The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost-effective manner, consistent with the wishes of its members:

- Protect the public interest;
- Promote competitive markets;
- Facilitate the fair and equitable treatment of insurance consumers;
- Promote the reliability, solvency and financial solidity of insurance institutions; and
- Support and improve state regulation of insurance.

To promote consumer representation and participation in the NAIC, the Consumer Participation Program was established by the NAIC.

Section 1. Mission

The mission of the NAIC Consumer Participation Program is to assist the NAIC in its efforts to support state insurance regulation by providing consumer views on insurance regulatory issues.

Section 2. NAIC Consumer Participation Board of Trustees

A. The NAIC Consumer Participation Board of Trustees (Board) shall consist of 12 members: six NAIC members and six funded consumer representative members.

B. The current president of the NAIC, or his or her designee shall serve as Chairperson of the Board.

C. The NAIC Executive Committee shall annually appoint the NAIC members of the Board at the beginning of each year.

D. Board appointments of the six NAIC members shall be confirmed by the NAIC Executive Committee during the first quarter of the year.

E. The term of service for the six NAIC members of the Board shall be one year, which shall begin on January 1 and conclude on December 31.

F. Each December, the six NAIC members serving on the current Board shall appoint to the board six consumer representatives, chosen from those who will serve in the upcoming year. The consumer representatives selected to serve on the Board shall have served for at least two years as a NAIC consumer representative.
G. Consumer Members of the Board shall serve staggered, two-year terms with three different consumer members of the Board rotating on and off the Board annually; however, each must submit a recertification form for the second year of their term. NAIC members of the Board will review second-year recertification forms to determine if there is a reason a consumer representative should not continue to serve on the Board. If no reason is determined, the designated consumer representatives shall serve the second year of his or her two-year term.

H. Consumer representatives shall be asked to indicate their interest to serve on the Board when they apply to be consumer representatives.

I. The Board may meet in person or via teleconference to conduct its business.

J. Meetings of the Board are not public meetings and matters discussed are to be kept confidential unless publicly disclosed by the Chairperson of the Board. However, no change to the Plan of Operation may be taken by the Board without prior disclosure to and opportunity for comment by current consumer representatives of the proposed changes.

K. A consumer representative Board member may be removed by a majority vote of the Board (four of the six NAIC members and four of the six consumer representative members) whenever, in their judgment, the best interests of the Board would be served thereby. Prior to the vote, the consumer representative Board member under consideration for removal will be afforded an opportunity to address the Board and present justification for retention of his or her Board seat and/or to answer any questions of the Board members.

L. If a vacancy occurs on the Board prior to October 1 due to the resignation or removal of a Board member, a new Board member shall be appointed to serve out the remainder of the term. If the open position is that of an NAIC Member, a replacement shall be appointed by the NAIC Officers. If the open position is that of a funded Consumer Representative, a replacement shall be appointed by the NAIC Members of the Board. No replacement will be appointed for a vacancy on the Board that occurs on or after October 1.

Section 3. Duties of the Board

A. The Board shall administer the Consumer Participation Program:

1. By the end of the calendar year prior to the new term, the current Board shall select the NAIC funded and unfunded consumer representatives to serve in the next calendar year.

2. The Board may also remove a designated consumer representative by a majority vote of the Board (four of the six NAIC members and four of the six consumer members) whenever the representative no longer meets the consumer representative qualifications; or, whenever in its judgment, the best interests of the Consumer Participation Program would be served, thereby. Prior to the vote, the designated consumer representative under consideration for removal will be afforded an opportunity to address the Board and present justification for retention of his or her designation and/or to answer any questions of the NAIC Board members.

3. At the last national meeting of each year, the Chairperson of the NAIC Consumer Participation Board of Trustees shall provide the NAIC Executive (EX) Committee with an annual report summarizing the Board’s activities for the year, as well as the consumer participation in the Program.

Section 4. Consumer Representatives

A. Consumer representatives must possess a commitment to and experience with consumer advocacy regarding insurance regulatory issues.
B. Applicants may apply to be designated funded or unfunded consumer representatives.

