

Bylaws of the Chartered Property Casualty Underwriters Society



Amended February 5, 2009

ARTICLE I. Name

The name of the organization shall be the Chartered Property Casualty Underwriters (CPCU) Society (hereafter "the Society").

ARTICLE II. Principal Office

The principal office of the Society shall be located at 720 Providence Rd., Malvern, PA. The principal office shall be the repository of all records, files, papers and documents pertaining to the business of the CPCU Society. The Society may have such other and additional offices as may from time to time be designated by its Board of Directors.

ARTICLE III. Purpose and Powers

SECTION 1: The Society is a not-for-profit organization organized exclusively for educational purposes within the meaning of section 501(c)(6) of the Internal Revenue Code.

SECTION 2: The CPCU Society is dedicated to meeting the career needs of a diverse membership of professionals who have earned the CPCU designation, so that they may serve others in a competent and ethical manner.

ARTICLE IV. Membership and Dues

SECTION 1: Membership. Any person certified by the American Institute for Chartered Property Casualty Underwriters, as authorized to use the CPCU designation, may become a member of the Society upon payment of dues as established by the Board of Directors.

SECTION 2: Affiliate Membership. The Board of Directors, by an affirmative vote of two-thirds of its voting members, shall have the authority but not the obligation to permit certain individuals to become affiliate members of the Society based upon criteria established by the Board.

SECTION 3: Dues. Dues are payable yearly. Members more than three months in arrears after payment is due shall be suspended from membership.

SECTION 4: Fiscal Year. The fiscal year of the Society shall be September 1 through August 31 unless otherwise designated by the Board of Directors.

SECTION 5: Ethics. The Board of Directors, by affirmative vote of two-thirds of its voting members, after following due-process procedures adopted by the Board of Directors, shall have the authority to expel, suspend, censure, or reprimand any member for conduct in violation of the ethics standards of the Society as established by the Board of Directors, or for conduct in violation of the CPCU Professional Commitment.

ARTICLE V. Officers and Directors

SECTION 1: Board of Directors. The direction of the Society shall be vested in a Board of Directors. The Board of Directors will be responsible for the identification, establishment, and monitoring of Society goals, policies, and objectives; deliberating and approving any public positions; and approving an operating budget. The Board of Directors shall appoint a Chief Executive Officer.

SECTION 2: Board of Directors Composition. The Society Board of Directors shall consist of the following:

- a. Elected Officers as prescribed in Article V, Sections 8 through 13;
- b. A number of Directors, set by Board policy, elected by the membership from the Society;
- c. One at-large Director appointed by the President and Chairman/Chairwoman, subject to ratification by the Board; and,
- d. Ex-Officio Directors, consisting of the Society's Chief Executive Officer and the head of staff of the American Institute for CPCU with voice and vote.

SECTION 3: Directors not Personally Liable. A Director, as enumerated in Section 2 above, shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless (i) the Director has breached or failed to perform the duties of his or her officer under Subchapter B of chapter 57 of the Pennsylvania Nonprofit Corporation Law and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. The provisions of this Section shall not apply to (i) the responsibilities or liability of a Director pursuant to any criminal statute or (ii) the liability of a Director for the payment of taxes pursuant to local, state, or federal law. Any repeal or modification of this Section shall be prospective only, and shall not affect, to the detriment of any Director, any limitation on the personal liability of a Director of the Society existing at the time of such repeal or modification.

SECTION 4: Executive Committee. Between formal meetings of the Board of Directors, an Executive Committee, consisting of the President and Chairman/Chairwoman, President-Elect, Secretary, Treasurer; one third-year Director and one second-year Director elected by the Board to the Executive Committee, shall execute its policies. The Chief Executive Officer shall be an Ex-Officio member of the committee with voice but no vote. A majority of members shall constitute a quorum. Meeting proceedings should be recorded and reported to the Board except discussions held in executive session.

