

NCAHU BYLAWS

BYLAWS of the North Carolina Association of Health Underwriters Amended 4/2010

ARTICLE I – NAME AND TERRITORIAL LIMITS

Section 1. This professional organization shall be known as the North Carolina Association of Health Underwriters, hereinafter referred to as this Association, a non-profit corporation incorporated as such under the laws of the state of North Carolina and chartered by the National Association of Health Underwriters.

Section 2. The territorial limits of this Association shall be confined to the state of North Carolina.

ARTICLE II – PURPOSES

Section 1. The objectives of this Association shall be:

- A. To promote the common business interests of those engaged in health, disability and related insurance products and services management.
- B. To advance public knowledge for the need and benefit of health, disability and related insurance products and services.
- C. To promote the adoption and application of high standards of ethical conduct in the health, disability and related insurance industries.
- D. To provide and promote a program of continuing education and self-improvement for Association members.
- E. To increase the knowledge and principles, functions and applications of health, disability and related insurance products and services.
- F. To promote education, legislation, regulation and practices which are in the best interest of the health, disability and related insurance industry and the insuring public.
- G. To encourage adequate protection against the hazards of disability as part of a well rounded insurance program.
- H. To do such other things and to carry out such other programs so as to further the purposes of the National Association of Health Underwriters.

Section 2. This Association and its members recognize an obligation to present accurately, honestly and completely every fact essential to the client's decision as expressed in the National Association of Health Underwriters Code of Ethics which is considered a part of these bylaws.

ARTICLE III – MEMBERSHIP

Section 1. Membership in this Association will be available only as an Individual Member.

Section 2. An individual member may be any individual licensed by his/her state licensing authority for the sale of disability income and/or health insurance products. Individual members may also include non-licensed individuals engaged in the distribution of disability income and/or health insurance products such as, but not limited to, home office personnel and others engaged in the management and distribution of such products.

Section 3. An active member is an individual member in good standing, regardless of designation, is one who has paid all dues required by local, state and national associations. Any individual member more than sixty (60) days in arrears in payment of dues shall be dropped from the rolls as an active member.

Section 4. An individual's membership in the Association may be revoked in accordance with national and/or local association bylaws and the impact shall be reciprocal among the various associations. Those bylaws provisions concerning revocation of membership shall include requirements that notice be provided to the member, that notice include the basis for their removal, that the accused member shall enjoy the protection of due process and a vote of the governing body of the national or local association removing

that individual's membership. The basis for revoking an individual's membership shall include but not be limited to revocation of that individual's license to sell insurance by the relevant governmental authority or conviction or admission of guilt by the individual to a crime which is a felony or gross misdemeanor by any jurisdiction.

ARTICLE IV – NATIONAL AND STATE AFFILIATION

Section 1. This Association agrees to be bound by the bylaws of the National Associations of Health Underwriters as adopted and amended.

Section 2. The Board of Directors shall provide for the prompt review, approval and forwarding of all reports required or requested by the National Associations of Health Underwriters.

Section 3. Insofar as possible, this Association shall be represented by its proper delegates, or their duly appointed alternates, at the annual meeting of the National Associations of Health Underwriters.

ARTICLE V – DUES AND FINANCE

Section 1. Each active member of this Association shall pay local (if applicable), state and national annual dues. Such annual dues shall be payable on the first day of the member's anniversary month as recorded by the National Association of Health Underwriters. All dues shall be submitted to and through the National Association of Health Underwriters.

Section 2. The Board of Directors shall determine the amount of annual dues of this Association, subject to the ratification of at least three-fourths (3/4) of the Board of Directors. This Association's dues may only be changed once a year and will be in effect from January 1 through December 31 of each year. Not later than the fifteenth (15th) of September of each year, or a date specified by the National Association of Health Underwriters, if this Association plans to increase or decrease its state chapter dues for the following calendar year, the President shall advise the National Association of Health Underwriters in writing of the Board-approved dues for the following year.

Section 3. The fiscal year of this Association shall begin on the first day of July of each year.

Section 4. This Association's books of accounts shall be reviewed and/or audited at least once each fiscal year. The Board of Directors shall name the auditors/reviewers.

