

Adopted 3/24/16

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
CONFLICT OF INTEREST POLICY
ACKNOWLEDGMENT FORM AND DISCLOSURE STATEMENT

Conflict of Interest Policy:

In furtherance of the Mission of the NAIC, it shall be the Policy of the NAIC that all members (i.e., Commissioners, Directors, Superintendents or other chief insurance regulatory officials) shall act in a manner that reflects the highest standard of ethical conduct and members shall avoid any activity or situation where their personal interest could conflict, or give the appearance of a conflict, with the business operations or regulatory support activities of the NAIC. Executive Committee members have a fiduciary duty to the NAIC which requires avoidance of conflicts. All members are invited to participate in Executive Committee meetings and deliberations and should be subject to the same requirements. All members shall follow this Conflict of Interest Policy unless subject to a more stringent state policy.

Identifying a Conflict of Interest and Disclosure:

A 'Conflict of Interest' shall be defined as any known activity, transaction, relationship, service engaged in or consideration received by the member, the member's immediate family (to include spouse, parents, siblings and children) or someone in the member's immediate household, which may cause an objective person reasonable concern that the member could not or may not be able to perform his or her responsibilities and duties to the NAIC in an impartial manner. Conflicts of Interest include, but are not limited to: direct financial or close personal interests in an entity or organization which could be affected by a decision of the NAIC; acceptance of a valuable gift, entertainment, services, loans or promises of future benefits including offers of employment, from any entity or organization that might benefit because of a member's connection with the NAIC; or compensation or the promise of compensation for consulting or other type of engagement, other than compensation from the member's employer in his or her capacity as a state government official, if such payment is related directly or indirectly to the member's work with the NAIC.

This Conflict of Interest Policy shall not preclude a member from being (1) a policyholder or claimant under an insurance policy; (2) a grantor of a mortgage or similar instrument on such person's residence to a regulated entity if done under customary terms and in the ordinary course of business; (3) an investment owner in shares of regulated diversified investment companies; or (4) a settlor or beneficiary of a "blind trust" into which any holdings in any regulated entities have been placed.

There is a need to recognize it may be impossible or impracticable to eliminate all conflicts of interest; provided, however, when a member has knowledge of a conflict or apparent conflict, that member shall provide written disclosure of the conflict or apparent conflict to the Secretary-Treasurer of the NAIC as well as to the chair of the committee, task force or working group that is addressing the matter of which the member has a conflict. The disclosure shall also be filed with the General Counsel of the NAIC. The member shall refrain from voting or otherwise attempting to affect any decision of the NAIC to participate or not to participate in such transaction and the manner or terms of such participation. Minutes of the appropriate meetings should reflect that such disclosure was made, and that such member abstained from voting and absented his or her self from the discussion and vote on the matter.

Failure to make such disclosure may result in reversal of the recommendation or vote the member participated in or attempted to affect through acts or omissions. All members shall be required to complete an Acknowledgement Statement and Disclosure Statement annually. The Disclosure Statement should be completed prior to the first National Meeting of each calendar year and updated as appropriate.

Prohibited Activities:

For purposes of this Policy, when a member is acting in his or her capacity as an NAIC member the following acts are presumed to constitute conflicts of interest and are prohibited: (1) acceptance of a gift whose value is greater than \$50 or (2) acceptance of a free meal or other entertainment paid for by a regulated entity, its trade group, or other entities or individuals acting as agents or representatives of a regulated entity during an NAIC sponsored meeting. The prohibition contained in (2) does not apply to receptions held at the NAIC meeting headquarters hotel that are open to all NAIC meeting attendees.

As a 501(c)(3) organization the NAIC is prohibited from directly or indirectly participating in any political campaign on behalf of any candidate for elective public office. Therefore, it is a violation of this policy for a member to engage in political fundraising, on behalf of themselves or others, immediately prior to, during or immediately after an NAIC sponsored meeting or event or any event where travel and expenses are paid for by the NAIC.

A member shall not use or disclose confidential information learned as a result of NAIC activities and duties for personal gain or for the gain of the member's immediate family (to include spouse, parents, siblings and children) or someone in the member's immediate household. For purposes of this paragraph, confidential information is information that a member acquires as a result of his or her regulatory functions and duties and is not available to the general public. No obligation of confidentiality applies to any information a member (a) already possesses without obligation of confidentiality, (b) developed independently, or (c) rightfully acquired without obligation of confidentiality from a third party.

The Executive Committee is responsible for reviewing compliance with this policy and addressing as appropriate any reported violations.

Acknowledgment & Disclosure Statement:

I certify that I have received, read and understand the NAIC’s Conflict of Interest Policy (“Policy”). I understand the purpose of this Policy is to protect the integrity of the Mission and operations of the NAIC. Upon becoming a member of the NAIC, I will sign this form indicating that I have received, read and understand the policy and make a full written disclosure of interests, relationships and holdings that could potentially result in a Conflict of Interest as that term is defined in the Policy. I will at least annually update my disclosure statement to accurately reflect potential Conflicts of Interest. I will also disclose any Conflict of Interest where I, my immediate family (i.e., spouse, parents, siblings and children), and/or members of my immediate household will receive a benefit, gain, or something of value. After disclosure, I understand I may not be permitted to participate in discussions to affect the decision of the NAIC or vote on the matter related to the Conflict of Interest. I further understand that if I do not complete the required Disclosure Statement I may not be permitted to participate in regulator only Executive Committee meetings.

I understand this Policy is to supplement good judgment, and I will respect the letter and intent of the Policy.

Signature

Date

Printed Name

I, _____, am not aware of any conflict of interest.

I, _____, have a conflict of interest or potential conflict of interest as described below:

Signed and Dated