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2 **BEFORE THE INSURANCE COMMISSIONER**
3 **OF THE STATE OF CALIFORNIA**
4

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

7 Consumer Federation of California,
8

Office of the Public Advisor
Case No. IE-2014-0001

**FINDING OF ELIGIBILITY TO SEEK
COMPENSATION**

9 On or about April 18, 2014, Consumer Federation of California (“CFC”) submitted a
10 complete Request for Finding of Eligibility to Seek Compensation (“Request”). The
11 Commissioner has completed the review of the Request and hereby finds that, pursuant to the
12 provisions of California Insurance Code § 1861.10 and California Code of Regulations, Title
13 10, § 2662.2, CFC is eligible to seek compensation for its representation of consumers’
14 interests in CDI proceedings.

15 This Finding of Eligibility shall remain in effect for two years from the date of this
16 Order; however, this Finding of Eligibility does not ensure compensation in the proceeding(s)
17 in which CFC participates.

18 **FINDINGS**

19 CFC provided a verified Request, in accordance with California Code of Regulations
20 (CCR) §2662.2(a).

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

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

25 CCR §2662.2(a)(2)(A). The current Articles of Incorporation for
26 CFC are on file with the CDI.

27 CCR §2662.2(a)(2)(B). CFC has approximately 81 dues-paying
28 individual members and 44 organizational members.

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

3 CCR §2662.2(a)(2)(D). CFC stated that it educates members,
4 legislators, and the public regarding consumer issues through its
5 newsletter, *The California Consumer*. The newsletter has a
6 circulation of approximately 11,000.

7 CCR §2662.2(a)(2)(E). CFC stated that it does not issue an annual
8 or year-end report.

9 CCR §2662.2(a)(2)(F). CFC stated that it has been granted non-
10 profit status under Internal Revenue Code Section 501(c)(4).

11 CCR §2662.2(a)(2)(G). CFC submitted the percentages of funding
12 from various categories: Court Ordered Cy Pres Awards; Intervenor
13 Compensation Awarded by Public Utilities Commissioner; Interest
14 and Dividends; Membership Dues; Service Fees; Other.

15 CFC submitted as Exhibit H a list of its organizational members,
16 including: California Teachers Association, Consumer Attorneys of
17 California, California Public Interest Research Group, et. al.

18 CFC submitted as Exhibit I a list of legislative initiative highlights
19 and scorecard.

20 LEGAL STANDARDS

21 California Insurance Code section 1861.10 states in relevant part:

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

25 (b) The commissioner or a court shall award reasonable advocacy and
26 witness fees and expenses to any person who demonstrates that (1) the
27 person represents the interests of consumers, and (2) that he or she has
28 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 (1) a showing by the intervenor or participant that it represents the interests
2 of consumers, including a description of the previous work of the
intervenor or participant; and,

3 (2) in the case of groups representing the interests of consumers, the
4 request shall include the following as exhibits:

5 (A) a copy of the group's articles of incorporation, by-laws,
6 or (for groups not organized as corporations) other
organizational documents,

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

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

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

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

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

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

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

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

26 Represents the Interests of Consumers” means that the intervenor
27 represents the interests of individual insurance consumer[s], or the
intervenor is a group organized for the purpose of consumer protection as
28 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
3 this subsection shall be construed to prohibit any person from intervening
or participating if that person is not seeking compensation.

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

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

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

17 **DETERMINATIONS**

18 CFC has complied with the requirements of CCR § 2662.2.

19 CFC represents the interests of consumers, and on these grounds, the
20 Commissioner hereby finds CFC eligible to seek compensation in CDI proceedings
21 pursuant to CIC §1861.10.

22 This Finding of Eligibility is effective May 1, 2014.

23 **ORDER**

24 CFC is hereby deemed eligible to seek compensation from the CDI for its representation
25 of consumers' interests and for its participation in CDI proceedings pursuant to CIC §1861.10 for
26 a period not to exceed two years from May 1, 2014.

27 A finding of eligibility to seek compensation does not ensure compensation. CFC must
28 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.


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1 Dated: May 1, 2014.

DAVE JONES
Insurance Commissioner

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By  _____

Edward Wu
Public Advisor

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PROOF OF SERVICE
In the Matter of the Request for Finding of Eligibility to Seek Compensation of
CONSUMER FEDERATION OF CALIFORNIA
Case No. IE-2014-0001

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 May 1, 2014, I served the following document(s):

FINDING OF 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

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SERVICE LIST
In the Matter of the Request for Finding of Eligibility to Seek Compensation of
CONSUMER FEDERATION OF CALIFORNIA
Case No. IE-2014-0001

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
Richard Holober Douglas Heller Advocates for: THE CONSUMER FEDERATION OF CALIFORNIA 1107 9 th Street, Suite 625 Sacramento, CA 95814 holober@consumercal.org DouglasHeller@Ymail.com	Tel: (310) 480-4170 (916) 498-9608 Fax: NA	EMAIL Between 10:00 a.m. and 10:30 a.m.