

**Official By-Laws of**  
**The Coastal Bend Association of Health Underwriters**  
(Amended and Adopted: January 8, 2008 )

**Article I. Name and Territorial Limits.**

- Section 1. This professional organization shall be known as the Coastal Bend Association Of Health Underwriters, Inc., hereafter referred to as the Association, a not for profit corporation in and under the laws of the State of Texas and chartered by the National Association of Health Underwriters (NAHU) and the Texas Association of Health Underwriters (TAHU).
- Section 2. The territorial limits of this association shall be confined to the following counties known as Nueces, Aransas, San Patricio, Kleberg, Bee, Jim Wells, Refugio, Jim Hogg, Duval, Brooks, Kenedy, Cameron, Hidalgo, Willacy, Starr, Victoria, and Calhoun counties in the state of Texas.

**Article II. Association Objectives.**

- Section 1. The objectives of the association shall be:
- A. To increase the knowledge of members concerning the principles, functions and application of health insurance and related insurance products and services.
  - B. To place the sale and service of health insurance and related insurance products upon the highest possible standard.
  - C. To advance public knowledge for the need and benefit of the insurance industry.
  - D. To provide, and/or promote continuing education, legislative activity and guidance, regulations, practices and self improvement which are in the best interest of the insurance industry, the public, and our members.
  - E. To be active as an association in public services and to encourage its members to support and contribute to community services.
  - F. To promote the CODE OF ETHICS of NAHU, hereby made part of these by-laws. (See Addendum 1)
  - G. To promote the common business interest of those engaged in the insurance industry.

**Article III. National and State Affiliation.**

- Section 1. This association agrees to be bound by the by-laws of the TAHU and NAHU 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 TAHU and NAHU.
- Section 3. Insofar as possible, this association shall be represented by its proper delegates, or their duly appointed alternates, at the annual meeting of NAHU.

#### **Article IV. Membership.**

- Section 1. The classes of membership are as follows:
- A. **Individual Members.** An individual member may be any individual licensed by the state licensing authority for the sale of health insurance and related insurance products and services. Individual members may also include non-licensed individuals engaged in the distribution of insurance products. Individual members may also be referred to as Active Members.
  - B. **Associate Members.** Persons who are the support staff of individual members, and not working in a sales capacity, and non-industry professionals may be Associate members. The Associate member will be considered a member of the association and will pay association dues. Associate members will not be members for census or voting purposes, but shall enjoy all other membership privileges such as discounts for educational tools, and for attendance at symposiums and luncheons.
  - C. **Affiliate Members.** Members of other TAHU Chapters, but who desire to participate in association activities may be Affiliate members. Affiliate members will pay association dues, but since an Affiliate member is already a member of another TAHU Chapter, Affiliate members will not be members for census or voting purposes, but shall enjoy all other membership privileges as described above.
  - D. **Honorary Members.** Members within the territorial limits of the association who have distinguished themselves as having made significant contributions to the advancement, support and enhancement of association objectives may be named Honorary members by some manner determined by the Board of Directors.

#### **Article V. Membership Application, Responsibilities, and Removal.**

- Section 1. Application for membership shall follow the guidelines established by NAHU and TAHU.
- Section 2. Members shall be responsible for adhering to the NAHU CODE OF ETHICS, and for representing themselves to the public only upon the highest of professional standards.

Section 3. Any individual member of the association shall lose all rights and privileges of the association if their license to sell insurance is revoked, or if they are convicted of a felony or gross misdemeanor, or found to be in violation of guidelines established by NAHU or TAHU.

Section 4. Reinstatement of members shall follow guidelines as established by NAHU and TAHU.

#### **Article VI. Officers.**

Section 1. The officers of the association shall be President, President-Elect, Vice President, Treasurer, Secretary (the office of the Secretary/Treasurer may be combined), Immediate Past President, and if applicable, a non-voting association executive or staff person.

Section 2. Each officer shall be an active member in good standing, and shall serve without compensation. An active member in good standing is defined as a member who is current in their membership dues, and who serves the association in at least one annual local activity, including but not limited to, service on a committee, or participation in a symposium or educational event.

