

# **BYLAWS**

## **NAIFA-GREAT SOUTHWEST ASSOCIATION**

### **Insurance and Financial Advisors**

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## **BYLAWS**

### **NAIFA-GREAT SOUTHWEST**

#### **Insurance and Financial Advisors**

#### **ARTICLE I - NAME AND TERRITORY**

Section 1. The name of this Association shall be known as NAIFA-Great Southwest.

Section 2. This Association shall be located in the State of Texas. Except for membership purposes, as provided in Article III, Section 2(c), the territory of this association shall be confined to the Dallas Fort Worth region.

This territory shall not be changed unless permission is first obtained from the local association(s) having jurisdiction in such territory, if any of the National Association of Insurance and Financial Advisors (referred to in these bylaws as NAIFA or the National Association), and NAIFA-Texas of which this association is a member (referred to in these bylaws as the State Association).

#### **ARTICLE II - MISSION**

The mission of this Association is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of our members.

#### **ARTICLE III - CLASSES OF MEMBERSHIP**

Section 1. Membership shall consist of the Active: Associate, and Honorary classes.

Section 2. Active Membership

(a) The Active membership of this Association shall consist of insurance and financial advisors licensed to sell life, health and/or property-casualty insurance in either a personal sales or a field management capacity, who are elected to membership as provided in Article IV.

(b) The Active membership may also include any member who has been an Active member in good standing of one or more NAIFA associations twenty (20) or more years, and who, by reason of having either 1) reached age sixty-five (65) or 2) become permanently disabled, is no longer substantially engaged in the solicitation of new insurance business. Any person elected to Active membership under this paragraph shall be known as an "Active Member Emeritus" and may be exempt from or have reduced local association dues. State and National Association dues must be paid in accordance with the Bylaws and policies of those organizations.

(c) An individual shall be eligible for Active membership in this Association so long as the individual has a residence or office in the state in which this Association is located. An individual with neither a residence nor an office in the state in which this Association is located, shall be eligible for Active membership in this Association if the individual also is and remains a member of a local association in a state where their residence or office is located.

(d) Active membership shall automatically cease for any person who changes vocational activity so as to be ineligible for Active membership.

(e) Except as otherwise specified in these Bylaws, all reference to Active members shall include Active Members Emeritus.

(f) Except as otherwise specified in these Bylaws, all reference to Active members shall be entitled to all of the privileges of this Association.

### Section 3. Associate Membership

(a) Any person affiliated in any capacity with the home office or agency office of a life insurance company, and who is not eligible for Active membership, may be elected to Associate membership in this Association. Any person affiliated in any other capacity with any other business or profession related to the life insurance business may also be elected to Associate membership in this Association. An Associate member shall be entitled to all privileges of this Association except those of voting and holding office; however an Associate member shall be entitled to vote for candidates for election to office in this Association and shall be entitled to be elected as a voting member of the board of directors (but not as an officer) of this Association. The number of Associate members serving as directors on the board of this Association shall not constitute a majority of the board. Associate members shall not serve as officers of this Association.

(b) There shall be a special category of associate member known as “student associate member.” Student associate members shall be individuals enrolled in an accredited institution of higher learning, or such other academic institution which may be approved by the NAIFA Board of Trustees, and pursuing a Personal Financial Planning certificate or such other designation, degree, or certificate as the NAIFA Board of Trustees may specify. Persons eligible for Active membership shall not be eligible for student associate membership. An individual may only be eligible for student associate membership once and may not remain in this category of membership for more than three consecutive years. Student associate members shall be entitled to all the privileges in this Association except those of voting or holding office.

#### Section 4. Honorary Membership

Any person who has performed some distinguished service in the field of life insurance or in this community, and who is not an Active or Associate member of a member association may be elected as an Honorary member of this Association for a period of one (1) year, and thereafter may be re-elected from year to year. An Honorary member shall be entitled to all privileges of this Association except those of voting and holding office.

### **ARTICLE IV - ADMISSION TO MEMBERSHIP AND RESIGNATION**

Section 1. Applicants for Active and Associate membership shall be admitted to membership under the following procedure or under procedures developed under the National Association's authority to process membership applications for this Association as provided for in the National Association's Bylaws. An application for membership shall be submitted to the Secretary. It shall be signed by the applicant, giving name, title, company, and office and residence addresses, and shall be accompanied by the required membership dues and fees. (No such application for Honorary membership shall be required because proposals for election to this class of membership shall be initiated by the Board of Directors.)

