

<b>SERFF Tracking #:</b>	CATL-128934162	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Catlin Insurance Company, Inc.
<b>TOI/Sub-TOI:</b>	H02G Group Health - Accident Only/H02G.000 Health - Accident Only		
<b>Product Name:</b>	Catlin Group Association - AWA Rates		
<b>Project Name/Number:</b>	Catlin Group Association - AWA/		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please refer to the below Cover Letter.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	Please refer to the below Letter of Authorization.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Attached please find the Actuarial Memorandum.
<b>Attachment(s):</b>	DC Catlin Group Accident Actuarial Memorandum Signed by Dennis Sparks 030310.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	This is an informational association filing for a previously approved group accident product.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	This is an informational association filing for a previously approved group accident product, & this document was included in the underlying product filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Catlin Insurance Company, Inc.
<b>TOI/Sub-TOI:</b>	H02G Group Health - Accident Only/H02G.000 Health - Accident Only		
<b>Product Name:</b>	Catlin Group Association - AWA Rates		
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<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	This is an informational association filing for a previously approved group accident product, & this document was included in the underlying product filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Rate Summary Worksheet
<b>Bypass Reason:</b>	This is an informational association filing for a previously approved group accident product, & the Rate Summary Worksheet was included in the underlying product filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	Cover Letter is attached, stating that: - The association is now the Policyholder - The purpose of the association.
<b>Attachment(s):</b>	DC Cover Letter - R.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Letter of Authorization
<b>Comments:</b>	Attached please find the Letter of Authorization.
<b>Attachment(s):</b>	2013 LOA.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Association Bylaws
<b>Comments:</b>	Attached please find the bylaws.
<b>Attachment(s):</b>	Bylaws.pdf

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Catlin Insurance Company, Inc.
<b>TOI/Sub-TOI:</b>	H02G Group Health - Accident Only/H02G.000 Health - Accident Only		
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<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Articles of Incorporation
<b>Comments:</b>	Attached please find the Articles of Incorporation.
<b>Attachment(s):</b>	Articles of Incorporation.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**CATLIN INSURANCE COMPANY, INC.**

Statutory Home Office: 1330 Post Oak Boulevard, Suite 2325, Houston, TX  
77056

Administrative Office: 3340 Peachtree Road N.E., Suite 2950, Atlanta, GA 30326

**ACTUARIAL MEMORANDUM**

**DISTRICT OF COLUMBIA GROUP ACCIDENT POLICY  
Form Number AHAG 051 (DC) 0110**

1. Scope and Purpose

The purpose of this memorandum is to certify that the premiums for this Policy Form satisfy the rate filing requirements of your State. This is a new filing. This memorandum should not be used for any other purpose.

2. Description of Benefits

Attachment 2 shows a summary of the benefit options available and the corresponding premium loadings.

The base policy contained in this filing pays benefits upon death or dismemberment arising out of a covered accident. The basic Accidental Death and Dismemberment policy coverage may be extended, with additional premiums, optionally where appropriate, to include:

- Armed Forces Coverage
- Exposure and Disappearance Benefit
- National Guard and Armed Forces Reserve Coverage
- Owned Aircraft Coverage
- Pilot Coverage
- War Risk Coverage

The basic policy provides a lump sum upon accidental death or dismemberment. The dismemberment benefit depends upon the extent of the dismemberment and is specified in the Schedule of Covered Losses.

Optionally, legal family members of the employee may be covered under the policy.

The following optional additional accident benefits are available on the base policy:

- Occupational Accident Benefit Rider: This rider pays additional lump sum death benefits due to accidental death, subject to the provisions contained in the benefit wording, while the employee is on the employer's premises and engaged in the course of his/her job, or, if included, on business travel preauthorized by the employer.
- Air Bag Benefit Rider: This rider may only be purchased if the Seat Belt Benefit Rider is also purchased. The rider pays lump sum benefits if death occurs from an accident that happens while operating or riding as a passenger in an automobile. The airbag must have been deployed in the collision for the Airbag benefit to be paid.
- Bereavement and Trauma Counseling Benefit Rider: This rider pays a benefit when the insured, or an immediate family member as defined in the benefit wording, requires counseling upon the accidental death of the insured.
- Bomb Scare, Bomb Search or Bomb Explosion Benefit Rider: Subject to satisfying all the requirements for qualification for benefit, the rider will pay a lump sum benefit upon an accidental injury suffered due to a bomb scare, bomb search or bomb explosion.
- Bulletproof Vest Benefit Rider: This rider pays a benefit if a covered employee is on official duty for the employer and is shot while wearing a bulletproof vest, as defined in the benefit wording.
- Burial and Cremation Benefit Rider: This rider pays a lump sum for burial or cremation upon the accidental death of a covered person.
- Business Travel Benefit Rider: This rider will pay a benefit if the insured suffers an injury while travelling on business that was preauthorized by the employer.
- Child Care Center Benefit Rider: This is a benefit provided to dependent children upon the accidental death of either or both parents. The child must meet age limit requirements as well as be enrolled in a legitimate child care center as defined in the policy.
- Common Carrier Benefit Rider: If the insured suffers an accidental injury while travelling as a fare paying passenger in a common

carrier, as defined in the policy, this rider will pay a lump sum amount.

- Emergency Room Visit Benefit Rider: This rider will pay a benefit if the insured requires emergency treatment in an Emergency Room, as defined in the benefit wording, arising from an accidental injury covered under the policy.
- Escalator Benefit Rider: This rider provides for annual increases in the benefit amount. The annual increases are a fixed percentage of the principal sum, with a cap on the total amount of the increases.
- Felonious Assault and Violent Crime Benefit Rider: Upon production of a Police Report describing a felonious assault or violent crime, as defined in the policy, perpetrated upon the insured, this benefit rider will pay a lump sum.
- HIV Occupational Accident Benefit Rider: If the insured suffers an injury arising out of an accident that occurred while performing his/her usual occupational duties, and acquires and tests positive for HIV, based upon tests approved by the Centers For Disease Control, within one year of the accident, then this rider will pay a specified lump sum benefit.
- Home Alteration and Vehicle Modification Benefit Rider: A specified lump sum benefit will be payable if the insured requires any home alteration or vehicle modification due to an injury arising from a covered accident.
- Hospital Stay Benefit Rider: This rider provides an In-hospital Indemnity benefit of a fixed amount per day spent confined in a hospital due to injuries sustained from a covered accident. The benefit will be paid for a maximum of 30 days. Hospitalization must be at the direction of, and, under the care of a licensed Physician
- Private Passenger Benefit Rider: This benefit is payable when an insured suffers an injury while driving or riding as a passenger in a private passenger automobile, as defined in the benefit wording.
- Rehabilitation Benefit Rider: This rider will pay the insured for essential physical rehabilitation, as defined in the benefit wording, required by the insured due to injuries arising out of an accident.
- Seatbelt Benefit Rider: The rider pays lump sum benefits if death occurs from an accident that happens while properly wearing a seatbelt and operating or riding as a passenger in an automobile.

- **Special Education Benefit Rider:** This rider pays a benefit for higher education to each qualifying dependent child or, optionally, the covered spouse. The benefit is payable upon the accidental death of the insured. There are two options available for the child benefit. Firstly, only those children will qualify for the benefit who, at the time of the insured's accidental death, are either in college or are about to enter college. Under the second option, all surviving children qualify for the benefit. However, for those children under age 18, the payments will not commence until they attain that age.
- **Permanent Total Disability Benefit Rider:** After a 90-day waiting period, the insured becomes eligible for a benefit payment provided the insured be declared permanently and totally disabled by a licensed Physician. The payment will depend upon the payout option selected at the outset of the policy.

3. Renewability Clause

The premiums are not guaranteed, and, are subject to change upon renewal.

4. Applicability

This form will be available for new issues.

5. Morbidity

This policy provides accident insurance coverage to employee or other valid groups. Rates were developed separately for the base plan and the various optional benefits.

The additional costs for each of the optional benefits are expressed as a loading to the accidental death base rate.

- Accidental Death Benefit

- Employee Base Rate

The composite claim cost for accidental death was developed from the data shown in the 2005-2006 Edition of the National Safety Council's Injury Facts, for ages 25-64.

An adjustment was made to allow, as far as possible, for the common exclusions of coverage listed in the policy.

A discount of 20% was included to allow for an insured population, while a loading of 10% was added to reflect an increased risk of anti-selection.

The composite, ages 25-64, accidental death claim cost is \$0.0205 per month per \$1,000 of principal sum.

- Spouse Base Rate

Since the employee base rate is developed from unisex data, the monthly Spouse Base Rate is equal to the employee base rate of \$0.0205 per month per \$1,000 principal sum.

- Dependant Child Base Rate

The dependant child base accidental death rate was developed in the same manner as the employee base rate. The data was taken from the 2005-2006 Edition of Injury Facts for the under 24 age group. The resulting claim cost is \$0.0144 per month, per \$1,000 of principal sum. This claim cost includes the 20% discount for insured lives.

- Optional Extension of Benefits

- Armed Forces Coverage

The additional cost for this extension of benefits was derived from the Department of Defense's Medical Surveillance Monthly Report.

The Reports with the necessary data are Vol. 9, No. 1 and Vol. 11, No. 3. They show mortality rates among U.S. Armed Forces by general cause, including accident, homicide and hostile action.

Based upon the given age-banded rates, we obtained a population weighted average accident mortality rate of 25.06 per 100,000, giving a loading of 0.0984 to the employee accidental death base rate for a benefit extension of 100% of the insured's principal sum.

- Exposure and Disappearance Benefit

The numbers of deaths from exposure to the forces of nature were obtained from Injury Facts, 2005-2006 Edition.



With a resulting claim cost of \$0.0079 per 1,000, the loading, for a benefit of 100% of the principal sum, to be applied to the insured's base accidental death rate is 0.0347.

- Optional Additional Benefits

- Dismemberment Benefits

A loading of 10% is applied to the base accidental death claim cost to cover dismemberment benefits.

- Occupational Accident Benefit

The occupational unintentional accidental deaths were obtained from the National Safety Council's Injury Facts 2005-2006 Edition. The occupational deaths resulting from assaults and violent acts were obtained from the Department of Labor's Bureau of Labor Statistics: Census of Fatal Occupational Injuries, Table E1.

The claim cost for on-premises deaths was \$4.26 per annum, per \$100,000.

