

July 27, 1977

11-241

Marilyn Lundberg
American International Group, Inc.
State Relations & Compliance Dept.
102 Maiden Lane
New York, New York 10005

Dear Ms. Lundberg:

Thank you for your letter dated June 29, 1977 requesting advice regarding whether Mr. William Brustman should register with the Secretary of State as a lobbyist under the Political Reform Act.

A "Lobbyist" is defined in Section 82039 of the Act as: "...any person who is employed or contracts for economic consideration, other than reimbursement for reasonable travel expenses, to communicate directly or through his agents with any elective state official, agency official or legislative official for the purpose of influencing legislative or administrative action, if a substantial or regular portion of the activities for which he receives consideration is for the purpose of influencing..." (emphasis added)

The Fair Political Practices Commission has adopted an administrative regulation (2 Cal Adm. Code Section 18239) to clarify the terms used in Section 82039. In defining the terms "substantial or regular", the Commission established certain time and compensation tests which are fully described in subsection (e). I am enclosing a copy of this regulation for your review.

In your letter, you indicated that Mr. Brustman represents the American International Group Companies in all Department of Insurance proceedings. These proceedings may be considered administrative action if they are related to: "...the proposal, drafting, development, consideration, amendment, enactment or defeat by any state agency of any rule, regulation or other action in any rate making proceeding or any quasi-legislative proceeding..." (Section 82002, emphasis added). The term "quasi-legislative" is further defined by administrative regulation, 2 Cal Adm. Code Section 18202, by describing specific proceedings that would not be considered quasi-legislative. A copy of this regulation is also enclosed.

July 27, 1977

Of the following specific activities mentioned in your letter, only the third item would appear to be in the nature of administrative action:

- 1) Disciplinary hearing against American International Group Companies;
- 2) Licensing of American International Group Companies;
- 3) Problems with policy forms, rates, and claims pertaining to American International Group Companies.

The first item would appear to be excluded because it is "...a proceeding to enforce compliance with existing law or to impose sanctions for violations of existing law..." (2 Cal Adm. Code Section 18202(a)(3)), and; the second item would appear to be excluded because it is "...a proceeding involving the issuance, amendment or revocation of a permit, license or other entitlement for use..." (2 Cal Adm. Code Section 18202(a)(2)).

A specific determination cannot be made regarding Mr. Brustman's status as a lobbyist since your letter did not contain details of the time he spends in lobbying activities. Hopefully, the information in this letter and the enclosed regulations will provide enough guidance for you to make that determination. However, if you would like additional assistance in this matter, do not hesitate to contact me.

Sincerely,

Alan Herndon
Compliance Representative

AH:bw

Enclosures

F P P C
JUL 5 2 09 PM '77



American International Group, Inc.

102 Maiden Lane
New York, N.Y. 10005
212/791-7000

772-11

Direct Dial: 212/791- 7245

June 29, 1977

Fair Political Practices Commission
1100 "K" Street
Post Office Box 807
Sacramento, California 95814

Re: Lobbyist Registration and Reporting

Dear Sirs:

I would appreciate a ruling on whether Mr. William Brustman should register with your Commission under the California Lobbyist Registration and Reporting Act. Mr. Brustman is an officer of the American International Group and a portion of his regular duties consists of contacting the State Insurance Departments concerning the following matters:

- Disciplinary hearing against AIG companies
- Licensing of AIG companies
- Problems with policy forms, rates, and claims pertaining to AIG companies

As an officer, it is his responsibility to represent the following American International Group companies in all Insurance Department proceedings:

American Home Assurance Company
 National Union Fire Insurance Company of Pittsburgh, Pa.
 Commerce & Industry Insurance Company
 Birmingham Fire Insurance Company of Pennsylvania
 AIU Insurance Company
 New Hampshire Insurance Group
 Granite State Insurance Company
 American International Life Assurance Company of New York
 Delaware American Life Insurance Company
 Insurance Company of the State of Pennsylvania
 Transatlantic Reinsurance Company
 AIG Oil Rig, Inc.
 AIG Oil Rig of Texas, Inc.
 North American Managers, Inc.
 NAM, Inc.

(Continued)

June 29, 1977

Re: Lobbyist Registration and Reporting

Please inform us whether Mr. Brustman's job as described above makes him subject to the registration requirements of the Lobbyist Registration Act.

Thank you for your cooperation.

Sincerely,

Marilyn Lundberg
Marilyn Lundberg
Senior Legal Analyst
State Relations & Compliance Dept.

AMERICAN INTERNATIONAL GROUP, INC.

Enc.

MJL:dg