

# PAMIC Antitrust Policy

As members of this organization we are committed to operating within the letter and spirit of all applicable federal and state laws, and particularly are mindful of the constraints of the antitrust laws. Numerous laws absolutely prohibit the exchange of information among competitors regarding price, refusals to deal, or agreements to proceed in certain anti-competitive respects. No such exchange of this information is either sanctioned by PAMIC or will be permitted during meetings.

Although the McCarran-Ferguson Act has given a limited exemption to the insurance industry from certain otherwise prohibited activities, the exception provided companies has definite limits and PAMIC itself, as a trade association, has no such exemption. Activities, both in and out of the meeting room, are exempt under McCarran-Ferguson only if they: a) involve the business of insurance; b) are regulated by state law; and c) do not constitute an agreement to boycott, coerce and/or intimidate or an act to further any of the three. **Please note that legislative activities are protected by the 1<sup>st</sup> Amendment and are generally not subject to antitrust laws.**

All meetings or events conducted in the name of PAMIC are intended solely to provide a forum for the expression and exchange of information. Meetings shall not be used as a means to reach any understanding, express or implied, which tends to restrict competition or in any way impairs the ability of individual members to exercise independent business judgment regarding matters affecting competition.

Each PAMIC member has the responsibility of avoiding antitrust violations in all PAMIC activities and interactions. During informal or social discussions at PAMIC events members must observe the same standard of conduct required by PAMIC in compliance with this policy statement.

Besides discussions involving any possible insurance market boycott, coercion and/or intimidation, which are never protected under any circumstances, here are some practices which you should not initiate nor participate in as they may expose you, your company, and PAMIC to possible antitrust investigation and/or prosecution by the FTC or Justice Department. Discussing any of the following:

- Price, profits, commission, reinsurance or any other cost components and elements.
- Rates or the stabilizing of rates or other terms or conditions of any products to be offered for sale.
- Underwriting criteria with an eye toward standardizing.
- A market division plan without a state law covering the plan, including discussions of type or products to be offered, customers to whom insurance products may be sold or the territories in which they may be sold.
- Matters that would adversely affect availability of insurance or services to the public.
- Future rate plans including actuarial projections.
- “Fair” profit levels.
- Keeping access to PAMIC membership unduly restrictive or denying unique services of PAMIC to nonmembers.
- Developing “standards” for company operations.
- Trading information on bidding for office equipment and supplies or agreeing to collectively refrain from purchasing any equipment, services or supplies from any supplier.
- Suggesting a certain credit policy.
- Referring to any company or agency by specific name in any example you may give as an illustration during our discussions.

If any of the above occurs, you should object, have your objection noted in the minutes of any meeting, and, if the discussion or practice continues, leave the room. If you see any prohibited practices occurring in any PAMIC meeting or social event, please mention your concern to an officer of the Association.