Optionally, coverage under this rider can include a benefit for accidental death while travelling on business for the employer.

The total cost, including both on-premises and business travel coverage is \$6.08 per annum, per \$100,000.

The loading to the accidental death base rate are 0.0019 and 0.0027 respectively.

- Bereavement and Trauma Counseling

This benefit pays a fixed amount per session, with the maximum number of sessions limited to either 5 or 10.

An average principal sum of \$50,000 is assumed, consequently the maximum bereavement and trauma counseling benefit, payable at \$5 per session, as a proportion of the average principal sum is 0.05% and 0.1% respectively.

Thus, the loadings to the accidental death base rate are 0.0005 and 0.0010 respectively.

- Bomb Scare, Bomb Search or Bomb Explosion

The loading of 0.0002, for a benefit of 1% of the principal sum, was developed based on our best actuarial judgment.

- Bullet Proof Vest Benefit Rider

The loading of 0.0008, for a benefit of 1% of the principal sum, was developed based on our best actuarial judgment.

- Burial and Cremation Benefit

The pure claim cost of \$0.0050 per \$1,000 of the Burial and Cremation Benefit assumes that the average Accidental Death Benefit is \$50,000 and that all accidental deaths having opted for this benefit will avail this benefit. The loading to the accidental death base rate is 0.0200.

- Business Travel Accident Benefit

The occupational vehicular and transportation operations deaths were obtained from the Department of Labor, Bureau of Labor Statistics, Census of Fatal Occupational Injuries, Table E-1.

The population of workers, ages 16 and older, was obtained from page 49 of Injury Facts, 2005-2006 Edition.

This resulted in a pure claim cost of \$1.79 per 100,000 workers. When applied to the insured AD claim cost, this produced a loading factor of 0.0008 for a 1% of Principal Sum benefit.

- Child Care Center Benefit

This loading is to be applied to the Childs Accidental Death Benefit rate.

The claim cost is calculated as:

$$(\text{Present value of benefit per child at 4\% p.a.}) * (\text{Average number of children per family}) * (\text{Probability of accidental death of either employee or spouse or both}) \div (\text{Assumed average principal sum})$$

The average number of children per family, 1.92, is obtained from U.S. Census Bureau, Population Division, Table AVG3 (March 2002).

The assumed average employee principal sum is \$50,000.

The resultant claim costs and loadings are:

	Claim Cost	Loading	Claim Cost	Loading	Claim Cost	Loading
Annual Benefit	\$2,500		\$3,000		\$4,000	
To Age 13	0.1124	70.14%	0.1349	84.17%	0.1799	112.23%
To Age 12	0.1117	69.67%	0.1340	83.60%	0.1787	111.47%
To Age 11	0.1108	69.11%	0.1329	82.93%	0.1772	110.57%
To Age 10	0.1097	68.44%	0.1316	82.12%	0.1755	109.50%

- Common Carrier Benefit

The claim cost for this benefit was developed from data for deaths by mode of transportation contained in Injury Facts, 2005-2006 Edition. Deaths for taxi occupants were estimated 1% of car occupant deaths.

The base rate was doubled to allow for any concentration of risk.

The adjusted pure claim cost is \$2.161 per 100,000, translating into a loading of 0.0010 for a benefit of 1% of the principal sum.

- Emergency Room Visit Benefit

The data for developing the claim cost for this benefit was derived from Health, United States, 2007: Table 91: Injury-Related Visits to Hospital Emergency Departments.

The data include the total number of emergency room visits, including multiple visits.

A 20% discount for insured lives has been included to allow for some selection.

The pure claim cost for a \$100 benefit per emergency room visit is \$7.26 for adults.

Assuming an average employee principal sum of \$50,000, the claim cost for this benefit translates into a premium loading of 0.6362.

The pure claim cost for dependant children is \$9.37, and, the loading to be applied to the child's rate is 1.1693.

- Escalation Benefit

The escalation provision will provide the covered person with an additional set percentage of the original principal sum upon completion of each year of participation in the plan for a period of five years.

The escalation benefit rates are either 3% per annum simple, or, 5% per annum simple.

The benefit rate loading was developed by computing the ratio of the present value of future benefits with the escalation provision to the present value of future benefits with a flat accidental death benefit.

The present values were calculated at an interest rate of 4% per annum.

	3% Escalation	5% Escalation
PV of \$1,000 Escalated Benefit	2.0723	2.1971
PV of \$1,000 Flat Benefit	1.8852	
Loading for Escalation Provision	0.0993	0.1655

- Felonious Assault Benefit

The numbers of covered deaths resulting from assaults were derived from data contained in National Vital Statistics Reports, Vol. 54, No. 10 (January 31, 2006).

Table 16 shows the required deaths by age group for calendar years 1999-2002. The deaths for ages 25-64 are included in the computation.

However, fatal occupational injuries arising from assaults and violent acts are excluded from this cover. The numbers of excluded deaths were obtained from the Bureau of Labor Statistics: Census of Fatal Occupational Injuries.

The claim cost for this benefit is \$0.0701 per \$1,000, or, an accidental death premium loading of 0.0031 for a 1% of principal sum benefit.

- Home Alteration and Vehicle Modification Benefit Rider

The premium loading for this benefit is based upon the expected number of dismemberment injuries. These, in turn, are derived from the loading for dismemberment benefits, that is, 10% of expected accidental deaths.

This results in 3,870 expected dismemberment injuries, giving a claim cost of \$0.02592 per 100,000, or, a premium loading of 0.0011 for a bonus benefit of 1% of the principal sum.

- Occupationally Acquired HIV Benefit

Rates for this occupational benefit were derived from the Center for Disease Control's Surveillance of Healthcare Personnel With HIV/AIDS and Journal of the American Medical Association (JAMA), Volume 300, No. 5 (Table 2).

The CDC surveillance states that there were 23,212 AIDS cases reported that had a history of employment in the healthcare industry. Of these, 196 healthcare personnel were "documented and possible" occupationally acquired HIV/AIDS infections. It was, therefore, assumed that 1% of HIV infections were occupationally acquired.

The rate of new HIV infections is estimated as 36.40 per 100,000 population, in the age group 29-49, from JAMA.

A loading of 4 was applied to reflect any anti-selection as this benefit is offered only to healthcare personnel.

Thus, the resulting estimated infection rate from occupationally acquired HIV/AIDS is 0.0146 per 1,000.

The loading to the accidental death rate for a 1% of principal sum benefit amount is 0.0006.

- Private Passenger Benefit

The numbers of car occupant deaths were obtained from National Safety Council's Injury Facts 2005-2006 Edition.

An adjustment was included for DWI exclusion, as a discount of 30%. The claim cost for this benefit was \$0.0720 per 1,000, resulting in a premium loading of 0.0032.

- Rehabilitation Benefit

The premium loading for this benefit is based upon the expected number of dismemberment injuries. These, in turn, are derived from the loading for dismemberment benefits, that is, 10% of expected accidental deaths.

This results in 3,870 expected dismemberment injuries, giving a claim cost of \$0.02592 per 100,000, or, a premium loading of 0.0011 for a bonus benefit of 1% of the principal sum.

- Seatbelt and Airbag Benefit

The source of statistics used in the calculation of the loading for this benefit is Injury Facts 2005-2006 Edition published by the National Safety Council.

It is estimated that, when used, lap/shoulder safety belts reduce the risk of fatal injury by 45%. Also, the use of safety belts has increased over the years due to legislative requirements, and, it is assumed that 80% of motorists used safety belts.

A ratio was developed from this information as a measure of the effectiveness of safety belts in preventing fatal injury. Basically, the ratio is an estimate of the proportion of claimants who are fatally

injured while wearing a safety belt to the total number of claimants.  
This is calculated as:

$$\frac{\text{No. of Claimants} * 80\% * (1 - 45\%)}{\text{No. of Claimants} * (1 - 80\% * 45\%)} = 0.6875$$

For the Airbag benefit, it is assumed that all cars have fitted Airbag's, consequently this ratio is 1.0.

Again, based on Injury Facts data, a discount of 30% was applied to allow for the DWI exclusion in the policy.

The claims costs for a benefit of 1% of the Principal Sum are:

Safety Belt	\$0.0356 per 100,000
Airbag	\$0.0518 per 100,000

The premium loadings corresponding to these claim costs are:

Safety Belt	0.0016
Airbag	0.0023

- Hospital Stay Benefit

Information for the calculation of the loading for this benefit was derived from the Centers for Disease Control's National Hospital Discharge Survey: National Trends in Injury Hospitalizations, 1979-2001. The incidence rate derived from this data is 4.87 per 1,000.

The Average Length of Stay was obtained from the American Heart Association' TrendWatch Chartbook 2005. The calculated average length of stay in a hospital is 5.8 days.

In calculating the expected claim cost, adjustments were included to allow for waiting periods of 3 days and 7 days respectively.

In addition a discount of 20% was also included to allow for the better experience expected from insured lived.

Claim costs, per \$100 daily hospital benefit, are:

3-day waiting period	\$1.4933
7-day waiting period	\$0.8798

Premium loading to the basic accidental death rate for a \$100 daily hospital benefit, assuming an average principal sum of \$50,000, are:

3-day waiting period	0.1309
7-day waiting period	0.0771

- Permanent Total Disability Benefit

Claim costs for the Permanent Total Disability benefit are derived from adjusted incidence rates, with a 90-day elimination period, in the 1985 Commissioners' Disability Table.

An overall population age weighted incidence rate was calculated as 0.7559 per 1,000.

The present values for the optional benefits were calculated at an interest rate of 4% per annum, resulting in the following:

Option	Claim Cost	AD Base Rate Loading
Lump Sum	0.7559	3.3133
1% Principal Sum For 100 Months	0.6419	2.8137
40% Principal Sum + 1% Principal Sum For 60 Months	0.7128	3.1244

- Special Education Benefit for Surviving Children

The basic assumptions are:

- 4% per annum interest rate used for discounting.
- 2.5 children per insured, spread uniformly over the ages 0 to 24, that is, an average of 0.1 child per age.
- Maximum benefit period is 4 years, or to attained age 24.

Option 1

This option pays an annual benefit of 1% of the principal sum to each of those surviving children who either are in college or are preparing to go to college. These children are assumed to be in the age range of 17 to 23 years old at the time of the insured's accidental death.

The present value of this benefit is \$0.0201. However, it is payable only to the surviving children of those insured's who die



accidentally. So, the additional cost is now  $\$0.0201 * 0.2281$  which equals  $\$0.0046$ .

