

National Society of Insurance Premium Auditors Bylaws

Adopted October 23, 1980 with revisions through March 7, 2012

ARTICLE I MEMBERS

Section 1.1 Individual Membership

Individual Membership is open to any person who is engaged in auditing (field, administration, or support services) policies for the determination of insurance premiums (the "Profession"): condition only upon the payment of dues, and agreement by the member to be bound by the Code of Ethics of the Society.

Individual Membership shall be personal and not transferable.

All individual members shall have equal voting privileges.

Section 1.2 Associate Individual Membership

Associate Individual Membership shall be open to any person who is engaged in the insurance industry affected by insurance premium audit.

For the purpose of Associate Individual Membership, the word person is defined to include an insurance agency and rebate companies.

Associate Individual Membership shall have no voting privileges and shall be conditioned only upon payment of dues.

Section 1.3 Life Membership

Life membership may be awarded to any Individual Member or Associate Individual Member who has retired and was a dues paying member for five consecutive years prior to retirement. Retired is defined as not actively working in the field which qualified the individual for Individual Membership or Associate Individual Membership.

All Life Members, except Associate Life Members, shall have voting privileges.

Section 1.4 Corporate Membership

Corporate Membership is open to any company that is engaged in auditing policies for the determination of insurance premiums for their policyholders. It is also available for any individual premium audit service provider who is engaged in conducting pre-, interim, or final premium insurance audits for insurance carriers. This membership category would not include companies or associations that are comprised of more than one premium audit service provider.

Corporate Membership is conditional only upon the payment of dues, and agreement by the member to be bound by the Code of Ethics of the Society.

The membership shall be company-based and includes an unlimited number of employees.

The company may designate up to twelve (12) employees with voting privileges.

Section 1.5 Associate Corporate Membership

Associate Corporate Membership shall be open to any company or organization who is engaged in the insurance industry affected by insurance premium audit, exclusive of companies or associations that are comprised of more than one premium audit service provider.

Associate Corporate Membership shall have no voting privileges and shall be conditioned only upon payment of dues.

ARTICLE II FISCAL YEAR

Section 2.1 Fiscal Year

The fiscal and administrative year of the National Society of Insurance Premium Auditors (the "Society") shall be July 1 through June 30.

ARTICLE III DUES

Section 3.1 Dues

The Board of Directors of the Society (the "Board") may determine, from time to time, the amount of initiation fee, if any, and annual dues payable to the Society by the Members of the Society (the "Members").

Section 3.2 Current Member Dues

Dues notices will be mailed in accordance with the Policies and Procedures manual. Reinstatement of membership is conditioned upon payment of outstanding dues.

Section 3.3 New Member Dues

A new member is defined as an individual who has not held membership during the immediate past two (2) years. Please see the Policies and Procedures Manual for payment procedures.

Section 3.4 Life Member Dues

Life Member dues will be as established by the Board.

ARTICLE IV MEETINGS

Section 4.1 Annual Meeting

A meeting of the Members shall be held the second quarter of each year for the purpose of installing Directors and Officers of the Society and for the transaction of such other business as may come before said meeting.

Section 4.2 Special Meeting

Special meetings of the Members for any purpose shall be held whenever called by the Board, either in writing or by the vote of a majority of the Board. Additionally, a meeting shall be called if ten percent (10%) of the members shall, in writing, make application to the President of the Society.

Section 4.3 Notice

Notice of any meeting of the members shall be delivered personally, electronically communicated, or mailed to the last known address of each Member as it appears on the records of the Society, by the Executive Director not less than thirty (30) days or more than ninety (90) days before the date of the meeting of the Members if this meeting is to be held in person and travel is required to attend.

Section 4.4 Quorum

A quorum for a meeting of the Members shall exist when at least one-third (1/3) of the Members are represented in person or by proxy. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting, either in person or by proxy, shall be the act of the Members, unless the vote of a greater number of Members is required by law, the Articles of Incorporation of the Society (the "Articles") or by the specific provisions of these Bylaws.

Section 4.5 Adjournment

If at any annual or special meeting of the Society a quorum shall fail to attend in person or by proxy, a majority in interest of the Members attending in person or by proxy at the time of such meeting may, at the end of any hour, adjourn the meeting from time to time without further notice until a quorum shall attend, and thereupon any business may be transacted which might have been transacted at the meeting as originally called, had the same been held.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 Purpose

The business and affairs of the Society shall be managed and controlled by the Board Membership as provided herein.