Section 3. 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, or until their successor shall be duly elected and qualified.

Section 4. The duties of the officers shall be as follows:

A. **President.** The president shall be the Chief Executive Officer of the association and shall preside over all meetings of the association and the Board of Directors. The President shall be an ex-officio member of all standing and special committees. If the office of the President should become vacant due to death, disability, resignation, recall or removal by due process, the President-Elect shall assume the office for the unexpired term and the term of President for the succeeding year. If the office of President becomes vacant and there is no President-Elect, the order of succession shall be the Vice President, Treasurer and then Secretary, provided they are willing and able to serve.

B. **President-Elect.** The President-Elect, in the absence of the President, shall preside at all meetings and shall perform such duties as may be assigned by the President or Board of Directors. The President-Elect shall immediately assume the office of President when that office becomes vacant by reason of death, disability, resignation, recall, or removal by due process.

- C. **Vice President.** The Vice President, in the absence of the President and President-Elect, shall preside at all meetings of the association and the Board of Directors, and perform others duties as assigned by the president of the Board of Directors. The Vice President shall immediately assume the office of President-Elect when that office becomes vacant by reason of death, disability, resignation, recall or removal by due process. If the office of Vice President becomes vacant by reason of death, disability, resignation, recall by due process, the president shall appoint an active member 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.
- D. **Treasurer.** The Treasurer shall be responsible for receiving all funds and dues paid to the association, shall deposit such funds and dues in the association's official depositories, and shall distribute such funds on the order of the Board of Directors. The accounts and books of the Treasurer shall at all times be open to the inspection by the President, Board of Directors, and an authorized auditor(s). The Treasurer shall be responsible for the completion and submission if forms required by laws governing the administration and/or tax status of the association. The association must always require an expense voucher with two (2) signatures for checks over two hundred fifty dollars (\$250) that are not for administration matters such as payment of meal expenses or registration matters.
- E. **Secretary.** The Secretary shall be responsible for keeping records of the membership, attendance, membership dues and minutes of the meetings of the association and Board of Directors, and shall perform other duties as may be assigned by the President or Board of Directors.
- F. **Immediate Past President.** The Immediate Past President shall serve as an advisor to the Board of Directors, chair the Retention sub-Committee, and perform other duties as assigned by the President or Board of Directors.

Section 5. Election of Officers

- A. The President-Elect, Vice President, Treasurer, and Secretary shall be elected by the association's members. Their term of office shall be for one year, or as defined by the position's term limits.
- B. The nomination committee composed of the Immediate Past President, President, and President-Elect shall formulate a slate of officers during the third quarter (3<sup>rd</sup>) of the association year and present their

recommendations to the Board of Directors for review and approval. The slate will be presented to the general membership during the third quarter of the association year for consideration, and the nominating committee will accept further nominations of officers. During the fourth quarter (4<sup>th</sup>) of the association year, an election shall be held at a regular membership meeting. Should there be a contested position, each applicant for office will be afforded the opportunity to present their qualifications without other candidates for that office present. The election will then be held by secret ballot and the majority position of the members present will determine the participant for the position.

#### **Article VII. Executive Committee.**

- Section 1. Composition. The Executive Committee shall consist of all officers of the association.
- Section 2. Authority and Responsibility. It shall be the duty of the Executive Committee to conduct the affairs of the association at such time as the Board of Directors is not in session, except those specifically reserved to the Board by the By-laws pursuant to delegation of authority to the Executive Council by the Board.
- Section 3. Quorum. A majority of the Executive Committee shall constitute a quorum at any duly called meeting or vote of the Executive Council. The President shall call all such meetings as the business of the association may require, or a meeting shall be called by the President upon the request of any three (3) members of the Executive Council.
- Section 4. The Executive Council may transact business by mail or electronic means.