The loading, to be applied to the child's accidental death base rate is 0.0287.

#### Option 2

Under this option all surviving children at the time of the insured's accidental death are eligible for the annual benefit. Each eligible child below 18 years old will start receiving the annual benefit upon attaining age 18. Older children will receive the benefit starting immediately for a maximum period of 4 years or to attained age 24.

The present value of this benefit is  $\$0.0625$ . Again, it is payable only to the surviving children of those insured's who die accidentally. Thus, the additional cost is  $\$0.0625 * 0.2281$ , which equals  $\$0.0143$ .

The loading, to be applied to the child's accidental death base rate, is 0.0889 for an annual benefit of 1% of the insured's principal sum.

- Special Education Benefit for Surviving Spouse

As for the children, this benefit pays an annual sum for 4 years after the accidental death of the insured.

The additional cost of this benefit is  $\$0.0363$  for an annual amount of 1% of the insured's principal sum.

The loading, to be applied to the spouse's accidental death base rate, is 0.1591.

#### 6. Family Rates

Family rates can be derived from the base rates, depending upon the plan design, that is the additional benefits chosen and the proportions of the insured's principal sum that are chosen for the dependants.

#### 7. Mortality

See item 5 above.

#### 8. Persistency

Persistency assumptions were not used in the pricing of this product.

9. Expenses

Expenses are assumed to be 20.5% of the gross premium, allocated as follows:

Administration	8.0%
Issuing Fees	5.0%
Premium Taxes	2.5%
Overhead	5.0%
Total	20.5%

10. Commissions

Commissions are assumed to average 15% of the gross premium.

11. Marketing Method

This product is to be sold through licensed insurance brokers, agents and third party administrators. It may be offered on a direct response basis.

12. Underwriting

Since this product will be sold as group coverage to employers or other valid groups, there will be none or limited underwriting.

13. Premium Classes

The premiums will vary by plan design, including:

- (i) Employee only coverage, or, employee and dependants coverage.
- (ii) Gender Mix of Group
- (iii) Benefit Level
- (iv) Additional Options Selected
- (v) Industry Group
- (vi) Geographic Area

14. Issue Age Range

Limited to employees aged 18 to 69.

15. Gender Adjustment Factors

A gender adjustment factor is introduced into the group rating that allows for the proportions of males and females in the group to be insured.

The unintentional injury death rates for males and females respectively were derived from data contained in Table 16 of the Center for Disease Control's National Vital Statistics Reports, Vol. 54, No. 10, January 31, 2006.

The gender specific accident mortality rates were compared with the overall unisex accident mortality rate. This resulted in the male ratio of 1.88 and a female ratio of 0.68.

The adjustment factor is then calculated as:

Employee Adjustment Factor = Male Factor\*%Males + Female Factor\*%Females

For the spouse adjustment factor, the percentages are switched, so that:

Spouse Adjustment Factor = Male Factor\*%Females + Female Factor\*%Males

These adjustment factors are then applied to the general accidental death rate for employees and spouse respectively in deriving the base rates for the group.

16. Geographic Area Factors

Geographical area factors were developed from the data showing unintentional injury death trends by State in Injury Facts, 2005-2006 Edition.

17. Industry Factors

Industry factors were derived from the Society of Actuaries 2006 Group Life Experience Study, which included AD&D experience by SIC (Standard Industrial Classification) code. The emerging industry loadings were used as a guide and were adjusted for anticipated experience to arrive the final loadings adopted for this product.

18. Average Annual Premium

The average expected premiums are:

Basic AD&D Plan with \$50,000 Principal Sum:

\$1.19 per employee per month for employee only

\$2.49 per employee per month for family cover

Typical Plan Including Additional Benefits:

\$1.30 per employee per month for employee only

\$2.73 per employee per month for family cover

Please see Attachments 1(a) and 1(b) for the assumptions and calculations.

19. Premium Modalization Rules

The premiums are only payable monthly.

20. Claim Liability and Reserves

The claim liability and reserves for all incurred but unpaid claims, including accrued and unaccrued, will be developed using standard actuarial methods as prescribed by the American Academy of Actuaries.

21. Active Life Reserves

Not applicable to this product.

22. Trend Assumption

No trend assumption was made.

23. Anticipated Loss Ratio

The anticipated Loss Ratio for this policy form is 52%.

24. Distribution of Business

This is a new policy form filing, consequently the distribution of business is not known.

25. Contingency and Risk Margins

The margins for adverse experience and profit are included as 12.5% of gross premium.

26. Experience

This is a new product filing and we do not have any experience on this form.

27. Lifetime Loss Ratio

The lifetime loss ratio is expected to be 52%.

28. History of Rate Adjustments

This is not applicable because this is a new product filing.

29. Number of Policyholders


This is not applicable because this is a new product filing.

30. Proposed Effective Date

The effective date will begin upon Department of Insurance approval.

31. Actuarial Certification

To the best of my knowledge and judgment, this filing is in compliance with the applicable laws of this State and that the proposed premiums are reasonable in relation to the benefits provided.

  
3/3/2010

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G. Dennis Sparks, FCAS, MAAA  
Senior Vice President and Chief Actuary  
Catlin Inc

**ATTACHMENT 1(a)**  
**Average Premium Calculation**

Plan Design 1: Basic AD&D Only		Employee	Spouse	Child	
General Claim Cost Per 1,000		0.0205	0.0205	0.0144	
Gender Adjustment:		1.1605	1.4017	1.0000	
Males Employees	40%				
Female Employees	60%				
Rider Loadings:					
Accidental Death		1.0000	1.0000	1.0000	
Dismemberment		0.1000	0.1000	0.1000	
Total Loading		1.1000	1.1000	1.1000	
Area Factor:					
New Jersey		0.7590	0.7590	0.7590	
Industry Factor:					
63: Insurance Carriers		0.6100	1.0000	1.0000	
Net Rate		0.0121	0.0240	0.0120	
Expenses:					
Administration	8.0%				
Issuing Fees	5.0%				
Premium Taxes	2.5%				
Overhead	5.0%				
Total	20.5%				
Commissions	15.0%				
Profit & Contingencies	12.5%				
Manual Rate		0.0233	0.0462	0.0232	Per 1,000 Per Employee Per Month
Average Principal Sum	50,000				
Manual Premium		\$ 1.17	\$ 2.31	\$ 1.16	Per Employee Per Month

**Family Premium:**

	Benefit Level	Rate	
Employee	100%	0.0233	
Spouse	50%	0.0231	
Children	10%	0.0023	
Total Family Rate		0.0488	Per 1,000 Per Employee Per Month
Manual Family Premium		\$ 2.44	Per Employee Per Month

**ATTACHMENT 1(b)**  
**Calculation of Average Premium**

Plan Design 2: Typical Plan (Includes Additional Riders)					
		Employee	Spouse	Child	
General Claim Cost Per 1,000		0.0205	0.0205	0.0144	
Gender Adjustment:		1.1605	1.4017	1.0000	
Males Employees	40%				
Female Employees	60%				
Rider Loadings:					
Accidental Death		1.0000	1.0000	1.0000	
Dismemberment		0.1000	0.1000	0.1000	
Air Bag	5%	0.0115	0.0115	0.0115	
Burial & Cremation	1000	0.0200	0.0200	0.0200	
Common Carrier	50%	0.0500	0.0500	0.0500	
Seatbelt	10%	0.0160	0.0160	0.0160	
Special Education - Children (Option 1)	4%	0.0000	0.0000	0.2202	
Total Loading		1.1975	1.1975	1.4177	
Area Factor:					
New Jersey		0.7590	0.7590	0.7590	
Industry Factor:					
63: Insurance Carriers		0.6100	1.0000	1.0000	
Net Rate		0.0132	0.0262	0.0155	
Expenses:					
Administration	8.0%				
Issuing Fees	5.0%				
Premium Taxes	2.5%				
Overhead	5.0%				
Total	20.5%				
Commissions	15.0%				
Profit & Contingencies	12.5%				
Manual Rate		0.0254	0.0503	0.0299	Per 1,000 Per Employee Per Month
Average Principal Sum	50,000				
Manual Premium		\$ 1.27	\$ 2.52	\$ 1.49	Per Employee Per Month



**Family Premium:**

	Benefit Level	Rate	
Employee	100%	0.0254	
Spouse	50%	0.0252	
Children	10%	0.0030	
Total Family Rate		0.0535	Per 1,000 Per Employee Per Month
Manual Family Premium		\$ 2.68	Per Employee Per Month

ATTACHMENT 2  
Summary of Benefit Options and Premium/Loadings

BENEFIT OPTIONS

		Employee	Spouse	Children
General Rate Per \$1,000 Per Month		0.0205	0.0205	0.0144
Gender Adjustment Ratio's:				
Males	1.88			
Females	0.68			

Benefit Loads

Accidental Death		1.0000	1.0000	1.0000
Dismemberment Benefits		0.1000	0.1000	0.1000

Conditions of Coverage Extended Benefits:

Armed Forces	100% Principal Sum (PS)	0.0984	0.0984	x	
Exposure & Disappearance	100% Principal Sum (PS)	0.0347	0.0347	0.0347	
National Guard Service	100% Principal Sum (PS)	0.0110	0.0110	x	Judgment
Owned Aircraft	100% Principal Sum (PS)	0.0010	0.0010	x	Judgment
Pilot Coverage	100% Principal Sum (PS)	0.0010	0.0010	x	Judgment

Additional Benefits:

Additional Occupational Accident Benefit	On Employer Premises Only 1% PS To \$5,000	0.0019	0.0019	x
	On Employer Premises Or Business Travel 1% PS To \$5,000	0.0027	0.0027	x

ATTACHMENT 2  
Summary of Benefit Options and Premium/Loadings

Air Bag	1% PS To \$5,000	0.0023	0.0023	0.0023	
Bereavement & Trauma Counseling	5 sessions at \$5 per session 10 sessions at \$5 per session	0.0005 0.0010	0.0005 0.0010	0.0005 0.0010	
Bomb Scare, Bomb Search or Bomb Explosion	1% PS To \$5,000	0.0002	0.0002	x	Judgment
Bulletproof Vest	1% PS To \$5,000	0.0008	0.0008	x	Judgment
Burial & Cremation	\$1,000	0.0200	0.0200	0.0200	
Business Travel	1% PS To \$5,000	0.0008	0.0008	x	
Child Care Center	\$2,500 Per Year For Maximum 3 Years or To Age 13 \$3,000 Per Year For Maximum 3 Years or To Age 13 \$4,000 Per Year For Maximum 3 Years or To Age 13	x x x	x x x	0.7014 0.8417 1.1223	
Common Carrier	1% PS To \$5,000	0.0010	0.0010	0.0010	

