

PAC Statement of Purpose
“PAC Statement of Purpose and Structure”

Statement of Policy Governing the Political Action Committees of the National Association of Insurance and Financial Advisors

ARTICLE I. NAME

SECTION 1. The National Association of Insurance and Financial Advisors (NAIFA) has one federal and 51 state chapter political action committees (PACs), which engage in joint fundraising and other activities described in Article III, Section 3 of this Statement of Policy, and those PACs shall be known as the Insurance and Financial Advisors Political Action Committee and denoted by the acronym “IFAPAC”.

SECTION 2. The formal name of the federal political action committee sponsored by NAIFA shall be the National Association of Insurance and Financial Advisors Political Action Committee. Where applicable, it may be referred to by the acronym “NAIFAPAC”. The 51 state chapter PACs names should be consistent with this naming convention i.e., “State IFAPAC” or “State NAIFAPAC”.

ARTICLE II. FORM OF ORGANIZATION

SECTION 1. NAIFAPAC shall be the voluntary, nonprofit, unincorporated federal political action committee & IFAPAC shall be the name of the joint fundraising agent located at the headquarters of the National Association of Insurance and Financial Advisors. The affiliated state chapter PACs will be in their respective state of origin.

NAIFA’s 52 PACs are only allowed to support candidates for legislative office within their jurisdiction. No state IFAPAC can contribute to federal candidates, and NAIFAPAC, the federal PAC, cannot support state candidates for office.

SECTION 2. NAIFA’s PACs shall be independent of any political party, political committee, ballot question or referendum committee, candidate or organization.

SECTION 3. The National Association of Insurance and Financial Advisors and its state and local chapters and affiliated units, to the extent permitted by law, may defray costs and expenses incurred in the establishment, administration, and solicitation of voluntary contributions to the PAC.

ARTICLE III. PURPOSE AND POWERS

SECTION 1. The primary purpose of NAIFA’s PACs shall be to aid the effectiveness of the advocacy agenda of the National Association of Insurance and Financial Advisors, by supporting the nomination or election of selected individuals to public office at both the state and federal level. Other purposes shall be to preserve and promote good government and to encourage and facilitate participation by insurance and financial advisors in politics and government.

SECTION 2. NAIFA’s PACs shall be authorized to take actions that are necessary and appropriate to attain these objectives, including provision of financial support to candidates for elective office

within their jurisdiction, national & political parties, other political action committees registered with the Federal Election Commission, State Board of Elections and within regulatory confines of the SEC, FINRA, MSRB, state pay-to-play rules and such other entities as may be consistent with the purposes and policies of NAIFA's PACs.

SECTION 3. IFAPAC shall be empowered to engage in joint solicitation of funds with state and local chapters of insurance and financial advisors or their political action committees organized and operated exclusively for the purpose of influencing, or attempting to influence, the nomination and election of individuals to state or local elective public office. When soliciting funds jointly with state or local chapters or their political action committees, IFAPAC shall be further empowered to make such disposition of funds jointly solicited as may from time to time be agreed upon by NAIFA or IFAPAC and state and local chapters of insurance and financial advisors or their political action committees, in accordance with applicable law.

SECTION 4. It shall be a major purpose of NAIFA, NAIFA state, and local chapters, and IFAPAC to conduct the political action committee affairs in strict accordance with all pertinent laws and regulations.

ARTICLE IV. SOLICITATION OF VOLUNTARY CONTRIBUTIONS

SECTION 1.

- a. IFAPAC may, pursuant to applicable law, solicit and accept voluntary personal political and administrative contributions from members of NAIFA's state and local chapters federated with NAIFA and from officers and other employees of NAIFA and the chapters as well as from the families of each such person.
- b. IFAPAC may also solicit and receive administrative contributions from NAIFA state and local chapters and affiliated units of the National Association of Insurance and Financial Advisors.

SECTION 2. All personal political contributions to IFAPAC shall be voluntary, and no contribution shall be solicited or secured by or on behalf of NAIFA or IFAPAC by means of any coercion or physical force, or as a condition of employment or by using or threatening to use force, job discrimination or financial reprisals.

ARTICLE V. DEPOSIT AND SEGREGATION OF CONTRIBUTIONS

SECTION 1. All contributions to IFAPAC shall be deposited into a holding account within ten (10) days of receipt and maintained in a separate account from the general funds of the National Association of Insurance and Financial Advisors. The contributions may be held in an account or accounts (sometimes referred to as a depository account(s)) maintained with a designated depository institution in accordance with applicable law. Once deposited into the holding account, NAIFA through IFAPAC determines the legal categorization (Hard(political) or Soft(administrative)) of each contribution, then the contributions are shared between the Federal and State PAC and administrative accounts and reports each contribution according to FEC, State Campaign Finance as well as applicable State and Federal Pay-to-Play Laws.

