



Frequently Asked Questions About Prior Authorization

Q. Why do I need to sign a prior authorization?

A. The Federal Election Commission requires any corporate member company of NAMIC to first provide NAMIC PAC with prior authorization before any individual in its restricted class can contribute or be solicited.

Only an individual (or immediate family members) in the "restricted class" of a NAMIC member company whose company has given prior authorization is eligible to contribute to or receive information about NAMIC PAC.

Q. Who is in the "restricted class?"

A. The "restricted class" of a member company is defined as "the company's executive and administrative personnel or their families." Executive and administrative personnel salaried employees with policy-making, managerial, professional, or supervisory responsibilities.

Q. Who at my company can grant prior authorization?

A. Typically, your company's primary contact to NAMIC signs the NAMIC PAC authorization form.

The primary contact is defined as the representative of the corporation with whom the trade association normally conducts the association's activities. At times, this may be a Vice President or Director of Business Relations, General Council, C-Suite Executive or the President or Owner.

Q. How did the prior authorization regulation come about?

A. This regulation was established by the 1978 amendments to the Federal Election Campaign Act. It was heavily supported by organized labor, which successfully lobbied for the prior authorization regulation because it was concerned that corporate political programs would dwarf labor's and "exploit" the law to gain even more dominance via association PACs. While this scenario never materialized, association PACs are still straddled with this burdensome regulation.

Q. Is granting prior authorization voluntary?

A. YES! Your NAMIC membership will in no way be affected by completing or not completing the form. Granting prior authorization does not obligate the company or its employees to support NAMIC PAC – it merely allows NAMIC to communicate with you and certain employees about the PAC and our advocacy efforts in a more meaningful way.

Q. Why should my company grant NAMIC PAC prior authorization?

A. As you know, the actions or inactions of Congress and state legislatures can significantly impact NAMIC members' ability to conduct business. Legislation can be passed that either advances or stifles the insurance industry. To ensure it is the former and not the latter that gets enacted into law, you need to be involved in the political process. One advocacy tool available to the association is NAMIC PAC.

NAMIC PAC is a nonpartisan political action committee sponsored by NAMIC and registered with the U.S. Federal Election Commission. Contributions from eligible employees of NAMIC member companies are used to support candidates seeking elected office at the federal and state level who are proponents of issues important to our members, our employees and our shareholders.

Because NAMIC PAC is one of the property/casualty insurer industry's most effective tools for helping to elect pro-insurance, pro-business members who support policies favorable to the industry, we need the support of every NAMIC member to ensure the industry's voice is heard on Capitol Hill.

Q. If my company grants prior authorization, are we required to make a contribution?

A. No, absolutely not! By signing a prior approval form, you are merely granting NAMIC permission to discuss the PAC and NAMIC's overall advocacy strategy with you and your restricted class in greater detail. You are in no way obligated to participate in the PAC. All personal contributions to NAMIC PAC from eligible donors are voluntary and individuals may refuse to contribute without reprisal.

Q. Can my company grant prior authorization to other trade association PACs too?

A. No. Federal election law states that a corporate member company of a trade association can only give prior authorization to one trade association PAC per calendar year.

Q. If our company signs a prior authorization form, can employees contribute to other PACs?

A. Yes. When an NAMIC member signs a NAMIC PAC prior authorization form, it does not preclude company employees from contributing to a state PAC, federal PAC, candidate PAC or cause. The only restrictions are that a company cannot give authorization to more than one trade association PAC per calendar year and company employees may not be solicited to contribute to the PAC of a trade association without the company's prior authorization.

Q. Do I have to sign a prior authorization every year? Can I withdraw my authorization?

A. Prior authorization may be granted for up to five (5) consecutive years by your company and may be withdrawn at any time.

Q. Will NAMIC PAC directly solicit my employees?

A. Only if you authorize us to do so. Simply put, it is up to you. By signing a prior authorization form, you allow NAMIC PAC to discuss the benefits and importance of the PAC to NAMIC's overall political strategy and advocacy efforts, with you and your eligible employees. If you would rather, NAMIC PAC can tailor its solicitations to a certain group or individuals you designate, or just provide you with the necessary tools to start a company campaign on your own.

Still have questions? Contact Bethany Hoff, Political Affairs Director, at bhoff@namic.org.