#### **Article VIII. Board of Directors.**

- Section 1. The Board of Directors shall consist of the Officers of the Association, Chairpersons of the Standing Committees, and Association Trustees.
- A. Officers are defined in Article VI.
  - B. Standing Committees are defined in Article IX.
  - C. Association Trustees shall consist of the most recent five (5) presidents of the association that are willing to serve in such capacity, and have remained active members in good standing. Trustees will have no voting privileges unless they are present at a Board meeting where no quorum exists. In such cases, any Trustee(s) present will have full

voting privileges in order to facilitate a quorum.

D. Once a Past President has served in the capacity of Trustee for three (3) years, said trustee will be extended the title of “Trustee Emeritus” for life. One year of service may be counted for each year of service as an elected officer of TAHU/NAHU. Trustee Emeriti will be invited to all Board meetings of the association and will act in the capacity of advisors. A Trustee Emeritus shall have no voting power, unless appointed as a Standing Committee Chair as defined elsewhere in these by-laws.

Section 2. Each director shall be an active member in good standing, and shall serve without compensation.

Section 3. All directors shall take office on the first (1<sup>st</sup>) day of July of each year following their election, and shall serve for a term of one (1) year.

Section 4. The Board shall determine the policies and procedures of the activities of the association, approve the budget, approve all expenditures, authorize all disbursements, and have the authority and responsibility to manage the association’s affairs. Policy and Procedure (P&P) statements shall be added to these by-laws with an index of all current procedures, updated as necessary. Each Board of Directors shall review the P&Ps during the first meeting of each association year, and approve or rescind the P&Ps as appropriate.

Section 5. Meetings

A. Regular meetings of the Board of Directors shall be held at least monthly. Notification of the meeting shall be the responsibility of the President.

B. Special meetings may be called on the order of the President, or by a majority of the Board of Directors. Notice for this meeting shall be the responsibility of the calling party.

C. All meetings of the Board of Directors will be open to any active member.

D. A majority of the Board shall constitute a quorum for the transaction of business.

E. Prompt and regular attendance at Board of Director meetings is required for all directors. In the event of a planned absence by a director, it is the director’s responsibility to notify the President prior

to the meeting. Any director, except a trustee, who has been absent from two (2) regular meetings of the Board during a single administrative year may face expulsion from the Board. In order to expel a member from the Board, a two-thirds (2/3) majority of the Board is required. The Board shall consider each absence circumstance and may expressly waive such absence by affirmative majority vote.

Section 6. Indemnification. Each Director and Officer shall be indemnified by the association against all expenses and liabilities including legal counsel fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or which they may become involved, by reason of being or having been a Director or Officer of the association or any settlement thereof, whether the person is a Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which the indemnified may be entitled.

Section 7. Vacancies, Removal and Recall

A. Other than as described elsewhere in this document, any vacancy occurring on the Board between annual meetings shall be appointed by the president with the advice and consent of the majority of the Board of Directors. A person so appointed shall serve the unexpired term of the predecessor.

.B. An officer or director of the association may be removed for malfeasance of the office.

1. Recall from office of an officer or director shall cause the office to be vacant until removal from the office is achieved and a successor is appointed. Recall will be initiated by the Board of Directors and can be achieved by a three-fourths (3/4) vote of the Board of Directors.
2. Failure to achieve the required vote for removal will cause the immediate reinstatement of the recalled officer or director, and any appointees replacing the recalled officer or director shall be immediately discharged.
3. The Board of Directors may be convened for purposes of removing an officer or director if the President receives written request from a minimum of 25% of the membership. Notice of Recall or Removal must be sent by certified or registered mail to the affected individual, advising the individual of the action taken or about to be taken. Removal by due process requires notification prior to the vote for Removal from office.

## **Article IX. Standing Committees.**

- Section 1. Chairpersons. The President shall appoint, with the advice and consent of the Board of Directors, from the membership, the chairpersons for each of the Standing or Special Committees.
- Section 2. Committees. The Standing Committees shall, as a minimum, consist of the following committees:
- A. Awards
  - B. Education/Programs
  - C. Hospitality/Sponsors
  - D. Legislation/GRIP
  - E. Media Relations
  - F. Membership/Retention
  - G. Newsletter/Care Chair
  - H. Public Service
  - I. Technology/Website
- Section 3. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such Special Committees as necessary.
- Section 4. Action by Committees. Any action by a committee shall be subject to the approval of the Board of Directors.
- Section 5. Organization. All committees shall be of such size and shall have such duties, function and powers as may be assigned to them by the President, except as otherwise provided in these by-laws.
- Section 6. Creation and Dissolution of Committees. The President shall monitor actions of the committees of the association and shall make recommendations as needed to the Board of Directors concerning the creation, dissolution and consolidation of these committees.