Section 2. Active members shall be elected by a majority of the Board of Directors. Associate and Honorary members shall be elected by a two-thirds (2/3) vote of the Board of Directors.

Section 3. Any member may resign from this Association provided that all indebtedness to this Association has been paid. Membership dues are non-refundable upon resignation from the Association. The resignation shall be communicated to the Board of Directors, or its representative, and shall become effective when accepted by the Association.

### **ARTICLE V - DISCIPLINE**

Section 1. Any Active or Associate member being two (2) months in arrears in the payment of membership dues or fees or any other indebtedness to this Association shall automatically stand suspended. Such member, upon payment of such indebtedness, may be reinstated by a majority vote of the entire Board of Directors. If all such indebtedness is not paid within six months of such member's last anniversary date and the member is not reinstated by the board of directors during that six-month period, then membership shall automatically terminate at the end of that six-month period.

Section 2. Any member charged with conduct unbecoming a member of this Association, and against whom such charges are sustained after a due and proper hearing before the Board of Directors, may be reprimanded, suspended or expelled from membership. In such a case, a vote of two-thirds (2/3) of the entire Board of Directors shall first be necessary to sustain the charges. The type of discipline to be imposed must then be separately voted by two-thirds (2/3) of the entire Board of Directors.

Section 3. Any person whose membership in this Association has been terminated in any manner shall forfeit all interest in any funds or other property belonging to this Association, and all right to the use of the name, emblem, or other insignia of this Association, and of the State and National Associations.

Section 4. Any elected officer or director may, after due and proper hearing before the Board of Directors, be removed from office due to failure or unwillingness or inability to serve, malfeasance, or conduct unbecoming a member. In such a case, a vote of two-thirds (2/3) of the entire Board of Directors shall be necessary to sustain the removal.

## **ARTICLE VI - OFFICERS**

Section 1. The officers of this Association shall be a President, a President-Elect, an Immediate Past President, a Secretary, a Treasurer, (or a combined Secretary-Treasurer), a National Committeeperson, and the Association Executive ex officio (if any).

Section 2. Each officer (except the Association Executive) shall be an Active member in good standing.

Section 3. All officers except the National Committeeperson (and the State Committeeperson, if any), shall take office on the first day of July of each year following their election, and shall serve for a term of one year, or until their successors are elected.

Section 4. The National Committeeperson (and the State Committeeperson, if any), shall be elected by the membership, shall take office on the date designated by the Board of Directors, and shall serve for a term of three years or until a successor is determined.

Section 5. The duties of the officers shall be as follows:

(a) The President shall be the executive officer of this Association, and shall preside over all meetings of this Association and of the Board of Directors. The President shall appoint and be an ex officio member of all Standing and Special Committees, as well as a member of the NAIFA National Council. The President shall perform such other duties as usually pertain to the office of President.

(b) The President-Elect, in the absence of the President, shall preside at all meetings and shall perform such other duties as may be assigned by the President or the Board of Directors. The President-Elect, with the advice of the Board of Directors, shall anticipate the duties of the President during the next association year and prepare for submission to the Board of Directors, no later than fifteen (15) days after advancement to the office of President, committee appointments and recommended goals and objectives.

(c) The Immediate Past President shall perform such duties as may be assigned by the President or the Board of Directors.

(d) The Secretary shall be responsible for verifying and maintaining tax-exempt and non-profit status, keeping the records and minutes of the Association and the Board of Directors; and presenting all bills to the Board of Directors for approval. The Secretary shall collect all funds due this Association and shall promptly turn these funds over to the Treasurer. The Secretary shall submit a report at the annual meeting of this Association and at such times as the President or the Board of Directors may require. The Secretary shall submit to the proper officials and committees, or to this Association, all communications received from the National and State Associations. The Secretary shall submit all official reports required by the National and State Associations, and by these bylaws, concerning this Association's activities.

(e) The Treasurer shall be responsible for receiving from the Secretary all funds paid to this Association, shall deposit such funds in the Association's official depositories, and shall disburse such funds on the order of the Board of Directors. The Treasurer shall sign or countersign all checks, shall at all times have the Association's accounts and books open to inspection by the President, the Board of Directors and any authorized auditors. The Treasurer may be required to make bond. The Treasurer shall make a report at the annual meeting of this Association and at such other times as the President or the Board of Directors may require; and shall be responsible for the completion and submission of forms required by laws governing the administration and tax status of this Association.