- a. Executive Committee Duties. The duties of the Executive Committee shall be to: establish interim policy when such policy cannot wait for Board action; prescreen policy; set contract terms, salary, benefits, and limitations and performance evaluation measures of the Chief Executive Officer; assure evaluation of the Chief Executive Officer by the President and Chairman/Chairwoman, Immediate Past President and Chairman/Chairwoman, and President-Elect; to receive the proposed budget from the Budget & Finance Committee prior to presenting it to the Board; and to serve as advisors to the President and Chairman/Chairwoman. All acts of the Executive Committee shall be subject to ratification by the Board.

SECTION 5: Audit Committee. The Audit Committee shall be comprised of the Vice President, Treasurer, Secretary, the Chief Executive Officer, two third-year Directors and two first-year Directors. The Society Vice President shall chair the committee.

Audit Committee Duties. The duties of the audit committee shall be to: ensure the Board of Directors conducts itself in accordance with its Conflict of Interest Policy; select the Society auditor and receive the audit report.

SECTION 6: Meetings. The Board of Directors shall meet at least twice a year to discharge its responsibilities as given in these bylaws. The President and Chairman/Chairwoman may call special meetings of the Board. The Executive Committee shall meet between meetings of the Board as deemed necessary.

SECTION 7: Annual Meeting. The Board of Directors shall hold an Annual Business Meeting of the membership on a day and at a place to be selected by the Board of Directors.

SECTION 8: Quorum. For purpose of conducting business, the presence of one-half of the voting members of the Board of Directors shall constitute a quorum. At all meetings of the members, the presence of 250 members shall constitute a quorum. The Board of Directors may also transact business by unanimous written consent without a meeting.

SECTION 9: President and Chairman/Chairwoman. The President and Chairman/Chairwoman shall be responsible to the Board of Directors. The President and Chairman/Chairwoman shall personify the organization, set the tone, and serve as the steward of the administration and guardian of organizational values. The President and Chairman/Chairwoman shall preside at all meetings of the Board of Directors, the membership, and the Executive Committee. The President and Chairman/Chairwoman shall not vote except in the event of an equal number of votes in favor of or against a proposal before the Board of Directors.

SECTION 10: President-Elect. The President-Elect shall, in the absence, resignation, or incapacity of the President and Chairman/Chairwoman, assume the duties of the President and Chairman/Chairwoman. The President-Elect shall organize task force/committee training and coordinate their activities.

SECTION 11: Vice President. The Vice President will perform such duties as are assigned by the President and Chairman/Chairwoman. The Vice President shall organize Interest Group training and coordinate Interest Group activities.

SECTION 12: Secretary. The Secretary shall be responsible to keep an accurate record of all meetings of the Society, the Board of Directors, the Executive Committee, and the Audit Committee.

SECTION 13: Treasurer. The Treasurer shall chair the Budget and Finance Committee and shall submit periodic financial statements to the Board of Directors and to the members of the Society, and shall assure that financial accounts of the Society shall at all times be open to the inspection of any member and of any authorized auditors.

SECTION 14: Immediate Past President and Chairman/Chairwoman. The Immediate Past President and Chairman/Chairwoman shall provide advice and counsel to the President and Chairman/Chairwoman and perform other duties as assigned by the President and Chairman/Chairwoman.

SECTION 15: Chief Executive Officer. The Chief Executive Officer shall serve as the chief staff officer and may appoint, from time to time, subject to the approval of the Executive Committee, such staff officers with such titles as he or she shall deem necessary on such terms and conditions as he or she shall deem appropriate. All such staff officers shall be subject to removal by the Chief Executive Officer. Staff officers shall not be members of the Board of Directors.

SECTION 16: Terms and Succession. Officers and Board of Directors terms are as follows:

- a. President and Chairman/Chairwoman, President-Elect, Vice President, Immediate Past President and Chairman/Chairwoman: One year
- b. Secretary: Three Years
- c. Treasurer: Three Years
- d. Elected Directors: Three years
- e. At-Large Director: One year
- f. The President-Elect shall automatically succeed to the office of President and Chairman/Chairwoman.
- g. The Vice President shall automatically succeed to the office of President-Elect.
- h. The Secretary and Treasurer shall each be eligible for re-election to one additional three-year term.

The Officers and Directors shall serve until the end of their terms or until their successors have been elected and qualified.