ATTACHMENT 2  
Summary of Benefit Options and Premium/Loadings

Emergency Room Benefits	\$100 Per Visit, For Maximum 5 Visits	0.6362	0.6362	1.1693
Escalator (COLA)	3% Simple For Maximum 5 Years 5% Simple For Maximum 5 Years	0.0993 0.1655	x x	x x
Felonious Assault/Violent Crime	1% PS To \$5,000	0.0031	0.0031	0.0031
Occupationally Acquired HIV Infection	1% PS To \$5,000	0.0006	0.0006	x
Home Alteration & Vehicle Modification	1% PS To \$5,000	0.0011	0.0011	x
Hospital Stay Benefit	7-Day Waiting Period: \$100 Per Day For Maximum 30 Days 3-Day Waiting Period: \$100 Per Day For Maximum 30 Days	0.0771 0.1309	0.0771 0.1309	0.0771 0.1309
Private Passenger Benefit	1% PS To \$5,000	0.0032	0.0032	0.0032
Rehabilitation	1% PS To \$5,000	0.0011	0.0011	x

ATTACHMENT 2  
Summary of Benefit Options and Premium/Loadings

Seatbelt	1% Ps To \$5,000	0.0016	0.0016	0.0016
Special Education For Each Surviving Dependent Child	Option 1: 1% PS To \$2,000 For Maximum 4 Years	x	x	0.0550
	Option 2: 1% PS To \$3,000 For Maximum 4 Years	x	x	0.1707
Special Education For Surviving Spouse	1% PS To \$2,000 For Maximum 4 Years	x	0.1591	x
Accident Permanent Total Disability 90 - Day Elimination Period	100% Principal Sum	3.3133	x	x
	1% PS for 100 Months	2.8137	x	x
	40% Principal Sum + 1% for 60 Months	3.1244	x	x
Waiver of Premium (WOP) For Disability	12 Months Maximum	0.0200	x	x



March 21, 2013

via SERFF

The Honorable William P. White  
Government of the District of Columbia Department of Insurance  
Securities and Banking  
Actuarial Analysis Division  
810 First Street, NE, Suite 701  
Washington DC 20002  
*Attn.: Life and Health Division*

**Re: Catlin Insurance Company, Inc.**  
**FEIN#: 204929941**  
**NAIC#: 4574 19518**

**ASSOCIATION FILING**

**Group Accident Insurance Policy – Form # AHAG 051(DC) 0110**  
**Group Accident Insurance Certificate – Form # AHAG 050(DC) 0110**  
**Group Accident Insurance Enrollment Form – Form # AHAG A01(DC) 0110**  
**Group Application for Group Accident Insurance – Form # AHAG A02(DC) 0110**

To Whom it May Concern:

I respectfully submit the filing referenced above on behalf of Catlin Insurance Company, Inc. ("Catlin") for your review and approval prior to use in your state. Westmont Associates, Inc. has been requested to file these forms on behalf of Catlin. Please see the enclosed authorization letter.

The forms listed above were previously approved by your Department on December 21, 2012 under SERFF Tracking # CATL-128800724. The corresponding rate filing was previously approved by your Department on **December 21, 2012** under SERFF Tracking # **CATL-128800723**. There is no deviation from the approved rates for this filing.

Upon approval from your Department, Catlin intends to issue the subject policy to Affiliated Workers Association (AWA), an Illinois domiciled association. Please find information pertaining to the Association and its operations.

The Affiliated Workers Association was established in 2001 and is located at 16476 Chesterfield Airport Road, Chesterfield, IL 63017. You can visit their website at <http://www.affiliatedworkersassociation.org>.

Catlin Insurance Company, Inc. requires disclosure of premium separate from other association membership dues, fees or other benefits.

Association membership dues and premiums are collected from members through monthly transactions by credit card or ACH recurring billing.

The purpose of this Association is to instruct, train or provide information to its members for the purpose of enhancing consumer awareness in areas related to finance, health, wellness, the environment and other human issues which make a difference in our world.

The insured cannot negotiate any policy forms, certificates and/or riders. Nothing is included in the policy that has not been previously approved by your state.

Prospective members complete a separate application for AWA membership, but can enroll in insurance products at the same time.

I thank you in advance for the time spent on this filing and trust that you will find everything in order. Please do not hesitate to contact me directly at 856-216-0220, x 211 or at [carolyn@westmontlaw.com](mailto:carolyn@westmontlaw.com) if you have any questions or require additional information.

Respectfully,

***Carolyn Smart***

Carolyn Smart



1330 Post Oak Boulevard  
Suite 2325  
Houston, TX 77056

February 13, 2013

Catlin Insurance Company, Inc.  
FEIN#: 204929941  
NAIC#: 4574 19518

Letter of Authorization  
Filing of Forms, Rates and Rules

Dear Sir or Madame:

In accordance with the applicable statutes and regulations in your state, Darcy Lebau and Westmont Associates are hereby authorized to file form and rate filings on behalf of Catlin Insurance Company, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bob Eells".

Bob Eells  
Director – Regulatory Development



**BYLAWS  
OF  
AFFILIATED WORKERS ASSOCIATION**

**ARTICLE 1.  
PURPOSES AND POWERS**

**1.01 Purposes.** As set forth in its Articles of Incorporation or any amendments thereto, the Corporation is formed for educational purposes. The term "educational" relates to the instruction, training or providing of information to the Corporation's members for the purpose of enhancing consumer awareness in areas related to finance, health, wellness, the environment and other human issues which make a difference in our world. The Corporation is further organized for any lawful purpose or purposes.

**1.02 Mission.** The mission of the Corporation, in keeping with its general purposes, is: (a) the fostering and promoting of education and research concerning the advantages and availability of suitable discounted medical, medically related, non-medical and other benefit and service programs in respect of its members; (b) the collection and dissemination of statistics and other relevant and reliable information, facts and data concerning the benefits, medical issues and other related matters; (c) the location and determination of suitable and appropriate benefits, medical and other related products and services needed and desired by members at efficient and reasonable costs; and (d) the providing of emails, internet websites, media, newsletters, conferences, meetings, seminars, forums and other means of effective communication to members and others concerning the purposes of the Corporation.

**1.03 Powers.** The Corporation shall possess all powers which a Corporation may have that is organized under the Illinois General Not For Profit Corporation Act of 1986, as the same may from time to time be amended.

**1.04 Bylaws.** These bylaws shall govern and control the internal corporate affairs of the Corporation and guide the officers, directors and members of the Corporation in their efforts to promote the business and objectives of the Corporation.

**ARTICLE 2.  
PRINCIPAL OFFICE; REGISTERED OFFICE AND AGENT**

**2.01 Principal Office.** The principal office in the State of Illinois shall be at such place as the board of directors may from time to time designate by duly adopted resolution. The Corporation may also have an office or offices at such other place or places within or without the State of Illinois as the board of directors may from time to time designate or the business of the Corporation requires.

**2.02 Registered Office.** The Corporation shall have and continuously maintain in Illinois a registered office which may be, but need not be, the same as its principal office. The address of the registered office will be identical with the office of the registered agent of the Corporation. Such office will be continuously maintained within Illinois for the duration of the Corporation. The board of directors may from time to time change the address of its registered

office by duly adopted resolution and submission of the appropriate forms to the Office of the Secretary of State.

**2.03 Registered Agent.** The Corporation shall have and continuously maintain in Illinois a registered agent, which agent may be an individual resident in Illinois whose business office is identical with such registered office, or a domestic Corporation, whether for profit or not for profit, or a foreign Corporation for profit or not for profit, authorized to transact business or to conduct its affairs in Illinois which has a business office identical with such registered office.

**2.04 Change of Registered Office or Agent.** The Corporation may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State a statement setting forth such change. The change shall be authorized by the board of directors or by an officer so authorized by the board of directors. The registered agent shall be agent of the Corporation upon whom any process, notice or demand required or permitted by law to be served on the Corporation may be served.

**2.05 Resignation of Registered Agent.** Any registered agent may resign; however, the Corporation will not recognize the resignation of any registered agent appointed by it, or the discontinuance of any registered office, unless it receives a copy of such agent's resignation, or discontinuance of the registered office, as sent to the Office of the Secretary of State, such copy to be delivered or sent to the Corporation registered or certified mail, addressed to the principal office of the Corporation and directed to the attention of the secretary of the Corporation. A copy of such notice shall be delivered or mailed no later than the date of filing of the statement with the Office of the Secretary of State, and such statement of resignation, or discontinuance of the registered office, shall be effective on the earlier of the filing by the Corporation of an amendment to its annual registration statement designating a new registered agent, or registered office is discontinued, or the thirty-first (31<sup>st</sup>) day after the date on which the statement is filed.

### **ARTICLE 3. MEMBERS**

**3.01 Members.** The Corporation shall have members.

(a) **Designation of Class of Members.** The Corporation shall initially have one (1) class of members which shall be designated as "*Individual Members*." The board of directors may establish new classes of members or change the existing class or classes of members at any time by an amendment to these bylaws. Nothing shall be construed as to create any employer-employee relationship between the Corporation and any member.

(b) **Manner of Election or Appointment of Members of Each Class of Members.** The board of directors by resolution may create, change, eliminate or modify categories, divisions or sub-divisions within each class or classes of members. The board of directors may also determine additional or special qualifications for members in any such category, division or subdivision.

(c) **General Qualifications of Members.** Membership in the Corporation shall be open to any United States citizen or lawful permanent resident who is an

entrepreneur or who is self-employed or an independent contractor. In addition, members must also be at least eighteen (18) years of age and have a valid Social Security Number. Members shall have a shared or common interest in having a need for the education, benefits, products and/or services offered by the Corporation and must subscribe to the purposes, principles and objectives of the Corporation. A spouse or domestic partner and/or the dependents of an active member may also be eligible for optional family membership benefits through the active member. The definition of "domestic partner" and "dependents" shall be set forth in the terms and conditions of the membership application or as determined by applicable state law.