(f) The National Committeeperson shall serve as the liaison officer between this Association and the National Association. The National Committeeperson shall also be a member of the NAIFA National Council and shall report back to and take counsel with this Association with reference to matters considered by said National Council, the NAIFA Board of Trustees, and the various Standing and Special Committees of the NAIFA.

(g) There may be an Association Executive 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 shall have no vote on the Board of Directors.

## **ARTICLE VII - BOARD OF DIRECTORS**

Section 1. The Board of Directors shall consist of the officers, and six (6) elected directors, and the Association Executive ex officio.

Section 2. Each Director (except the Association Executive) shall be an Active or Associate member in good standing.

Section 3. Six (6) Directors shall be elected annually and shall take office the first day of July of the year of their election. The term of office of all directors shall be two (2) years, or until their successors shall be duly elected and qualified.

Section 4. The Board of Directors shall determine the policies, strategic plan, and activities of this Association, elect and discipline members, approve the budget, approve all expenditures and authorize all disbursements, take counsel with committees and have general management of the Association and its affairs. The Board of Directors may employ, or authorize the employment of, paid personnel and fix the terms and conditions of such employment.

Section 5. The Board of Directors shall meet at least four times each year in person or by telephone conference, and at the call of the President.

Section 6. To further the mission of this Association, the Board of Directors may authorize the establishment of branches of this Association within its territory, subject to the approval of the State and National Associations. All operations and affairs of such branch associations shall be subject to the approval of the Board of Directors of this Association. Each branch shall have a Branch President and may elect such additional officers as it may deem necessary for proper internal administration, subject to the approval of the Board of Directors of this Association. Each branch shall have a committee on membership, a committee on programs and such other committees as may be appropriate.

Section 7. The Board of Directors may create an Executive Committee composed of officers and may assign to it duties and delegate powers to be exercised only when the Board is not in session. The President shall have the power to call a meeting of the Executive Committee. The Executive Committee shall maintain minutes of all actions taken by it, which shall be reported to the Board of Directors at its next meeting following such action. Unless disapproved by vote of the majority of the Board of Directors present at such next meeting, the action of the Executive Committee shall be final to the same extent as though taken by the Board of Directors.

Section 8. The interpretation of the Bylaws by the Board of Directors shall, in the absence of contrary interpretation by the NAIFA Board of Trustees, be final and binding except as set forth in Section 9 of this Article.

Section 9. All decisions of the Board of Directors shall be final and binding upon this Association, except that upon notice by a minority of one less than 50% of the Board, filed with the Secretary within twenty four (24) hours of any decision, action may be stopped and the matter referred for final determination by the general membership, at the next regular or special meeting.

## **ARTICLE VIII - NOMINATIONS AND ELECTIONS**

Section 1. The election of Officers and Directors shall be held at the annual meeting of this Association. The National Committeeperson shall be elected as provided in Article VI, Section 4.

Section 2. At a regular meeting of this Association at least two (2) months prior to the

date of the annual meeting, the President shall appoint a Committee on Governance. The duties of the Governance Committee shall be to solicit, receive and prepare nominations for officer and director positions and to have general charge of the election.

Section 3. The Committee on Governance shall prepare an election ballot containing the names of the Committee's nominees for officer and director positions. Nominees selected by the Committee shall be published in the association newsletter or special bulletin and distributed to all Active and Associate members of this Association at least one month prior to the annual meeting. In addition, nominations from the floor may be presented at the annual meeting, provided that written notice stating the name of the person to be nominated shall have been received by the Secretary of this Association at least thirty (30) days prior to the annual meeting.

Section 4. Voting shall be by secret ballot and shall not be cumulative. There shall be no voting by proxy.

Section 5. The nominee for each office, except that of Director, receiving a majority of all votes cast shall be declared elected. In the case of Director, the number of nominees in accordance with Article VII, Section 3, receiving the highest number of votes shall be declared elected. An additional ballot or ballots shall be taken if necessary to determine which of two or more candidates receiving an equal number of votes shall be elected.

Section 6. In the case of a vacancy in the office of President, the President-Elect shall succeed to the office. In the case of a vacancy in the office of other officers defined in Article VII, Section 1, or Director, such office shall be filled by the Board of Directors as soon as possible after such vacancy has occurred.

