

## NAIFA Member Directive Regarding the Use of IFAPAC Contributions

Both SEC and FINRA “pay to play” rules are currently in effect. These rules are designed to limit the influence of political contributions by investment advisers, broker-dealers and certain of their associated persons in the awarding of advisory contracts by state and local governments. Among other things, the rules prohibit investment advisers, broker-dealers and certain of their associated persons from receiving compensation for advisory services provided to a state or local government for two years following political contributions to certain state or local officials.

In response to the rules, a number of companies have adopted compliance requirements that limit contributions by investment adviser representatives and registered representatives of broker-dealers to political action committees (PACs) and state or local officials. You **MUST** check with your company’s compliance department regarding any limitations on your ability to make political contributions that may be subject to restrictions imposed by the pay-to-play rules. (If you are covered by one or both of the rules, your compliance department may limit your contribution to only NAIFA’s federal PAC. If you are not covered, your compliance department should permit your contribution to be shared between NAIFA’s federal PAC and your state chapter PAC.)

After you have consulted your compliance department, please check the applicable box below to instruct IFAPAC regarding the appropriate distribution of your IFAPAC contribution.

- I have read and understand this directive and I agree to reconfirm my compliance status and change this directive, if necessary, should I change or add companies.

### CHECK ONE BOX:

- Please share my IFAPAC contribution between NAIFA’s federal PAC and my NAIFA State Chapter PAC.
- Please direct up to \$150 of my IFAPAC contribution to my NAIFA State Chapter PAC.
- Please direct my entire contribution to NAIFA’s federal PAC, to be used only for contributions to national party committees and the campaigns of candidates (except state and local officials) for the U.S. Congress.

**NOTE: If you do not check a box above your entire contribution will be directed to NAIFA’s federal PAC.** Contributions to IFAPAC political account must be personal, not corporate. Contributions made on corporate or LLC accounts will be directed to NAIFA’s administrative fund to help defray the costs of administering IFAPAC. NAIFA disclaims responsibility for any damage or liability that may arise from contributions to IFAPAC based on the SEC or FINRA “Pay to Play” Rules or from any company compliance requirements related to those rules.

NAIFA MEMBER NAME (please print)

DATE

NAIFA MEMBER SIGNATURE

NAIFA MEMBER ID #

STATE

The Insurance and Financial Advisors Political Action Committee (IFAPAC) describes collectively the PAC sponsored by NAIFA at the federal level and the PACs sponsored by each state association.

## HANDLING OBJECTIONS

Once you’ve dispelled the PAC myths, you may still run into members who voice reasons for not investing in their futures. Below are few objections you might hear and how to handle them.

### I don’t believe in giving money to political candidates.

Actually, rather than “giving” money to political candidates, you are investing in your business and making a commitment to preserving the future of our industry. If insurance is your business; shouldn’t you have insurance for your business? Bad legislation passed by Congress or the state legislatures could be just as catastrophic financially as the loss of any of your possessions by fire, theft or storm. IFAPAC helps elect officials at the national and state levels who understand and support the importance of insurance products and financial planning in order to secure America’s financial future.

### I already contribute to political candidates on my own.

You should contribute directly to the candidates, but you should also contribute through IFAPAC. The dollars you invest are pooled with thousands other NAIFA members to support candidates who understand the issues that affect our industry.

*“Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere.”* – THEODORE ROOSEVELT

Each PAC is a fund that supports the campaigns of candidates for public office who understand issues important to insurance agents and financial advisors.

### I don’t have the money.

Look at it this way. Do you drink coffee? The average price for brewed coffee is about \$3. Think you can’t afford to invest in IFAPAC? In about a month and a half you will have saved \$100 that you can invest in IFAPAC to protect your business.

### I’m a Republican/Democrat, and IFAPAC has supported candidates of the other party.

IFAPAC is nonpartisan in its selection of candidates. The voting record and actions taken on the issues that affect agents and advisors, in addition to the recommendations of local and state associations, are the deciding factors on who IFAPAC supports.

### IFAPAC is already a successful PAC, you don’t need my contribution.

While IFAPAC has been successful in advancing NAIFA’s issues, new legislation and regulations are constantly being introduced. We must remain powerful and ready to assist candidates that understand our issues at all levels. It is imperative that we continue to build on the momentum we have created.