**3.02 Application and Admission.** Application for membership shall be made in writing, by electronic message confirmation or by telephonic recording and shall contain such information as the Corporation may require. Each application shall be accompanied by an application or activation fee and monthly dues in amounts to be determined by the board of directors. A refund policy shall also be determined by the board of directors in accordance with these bylaws and any applicable law.

**3.03 Programs, Services or Benefit Packages.** Programs, services or benefit packages offered to members in any class, category, division or sub-division may be determined by resolution of the board of directors or the officers of the Corporation. Programs, services or benefit packages are offered at the sole discretion of the Corporation and may vary by membership or availability and may be changed at any time.

**3.04 Active Member.** Any member who is not in default in the payment of dues for a period of one (1) month or more from the beginning of the period for which such dues become payable shall be an active member and shall be entitled to all of the rights, privileges and benefits provided to such members as so determined by the board of directors.

**3.05 Certificates or Cards Evidencing Membership.** The board of directors by duly adopted resolution may, but is not required, to provide for the issuance of certificates or cards evidencing membership in the Corporation. Such certificates or cards may be signed by the president, vice-president or executive director and by the secretary or an assistant secretary. The name and address of each member and the date of issuance of the certificate or card shall be entered in the records of the Corporation. If any certificate or card shall become lost, mutilated or destroyed, a new certificate or card may be issued upon such terms, provisions and conditions as the board of directors may determine.

**3.06 Voting Rights.** Each member of each class shall have full voting rights and shall be entitled to one vote.

**3.07 Termination of Membership.** Membership in the Corporation terminates upon the death of a member. A member shall also be automatically ineligible for membership and loses all privileges, rights and benefits of the Corporation when the member of an class shall be in default in the payment of dues for a period of one (1) month from the beginning of the period from which such dues became payable, unless the board of directors, in its discretion, extends the time for payment of dues. Termination for the failure to pay dues shall be effective retroactively to the date such dues were payable and no further notice of such termination shall be required,

although it may be given. Furthermore, the board of directors may expel or suspend a member pursuant to a procedure, duly adopted by the board of directors, that is fair and reasonable and carried out in good faith. The expulsion or suspension of a member, or termination of a membership, does not relieve the member from obligations the member may have to the Corporation for dues, fees or charges for goods or services.

**3.08 Resignation.** Any member personally or through his duly authorized attorney-in-they may resign by filing a written resignation with the secretary of the Corporation but such resignation shall not entitle such member to any refund of dues and the member shall immediately lose all privileges and rights of the Corporation.

**3.09 Reinstatement.** Upon written request signed by a former member and filed with the Corporation, the board of directors may reinstate such former member to membership in the Corporation upon such terms as the board of directors may deem appropriate.

**3.10 Transfer of Membership.** Membership in the Corporation is not transferable or assignable.

**3.11 Dues.** The board of directors shall from time to time determine the application or activation fees and the amount of dues payable to the Corporation by its members, classes of members or divisions of members. The board of directors may waive any application or activation fees or dues for members.

**3.12 Payment of Dues.** Dues shall be payable monthly or annually, in advance, or in such other manner as the board of directors may so determine. The Corporation reserves the right to change the membership dues or fees after thirty (30) days notice in writing or by email to the member. A person may only enroll in one membership in the Corporation.

**3.13 Liability of Members.** The members shall not have ownership rights in the Corporation and shall not be personally liable for the debts, liabilities or obligations of the Corporation.

#### **ARTICLE 4. MEETINGS OF MEMBERS**

**4.01 Place of Meetings.** Meetings of members shall be held at the time and place, within or outside of the State of Illinois, stated in the notice of the meeting or in a waiver of notice.

**4.02 Annual Meeting.** An annual meeting of the members shall be held each year on a day and hour to be selected by the board of directors for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the board of directors fails to call the annual meeting at the designated time, a member of the Corporation may demand that the meeting be held within a reasonable time. The demand must be made in writing and sent to an officer of the Corporation by registered mail. If the annual meeting is not called within sixty-one (61) days after the date of demand, a member may compel the holding of such annual meeting by legal action directed against the board of directors, and each of the extraordinary writs of common law and of courts of equity are available to the member to

compel the holding of the meeting. Failure to hold an annual meeting at the designated time does not result in the winding up and termination of the Corporation.

**4.03 Special Meetings.** Special meetings of the members of the Corporation may be called by the president, the secretary, the board of directors or by members having not less than one-tenth (1/10) of the votes entitled to be cast at such meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

**4.04 Notice of Meetings.** Notice of an annual meeting is not required. The Corporation may, however, provide written notice of the place, date, and time of a meeting of members of the Corporation and, if the meeting is a special meeting, the purpose or purposes for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not later than the 10<sup>th</sup> day and not earlier than the 60<sup>th</sup> day before the date of the meeting. Notice may be delivered personally, by mail, or by facsimile or electronic message. "Mailed" is considered to be delivered on the date notice is deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the membership records. "Transmitted by facsimile or electronic message" is considered to be delivered when the facsimile or electronic message is successfully transmitted. If there are more than one thousand (1,000) members at the time a meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in the community in which the principal office of the Corporation is located or may be posted on the Corporation's general website.

**4.05 Quorum.** A quorum shall be present at a meeting of members, for any matter to be presented at that meeting, if the holder of at least one (1) of the votes entitled to be cast at the meeting is present in person or represented by proxy. The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting at which a quorum is present, shall be the act of the members, unless the vote of a greater number is required by law, the articles of incorporation or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. The members present at a duly constituted meeting may continue to transact business until adjournment, despite the withdrawal of enough members to leave less than a quorum.

**4.06 Voting Of Members.** Each member, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of members, except to the extent that the voting rights of members of any class or classes are limited, enlarged or denied by the articles of incorporation or these bylaws. /

**4.07 Proxies by Members.** A member may vote in person or by proxy executed in writing by the member or the member's attorney-in-fact. A member can revoke his proxy in writing at anytime by sending notice of such revocation to the Corporation. Any person who becomes a member shall execute an appropriate written proxy if such person desires to have any director or officer of the Corporation receive notice of and vote and act on said member's behalf

in regard to any such meetings of the members. A proxy is not effective for voting purposes unless the original of the proxy is filed with the secretary of the Corporation at least ten (10) days before the meeting at which it is to be used.

**4.08 Meetings by Communications Equipment.** Members may participate in and hold a meeting by means of telephone conference or similar communications equipment in which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**4.09 Action by Unanimous Written Consent.** Any action required to be or which may be taken at a meeting of the members of the Corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, and then delivered to the Secretary of the Corporation for inclusion in the corporate record book. Such consent shall have the same force and effect as a unanimous vote of members at a meeting, and may be stated as such in any documents filed with the Secretary of State.

## **ARTICLE 5. DIRECTORS**

**5.01 Management by Board of Directors.** The business and affairs of the Corporation shall be managed by the Board of Directors who may exercise all such powers of the Corporation and do all such lawful acts as are not directed or required to be exercised by the members.

**5.02 Number, Term; Election.** The Board of Directors may not have fewer than three (3) or more than nine (9) directors, and shall consist of the number set by majority vote of the Board of Directors, which may be changed from time to time by resolution of the board of directors. Each director shall hold office for a term of twelve (12) months and shall be eligible for re-election. Directors shall be elected by plurality vote. Each director elected shall hold office for the term for which elected until his or her successor shall be elected and shall qualify, or until his or her earlier death, resignation or removal.

**5.03 Qualifications of Directors.** The qualification for becoming and remaining a Director of the Corporation are as follows:

- (a) directors must be residents of any state in the United States or the District of Columbia;
- (b) notwithstanding the provisions of Section 3.01, any person serving as a director of the Corporation shall automatically be enrolled as an active member of the Corporation;
- (c) proposed directors must be nominated by existing directors; and

(d) directors must attend at least seventy-five (75%) percent of the annual and special meetings of the board of directors.

**5.04 Change in Number.** The number of directors may be increased or decreased from time to time by vote of a majority of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship required to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

**5.05 Removal; Resignation.** Any director may be removed either for or without cause at any special or annual meeting of members, by the affirmative vote of a majority in number of members present, in person or by proxy, at such meeting and entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting. Any director may resign by giving written notice to the president or secretary. The resignation shall take effect at the time specified in the notice, or immediately if no time is specified. The acceptance of such resignation shall not be necessary to make it effective.

**5.06 Vacancies.** Any vacancies occurring in the Board of Directors for any reason may be filled by the affirmative vote of a majority of the remaining directors then in office though less than a quorum. Any director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. If there are no directors in office, then an election of directors may be held in the manner provided by law.

**5.07 First Meetings.** The first meeting of a newly elected Board shall be held without further notice immediately following the annual meeting of members, and at the same place, unless the time or place is changed by unanimous consent of the Directors then elected and serving.

**5.08 Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

**5.09 Special Meetings.** Special meetings of the Board of Directors may be called by the President on three days' notice to each Director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two directors. The purpose of any special meeting of the board of directors shall be specified in the notice of such meeting.

**5.10 Quorum; Majority Vote.** At meetings of the board of directors a majority of the number of directors shall constitute a quorum for the transaction of business; provided, however, that a quorum shall not consist of less than fifty-one percent (51%) of the entire board of directors. The act of a majority of the directors present at a meeting at which a quorum is present will be the act of the board of directors unless a greater number is required by law, the articles or the bylaws. If a quorum is not present at a meeting of the board of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. The board of directors shall keep minutes of its proceedings which shall be placed in the minute book of the Corporation.

**5.11 Action by Unanimous Written Consent.** Any action required to be or which may be taken at a meeting of the board of directors or any other committee of the board of directors of the Corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors, or any other committee of the board of directors as the case may be, and then delivered to the Secretary of the Corporation for inclusion in the corporate record book. Such consent shall have the same force and effect as a unanimous vote of members at a meeting, and may be stated as such in any documents filed with the Secretary of State.

**5.12 Participation in Meetings by Use of Communications Equipment.** Any Director may participate in and hold a meeting of the directors by means of a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**5.13 Compensation.** By resolution of the board of directors, the directors may be paid their reasonable expenses (i.e., travel, meals, lodging and entertainment), if any, and may be paid a fixed sum for attendance at each meeting of the board of directors, or receive a stated fee as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of the executive committee or of a special or standing committees may, by resolution of the board of directors, be allowed like compensation for attending committee meetings.

**5.14 Minutes.** The board of directors shall keep regular minutes of its proceedings. The minutes shall be placed in the Corporate Record Book of the Corporation.