## **ARTICLE IX - COMMITTEES**

Section 1. There shall be the following Standing Committees:

- (a) Professional Development and Programs
- (b) Health
- (c) Government Relations
- (d) Membership

Section 2. The members of each Standing Committee shall serve for a term of one year, commencing on the first day of July. All committee members shall be appointed and be subject to removal by the President, with the majority approval of the Board of Directors. Each Committee shall make such reports as the President or the Board of Directors may direct.

Section 3. Special committees may be appointed and perform such duties as may be

directed by the President, with the majority approval of the Board of Directors.

## **ARTICLE X - DUTIES OF STANDING COMMITTEES**

Section 1. The Committee on Professional Development and Programs shall promote professional development and provide educational programs and opportunities for members and individuals involved with life and health insurance and related financial services. The Committee shall arrange a programs for meetings of this Association as far in advance as possible, cooperating with the Board of Directors and other committees of this Association, to ensure that programs are coordinated with the Association's other activities, are of the highest quality, and contribute to meeting the mission of this Association. The Committee shall also be responsible for promoting attendance at meetings and arranging necessary physical facilities.

Section 2. The AHIA Health Committee shall provide services to members concerning health insurance in the areas of legislation, professional development, and educational programming.

Section 3. The Committee on Government Relations shall examine laws and regulations, existing or proposed, affecting the life and health insurance and financial services industry, and submit recommendations concerning such laws and regulations to the Board of Directors. The Committee shall assist in the implementation of the legislative programs of the National and State Associations. The Committee shall develop programs to promote contributions to the State Association's Political Action Committee and NAIFAPAC, and to aid individuals in becoming more knowledgeable and involved in politics and government. The Committee shall seek to make members aware of the purposes and opportunities of NAIFAPAC and the State Association PAC by encouraging contributions to selected candidates for state and federal elective office. The Committee shall promote the involvement of this Association in the election of candidates for local, state and national office, consistent with the legislative positions of this Association. The Committee shall also identify and foster the creation of member relationships with elected officials. The Committee may carry out its duties through subcommittees or task forces on legislation, political action, and political involvement.

The Committee shall appoint an individual NAIFA member in good standing to the position of Local IFAPAC Chair to execute the political action functions of the Committee. The Committee shall appoint an individual NAIFA member in good standing to the position of Local APIC Chair to execute the political involvement functions of the Committee. The Local IFAPAC Chair and the Local APIC Chair may be appointed as vice chairs of the Committee. The Committee shall report the name(s) of the individual(s) appointed to the positions of Local IFAPAC Chair and Local APIC Chair to NAIFA within 30 days of the appointment.

Section 4. The Committee on Membership shall study, recommend and implement a membership development plan to obtain members who meet the standards and requirements prescribed in the bylaws of this Association. If directed by the Board of

Directors, the Committee shall consider and submit recommendations to the Board of Directors on all applications for membership.

## **ARTICLE XI - MEETINGS**

Section 1. This Association shall hold regular meetings on such dates and at such times and places as shall be determined by the Board of Directors.

Section 2. The annual meeting and election of officers and directors of this Association shall be held in April, May, or June. The membership of this Association shall be given at least two (2) weeks notice of the date and place of the annual meeting.

Section 3. One-sixth (1/6) of the Active members of this Association shall constitute a quorum for any meeting.

## ***ARTICLE XII - NATIONAL AND STATE AFFILIATION***

Section 1. In recognition of the values of national fellowship and cooperation available to this Association through its privileges and rights of participation in the governance and activities of the National and the State Association, it is hereby declared a major policy of this Association to exercise fully those privileges and rights granted to it, and to discharge promptly all lawful obligations imposed upon it, by the National Association and the State Association. The Association shall conform to the accepted standards for member associations as set forth from time-to-time by the National Association.

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

Section 3. The Board of Directors shall provide for the prompt payment of any indebtedness to the National Association and the State Association. Membership dues attributable to new members of this Association shall be payable to the National Association not later than thirty (30) days after the receipt by this Association of dues attributable to such members. The National Association shall process all membership renewals for all members of this Association.

Section 4. Insofar as possible, this Association shall be represented by its President and National Committeeperson, or their duly appointed alternates, at all appropriate conventions and meetings of the National Association and the State Association. Provision for the expense of representation at such conventions and meetings may be made by the Board of Directors in preparing the budget of this Association.