All expenditures and contributions to candidates for public office, political party committees, other political action committees and other organizations consistent with the objectives of the National Association of Insurance and Financial Advisors by NAIFAPAC or the any of the 51 STATE chapter NAIFA PACs shall be made by check, EFT or similar instrument from such separate segregated funds and from no other source.

SECTION 2. All expenses of IFAPAC which are not defrayed by NAIFA's chapters and affiliated units or from donations of persons/entities eligible to be solicited for contributions shall be paid for by NAIFA.

SECTION 3. No officer of NAIFA or of a state or local chapter, official of NAIFAPAC or the 51 State chapter PACs, members of the IFAPAC Committees or contributor to IFAPAC shall have a right to share personally in the funds or assets of IFAPAC upon its dissolution or at any other time except for reimbursement of reasonable expenses incurred on behalf of IFAPAC, and except as provided in Article XI of this Statement of Policy.

SECTION 4. The names of contributors and the amounts given or pledged by them shall be maintained by IFAPAC in a businesslike manner and, except as required by law or for purposes of conducting necessary audits of the books of account of IFAPAC or for purposes of recognition at industry meetings or in chapter publications, or to conduct fundraising activities by IFAPAC, NAIFA, or its affiliated units, the names of contributors and the amounts of their individual contributions or pledges shall not be disclosed.

SECTION 5. Funds may be transferred from the depository account for investment purposes but shall be returned to the depository account before being used to make contributions or expenditures to or on behalf of candidates.

SECTION 6. No funds properly allocable to NAIFAPAC shall be commingled with any other funds belonging to the National Association of Insurance and Financial Advisors. No funds transferred to IFAPAC from NAIFA to pay administrative costs shall be commingled with funds obtained by IFAPAC from voluntary political action contributions. Except as permitted under applicable law, no corporate check received by NAIFA from a corporate entity outside the NAIFA federation shall be transmitted to any fund under the control and direction of IFAPAC.

ARTICLE VI. APPOINTMENT, POWERS AND DUTIES OF THE TREASURER & ASSISTANT TREASURER

SECTION 1. The Treasurer of IFAPAC and NAIFAPAC shall be the same individual who serves as the Treasurer of the National Association of Insurance and Financial Advisors.

SECTION 2. The Assistant Treasurer shall be the Association's PAC Director or equivalent staff position.

SECTION 3.

- a. The Treasurer and the Assistant Treasurer shall be the custodian of the funds of IFAPAC. The Treasurer, Assistant Treasurer or such other person(s) as may be designated by the Executive Committee of the National Association of Insurance and Financial Advisors shall

collect all funds of IFAPAC and shall disburse all monies in accordance with the instructions of the National PAC Committee. The Treasurer or Assistant Treasurer shall keep full and accurate records and accounts, shall present financial statements, and shall prepare, sign, and file all reports to governmental authorities required by law or directed to be filed by NAIFAPAC. The Treasurer and Assistant Treasurer shall give bond in such sum as may be fixed by the NAIFA Board of Trustees or the Committee, and the premium on such bond shall be paid by The National Association of Insurance and Financial Advisors.

- b. Among detailed accounts to be kept by the Treasurer or Assistant Treasurer shall be the following:
 - 1. All contributions made to IFAPAC.
 - 2. Such identification of each person contributing as shall be enough to comply with all record-keeping and reporting requirements of applicable law.
 - 3. All expenditures and contributions made by NAIFAPAC [and by each state chapter PAC?].
 - 4. Such identification of each person to whom or on whose behalf a contribution or expenditure is made as shall be enough to comply with all record-keeping and reporting requirements of applicable federal and state law.
 - 5. Receipted bills, invoices, or canceled checks for every expenditure made by IFAPAC (except that to the extent that disbursements from a petty cash fund are permissible, then a written journal of all such disbursements shall be kept in such detail as shall satisfy the requirements of law) for a minimum period of seven (7) years.
 - 6. Such other records as may be required by applicable law or suggested by sound practice in the conduct of the business of a political action committee.

ARTICLE VII. APPOINTMENT, POWERS AND DUTIES OF THE NATIONAL IFAPAC COMMITTEE

SECTION 1.

- a. There is hereby created a National IFAPAC Committee. It shall perform the duties as described in Article X, Section 5 of the Bylaws of the National Association of Insurance and Financial Advisors. For purposes of this Statement, the National IFAPAC Committee hereby created shall be referred to as the "Committee". The Committee shall have general supervision and control over the political action affairs and funds of NAIFA and shall carry out all political action policies and activities of NAIFA as may be designated by the Board of Trustees of the National Association of Insurance and Financial Advisors.
- b. The Committee shall, from time to time, review the process of fundraising administrative contributions.