Section 5.2 The Board

The Board shall consist of:

A. Voting Members. The elected officers of the Society (the "Officers") and the Immediate Past President of the Society (the "Past President") and one representative from each of the recognized Regional Auditors Associations (the "Regional Vice Presidents") shall be voting Members of the Board (the "Directors").

B. Non-Voting Members. The Treasurer and the Chairman, if any, of the Committees appointed pursuant to Article V, Section 5.11 of these by-laws, shall be non-voting Members of the Board.

C. Entire Board. The Officers, the Executive Director, the Treasurer, the Past President, and Regional Vice Presidents and the Committee Chairman shall constitute the Board. All Members of the Board shall be Members in good standing of the Society.

Section 5.3 Organizational Meeting

An organizational meeting will be held in September or at the direction of the President.

Section 5.4 Interim Meetings

An interim meeting will be held during the first quarter of the calendar year to review status of goals and objectives.

Section 5.5 Annual Meeting

An annual meeting will be held the second quarter of each calendar year for the purpose of installing Directors and Officers of the Society and for the transaction of such other business as may come before the Board.

Section 5.6 Special Meetings

Special meetings of the Board shall be held whenever regularly called by the President or by a majority of the Directors. Subject to any restrictions contained in the Articles and unless otherwise specified in the notice thereof, any and all business may be transacted at a special meeting of the Board.

Section 5.7 Place of Meetings

Meetings of the Board, annual or special, may be held either within or without the State of Missouri and may be held by means of conference, telephone, or by similar communications equipment by means of which all persons participating in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

Section 5.8 Notice

The Executive Director shall give notice to each Board Member a minimum of fifteen (15) days prior to any called meeting not held in person or requiring travel to attend.

Section 5.9 Quorum

A majority of the Directors at the time in office shall constitute a quorum, for the transaction of business of the Board, but a majority of the Directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn from time to time without notice until a quorum be had. The vote of a majority of the Directors present at any meeting in favor of or against any proposition shall prevail except as herein otherwise provided.

Section 5.10 Vacancies

In case of any vacancy among the Directors through death, resignation, disqualification, or other cause, the Directors of the Board, by the affirmative vote of a majority thereof, may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant and until the election and qualification of his or her successor.

Section 5.11 Committees

From time to time, the President or the Board may appoint committees and Chairman thereof for any purpose or purposes, which shall have such powers as shall be specified in the committee job description.

Section 5.12 Compensation

The Directors of the Society and Committee Chairmen and their Members shall serve without salary, subject to Article VII.

Section 5.13 Action by Resolution

A resolution in writing signed by a majority of the Directors shall be action by the Board to the effect therein expressed with the same force and effect as if the same had been duly passed by the same vote at a duly convened meeting, and it shall be the duty of the Executive Director of the Society to record such resolution in the minutes book of the Society under its proper date.

ARTICLE VI OFFICERS

Section 6.1 Executive

The elected officers shall be a President, President Elect, Vice President, and one Regional Vice President from each region. Upon approval of the Directors any two (2) or more offices may be consolidated and held by one person.

Section 6.2 Tenure of Office

The President shall be elected to serve one year from July 1 to June 30, and then the following year as Immediate Past President.

The President Elect shall be elected for a one (1) year term from July 1 to June 30. At the conclusion of the term, the President Elect will automatically be included on the ballot for President for the subsequent term. If elected, the President Elect will serve one (1) year as President and then the following year as Immediate Past President.

The Vice President shall be elected for a one (1) year term from July 1 to June 30. At the conclusion of the term, the Vice President will automatically be included on the ballot for President Elect for the subsequent term. If elected, the Vice President will serve one (1) year as President Elect. At the conclusion of the term as President Elect, he/she will automatically be included on the ballot for President for the subsequent term. If elected, he/she will serve one (1) year as President and then the following year as Immediate Past President.

The maximum term of office for the Regional Vice President shall be determined by the regions.

All Officers, Vice Presidents, and agents shall be subject to removal at any time, with or without cause, by the affirmative vote of a majority of the Directors.

Section 6.3 President

The President shall be the Chief Executive Officer of the Society and shall:

- A. Give leadership and guidance in fulfilling its purpose and objectives;
- B. Promote the advancement of the Profession;
- C. Be the Society's representative to the general public and to other societies or organizations which might affect the Profession;
- D. Serve as Presiding Officer and Chairman of the Board of Directors;
- E. Supervise the functions of the other elected Officers and employed staff of the Society.