## **ARTICLE XIII - REVENUE**

Section 1. Each member of this Association shall pay annual dues except as may be provided below. Dues shall be payable on the first member's annual membership date and shall be paid not later than two (2) months thereafter. A member's "annual membership date" shall be the first of the month following the day on which the member's application for membership was approved, or the first of a later month specified by a member who chooses to pay prorated dues pursuant to the membership procedures of this Association.

Section 2 (a) Annual dues shall be \$141.00, plus required National Association and State Association dues and fees, in the case of each Active and Associate member.

(b) Annual dues shall be \$0.00, plus required National Association and State Association dues and fees, in the case of each Active Member Emeritus.

(c) Annual dues shall be \$70.00, plus required National Association and State Association dues and fees, in the case of each Student Associate member.

Section 3. Honorary Members are not required to pay dues and are not counted by the National Association in computing membership totals or achievement. Honorary members may subscribe to NAIFA's monthly magazine and other publications, if desired, at the current member subscription rate.

Section 4. Monies payable to the National Association may be waived during disability, except for any appropriate fees as may from time to time be established by the Board of Trustees of NAIFA, for those individuals who have been members of a local association for at least ten (10) years, and whose total disability has been documented to the satisfaction of the Board of Directors of this Association. The Board of Directors of this Association may waive this Association's portion of annual dues (but not the National or State Association portions) for particular members, for specified time periods, as the Board deems appropriate under special circumstances.

Section 5. The National Association shall, on behalf of this Association, process all membership renewals for all members of this Association. The National Association shall remit to this Association that portion of the renewal dues for each member of this Association that is payable to this Association no later than fifteen (15) days following the National Association's receipt of such membership renewal dues.

## **ARTICLE XIV - FINANCE**

Section 1. The fiscal year of this Association shall begin on the first day of July of each year.

Section 2. Not later than the fifteenth day of July of each year, a budget of estimated income and expenditures for the fiscal year shall be adopted by the Board of Directors.

Section 3. The Association's book of accounts shall be audited at least once each year. The auditors shall be named by the Board of Directors.

Section 4. The Board of Directors shall determine the official depository or depositories for Association funds and shall designate one or more persons in addition to the Treasurer to sign or countersign checks or other documents for the disbursement of such funds.

Section 5. Upon dissolution of this Association all remaining assets shall be transferred to either the State Association, the National Association or another non-profit organization.

#### **ARTICLE XV - RULES OF ORDER**

Robert's Rules of Order shall be the parliamentary authority for all matters of procedure not specifically covered by these Bylaws.

#### ***ARTICLE XVI - APPROVAL OF BYLAWS AND AMENDMENTS***

Section 1. Any amendments to these Bylaws, if in conformity with the policies of the National Association, may be adopted by a two thirds (2/3) vote of the Active members present at any meeting of this Association; provided that written notice of the meeting and of the proposed amendments shall have been sent to the members at least one month prior to the meeting and provided that a quorum is present at the meeting.

Section 2. These Bylaws, and any bylaw amendments, shall be effective only when submitted to and approved by the State Association and the National Association.—True copies of these bylaws and all amendments shall be provided by the Secretary of this Association to the State Association and the National Association

The foregoing is a true and complete copy of the Bylaws of this Association:

Witness: \_\_\_\_\_  
[Association Secretary]

Date Amendments Approved: \_\_\_\_\_

Location: \_\_\_\_\_

## **CODE OF ETHICS**

Preamble: Those engaged in offering insurance and other related financial services occupy the unique position of liaison between the purchasers and the suppliers of insurance and closely related financial products. Inherent in this role is the combination of professional duty to the client and to the company as well. Ethical balance is required to avoid any conflict between these two obligations. Therefore,

I Believe It To Be My Responsibility

To hold my profession in high esteem and strive to enhance its prestige.

To fulfill the needs of my clients to the best of my ability.

To maintain my clients' confidences.

To render exemplary service to my clients and their beneficiaries.

To adhere to professional standards of conduct in helping my clients to protect insurable obligations and attain their financial security objectives.

To present accurately and honestly all facts essential to my clients' decisions.

To perfect my skills and increase my knowledge through continuing education.

To conduct my business in such a way that my example might help raise the professional standards of those in my profession.

To keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.

To cooperate with others whose services are constructively related to meeting the needs of my clients.