SECTION 17: Governors. The needs, goals and activities of the Society's Chapters, Interest Groups and International members may be assisted by Governors. The number of Governors, structural composition, duties, responsibilities, term of office, and reporting relationships of Governors shall be determined by Board policy.

ARTICLE VI. Election of Officers and Directors

SECTION 1: Nomination of Candidates. The Society Board of Directors is responsible for presenting qualified candidates for officer and director positions to the membership for election. In order to fulfill that duty, the Board may delegate to the Nominating Committee such duties as it deems desirable. The slate of candidates for officer and director positions to be presented to the membership for election shall be determined by majority vote of the Board.

Nomination of candidates for office may be made by any Society member. Nominations may be made anytime prior to the closing of nominations by the Board at its Leadership Summit meeting.

SECTION 2: Nominating Committee. The Nominating Committee shall be responsible for recruiting qualified members for Society office and for the identification and development of future volunteer leaders. As a committee that reports to the Board, the Nominating Committee shall nominate a slate of candidates to the Board for its consideration in a manner prescribed by the Board.

SECTION 3: Nominating Committee Composition. The composition of the Committee shall be determined by Board policy.

SECTION 4: Nominations and Eligibility. Any candidate for office must be and must remain a member of the Society in good standing. Ex-Officio Board members may not hold elective office. No elected Directors or Officers, other than the Secretary and Treasurer, having served one full term, shall be eligible for re-election to the same office until at least one year shall have elapsed. Society staff members may not hold elective office.

SECTION 5: Elections. Each Society member shall have one vote. Ballots containing the names of the persons nominated for each office shall be prepared and mailed at least 50 days in advance of the Society's Annual Meeting. The nominees for each office receiving the greatest number of votes, whether or not a majority of all votes cast, shall be declared the successful candidates.

SECTION 6: Starting Date. Officers and Directors shall take office immediately after the Annual Meeting at which the oath of office was administered.

SECTION 7: Vacancy. In the event of a resignation or the incapacity of any officer or Director (except the President and Chairman/Chairwoman), the President and Chairman/Chairwoman shall appoint a member to serve the unexpired term, subject to ratification of the Board. In the absence of the President and Chairman/Chairwoman, the President-Elect shall assume the duties of the President and Chairman/Chairwoman. If the office of the President and Chairman/Chairwoman shall become vacant during the term for any reason, the President-Elect shall immediately succeed to the office to serve for the balance of the unexpired term.

SECTION 8: Removal. Officers and Directors may be removed for proper cause by two-thirds affirmative vote of the Board of Directors present. For any cause other than nonpayment of dues, a vote for removal shall occur only after the officer complained against has been advised on the complaint lodged and has been given reasonable opportunity for defense; and such officer, if removed, may appeal the decision of the Board to the Annual Business Meeting of the Society providing notice of intent of appeal is given to the President and Chairman/Chairwoman (or the President-Elect if the complaint is against the President and Chairman/Chairwoman) at least thirty (30) days in advance of the meeting. Only those charges brought by a voting member in writing will be considered.

ARTICLE VII. Chapters

SECTION 1: Chapter Formation. Ten or more members of the Society within a particular geographical area may submit a petition to form a Society chapter. Submissions should be sent to the principal office of the Society for approval by the Board of Directors.

SECTION 2: Subchapters. A subchapter may be formed as a division of an established chapter. Its operations and finances shall be part of a parent chapter that either sponsored the subchapter or was selected by the subchapter.

SECTION 3: Candidate Chapters. A candidate chapter may be formed to achieve the same goals as those of a subchapter without the assistance or selection of a parent chapter.

SECTION 4: Chapter Constitutions. The constitution and bylaws of a chapter shall contain:

- a. Purposes and provisions not in conflict with those set forth in these Bylaws.
- b. A provision for the election of chapter officers prior to May 1 of each year with the officers to take office not later than July 1 of the same year.

SECTION 5: Chapter Constitution and Bylaws Changes. Whenever a chapter shall effect any change in its original constitution and bylaws as approved by the Chapter's Board of Directors, the chapters shall file within 30 days a revised copy with the Secretary of the Society and no such amendments shall be effective until approval by the Board of Directors of the Society.

