

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**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

File No. IE-2022-0002

**FINDING OF ELIGIBILITY TO SEEK
COMPENSATION**

On or about July 11, 2022, Consumer Watchdog submitted a complete Request for Finding of Eligibility to Seek Compensation (“Request”). The Commissioner has completed the review of the Request and hereby finds that, pursuant to the provisions of California Insurance Code section 1861.10 and California Code of Regulations (“CCR”), Title 10, section 2662.2, Consumer Watchdog is eligible to seek compensation for its representation of consumers’ interests in proceedings before the California Department of Insurance (“CDI”).

This Finding of Eligibility shall remain in effect for two years; however, this Finding of Eligibility does not ensure compensation in the proceeding(s) in which Consumer Watchdog participates.

FINDINGS

Consumer Watchdog provided a verified Request, in accordance with 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:

CCR §2662.2(a)(2)(A). Consumer Watchdog provided a copy of its articles of incorporation and by-laws.

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

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

3 CCR §2662.2(a)(2)(D). Consumer Watchdog stated that it updates
4 interested parties via its website, email, and social media, and has an
annual “Rage for Justice” awards dinner attended by hundreds of its
5 supporters.

6 CCR §2662.2(a)(2)(E). Consumer Watchdog submitted a summary of
some of its consumer protection activities and victories since the last
7 finding of eligibility in 2020.

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

9 CCR §2662.2(a)(2)(G). Consumer Watchdog submitted the percentages
10 of funding received through Grants, Individual Contributions,
Attorney/Intervenor Fees, and Interest Income. Consumer Watchdog
11 declared that it does not have any individual donors who meet the 5%
threshold contained in the regulation requiring disclosure. Consumer
12 Watchdog listed individual foundation grants received. Consumer
Watchdog received no Corporate, Business or Government grants.
13

14 **LEGAL STANDARDS**

California Insurance Code section 1861.10 states in relevant part:

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

17 (b) The commissioner or a court shall award reasonable advocacy and witness
18 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
19 contribution to the adoption of any order, regulation, or decision by the
commissioner or a court.
20

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

22 (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
23 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
24 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
25 include:

26 (1) a showing by the intervenor or participant that it represents the
interests of consumers, including a description of the previous work of the
27 intervenor or participant; and,
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(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 publication 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 section 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.

1 A party which represents, in whole or in part, any entity regulated by the
2 Commissioner shall not be eligible for compensation. However, nothing in this
3 subsection shall be construed to prohibit any person from intervening or
participating if that person is not seeking compensation.

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

6 (b) Within 10 days of receipt of a request for finding of eligibility to seek
7 compensation, the Public Advisor shall review the request for completeness. If
8 the request includes all of the information required by subdivision (a) above, it is
9 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.

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

13 DETERMINATIONS

14 Consumer Watchdog has complied with the requirements of CCR section 2662.2.

15 Consumer Watchdog represents the interests of consumers, and on those grounds, the
16 Commissioner hereby finds Consumer Watchdog eligible to seek compensation in CDI
17 proceedings pursuant to CIC section 1861.10.

18 This Finding of Eligibility is effective July 12, 2022.

19 ORDER

20 Consumer Watchdog is hereby deemed eligible to seek compensation from CDI for its
21 representation of consumers' interests and its participation in CDI proceedings pursuant to CIC section
22 1861.10, for a period not to exceed two years from July 12, 2022.

23 //

24 //

25 //

26 //

27 //


28 //

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

Dated: July 26, 2022

RICARDO LARA
Insurance Commissioner

By 

Jamie Katz
Public Advisor
California Department of Insurance