Section 5. The Board of Directors shall determine the official depository (ies) for Association funds and shall designate one or more Board members in addition to the Treasurer to sign or countersign checks or other documents for the disbursement of such funds.

ARTICLE VI – OFFICERS

Section 1. The officers of this Association shall be: President, President-Elect, Immediate Past President, Vice President, Secretary/ Treasurer, Past President's Council Chair, (appointment is optional at the president's discretion), and a non-voting Association Executive Director.

Section 2. Each officer, except the Association Executive Director, shall be an active individual or life member of this Association, and National Associations of Health Underwriters.

Section 3. All officers, except the Association Executive Director, shall serve without compensation.

Section 4. All officers shall take office on the first day of July of each year following their election, and shall serve for a term of one year.

Section 5. The office of Immediate Past President shall be filled automatically by the outgoing President. In the event there is no outgoing President, this office shall remain vacant.

Section 6. If the office of the President shall become vacant due to death, disability, resignation, recall or removal by due process, the President-Elect shall assume the office for its unexpired term and the term of President for the succeeding year and the office of President-Elect shall become vacant until the next regular election. If the office of President becomes vacant and there is no President-Elect, the order of succession shall be Vice President and then Secretary/Treasurer.

Section 7. If the office of President-Elect shall become vacant due to death, disability, resignation, recall or removal by due process, or by succession to the Presidency under Article VI, Section 6, the President shall appoint a member of this Association in good standing to fulfill the duties of the office for its unexpired term. The appointment shall be subject to a three-fourths (3/4) vote of approval by the Board of Directors. The office itself shall remain vacant until the next regular election.

Section 8. If the offices of Vice President, Secretary/Treasurer, and/or Past President's Council Chair, become vacant due to death, disability, resignation, recall or removal by due process, or by succession under Article VI., Section 6, the office(s) shall be filled by appointment by the President. The appointment shall be subject to three-fourths (3/4) vote of approval of the Board of Directors and shall be only for the unexpired term of the office(s). Appointees shall assume the title and duties of the office(s).

ARTICLE VII – DUTIES OF OFFICERS

Section 1. The duties of the officers shall be as follows:

A. President – The President shall be the chief elected officer of this Association and shall preside over all meetings of this Association and the Board of Directors. The President shall appoint all committees whose membership is not otherwise established by these Bylaws and be an ex officio member of all standing and special committees except the Nominations Committee.

B. President-Elect – The President-Elect, in the absence of the President, shall preside at all meetings of this Association and the Board of Directors and shall perform such other duties as may be assigned by the President or Board of Directors.

C. Immediate Past President – The Immediate Past President shall serve as an advisor to the Board of Directors and perform other duties as assigned by the President or Board of Directors.

D. Vice President – The Vice President in the absence of the President and the President-Elect shall preside at all meetings of this Association and the Board of Directors and shall perform such other duties as may be assigned by the President or Board of Directors.

E. Secretary/Treasurer – The Secretary shall be responsible for keeping all records of membership, attendance, membership dues and minutes of the meetings of this Association and the Board of Directors and shall perform other duties as may be assigned by the President or Board of Directors. The Secretary/Treasurer shall also be responsible for overseeing the Executive Director with regards to: all funds, deposits and disbursements upon the order of the Board of Directors. The accounts and books of the Association shall be open at all times for inspection by the President, the Board of Directors, and any authorized auditors. The Treasurer shall be responsible for the completion and submission of forms required by laws governing the administration and/or tax status of this Association.

F. Past President's Council Chair - Shall serve as an advisor to the President and the Board of Directors, shall preside over at least one Past Presidents Council meeting in which all of the Association's Past Presidents are invited, stay in regular communication with the Association's Past Presidents and report back to Board of Directors as needed, and shall perform other duties assigned by the President or Board of Directors. This position shall be filled at the discretion of the President.

G. Association Executive Director– The Association Executive Director is appointed by the Board of Directors, for such period, such compensation, and with such authority, duties, facilities and assistance as the Board of Directors may determine. The Association Executive Director shall have no vote.

ARTICLE VIII – BOARD OF DIRECTORS

Section 1. The Board of Directors shall consist of the officers of the Association, The President of each local association within the state, one (1) member-at-large of each local association within the state, the Committee chairpersons for each of the Committees identified in Article X, and the optional Association Executive Director (as an ex officio member).