Section 5. Consumer Representative Application Process

A. By August 31 of each year, a link for web access to the blank consumer representative applications shall be posted on the NAIC website along with: 1) a statement that the NAIC encourages those individuals and consumer advocacy groups with a commitment to and experience with consumer advocacy regarding insurance regulatory issues; 2) a statement describing the NAIC and its services to the state insurance departments; 3) a schedule of the NAIC meetings for the following year and their locations; 4) a list of the NAIC committees and their memberships; 5) an explanation that the role of the consumer representatives at NAIC meetings is to serve as a liaison to the consumer advocacy community and to offer the consumer perspective; and 6) the following statement:

   The NAIC provides an equal opportunity for all applicants and does not discriminate based on: race, creed, color, sex, sexual orientation, gender identity or expression, religion, age, national origin or ancestry, handicap or disability, marital status, pregnancy, genetic information, veteran or military status or any other status protected by law.

B. Prospective consumer representatives are required to submit fully completed applications to the NAIC by October 31. (Partial or late applications will not be considered.) To be considered a fully completed application, the applicant must:

1. Submit a copy of his or her organization’s by-laws, if available, reflecting the organization’s mission to represent consumer interests and promote consumer protection, if the applicant is applying as a representative of a consumer organization.

2. Submit a completed and signed application with all required attachments.

3. Submit a signed NAIC Conflict of Interest Statement to disclose conflicts, if any, and acknowledge the NAIC’s expectation that he or she will notify the Board of any potential conflict of interest as soon as one arises during the year. The Board will determine if a conflict exists and what action may be required on a case-by-case basis.

Section 6. Consumer Representative Qualifications

A. Applicants for the position of NAIC consumer representative shall:

1. Demonstrate a commitment to and experience with consumer advocacy regarding insurance regulatory issues;
2. Demonstrate an expertise in insurance regulatory issues;
3. Demonstrate an ability to effectively advocate for consumers in a collegial, respectful and professional manner;
4. Commit to attending regular NAIC meetings absent exceptional circumstances, and commit to participating on NAIC conference calls, including calls among consumer representatives; and
5. Only be considered for reappointment if he or she attends NAIC meetings and participates in NAIC meetings and NAIC calls.

B. Applicants for a funded representative position must describe in detail the applicant’s need for NAIC funding, including his or her current source of funding. If he or she is applying as a consumer representative of an organization, he or she must submit the organization’s most current annual budget.
C. At the completion of the selection process, successful applicants will be notified of his or her appointment as either a funded or unfunded consumer representative.

D. The current Board will determine if unsuccessful applicants for funded positions may be considered for unfunded positions.

Section 7. Reimbursement of Expenses

NAIC funded consumers shall submit expense reports itemizing the costs of attending NAIC meetings according to the NAIC Funded Consumer Representative Guidelines for Reimbursement of Expenses located on the NAIC Consumer Participation web site.

Unfunded consumer representatives will not receive reimbursement for travel expenses from the NAIC but are eligible for other benefits, including waiver of the NAIC national meeting registration fees.

Section 8. Designated Consumer Representative Term

Designated consumer representatives are appointed by NAIC and consumer members of the Board and shall serve two-year terms; however, each must submit a recertification form for the second year of the term.

NAIC and consumer members of the Board will review recertification forms to determine if there is a reason a designated consumer representative should not continue to serve. If no reason is determined, the designated consumer representatives shall serve the second year of his or her two-year term.

Section 9. Representatives Chosen to Represent an Organization

A consumer representative chosen to represent an organization will be expected to resign their position if the representative ceases to be affiliated with the organization or if the organization ceases to exist.

Such a representative may apply to be an individual, independent consumer representative during the next annual application period.

Section 10. Further Information

Information about the NAIC Consumer Participation Program (application deadline, selection criteria, etc.) and complete listings of the current NAIC Funded and Unfunded Consumer Representatives can be found on the NAIC website.

Section 11. NAIC/Consumer Liaison Committee

A. The purpose of the NAIC Consumer Liaison Committee is to assist the NAIC in its mission to support state insurance regulation by providing consumer views on insurance regulatory issues. The Liaison Committee provides a forum for ongoing dialogue between NAIC members and NAIC consumer representatives.

B. To promote participation at NAIC meetings, the agenda of the NAIC Consumer Liaison Committee shall be set and distributed no later than 21 days prior to the next NAIC national meeting by the Chairperson of the NAIC Consumer Liaison Committee in consultation with one of the six consumer members of the Consumer Participation Board of Trustees. Any amendments made to this agenda are subject to the approval of the Chairperson of the NAIC Consumer Liaison Committee.