

ments which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

**(h) Suspension and revocation**

The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association; or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

**(i) Office of consumer complaints**

**(1) In general**

The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

**(2) Records and referrals**

The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

**(3) Telephone and other access**

The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

(Pub. L. 106-102, title III, § 325, Nov. 12, 1999, 113 Stat. 1424.)

**§ 6756. Board of directors**

**(a) Establishment**

There is established the board of directors of the Association (hereafter in this subchapter referred to as the “Board”) for the purpose of governing and supervising the activities of the Association and the members of the Association.

**(b) Powers**

The Board shall have such powers and authority as may be specified in the bylaws of the Association.

**(c) Composition**

**(1) Members**

The Board shall be composed of 7 members appointed by the NAIC.

**(2) Requirement**

At least 4 of the members of the Board shall each have significant experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

**(3) Initial Board membership**

**(A) In general**

If, by the end of the 2-year period beginning on November 12, 1999, the NAIC has not appointed the initial 7 members of the Board of the Association, the initial Board shall consist of the 7 State insurance regulators of the 7 States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

**(B) Alternate composition**

If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

**(C) Inoperability**

If fewer than 7 State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 6762 of this title.

**(d) Terms**

The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with one-third of the directors to be appointed each year.

**(e) Board vacancies**

A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

**(f) Meetings**

The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

(Pub. L. 106-102, title III, § 326, Nov. 12, 1999, 113 Stat. 1426.)

**§ 6757. Officers**

**(a) In general**

**(1) Positions**

The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

**(2) Manner of selection**

Each officer of the Board and the Association shall be elected or appointed at such time

and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

**(b) Criteria for chairperson**

Only individuals who are members of the NAIC shall be eligible to serve as the chairperson of the board of directors.

(Pub. L. 106-102, title III, §327, Nov. 12, 1999, 113 Stat. 1427.)

**§ 6758. Bylaws, rules, and disciplinary action**

**(a) Adoption and amendment of bylaws**

**(1) Copy required to be filed with the NAIC**

The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

**(2) Effective date**

Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) 30 days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) upon such earlier date as the NAIC may determine.

**(3) Disapproval by the NAIC**

Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subchapter and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) of this section be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such subsection.

**(b) Adoption and amendment of rules**

**(1) Filing proposed regulations with the NAIC**

**(A) In general**

The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

**(B) Other rules and amendments ineffective**

No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

**(2) Initial consideration by the NAIC**

Not later than 35 days after the date of publication of notice of filing of a proposal, or be-

fore the end of such longer period not to exceed 90 days as the NAIC may designate after such date, if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

**(3) NAIC proceedings**

**(A) In general**

Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded not later than 180 days after the date of the Association's filing of such proposed rule or amendment.

**(B) Disposition of proposal**

At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

**(C) Extension of time for consideration**

The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) such longer period as to which the Association consents.

**(4) Standards for review**

**(A) Grounds for approval**

The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

**(B) Approval before end of notice period**

The NAIC shall not approve any proposed rule before the end of the 30-day period beginning on the date on which the Association files proposed rules or amendments in accordance with paragraph (1), unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

**(5) Alternate procedure**

**(A) In general**

Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association shall take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.