SECTION 2. The Committee shall consist of a Chair and First Vice Chair and Regional Chairs, who shall be appointed by the Executive Committee of the National Association of Insurance and Financial Advisors, giving due consideration to geographical representation. The term of office for the Regional Vice Chairs shall be two years. No individual shall serve as a Regional Chair for more than eight (8) consecutive years. The term of office for the Chair and First Vice Chair shall be two years. No individual shall serve as Chair or First Vice Chair for more than six (6) consecutive years. SECTION 3. The Chair shall preside at all meetings of the Committee at which the Chair is present.

SECTION 4. In the event of a vacancy in the office of the Chair, the First Vice Chair shall automatically succeed to that office until the Executive Committee of the National Association of Insurance and Financial Advisors shall appoint a successor. In the event of a vacancy in the office of First Vice Chair, the Executive Committee of the National Association of Insurance and Financial Advisors shall appoint a successor. It is always the intent of this Policy Statement that there be a Chair and a First Vice Chair.

ARTICLE VIII. MEETINGS OF THE NATIONAL IFAPAC COMMITTEE

SECTION 1. Meetings of the Committee may be called by the Chair.

SECTION 2. Five members of the Committee shall constitute a quorum for any meeting.

SECTION 3. The Committee may, under circumstances determined by the Chair or his or her successor to require or merit it, transact business by mail, telephone conference call, fax, e-mail or other means, without physically meeting together.

ARTICLE IX. CANDIDATE SELECTION GROUP

SECTION 1. There shall be a Candidate Selection Group (CSG) of the National IFAPAC Committee. The Chair of the National IFAPAC Committee shall be the Chair of the Candidate Selection Group.

The CSG shall consist of the Chair and Vice Chair of the National IFAPAC Committee and the Committee on Grassroots Advocacy and the Chair of the Committee on Government Relations, as well as at least four (4) individuals to serve as at large members. In the event that Pay to Play Rules prevent any of the 5 required members of the CSG the Chair of the CSG shall have the discretion to look beyond current and former members of those respective committees to fill those roles. If the Chair of the National IFAPAC Committee is unable to serve on the CSG the Immediate Past Chair of the PAC will serve in that role. All committee members shall be recommended by the National IFAPAC Committee and approved by NAIFA's Executive Committee.

All committee members shall serve two-year terms consistent with the election cycle, subject to the limitation contained in Article VII, Section 2 of this Policy Statement and Article X, Section 1 of the NAIFA Bylaws, there shall be no fixed limit of tenure on the Candidate Selection Group.

SECTION 2. The primary responsibility of the Candidate Selection Group shall be the selection of candidates, for federal public office, political party committees, other political action committees, and such other entities as may be consistent with the purposes of NAIFAPAC to receive contributions, the determination as to the amount or amounts to be contributed, and the establishment of the method of delivery of such contributions.

SECTION 3. Selection decisions of the Candidate Selection Group shall be made by a simple majority of the members of the Group actively serving at the time any decision is made. The Group may, under circumstances determined by the Chair or his or her successor to require or merit it, transact business by mail, telephone conference call, fax, e-mail or other means, without physically meeting together.

SECTION 4. The Candidate Selection Group will use the principles set forth in the Candidate Selection Group Guidelines when making their decisions.

ARTICLE X. BOOKS AND RECORDS

NAIFA shall keep correct and complete books and records of account pertaining to IFAPAC, which shall be audited at least once each calendar year by the auditor of the general books and records of the National Association of Insurance and Financial Advisors.

ARTICLE XI. DISSOLUTION

While the duration of IFAPAC is to be perpetual, IFAPAC may be dissolved at any time by action of the National Association of Insurance and Financial Advisors. Upon such dissolution, all funds remaining in the state and federal IFAPAC accounts shall be promptly returned in a manner determined by the Executive Committee of the National Association of Insurance and Financial Advisors to such individuals who have contributed to IFAPAC within the previous twelve (12) months preceding dissolution, or shall be promptly distributed to one or more political party committees to the extent permitted by law, or to a tax-exempt charitable institution, but only in accordance with the purposes of IFAPAC, and in any event, only in consonance with applicable law.

As Approved by the NAIFA Subcommittee on Political Action April 12, 1991 and the NAIFA Board of Trustees April 24, 1991. Amended by NAIFA Board of Trustees February 1995, January 2001; Amended and Approved by the Subcommittee on Political Action December 9, 2001, and by the NAIFA Board of Trustees on January 12, 2002. Amended by the NAIFA Board of Trustees September 5, 2008. “Amended and Approved by the National IFAPAC Committee on August 16, 2018, and was again “Amended and Approved by the National IFAPAC Committee on October 17, 2019 and by the NAIFA Board of Trustees on July 1, 2020.

Amended again on Dec 7 by the National IFAPAC Committee and by the NAIFA Board of Trustees on December 9, 2020.