**5.15 Conflicts of Interest.** Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm in which one or more of its Directors are members or employees, or in which they are interested, or between the Corporation and any Corporation or association of which one or more of its Directors are shareholders, members, directors, officers or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Director at the meeting of the Board of Directors of the Corporation which acts upon or in reference to such contract or transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors shall nevertheless, authorize, approve and/or ratify) such contract or transaction by a vote of the majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted in calculating a majority of such quorum necessary to carry such a vote.

**5.16 Limitation of Liability of Directors.** To the fullest extent permitted by Illinois law no governing person (director or officer) of the Corporation shall be liable to the Corporation or its members for monetary damages for an act or omission in such capacity except for liability arising out of (i) any breach of such person's duty of loyalty, if any, to the Corporation or its members; (ii) acts by or omissions which are not in good faith or which involve intentional



misconduct or a knowing violation of the law; (iii) a transaction from which such person received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such person's office or position; or (iv) an act by or omission of such person for which the liability is expressly provided for by statute. The foregoing elimination of the liability to the Corporation or its members for monetary damages should not be deemed exclusive of any other rights or limitations of liability or indemnity to which a person may be entitled under any other provision of these Bylaws or any provision of the Articles of Incorporation of the Corporation or of any contract or agreement, or vote of members and/or disinterested directors, or otherwise.

## **ARTICLE 6. OFFICERS**

**6.01 Officers.** The officers of the Corporation shall be a president and a secretary and may include an executive vice-president as well as one or more vice-presidents (the number to be determined by the board of directors), a treasurer, or combination thereof, and such other officers, including an executive director, as may be elected in accordance with the provisions of this Article. The board of directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform such duties in the management of the Corporation as prescribed from time to time by the board of directors or as may be provided in these bylaws. Any two or more offices may be held by the same person, except for the offices of president and secretary.

**6.02 Officers to be Active Members.** Notwithstanding the provisions of Section 3.01, any person serving as an officer of the Corporation shall automatically be enrolled as an active member of the Corporation.

**6.03 Election and Term of Office.** The officers of the Corporation shall be elected by the board of directors at the annual meeting of the board of directors for a term of twelve (12) months. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

**6.04 Vacancies.** A vacancy in any office because of death resignation, removal, disqualification or otherwise, may be filled by the board of directors at any meeting for the unexpired portion of the term. New offices may also be created and filled by the board of directors at any such meeting. An assistant or assistants to the elected officers may be made available as necessary upon authorization by the board of directors.

**6.05 President.** The president will be the chief executive officer of the Corporation and shall, subject to the control of the board of directors, supervise and control the business affairs of the Corporation. The president will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the board of directors. The board of directors shall delegate to the president the necessary authority and responsibility for the administration of the affairs of the Corporation subject only to such bylaws as may be adopted and such orders as may be issued by the board of directors relating to the operation of the Corporation and long range planning. The president shall be an

ex-officio member of each directorial committee of the board of directors without a vote except the executive committee on which he shall serve with a vote, or, except as otherwise provided for in these bylaws or through a resolution of the board of directors. The president shall present a report at each annual meeting of the board of directors covering the operations of the Corporation during the preceding fiscal year.

**6.06 Executive Vice-President.** In the absence of the president or in the event of his inability or refusal to act, the executive vice president, if one has been appointed, shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The executive vice president shall be the chief administrative and operating officer. He shall serve as secretary to the board of directors and cause to be prepared notices and minutes of meetings of the board. The executive vice president shall be a member of the board of directors and all committees. With the assistance of committee chairmen, he shall be responsible for the administration of all activities in accordance with the policies and regulations of the board of directors. The executive vice president shall be responsible for hiring discharging, directing and supervising all employees.

**6.07 Vice-President.** In the absence of the president and executive vice president or in the event of their inability or refusal to act, the vice presidents, if any, in the order of their seniority, unless otherwise determined by the board of directors, shall, perform the duties of the president, and when so acting, shall have all the power of and be subject to all the restrictions upon the president. A vice president shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.

**6.08 Treasurer.** The treasurer or assistant treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for monies received by the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the board of directors. The treasurer or assistant treasurer shall prepare and present quarterly a detailed financial statement of the financial affairs of the Corporation. All of the duties responsibilities and obligations of the treasurer or assistant treasurer may be assigned to a qualified third person or entity by written agreement; however, under such circumstances, the treasurer or assistant treasurer shall retain ultimate responsibility for such functions.

**6.09 Secretary.** The secretary or assistant secretary of the Corporation shall keep the minutes of the meetings of the members the board of directors and any committees in one or more books provided for that purpose, oversee that all notices are duly given in accordance with the provisions of these bylaws or as required by him, be custodian of the corporate records of the Corporation, oversee that the seal of the Corporation, if required, is affixed to all documents of the Corporation, keep a register of the mailing address of each member which shall be furnished to the secretary or assistant secretary by such member, and in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary or assistant secretary by the president or by the board of directors.

**6.10 Executive Director.** An executive director of the Corporation may be appointed at such time as the board of directors so designates. The executive director of the Corporation may be the chief administrative and operating officer of the Corporation and shall be selected by

and report to the board of directors, which shall determine the term of his appointment as well as his duties and functions. The executive director of the Corporation shall carry out the purposes of the Corporation within the framework of the Articles of Incorporation, these bylaws, corporate policies and procedures, and the general and specific assignments given to him by the board of directors. The functions of the executive director shall include, but not be limited to, the following:

(a) Selection, employment, and supervision of any employees of the Corporation as authorized by the president and the board of directors. All staff employed by the Corporation must meet required personnel standards as set forth in the personnel policies of the Corporation;

(b) coordination and implementation of planning activities according to an approved work program;

(c) attendance at all meetings of the board of directors and the Executive Committee except as otherwise determined by the President;

(d) representing the board of directors in dealing with the public and with all governmental agencies, if required; and

(e) such other duties and responsibilities as may from time to time be delegated to him by the president or the board of directors.

**6.11 Removal of Officers.** Any officer elected or appointed to office may be removed by those persons authorized under these bylaws to elect or appoint such officers whenever in their judgment the best interests of this Corporation would be served. Such removal will be without prejudice to the contractual rights, if any, of the officer so removed. Any election or appointment of an officer shall not of itself create contract rights.

**6.12 Resignation of Officer.** Any officer may resign by giving written notice to the president or the board of directors. The resignation shall take effect at the time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

**6.13 Compensation.** The compensation of officers of the Corporation, if any, shall be determined from time to time by the board of directors.

## **ARTICLE 7. COMMITTEES**

**7.01 Establishment of Committees.** The board of directors, by resolution duly adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two (2) or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the board of directors in the management of the Corporation. The designation of such committees and the delegation of authority thereto shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed on it or him by law.

**7.02 Executive Committee.** The board of directors may designate and appoint an executive committee which shall consist of no less than three (3) members of the board of directors and who each shall serve in such capacity for one (1) year, unless the board shall determine otherwise. The executive committee shall have the authority, those duties, and exercise those powers as such are determined from time to time by the board by resolution duly adopted and not inconsistent with these bylaws. The executive committee shall have the authority of the board between its meetings, except for that business of the Corporation as can only be addressed by a majority of the board of directors at a meeting of said board. A majority of all the members of the executive committee may determine its action and fix the time and place of its meetings, unless the board shall otherwise provide. The board shall have the power at any time to change the number, powers, and members of the executive committee, to fill vacancies, and to discharge any such member of the executive committee.

**7.03 Benefits Review Committee.** The board of directors, by resolution duly adopted by a majority of the directors in office, may also designate a benefits review committee consisting of the president of the Corporation and at least two (2) other persons who are selected by the board of directors. The benefits review committee shall have the responsibility for locating and reviewing potential benefit programs for the different classes of members of the Corporation and recommending such programs to the board of directors for its review approval and adoption, if it believes it to be in the best interests of the members of the Corporation to do so. A majority of all the members of the benefits review committee may determine its action and fix the time and place of its meetings, unless the board of directors shall otherwise provide. The board of directors shall have the power at any time to change the number, powers, and members of the benefits review committee, to fill vacancies, and to discharge any such member of the benefits review committee.

**7.04 Other Committees.** Other committees not having and exercising the authority of the board of directors in the management of the Corporation may be designated and appointed by a resolution duly adopted by the board of directors or by the president if authorized by a resolution duly adopted by the board of directors. Except as otherwise provided in such resolution, members of each such committee shall be members of the Corporation, and the president of the Corporation shall appoint the members thereof. Any member may be removed by the person or persons authorized to appoint such member whenever in his or their judgment the best interests of the Corporation will be served by such removal. At least one member of each committee shall be a director of the Corporation. A majority of all members of such a committee may determine its action and fix the time and place of its meetings, unless the board of directors shall otherwise provide. The board of directors shall have the power at any time to change the number, powers and members of such a committee, to fill vacancies and to discharge any member of such a committee.

**7.05 Term of Office.** Each member of a committee shall continue as such until the next annual meeting of the board of directors, unless the committee shall be sooner terminated, or unless such member is removed from such committee or resigns. A member of any committee shall be eligible for reappointment.

**7.06 Chairman.** One member of each committee shall be designated the chairman of such committee by the board of directors unless otherwise set forth in these bylaws.

**7.07 Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

**7.08 Quorum.** Unless provided in the resolution duly adopted by the board of directors designating a committee, a majority of the entire committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

## **ARTICLE 8. CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**8.01 Contracts.** The board of directors may authorize the officers or agents of the Corporation to enter into contracts or to execute and deliver documents in the name of and on behalf of the Corporation. Such authority shall be confined to specific instances. Such contracts may be for any purpose deemed by the board of directors to be appropriate, including the contracting with a third party for any or all management, operational, administrative, marketing, providing of member benefits and other services and functions necessary for the Corporation to achieve its purpose.

**8.02 Checks, Drafts and Other Orders for Payment.** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner as shall from time to time be determined by duly adopted resolution of the board of directors. However, such responsibility may be assigned to a qualified third person or entity by written agreement.

**8.03 Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the board of directors may select.

**8.04 Gifts.** The board of directors may accept on behalf of the Corporation any contributions, gifts, bequests, or devise for the general purpose or for any purpose of the Corporation.

**8.05 Loans.** The Corporation may, upon authorization of the board of directors, from time to time accept or negotiate loans of financial assistance to be repaid at such time as the Corporation is reasonably able to repay.