SECTION 6: Chapter Dissolution. Official recognition of a chapter may be suspended or revoked for valid cause by affirmative vote of two-thirds of the Board of Directors present.

ARTICLE VIII. Interest Groups

SECTION 1: Interest Group Establishment. The Board of Directors shall establish Interest Groups based on petitions filed by members at-large. Such petitions must meet requirements by the Board

SECTION 2: Interest Group Roles. Interest Groups shall serve their members by identifying issues and trends in their areas of expertise and by generating education programs and other products and services for Society and Interest Group members. Interest Group members shall serve as ambassadors for the Society and the CPCU designation.

SECTION 3: Interest Group Committees. Interest Groups will be governed by committees of their own members, with a chair elected by the Interest Group Committee members. Interest Group chairs shall report to the Board of Directors.

SECTION 4: Interest Group Dissolution. An Interest Group may be dissolved by a two-thirds vote of the Board of Directors present.

ARTICLE IX. Committees

SECTION 1: Formation. The President and Chairman/Chairwoman and/or the Board of Directors shall appoint such committees, special committees, or task forces as the President and Chairman/Chairwoman and/or the Directors deem necessary to carry out the purposes of the Society. Committee and task force chairs shall report to the Board. Records of such meetings shall be kept and distributed to the Board of Directors.

SECTION 2: Standing Committees. There shall be a Budget & Finance Committee, chaired by the Treasurer, to oversee the prudent use of members' dues; a Nominating Committee to assure the continued development and placement of able leaders as described in Article VI, Sections 1, 2, and 4; an Ethics Committee to promote ethical behavior and establish ethics standards; a Diversity Committee to further diversity within the Society.

SECTION 3: Standing Committee Terms. With the exception of the chair of the Budget & Finance Committee, the term of service for all standing committees shall be one year for chairs and three years for members. The terms of service for the Budget & Finance Committee chair shall be concurrent with the term of officer for the Society Treasurer. Neither chairs nor members may serve for more than three consecutive terms.

ARTICLE X. Indemnification

The Society shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding either civil, criminal, administrative, or investigative by reason of the fact that he or she is or was a representative of the Society, or is or was serving at the request of the Society as a representative of another corporation, partnership, joint venture, or trust enterprise, including an employee benefit plan, against expenses (including attorneys' fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Society, to the extent that such person is not otherwise indemnified and to the extent that such indemnification is not prohibited by applicable law.

ARTICLE XI. Authorizations

The Board of Directors, or any person or persons designated by the Board of Directors, shall have the power and authority to borrow money or otherwise incur indebtedness on behalf of the Society, and to secure such indebtedness without the approval or authorization of the members of the Society.

ARTICLE XII. Bylaws Amendments

SECTION 1: These bylaws may be amended at the Annual Meeting by two-thirds vote of the members present, provided notice was given at least 30 days in advance of the meeting. Members may vote through their representative or duly appointed proxy. All proposed amendments shall be submitted in writing by the proposer to the Board for its consideration. Any proposed bylaws amendment, or a summary of such, shall be submitted to the membership prior to any vote to adopt such amendment. Mail ballots may be authorized by the Board in a manner determined by the Board.

SECTION 2: Interpretation. The Board of Directors' interpretation of the bylaws shall be considered the correct interpretation when reached by majority vote.

SECTION 3: Implementation. These bylaws shall become effective immediately upon adoption.

ARTICLE XIII. Dissolution

SECTION 1: Dissolution Procedures. Upon the dissolution of the Society, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all the assets of the Society exclusively for the purposes of the Society in such manner, or to such organizations or organizations operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 5011(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which its principal office of the Society is then located, exclusively for such purposes or such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIV. Restrictions on Operation

SECTION 1: Asset Distribution. No part of the Assets of the Society shall remit to the benefit of, or be distributable to its members, officers, or other persons, except that the Society shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in Article III herein.

SECTION 2: Restrictions on Advocacy. No substantial part of the activities of the Society shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Society shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or against any candidate for public office.

SECTION 3: IRC Compliance. Notwithstanding any other provision of these bylaws, the Society shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law).