## **Article X. Duties of the Committees.**

- Section 1. Awards: shall have the responsibility for the promotion and participation in the RHU, REBC, LPRT, HIQA, and HITC programs. The awards committee shall also be responsible for submission of award applications to TAHU and NAHU.
- Section 2. Education/Programs: shall have the responsibility for promotion, development and extension of educational programs for members of the association.

- Section 3. Hospitality/Sponsors: shall have the responsibility to secure a facility to conduct monthly meetings and other venues as necessary, to host association business meetings, and to negotiate with said facility on cost, menu, and meeting set-up. This committee shall further endeavor to secure sponsors for each monthly membership meeting.
- Section 4. Legislation/GRIP: shall have the responsibility of disseminating information of legislative activity that may affect the members. The committee shall notify members of meetings and activities where attendance is encouraged and recommended. The committee shall also recruit members who will contribute to the national and state legislative efforts, including, but not limited to: GRIP, HUPAC, and TAHUPAC.
- Section 5. Media Relations: shall promote the educational efforts, recognitions and awards, and contributions of the association and its individual members to the insurance industry through local, state, and national awards. The committee shall further promote association events, distribute public service announcements, and inform the public of health insurance related matters through the local media.
- Section 6. Membership/Retention: shall encourage membership among all licensed agents, general agents and managers, brokers, home office personnel, marketing representatives and management, third party administrators, carriers, and others who support services involved in the sale and service of health insurance and related insurance products and services.
- Section 7. Newsletter/Care Chair: shall establish and maintain open lines of communication among the members through a monthly Newsletter including, but not limited to, notice of association functions, and to provide information regarding legislation, education and items of concern or of interest to the membership. The Care Chair shall utilize the Newsletter to communicate individual membership issues that warrant care and concern from the association.
- Section 8. Public Service. shall provide guidance to the association of activities which would allow members the opportunity to assist the local community through financial or volunteer means.
- Section 9. Technology/Website. shall establish, maintain and promote the association's programs and services using information technology. The committee shall further support and maintain the association's website to improve communication with, and enhance customer service among members, and to insure the website provides accurate information to the community of our programs and services.

## **Article XI. Dues and Finance.**

- Section 1. Establishment of Dues: Dues shall be established upon recommendation of the Board of Directors. Any change in dues shall require approval of a two-thirds (2/3) vote of the Board of Directors. The association's dues may only be changed once a year and will be in effect from January 1 through December 31 each year. Not later than the fifteenth (15<sup>th</sup>) of September of each year, or a date specified by NAHU, if the association plans to change its local chapter dues for the following calendar year, the President shall advise NAHU in writing of the Board-approved dues for the coming year.
- Section 2. The fiscal year of the association shall be July 1 through June 30.
- Section 3. The association's book of accounts shall be reviewed and/or audited at least once each fiscal year. The Board of Directors shall name the reviewer/auditor.
- Section 4. The Board of Directors shall adopt a budget for the fiscal year not later than August 15 of the fiscal year.
- Section 5. All disbursements of the association shall be made solely by voucher checks which shall show the payee, the item(s) of service rendered or materials purchased, the amount of payment, and any applicable invoice number. All voucher checks greater than two hundred fifty dollars (\$250) must be signed by two (2) approved board members.
- Section 6. Disbursement shall not exceed gross annual receipts, unless approved by three-fourths (3/4) vote of the Board. The association may not borrow funds from any source.
- Section 7. The Executive Committee shall have the power to authorize such individuals as in its judgment may seem advisable to execute the voucher checks aforementioned.
- Section 8. The Executive Committee shall designate the depository(ies) of all funds of the association.
- Section 9. As soon as possible after the receipt of the reviewer/auditor's annual report following the close of the fiscal year, the Treasurer shall deliver to the Board of Directors the balance sheet and a statement of receipts and the expenditures of the association for the previous year which has been duly certified by the reviewer/auditor.