[www.NAIFA.org/IFAPAC](http://www.NAIFA.org/IFAPAC)

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS  
POLITICAL ACTION COMMITTEE



# ANSWERING THE CRITICS

## MYTHS AND OBJECTIONS DISPROVED



NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS  
POLITICAL ACTION COMMITTEE

The Insurance and Financial Advisors Political Action Committee (IFAPAC) supports candidates who understand the issues important to insurance agents and financial advisors.



## COMMON MYTHS

**MYTH:** IFAPAC is partisan.



**REALITY:** IFAPAC selects candidates who share our philosophy and who will listen to the Insurance Agent viewpoint. Political affiliation is not considered. In election cycle after election cycle, IFAPAC contributions are nearly proportionally split between Republican and Democratic candidates.

**MYTH:** My IFAPAC investment is only important in election years.



**REALITY:** Candidates begin fundraising prior to their election so they are properly prepared when their election year comes around.

**MYTH:** IFAPAC buys votes, adding to my distrust of politics.



**REALITY:** IFAPAC does not buy votes. PERIOD.

NAIFA wants to be sure your elected officials fully understand the issues affecting agents, advisors and their clients. IFAPAC gives us a foot in the door by allowing NAIFA members and professional staff to establish relationships with Members of Congress on a regular basis. These strong relationships allow NAIFA an opportunity to present our issues to lawmakers.

However, there is no guarantee they will agree, and in fact, no elected official will always agree with us every time.

**MYTH:** I don't need to contribute because my dues dollars already pay to lobby our issues.



**REALITY:** Federal election law requires that contributions to federal candidates be made with "hard" or personal dollars. NAIFA cannot use dues dollars for political contributions.

**MYTH:** I don't have any say in where my IFAPAC investment goes.



**REALITY:** IFAPAC is a member run organization and all political contributions are approved by members of the association. Most PACs go to great lengths to solicit the opinions of their contributors and IFAPAC does too.

CLUB LEVEL (Annual Contribution)	Monthly Contribution
Capitol (\$5,000)	\$417
Emissary (\$2,500 to \$4,999)	\$210
Diplomat (\$1,000 to \$2,499)	\$84
Envoy (\$500 to \$999)	\$42
Statesman (\$300 to \$499)	\$25
Ambassador (\$200 to \$299)	\$17
Century (\$100 to \$199)	\$10

NAME \_\_\_\_\_

NAIFA MEMBER # \_\_\_\_\_

TITLE/COMPANY \_\_\_\_\_

BILLING ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

### 3 Payment Options

- Personal check:** made payable to IFAPAC, is enclosed.
- Credit Card:** please charge my personal card \$ \_\_\_\_\_
- One time  Monthly (\$25 minimum)
- Visa  MasterCard  American Express  Discover

ACCOUNT # \_\_\_\_\_

EXP. DATE \_\_\_\_\_

NAME ON CARD \_\_\_\_\_

SECURITY CODE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

### Monthly Giving Authorization

I agree to enroll in one of IFAPAC's monthly giving programs and do hereby authorize IFAPAC to withdraw from my account the amount specified every month. Monthly credit card withdrawals will occur on the 20th of each month while bank drafts will occur on or about the 10th of each month. This authorization will remain in effect until revoked by me in writing and, until IFAPAC receives such notice, I agree that IFAPAC shall be fully protected in honoring such withdrawals. If any such check be dishonored, IFAPAC shall be under no liability whatsoever.

NAME OF DEPOSITOR AS SHOWN ON BANK RECORDS \_\_\_\_\_

ROUTING # \_\_\_\_\_

ACCOUNT # \_\_\_\_\_

AMOUNT OF DRAFT PER MONTH (CLUB LEVELS ARE LISTED ABOVE) \_\_\_\_\_

SIGNATURE AS SHOWN ON BANK RECORDS \_\_\_\_\_

DATE \_\_\_\_\_

A voided check from the account named above must be returned with this form.

**Mail your payment to:**

**IFAPAC, PO Box 759063, Baltimore, MD 21275-9063**

Contributions to IFAPAC are voluntary and contributed to candidates for elective office. Your contributions will be divided between your state association IFAPAC and IFAPAC National, if you have directed NAIFA to do so (see reverse side). Club types listed above are merely suggestions. You can contribute more or less than the suggested amount. The amount contributed will not benefit or disadvantage you in any way. You have the right to refuse to contribute without reprisal. Corporate contributions to IFAPAC's political fund are prohibited. Contributions to IFAPAC are not deductible for federal income tax purposes. For NAIFA-Massachusetts members, the division of funds will be 50%/50% up to the state limit of \$500 per calendar year.

