbursements of up to \$10,000 with a unanimous vote. "Urgent and previously unrecognized legislative need" shall be considered as an event such as:

- a) The introduction of a federal bill or federal legislation which may require a massive campaign by NAHU to exert its influence. The expense of such an effort (media, non-staff lobbyist, printed materials, promotions, etc.) would not normally be included in the legislative budget or would greatly exceed the amount budgeted.
- b) Participation in a coalition effort which is unexpected and not normally included in the budget, and is deemed by the Legislative Council and NAHU Government Affairs Staff to be in the best interest of the NAHU membership.

PROCEDURE(S): Upon recognition or anticipation of an urgent and unforeseen need for legislative funds, a state or local chapter must complete the latest version of the "Application for Legislative Defense Funds." The latest version of the application shall be made available through the NAHU Government Affairs Staff and the NAHU web site. Chapters must work with their assigned NAHU Government Affairs Staff liaison and their Regional Vice President to complete the application. After completion, the application must be approved by a 75% vote of the state chapter's board and copies submitted to the NAHU Government Affairs Staff and the Regional Vice President. A chapter's submission must include the completed application, documentation of the state board's vote and the chapter's most recent financial statements and balance sheet in order to be considered.

Upon receipt of the application it will be reviewed by NAHU Government Affairs Staff to ensure that the required requested documentation is present for a decision and then immediately forwarded to all members of the LMT for review. The LMT will review the application at its next scheduled meeting and develop recommendations for action by the BOT. Following the review of the application by the LMT, the Chair of the NAHU Legislative Council will inform the appropriate Regional Vice President of the LMT's recommendation. The application will then be presented to the BOT, where a motion may be made by the NAHU President, Regional Vice President of the Region, Legislative Council Chair or the NAHU President-Elect for disbursement of funds from the LDF.

All LDF funds may be disbursed in the form of an interest-free loan to the chapter or, if this is not feasible, a combination of a loan and a grant or just a grant. LDF loans may be accepted or declined by the relevant chapter within 30 days of the chapter being notified about their application's status. If accepted, the chapter must agree to repay NAHU 50% of the loan balance within 12 months of the disbursement, and the remaining 50% balance within 24 months of the disbursement.

If a state does not have a chapter or if the state chapter is not actively functioning, but there is a serious legislative threat in the state, an application submitted by either a member-at-large working in cooperation with the NAHU Legislative Staff or an application submitted by the LMT on behalf of the state may be considered.

"Urgent and unforeseen legislative needs" shall be determined by the LMT. It can be considered an event such as, but not limited to:

- a) The introduction of state legislation, regulatory actions, ballot initiatives or other measures (i.e. Single Payer) which may require a massive and closely-coordinated legislative and public relations campaign by NAHU's affiliate chapter to exert its influence. The expense of such an effort (media, non-staff lobbyist, printed materials, promotions, etc.) would not normally be included in the legislative budget of a state chapter or would greatly exceed the amount budgeted.
- b) Participation in a coalition effort which is unexpected and not normally included in the budget of a state chapter, and is deemed by the LMT to be in the best interest of the NAHU membership.

Following a LMT and/or BOT vote to disburse funds from the LDF, the Legislative Council Chair and/or the Regional Vice President shall work with the NAHU Legislative Staff to inform the chapter of the results of the application and the terms of the disbursement. The Legislative Council Chair will also provide a report to the full Legislative Council about any disbursements at the council's next meeting following a disbursement. NAHU chapters that receive LDF disbursements must provide to the NAHU BOT a written progress report about the legislative situation in their state within one month of the disbursement as a condition of receiving LDF funds. Chapters will provide regular updates to the BOT on the issues at hand for as long as the emergency legislative situation continues. The chapters will work with their Regional Vice President and the NAHU Legislative Staff to provide these updates. The updated information will be forward to not only the BOT but also the full NAHU Legislative Council upon receipt.

The LMT and BOT will annually review disbursements from the LDF and will each year determine the appropriate level of funding for the LDF in its entirety.

FINANCIAL IMPACT: The amount budgeted by the BOT for the LDF during each fiscal year.