BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of the Request for Finding of Eligibility to Seek Compensation of:

Consumer Watchdog

OPA Case No. IE-2016-0002

FINDING OF CONSUMER WATCHDOG'S ELIGIBILITY TO SEEK COMPENSATION

On or about June 29, 2016, Consumer Watchdog submitted a Request for Finding of Eligibility to Seek Compensation ("Request"). The Commissioner has reviewed the Request and the Additional Information and makes the following findings and determinations:

FINDINGS

Consumer Watchdog provided a verified Request, in accordance with California Code of Regulations (CCR) §2662.2(a).

Consumer Watchdog provided a description of its previous work as an intervenor in accordance with CCR §2662.2(a)(1).

Consumer Watchdog responded to the showing required of a group intervenor, in accordance with CCR §2662.2(a)(2)(A) – 2662.2(a)(2)(G), as follows:

CR §2662.2(a)(2)(A). The current Articles of Incorporation for Consumer Watchdog are on file with the California Department of Insurance (hereinafter, CDI) and furnished another copy with the Request for Finding of Eligibility.

CCR §2662.2(a)(2)(B). Consumer Watchdog has no members.

CCR §2662.2(a)(2)(C). Consumer Watchdog listed the names of all individuals on its current Board of Directors and provided a business address at which they could all receive correspondence.

CCR §2662.2(a)(2)(D). Consumer Watchdog stated that it does not send out a paper newsletter, and that it distributes e-mail updates to a subscriber list of over 110,000 individuals and
organizations, and that updates to its activities can be found at www.consumerwatchdog.org, thru Facebook, and Twitter and at an annual awards dinner.

CCR §2662.2(a)(2)(E). Consumer Watchdog submitted a summary of some of its consumer protection activities since the last Finding of Eligibility.

CCR §2662.2(a)(2)(F). Consumer Watchdog submitted a letter from the IRS attesting to its status as a 501(c)(3) corporation.

CCR §2662.2(a)(2)(G). Consumer Watchdog submitted the percentages of funding received through Grants, Individual Contributions, Attorney/Intervenor Fees, and Interest Income. Consumer Watchdog declared that it does not have any individual donors who meets the 5% threshold contained in the regulation requiring disclosure. Consumer Watchdog listed individual foundation grants received. Consumer Watchdog received no Corporate, Business or Government grants.

**LEGAL STANDARDS**

California Insurance Code section 1861.10 states in relevant part:

(a) Any person may initiate or intervene in any proceeding permitted or established pursuant to this chapter, challenge any action of the commissioner under this article and enforce any provision of the article.

(b) The commissioner or a court shall award reasonable advocacy and witness fees and expenses to any person who demonstrates that (1) the person represents the interests of consumers, and (2) that he or she has made a substantial contribution to the adoption of an order, regulation or decision by the Commissioner or a court.

CCR §2662.2 sets out the procedure by which intervenors are deemed eligible to seek compensation.

(a) A person or group representing the interests of consumers may provide to the Public Advisor a request for finding of eligibility to seek compensation. The request shall be verified and may be verified by the intervenor’s or participant’s attorney and shall be submitted, at any time, in conjunction with an ongoing proceeding in which the individual or organization seeks to intervene. The request shall comply with sections 2652.1-2652.4 of this subchapter and shall include:

(1) a showing by the intervenor or participant that it represents the interests of consumers, including a description of the previous work of the intervenor or participant; and,

(2) in the case of groups representing the interests of consumers, the request shall include the following as exhibits:
(A) a copy of the group's articles of incorporation, by-laws, or (for groups not organized as corporations) other organizational documents,

(B) if the group has members, the approximate number of current members,

(C) composition of the group's current Board of Directors - including the name and business address of each director and/or the name and business address of the principals of the group if it is not a corporation,

(D) newsletter circulation, if any, along with a representative sample of newsletters and/or any other publications issued by the intervenor in California during the previous twelve (12) months,