## **ARTICLE 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**9.01 Indemnification of Directors and Officers.** Except as otherwise expressly provided by law or these bylaws, each director or officer, whether or not then in office, shall be indemnified by the Corporation against all expenses reasonably incurred by or imposed upon him in connection with or arising out of any proceeding in which he may be involved by reason of his being or having been a director or officer of the Corporation. The foregoing right of indemnification shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law.

**9.02 Power to Indemnify.** The power to indemnify applies only if it is determined that the director or officer (a) acted in good faith, (b) reasonably believed that his conduct in his official capacity was in the Corporation's best interests, and in all other cases, that his conduct was at least not opposed to the Corporation's best interests, and (c) in the case of any criminal proceedings, did not have a reasonable cause to believe his conduct was unlawful.

**9.03 Limitations.** If the director or officer is found liable to the Corporation or is found liable because he improperly received a personal benefit, the indemnification in Section 9.01 (a) is limited to reasonable expenses (which shall not include a judgment, a penalty, a fine or tax) actually incurred by the person in connection with the proceeding and (b) may not be made in relation to a proceeding in which the person has been found liable for (i) willful or intentional misconduct in the performance of his duty to the Corporation, (ii) breach of his duty of loyalty owed to the Corporation or (iii) an act or omission not committed in good faith that constitutes a breach of duty owed by the person to the Corporation.

**9.04 Proceeding.** "Proceeding" means a threatened, pending or completed action or other proceeding, whether civil, criminal, administrative, arbitative or investigative, an appeal of such an action or proceeding and an inquiry or investigation that could lead to such an action or proceeding.

**9.05 Expenses.** "Expenses" includes court costs, a judgment (including an arbitration award), a penalty, a settlement, a fine, and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan and reasonable attorneys' fees that are reasonable and actually incurred by the person in connection with a proceeding.

**9.06 Determination of Indemnification.** A determination of indemnification under Section 9.01 (unless ordered by a court of competent jurisdiction) must be made:

1. by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding;
2. if such a quorum cannot be obtained, by a majority vote of a committee of the board of directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding;
3. by special legal counsel selected by the board of directors or a committee of the board by vote as set forth in subsection 1 or 2 of this section; or, if such a quorum cannot be obtained and such a committee cannot be established by a majority vote of all directors, or
4. by the members in a vote that excludes the vote of directors who are named defendants or respondents in the proceeding.

**9.07 Mandatory Indemnification.** The Corporation shall indemnify a director or officer against reasonable expenses actually incurred by him in connection with a proceeding in which he is a named defendant or respondent because he is or was a director or officer if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

**9.08 Advancement of Reasonable Expenses.** Reasonable expenses incurred by a director or officer who was, is, or is threatened to be made, a named defendant or respondent in a proceeding shall be paid or reimbursed by the Corporation, in advance of the final disposition of the proceeding and without the determination specified in Section 9.06, after the Corporation receives a written affirmation by the director or officer of his good faith that he has met the standard of conduct necessary for indemnification under this article and a written undertaking by or on behalf of the director or officer to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the director or officer against expenses incurred by him in connection with that proceeding is prohibited under this article. The written undertaking must be an unlimited general obligation of the director or officer but need not be secured. It may be accepted without reference to financial ability to make repayment.

**9.09 Payment as Witness.** The Corporation shall pay or reimburse expenses incurred by a director, officer or employee in connection with his appearance as a witness or other participation in a proceeding by or against the Corporation at a time when he is not a named defendant or respondent in the proceeding.

**9.10 Insurance.** The Corporation may purchase and maintain insurance or enter into any other arrangement on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venture, proprietor, trustee. Employee, agent, or similar functionary of another foreign or domestic Corporation, employee benefit plan, other enterprise, or other entity, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under this article. Without limiting the power of the Corporation to procure or maintain any kind of other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation, (a) create a trust fund; (b) establish any form of self-insurance; (c) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (d) establish a letter of credit, guaranty, or surety arrangement.

**9.11 Exclusions.** No indemnification by the Corporation shall apply to (a) any claim arising out of bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property including the loss of use thereof, (b) any claim arising out of breach of fiduciary duty or obligation in connection with any employee welfare benefit plan or retirement plan, (c) any cross-claim or counterclaim brought by one director and/or officer against another director and/or officer, (d) any claim arising out of failure to effect or maintain any insurance or bond, (e) any claim arising out of acts of a knowingly discriminatory nature, (f) any claim arising out of a violation of the responsibilities, obligations or duties imposed by Internal Revenue Code of 1986, as amended, or similar statutory law of any state or other jurisdiction therein, or (g) any act committed by a director or officer prior to taking office.

**9.12 Notice.** A director or officer shall, as a condition precedent to indemnification hereunder, give written notice to the Corporation as soon as practicable of any claim made against him. The director or officer shall promptly forward to the Corporation any demand, notice or summons received by the director or officer. Notice given by or on behalf of the

director or officer to any authorized representative of the Corporation, with particulars sufficient to identify the director or officer, shall be deemed notice to the Corporation.

**9.13 Jurisdiction.** The indemnification hereunder only applies to acts committed by and suits brought against a director or officer in the United States of America, its territories or possessions or Canada.

**9.14 Cooperation.** The director or officer shall cooperate with the Corporation and, upon the Corporation's request, assist in making settlements and in the conduct of suits, including arbitration proceedings. The director or officer shall attend hearings, trials and depositions and shall assist in securing and giving evidence and obtain the attendance of witnesses. The director or officer shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses in any such proceedings.

**9.15 Liability.** No action shall lie against the Corporation unless, as a condition precedent thereto, the director or officer shall have fully complied with all the terms, provisions and conditions of this entire article nor until the amount of the obligation to pay shall have been determined either by judgment against the director or officer after actual trial, arbitration determination, or by written agreement of the director or officer and the claimant subject to the prior written consent of the Corporation. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover against the Corporation. No person or organization shall have the right to join the Corporation as a party to any action against the director or officer to determine the director's or officer's liability, nor shall the Corporation be interpleaded by the director or officer or their legal representative.

**9.16 Subrogation.** In the event of any payment under this article, the Corporation shall be subrogated to all the director's or officer's rights of recovery therefore against any person or organization, and the director or officer shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. Any amount recovered in excess of the Corporation's total payment shall be restored to the director or officer, less the cost to the Corporation of recovery. This indemnification as proved shall apply only as excess over any valid and collectible insurance the director or officer may have.

**9.17 Effect of Amendment.** No amendment, modification or repeal of the articles on indemnification and insurance hereof shall in any manner terminate, reduce or impair the right of any past, present or future director or officer of the Corporation, nor the obligation of the Corporation to indemnify such directors, under and in accordance with the provisions of these articles as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

**9.18 Surety Bond.** Such officers and agents of the Corporation as the president, board of directors or the executive committee may designate from time to time, may be bonded for the faithful performance of their duties to the Corporation and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under



their control belonging to the Corporation, in such amounts and by such surety companies as the president, board of directors or the executive committee may determine. The premiums on such surety bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the secretary of the Corporation.

## **ARTICLE 10. PROHIBITED ACTS**

**10.01 Dividends Prohibited.** A dividend may not be paid to, and no part of the income of the Corporation may be distributed to, the Corporation's members, directors or officers.

**10.02 Authorized Benefits and Distributions.** The Corporation may pay compensation in a reasonable amount to the members, directors or officers for services rendered and may confer benefits on its members in conformity with the Corporation's purposes.

**10.03 Loans To Directors Prohibited.** No loans shall be made the Corporation to its directors.

## **ARTICLE 11. DISSOLUTION AND DISTRIBUTION OF ASSETS**

**11.01 Voluntary Dissolution.** The Corporation may dissolve and commence to wind up its affairs. The board of directors shall adopt a resolution recommending that the Corporation be dissolved and directing that the question of such dissolution be submitted to a vote at an annual or special meeting of members having voting rights. A resolution to dissolve the Corporation shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting in person or by proxy are entitled to cast. Upon the adoption of such resolution by the members, the Corporation shall cease to conduct its affairs except in so far as may be necessary for the winding up thereof, shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of and claimant against the Corporation and shall proceed to collect its assets and apply and distribute them as provided in these bylaws or as allowed by law.

**11.02 Application and Distribution of Assets.** If in the process of dissolution, all valid and legally enforceable liabilities and obligations of the Corporation shall be paid, satisfied and discharged. In case the property and assets are not sufficient to satisfy or discharge all of the Corporation's valid and legally enforceable liabilities and obligations, the Corporation shall apply them so far as they will go to the just and equitable payment of the liabilities and obligations. Assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements. The remaining assets of the Corporation shall be distributed only for tax exempt purposes to one or more organizations which are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code, or which are described in Section 1740(1) or (2), Internal Revenue Code, under a plan of distribution adopted pursuant to applicable law. Any remaining assets not distributed under the plan of distribution shall be disposed of by a district court of the county in which Corporation's principal office is located exclusively to one or more exempt organizations.

described above. Any distribution by the court shall be made in such manner as, in the judgment of the court, will best accomplish the general purposes for which the Corporation was organized.

## **ARTICLE 12. GENERAL PROVISIONS**

**12.01 Fiscal Year.** The fiscal year of the Corporation shall begin the first day of January and end on the last day of December in each year.

**12.02 Seal.** The corporate seal shall be in such form as may be prescribed by the board of directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

**12.03 Books and Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees having any authority of the board of directors and shall keep at its principal office a record of the names and addresses of its members entitled to vote. A member of the Corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant or attorney, at any reasonable time during normal business hours, for any proper purpose, the books and records of the Corporation relevant to that purpose, at the expense of the member. However, since membership information of the Corporation is a valuable and proprietary asset of the Corporation, such information may not be given or sold to, or be copied by, any member or his agent or attorney. The Corporation may be audited annually by certified public accountants selected by the board of directors.

**12.04 Amendment of Articles of Incorporation.** A proposed amendment to the Articles of Incorporation of the Corporation shall be adopted at a special or annual meeting of members called for such purpose, upon receiving at least two-thirds (2/3) of the votes which members present at such meeting in person or by proxy are entitled to cast at which a quorum is present.

**12.05 Amendment of Bylaws.** The bylaws may be altered, amended or repealed or new bylaws may be adopted upon receiving a vote of a majority of the board of directors present in person or by proxy at a special or annual meeting at which a quorum is present.