Section 2. Each local President, Member-at-large and Committee chair shall be an active member of this Association, and the local and National Associations of Health Underwriters.

Section 3. All Local Presidents, Members-at-large and Committee chairpersons shall serve without compensation.

Section 4. All Local Presidents, Members-at-large and Committee chairpersons shall take office on the first day of July of each year following their election, and shall serve for a term of one year. (See Article VI, Section 4.)

Section 5. The Board of Directors shall determine the policies and any activity of this Association, approve the budget, authorize all expenditures and disbursements, and has the authority and responsibility to manage this Association's affairs.

Section 6. The Board of Directors shall meet no less than four (4) times per year or at the call of the President. The meetings shall be held at such times and places as may be determined by the President or Board of Directors. A written notice of the time and place of all regular meetings of the Board of Directors

of this Association shall be mailed or emailed to each member of the Board by the President not less than thirty (30) days prior to the meeting.

Section 7. The Board of Directors may transact business by mail or electronic means by voting upon proposals presented to them. Any such proposal shall be adopted if at least two-thirds (2/3) majority of the entire Board returns affirmative votes. The members of the Board of Directors shall be advised of the results of such balloting no less than seven (7) days after the vote is tabulated.

Section 8. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Section 9. In the event a director position becomes vacant due to death, disability, resignation, recall or removal by due process, or by succession under Article VI., Section 6, the position shall be filled by appointment by the President. The appointment shall be subject to three fourths (3/4) vote of approval of the Board of Directors and shall be only for the unexpired term of the office(s).

ARTICLE IX – NOMINATIONS AND ELECTIONS

- (1) The offices of President Elect, Vice President and Secretary/Treasurer shall be elected annually at the NCAHU Symposium and shall begin serving at the beginning of the Association's fiscal year or upon inauguration.
- (2) Individuals who are interested in serving in any of the offices which are elected shall submit to the Immediate Past President, as Elections Chair, a nomination statement for an office which shall include acknowledgement of their interest in serving in the office, no less than 30 days prior to the first day of the annual NCAHU Symposium.
- (3) If more than one individual submits the required statement to the Elections Chair for an office, there shall be an election in accordance with the provisions of subsection (4) herein. Otherwise, the election of the individual for a particular office shall be accomplished by a majority affirmation of that individual's candidacy of the Board of Directors who are present and voting.
- (4) Contested Elections.
 - a. The boards of directors for each local association shall elect individuals to serve as delegates for the election. Each local association may elect no more than eight (8) delegates and may designate no more than three individuals to serve as alternate delegates in the event any elected delegate is unable to attend the election meeting. A quorum of 75% of delegates is required for the election to occur.
 - b. At a time during the Symposium designated by a majority vote of the Executive Committee, there shall be a meeting of the delegates to conduct the election for any contested office. Each delegate must be credentialed for the meeting and may be replaced by an local association alternate upon written consent of a delegate from that local association or oral notification by the local association's delegate to the Elections Chair or their designate.
 - c. For each contested election, candidates shall have a period of no more than five minutes during the meeting to speak to the credentialed delegates and may use that time to speak or have others speak on their behalf.
 - d. Upon conclusion of the speaking periods for each contested election, each credentialed delegate shall be entitled to one (1) vote for each contested office on a paper ballot. Ballots shall be collected by the Elections Chair and a committee composed of no more than three (3) individuals designated by each candidate.
 - e. The Elections Chair and the committee shall immediately count the ballots and report to the meeting of delegates the results of any contested election.
 - f. If no candidate receives a majority vote of the delegates, the two individuals receiving the highest vote totals for each contested election shall stand for a second election. However if one of those two individuals wishes to waive their candidacy in favor of the other, they may do so by informing the Elections Chair.
 - g. Any candidate receiving a majority vote shall be elected to the contested office and shall assume office at the beginning of the Association's fiscal year or upon inauguration.

ARTICLE X – COMMITTEES

Section 1. There shall be the following standing committees:

- A. Awards
- B. Education
- C. State Legislation
- D. Federal Legislation
- E. Media Relations
- F. Under 40/New Agents committee
- G. Membership
- H. Retention
- I. Nominations
- J. Technology
- K. HUPAC

Section 2. The President shall appoint the chairs and members of all standing, special or ad hoc committees and task forces, subject to the approval of the Board of Directors.