(E) any annual or year-end report for the prior year,

(F) a statement as to whether or not the group has been granted non-profit status under Internal Revenue Code Section 501(c), and

(G) in order to allow a determination whether the group actually does represent the interests of consumers, a listing, by general category, of the group's funding sources for the prior twenty-four (24) months and the approximate total percentage of the group's annual budget from each funding category. Each foundation, corporate, business, or government grant shall be separately listed by name of foundation, corporation, business, or government agency and amount of grant. For each individual who contributed at least five percent of the group's annual budget, the name of the individual and the total amount of the annual contribution shall be separately listed.

The Public Advisor may require additional information regarding the request at any time, but not more than twice during any one calendar year from a given Intervenor or participant.

CCR §2661.1 (j) defines representing the interests of consumers as follows:

Represents the Interests of Consumers" means that the intervenor represents the interests of individual insurance consumer[s], or the intervenor is a group organized for the purpose of consumer protection as demonstrated by, but is not limited to, a history of representing consumers in administrative, legislative or judicial proceedings.
A party which represents, in whole or in part, any entity regulated by the Commissioner shall not be eligible for compensation. However, nothing in this subsection shall be construed to prohibit any person from intervening or participating if that person is not seeking compensation.

CCR §2662.2(b) and (c) set deadlines for CDI's review of requests for finding of eligibility.

(b) Within 10 days of receipt of a request for finding of eligibility to seek compensation, the Public Advisor shall review the request for completeness. If the request includes all of the information required by subdivision (a) above, it is complete. If the Public Advisor determines that the request is not complete because it does not include all of the information required by subdivision (a), notice stating the grounds for incompleteness will be given to the person or group who submitted the request within the 10 day period and the request will be rejected.

(c) The Commissioner shall rule on the request for a finding of eligibility to seek compensation in writing not later than 15 days from the receipt of a complete request.

DETERMINATIONS

Consumer Watchdog has complied with the requirements of CCR §2662.2. Consumer Watchdog represents the interests of consumers, and on those grounds, the Commissioner hereby finds Consumer Watchdog eligible to seek compensation in Department proceedings pursuant to CIC §1861.02 et seq.

This Finding of Eligibility is effective immediately.

ORDER

Consumer Watchdog is hereby deemed eligible to seek compensation from the Department of Insurance for its representation of consumers' interests and its participation in Departmental proceedings pursuant to CIC §1861.10, for a period not to exceed two years from the date of this order.

A finding of eligibility to seek compensation does not ensure compensation and Consumer Watchdog must comply with all relevant provisions of the California Insurance Code and the California Code of Regulations in order to submit requests and/or to receive compensation in specific hearings or proceedings.

Consumer Watchdog Finding of Eligibility
July 14, 2016 thru July 14, 2018
Dated: July 14, 2016

DAVE JONES
Insurance Commissioner

By ____________________
Edward Wu
Public Advisor
California Department of Insurance
PROOF OF SERVICE

In the Matter of the Request for Finding of Eligibility to Seek Compensation of
CONSUMER WATCHDOG
Case No. IE-2016-0002

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 45 Fremont Street, 19th Floor, San Francisco, California 94105. On July 15, 2016, I served the following document(s):

FINDING OF CONSUMER WATCHDOG'S ELIGIBILITY TO SEEK COMPENSATION

on all persons named on the attached Service List, by the method of service indicated, as follows:

If U.S. MAIL is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If OVERNIGHT SERVICE is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

If FAX SERVICE is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If PERSONAL SERVICE is indicated, by hand delivery this date.

If INTRA-AGENCY MAIL is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If EMAIL is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Christine Warren
**SERVICE LIST**

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CONSUMER WATCHDOG

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<tr>
<td>Harvey Rosenfield</td>
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<td>Pamela Pressley</td>
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<td>Jonathan Phenix</td>
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<td>CONSUMER WATCHDOG</td>
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