Section 6.4 President Elect

The President Elect shall have such assignments as may be made by the President or Board. In the inability of the President to serve, the Executive Director shall immediately notify the President Elect to perform any or all of the duties of the President.

Section 6.5 Vice President

The Vice President shall have such assignments as may be made by the President or by the Board.

Section 6.6 Regional Vice Presidents

The Regional Vice Presidents shall have such assignments as may be made by the President or by the Board.

ARTICLE VII STAFF MEMBERS

Section 7.1 Appointment

The Board may employ under contract an Executive Director and/or the Treasurer. The Executive Director and/or the Treasurer shall receive such remuneration as the Board may determine and shall serve at the pleasure of the Board in accordance with the provisions of the employment contract.

Section 7.2 Duties

The duties of the Executive Director and/or the Treasurer shall be as provided in the position job description.

Section 7.3 Staff Appointments

The Board may, from time to time, authorize the Executive Director or the Treasurer to appoint or employ other staff members as the requirements of the Society may dictate.

ARTICLE VIII ELECTIONS

Section 8.1 Election of Officers

Election of Officers of the Society shall be made annually by a plurality vote on individual letter ballots, to each member of the Society in good standing being entitled to one (1) vote.

Section 8.2 Nominating Committee

Without limitation in Article V, Section 5.11 of these Bylaws, there shall be a Nominating Committee chaired by the Immediate Past President. The composition and duties of the committee are contained in the committee job descriptions.

Section 8.3 Ballots

An official ballot shall be mailed by the date established by the Board to each Member in good standing. The ballot shall be in such form as to provide for proper identification.

Ballots to be counted must be received by the Tellers Committee by the date specified in the voting instructions accompanying the Ballot (if mail is not delivered on that date, the first date thereafter that mail is delivered.)

Section 8.4 Tellers Committee

Without limitation in Article V, Section 5.11 of these Bylaws a Tellers Committee shall be appointed by the President and function in accordance with the committee job description.

ARTICLE IX CONTROL OF FUNDS

Section 9.1 Funds

Deposits, budgets, and other financial matters of the Society will be conducted in accordance with the Policies and Procedures Manual.

Section 9.2 Bonds

To secure the faithful discharge of his/her duties, the Treasurer shall give such bond as the Board may require. Such other Officers, members and employees charged with the responsibility of handling the funds of the Society may, at the discretion of the Board, also be bonded. Premiums for all bonds required by the Board shall be paid by the Society.

ARTICLE X SEAL

Section 10.1 Design

The Society shall not have a seal.

ARTICLE XI WAIVER OF NOTICE

Section 11.1 Waiver

Any member or Director may waive any notice required to be given under the provisions of any applicable statute or provisions of the Articles of Incorporation or these Bylaws by delivering a waiver thereof, in writing to the Executive Director. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice.

ARTICLE XII AMENDMENT

Amendments to these Bylaws and the Code of Professional Ethics shall be accomplished in a manner consistent with this Article.

Section 12.1 Proposals to Amend the Bylaws

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted by the Members or the Board at any duly convened meeting in accordance with the requirements of Article IV supra, or Article V (including, but not limited to Section 5.9 thereof) as appropriate, provided, however, that notice of any change shall be contained in the notice of such meeting.

Section 12.2 Submissions to the Board

All such proposals to amend the Bylaws or the Code of Professional Ethics, unless made at a meeting of the Board, shall be submitted to the Board in writing.

Section 12.3 Policy Statements

In all instances where possible the Board shall strive to establish a Policy and Procedures Manual for conduct of the Society business. The Policy and Procedures manual so established and/or modified by majority action of the Board in accordance with Article V of these Bylaws shall govern the conduct of business of the Society so long as they do not conflict with any provision of these Bylaws. In the event of any such conflict the Bylaws shall prevail.

A copy of the Policy and Procedures Manual shall be maintained by the Executive Director.

Certificate of Secretary

I hereby certify that the foregoing copy of the Bylaws is a true and correct copy of the Bylaws of the Society as the same were adopted at a duly called meeting of the Members.

ARTICLE XIII LIQUIDATION

In the event that the Society shall be liquidated, then and in that event, any and all assets on hand, after payment of liquidating expenses, shall be used for the benefit of charitable 501(c)(3) organizations. The Board of Directors shall determine the beneficiaries and the amount to be distributed to each.