

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

<b>POLICY TITLE:</b>	Use of Federal Legislative Defense Fund
<b>CLASSIFICATION:</b>	Legislative
<b>POLICY NUMBER:</b>	00-03-L
<b>DEPARTMENT COORDINATION:</b>	Legislative/Board of Trustees
<b>MOTION:</b>	Bynum Tuttle
<b>SECONDED:</b>	Mike Matznick
<b>DATE SUBMITTED (INITIAL):</b>	February 2000
<b>DATE APPROVED:</b>	March 2000
<b>APPROVED BY:</b>	Board of Trustees
<b>AMENDED:</b>	May 8, 2006
<b>SUNSET DATE:</b>	2012

**PURPOSE:** To specify the circumstances and procedures for withdrawing funds from NAHU's Federal Legislative Defense Fund (FLDF).

**POLICY:** For use of FLDF funds for legislative expenses, an affirmative vote of at least 75% of the Board of Trustees shall be required. To transfer money to the State Legislative Defense Fund, FLDF funds use must be approved by a vote of 75% of the Board of Trustees.

**PROCEDURE(S):** Upon recognition of an urgent and previously unrecognized need for federal legislative expenditures, the Legislative Council shall recommend to the Board of Trustees, by a vote of at least 75% of its members, the expenditure of funds from the FLDF, specifying the amount to be used and the purposes of such use. The recommendation shall be presented to the Board of Trustees and a motion shall be made by the NAHU President, Legislative Council Chair or the Executive Committee liaison to the Legislative Council for disbursement of funds from the FLDF. An affirmative vote of no less than 75% of the entire Board of Trustees will be required to release funds from the FLDF for legislative activity.

Upon recognition or anticipation of an urgent and previously unrecognized need for state legislative expenditures, the Legislative Council shall recommend to the Board of Trustees, by a vote of at least 75% of its members, the transfer of funds from the FLDF to the SLDF, specifying the amount to be used and the purposes of such use. The recommendation shall be presented to the Board of Trustees and a motion shall be made by the NAHU President, Regional Vice President, Legislative Council Chair or the Executive Committee liaison to the Legislative Council for disbursement of funds from the FLDF to the SLDF. An affirmative vote of no less than 75% of the entire Board of Trustees will be required to release funds from the FLDF to the SLDF for state legislative activity.

"Urgent and previously unrecognized legislative need" shall be considered as an event such as:

- a) The introduction of a federal bill or federal legislation (i.e. Clinton Care) 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 Legislative staff to be in the best interest of the NAHU membership.

Upon disbursement of funds from the FLDF, the Board will determine a procedure and timeline for replenishing the fund to its former level.

**FINANCIAL IMPACT:** No direct or indirect expense. However, this P&P does provide a clear structure for disbursement of a significant NAHU asset.