Section 10. Each active member of this association shall pay local, state, and national dues. Such annual dues shall be payable on the first (1<sup>st</sup>) day of the member's anniversary month as recorded by NAHU. All dues shall be submitted to and through NAHU. Any individual member more than ninety (90) days in arrears in payment of dues shall be dropped from the membership rolls.

Section 11. The association shall use funds only to accomplish the objectives and purposes specified in the by-laws and no part of said funds shall insure or be distributed to the members of the association

## **Article XII. Delegates to NAHU and TAHU Functions.**

Section 1. All officers and members of the associations are encouraged to attend these activities, and any reimbursement will be determined by the Board of Directors. The Board of Directors may authorize the reimbursement of its members for expenses incurred on behalf of the association, or in attendance of association, TAHU or NAHU functions.

- A. NAHU and TAHU will advise the association of the number of allotted delegates the association may send to the House of Delegates at the respective meetings. The association delegates shall be, in order of available funded slots, the President, President-Elect, Vice President, Treasurer, and then Secretary. A number of alternate delegates may be determined by the Board of Directors as deemed necessary.
- B. The Association will reimburse delegates to the House of Delegates for the expenses of registration, round-trip airfare where appropriate, and lodging up to the maximum amount approved by the Board. To promote development of association officers, financial consideration shall be given first to delegates, and then to alternate delegates in amounts determined by the Board. The maximum amount of reimbursement will be set annually by the Board. The delegate or alternate delegate will be reimbursed provided the responsibilities of a delegate are met, including, but not limited to:
  - 1. Attendance at all state meetings at the event.
  - 2. Attendance at all regional meetings at the event.
  - 3. Attendance at all House of Delegates meetings at the event.
  - 4. Provide a summary report of the event's activities to the membership within thirty (30) days of the close of the event.
- C. Exceptions to these responsibilities must be approved by the Board of Directors.

Section 2. Capitol Conference, and Day at the Capitol.

- A. Delegates to the Capitol Conference, and Day at the Capitol shall be the Chair of the Legislation Committee, President, and President-Elect. Provided funds are available, alternate delegates may be appointed to attend with the advice and consent of the Board of Directors. To promote development of association officers, financial consideration shall be given first to delegates, and then to alternate delegates.
- B. Provided funds are available, the association will reimburse delegates for expenses of registration, round-trip airfare where appropriate, and lodging up to the maximum amount set annually by the Board. Delegates or alternate delegates will be reimbursed provided the responsibilities of a delegate are met, including, but not limited to:
  - 1. Attendance at the regularly scheduled general sessions.
  - 2. Provide a summary report of the event's activities to the membership within thirty (30) days of the close of the event.

**Article XIII. Parliamentary Authority.**

- Section 1. Robert's Rules of Order (current) shall be the Parliamentary Authority for all matters of procedure not specifically covered by these by-laws.

**Article XIV. Dissolution.**

- Section 1. In the event the association is disbanded or the Charter revoked for cause in the violation of the by-laws of TAHU or NAHU, the last treasurer of record or other person in possession of the funds or assets shall submit them to the treasurer of TAHU to be placed in an escrow account. After a period of one (1) year, if the association has not been reactivated or a new association organized and chartered, escrowed funds shall become part of the general funds of TAHU.

**Article XV. Amendments.**

- Section 1. Any amendments to these by-laws, if in conformity with the policy of TAHU and NAHU, may be adopted by a two-thirds (2/3) vote of the active members present at any meeting of the association, provided that written notice of the meeting and of the proposed amendments shall have been given to the members at least one month prior to the meeting at which the vote will be held.

**Article XVI. Previous By-laws Superseded.**

Section 1. These by-laws, as amended or revised, supersede all provisions of any previous by-laws of the Coastal Bend Association of Health Underwriters.

**END OF BY-LAWS**