Section 3. The Board of Directors shall establish guidelines for all committees and task forces regarding usual duties, terms of office, and requirements for reports unless otherwise specified in these bylaws.

Section 4. The administration of the fiscal affairs of all standing, special and ad hoc committees and task forces are vested in the Board of Directors.

ARTICLE XI – RECALL AND REMOVAL FROM OFFICE

Section 1. An officer, member of the Board of Directors, committee member or chair, or task force member or chair may be removed from office in the event of such acts of dishonesty, fraud, misrepresentation, or other reasonable cause as would prevent the effective performance of his/her duties.

Section 2. No elected officer or board member, or appointed committee member or chair, or appointed task force member or chair may be removed from office without a three fourths (3/4) vote of the Board of Directors at any regular or special meeting at which a quorum is present.

Section 3. Notice of recall or removal must be sent by registered mail to the affected individual advising him/her of the action taken or about to be taken. Removal by due process requires notification prior to the vote for removal from office. The Board of Directors and/or twenty-five percent (25%) of this Association's membership can initiate recall. Recall can only be achieved by a three-fourths (3/4) vote of the Board of Directors.

Section 4. Failure to achieve the required vote for removal will cause the immediate reinstatement of the recalled individual to office. Any appointee replacing the recalled officer shall also immediately be discharged.

Section 5. Any individual member of this Association shall lose all rights and privileges of office under this Association if his/her license to sell insurance is revoked or if he/she is convicted of a felony or gross misdemeanor.

ARTICLE XII – PARLIAMENTARY AUTHORITY

Section 1. The current edition of “The Standard Code of Parliamentary Procedure” (Sturgis) governs this Association in all parliamentary situations that are not provided for in the law or in its charter, bylaws or adopted rules.

ARTICLE XIII – AMENDMENTS

Section 1. Amendments to these bylaws, if in conformity with the policy of the National Association of Health Underwriters, may be adopted by a two-thirds (2/3) vote of the Board of Directors of this Association present at any meeting of the Board of Directors, provided that written notice of the meeting and of the proposed amendment(s) shall have been given to the members at least one month prior to the meeting, and provided further that a quorum is present at the meeting.

ARTICLE XIV – INDEMNIFICATION

Section 1. This Association may, by resolution of the Board of Directors, provide for indemnification by this Association of any and all its Directors or officers or former Directors or officers against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding, in which they or any of them are made parties, or a party, by reason of having been Directors or officers of this Association, except in relation to matters as to which such Director or officer or former Director or officer shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

ARTICLE XV – DISSOLUTION

Section 1. Dissolution of this Association requires the passing of a Resolution of Resignation by a three-fourths (3/4) vote of all active members. The adopted resolution shall be sent by the Secretary of this Association by registered mail to the Executive Vice President of the National Association of Health Underwriters and shall become effective upon acceptance by the Board of Trustees. Upon acceptance of the Resolution of Resignation by the Board of Trustees, individual members of this Association shall become active members of the existing local association nearest them in their state, or members-at-large if no other association exists within their state.

Section 2. This Association, by taking the action to resign, shall surrender all rights to use the name, emblem, insignia, plate, sign, label or phrase indicative of membership in this Association.

Section 3. This Association’s charter with the National Association of Health Underwriters may be suspended or revoked in accordance with appropriate sections of the bylaws of the National Association of Health Underwriters.

Section 4. This Association shall use funds only to accomplish the objectives and purposes specified in these bylaws and no part of said funds shall inure or be distributed to its members in the event this Association is dissolved or its charter revoked for cause in violation of the bylaws of the National Association of Health Underwriters. Immediately upon dissolution or revocation of its charter, this Association’s Board of Directors shall return all remaining Association funds to the National Association of Health Underwriters for placement in escrow. Funds placed in escrow will be distributed in accordance with the procedures outlined in the bylaws of the National Association of Health Underwriters.

ARTICLE XV – PREVIOUS BYLAWS SUPERCEDED

Section 1. These bylaws, as revised, supersede all provisions of any previous bylaws of this Association.