**12.06 Waiver of Notice.** Notice of a meeting is not required to be given to a member, director or member of a committee if the person entitled to notice signs a written waiver of notice of the meeting, regardless of whether the waiver is signed before or after the time of the meeting. Attendance at a meeting constitutes a waiver of notice of such meeting, unless the person participates in or attends the meeting solely to object to the transaction of business at the meeting on the ground that the meeting was not lawfully called or convened.

**12.07 Governing Law.** These bylaws shall be construed under and in accordance with the laws of the State of Illinois.

**12.08 Construction.** The gender of all words used in these bylaws includes the masculine, feminine, and neuter. Headings of all articles and sections are for reference purposes

only and shall not constitute substantive matter to be considered in construing the terms of these bylaws.

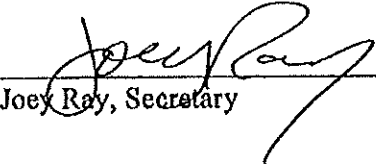
**12.09 Counterparts.** These bylaws may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

**12.10 Procedures.** Parliamentary procedures for all meetings shall be conducted in accordance with the latest revised edition of Robert's Rules of Order, unless otherwise inconsistent with these bylaws or by resolution of the board of directors.

**CERTIFICATE OF SECRETARY**

The undersigned, being the duly elected Secretary of the Corporation, hereby certifies that the foregoing Bylaws were duly adopted, approved, authorized and ratified by the unanimous written consent of the Board of Directors of the Corporation and the same do now constitute the Bylaws of the Corporation.

Dated and Effective August 22, 2011.

  
\_\_\_\_\_  
Joey Ray, Secretary

DALLAS 2255969v.2



## OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

NOVEMBER 10, 2005

6147-189-8

NATIONAL ADMINISTRATION COMPANY INC.  
16476 CHESTERFIELD AIRPORT RD  
CHESTERFIELD, MO 63017

RE AMERICAN WORKERS ASSOCIATION

DEAR SIR OR MADAM:

ENCLOSED YOU WILL FIND THE ARTICLES OF AMENDMENT FOR THE ABOVE NAMED CORPORATION.

FEES IN THIS CONNECTION HAVE BEEN RECEIVED AND CREDITED.

THE ENCLOSED DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED.

SINCERELY YOURS,

JESSE WHITE  
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES  
CORPORATION DIVISION  
TELEPHONE (217) 782-6961

JW:CD



The undersigned Corporation has caused this statement to be signed by a duly authorized officer who affirms, under penalties of perjury, that the facts stated herein are true and correct.

All signatures must be in BLACK INK.

Dated June 21, 07 American Workers Association  
Month Day Year Exact Name of Corporation  
Patricia Hunter  
Any Authorized Officer's Signature  
Patricia Hunter President  
Name and Title (type or print)

5. If there are no duly authorized officers, the persons designated under Section 101.10(b)(2) must sign below and print name and title.

The undersigned affirms, under penalties of perjury that the facts stated herein are true.

Dated \_\_\_\_\_  
Month & Day Year

_____ Signature	_____ Name and Title (print)
_____ Signature	_____ Name and Title (print)
_____ Signature	_____ Name and Title (print)
_____ Signature	_____ Name and Title (print)

#### NOTES

1. State the true and exact corporate name as it appears on the records of the Secretary of State BEFORE any amendment herein is reported.
2. Directors may adopt amendments without member approval only when the corporation has no members, or no members entitled to vote pursuant to §110.15.
3. Director approval may be:
  - a. by vote at a director's meeting (either annual or special), or
  - b. by consent, in writing, without a meeting.
4. All amendments not adopted under Sec. 110.15 require that:
  - a. the board of directors adopt a resolution setting forth the proposed amendment, and
  - b. the members approve the amendment.

Member approval may be:

- a. by vote at a members meeting (either annual or special), or
- b. by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least two-thirds of the outstanding members entitled to vote on the amendment (but if class voting applies, also at least a two-thirds vote within each class is required).

The Articles of Incorporation may supersede the two-thirds vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding votes of such members entitled to vote, and not less than a majority within each class when class voting applies. (Sec. 110.20)

5. When member approval is by written consent, all members must be given notice of the proposed amendment at least five days before the consent is signed. If the amendment is adopted, members who have not signed the consent must be promptly notified of the passage of the amendment (Sec. 107.10 & 110.20).

2005R66636

FORM **NFP 110.30** (rev. Dec. 2003)  
**ARTICLES OF AMENDMENT**  
General Not For Profit Corporation Act

STATE OF ILLINOIS  
MADISON COUNTY  
FILED FOR RECORD IN  
THE RECORDERS OFFICE

Jesse White, Secretary of State  
Department of Business Services  
Springfield, IL 62756  
Telephone (217) 782-1832  
<http://www.cyberdriveillinois.com>

11/23/2005 03:43PM

DANIEL R. DONOHOO  
RECORDER

REC FEE: 18.00  
PAGES: 2

Remit payment in the form of a  
check or money order payable to  
the Secretary of State.

**FILED**

NOV 18 2005

JESSE WHITE  
SECRETARY OF STATE

File #

N6147-1898

Filing Fee: \$25.00

Approved: WJ

Submit in duplicate

Type or Print clearly in black ink

Do not write above this line

1. Corporate name (Note 1): American Programmers Association

1800  
1780

2. Manner of adoption of amendment:

The following amendment of Articles of Incorporation was adopted on 11-2-05 in the manner indicated below (Check one only):  
(Month, Day & Year)

☐ By affirmative vote of a majority of the directors in office, at a meeting of the board of directors, in accordance with Section 110.15. (Note 2)

☐ By written consent, signed by all the directors in office, in compliance with Sections 110.15 and 108.45 (Note 3)

☒ By members at a meeting of members entitled to vote by the affirmative vote of the members having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation or the bylaws, in accordance with Section 110.20. (Note 4)

☐ By written consent signed by members entitled to vote having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation, or the bylaws, in compliance with Sections 107.10 and 110.20. (Note 5)

3. Text of amendment

(a.) When an amendment effects a name change, insert the new corporate name below. Use 3 (b) below for all other amendments. \*Article 1: The name of the corporation is:

American Workers Association

(New Name)

(b) All amendments other than name change.

(If amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety.) If there is not sufficient space to add the full text of the amendment, add one or more sheets of this size.

(COMPLETE ITEM 4 OR, IF APPLICABLE, ITEM 5.) ALL SIGNATURES MUST BE IN BLACK INK.

encl  
Ret: NAC  
16476 Chesterfield Airport RD  
Second Floor  
Chesterfield, MO  
63017



4. The undersigned corporation has caused these articles to be signed by duly authorized officer, who affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated

November 2

2005

American Programmers Association

(Month & Day)

(Year)

(Exact Name of Corporation)

Monica Roy

(Any Authorized Officer's Signature)

Monica Roy, Vice President

(Print Name and Title)

5. If there are no duly authorized officers, then the persons designated under Section 101.10(b)(2) must sign below and print name and title.

The undersigned affirms, under penalties of perjury, that the facts stated herein are true.

Dated \_\_\_\_\_ (Month, Day & Year)

Signature

Print Name and Title

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### NOTES

**Note 1:** State the true and exact corporate name as it appears on the records of the Secretary of State, BEFORE any amendment herein reported.

**Note 2:** Directors may adopt amendments without member approval only when the corporation has no members, or no members entitled to vote pursuant to §110.15

**Note 3:** Director approval may be (1) by vote at a director's meeting (*either annual or special*) or (2) by consent, in writing, without a meeting.

**Note 4:** All amendments not adopted under Sec. 110.15 require (1) that the board of directors adopt a resolution setting forth the proposed amendment and (2) that the members approve the amendment.

Member approval may be (1) by vote at a members meeting (*either annual or special*) or (2) by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least 2/3 of the outstanding members entitled to vote on the amendment, (*but if class voting applies, then also at least a 2/3 vote within each class is required*).

The articles of incorporation may supersede the 2/3 vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding votes of such members entitled to vote and not less than a majority within each when class voting applies. (Sec. 110.20)

**Note 5:** When member approval is by written consent, all members must be given notice of the proposed amendment at least 5 days before the consent is signed. If the amendment is adopted, members who have not signed the consent must be promptly notified of the passage of the amendment. (Sec. 107.10 & 110.20)

NFP-102.10

(Rev. Jan. 1999)

http://www.sos.state.il.us

**FILED**

JAN 26 2001

JESSE WHITE  
SECRETARY OF STATE

## ARTICLES OF INCORPORATION

**SUBMIT IN DUPLICATE**

Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to "Secretary of State."

DO NOT SEND CASH

4640 4868

(Do Not Write in This Space)

Date 1-26-01

Filing Fee \$50

Approved

**PAID**

JAN 26 2001

TO: JESSE WHITE, Secretary of State

Pursuant to the provisions of "The General Not For Profit Corporation Act of 1986," the undersigned Incorporator(s) hereby adopt the following Articles of Incorporation.

Article 1. The name of the corporation is: American Programmers' Association

Article 2. The name and address of the initial registered agent and registered office are:

Registered Agent CT CORPORATION SYSTEM  
 First Name 208 Middle Name S. Last Name LA SALLE  
 Registered Office Number CHICAGO Street IL ZIP Code 60604 (Do not use P.O. Box)  
 City CHICAGO County COOK

Article 3. The first Board of Directors shall be 3 in number, their names and residential addresses being as follows: (Not less than three)

Director's Names	Number	Street	Address	City	State
Gary Johnston	2544	Christopher Oaks Ct.	St. Louis, MO	63129	
Karen Bocker	13	Bordeaux Place	Lake St. Louis, MO	63367	
Tracy MacIntosh	2720	Sunny Meadows Dr.	St. Charles, MO	63303	

Article 4. The purposes for which the corporation is organized are: (49)

EducationalIs this corporation a Condominium Association as established under the Condominium Property Act?  
☐ Yes ☒ No (Check one)Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? ☐ Yes ☒ No (Check one)Is this a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? ☐ Yes ☒ No

Article 5. Other provisions (please use separate page):

6147-1898

1-26

4640 4869

Article 6.

NAMES & ADDRESSES OF INCORPORATORS

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated January 22, 2001  
(Month & Day) (Year)

SIGNATURES AND NAMES

1. [Signature]  
Signature Gary Johnston  
Name (please print)
2. [Signature]  
Signature Karen Boeker  
Name (please print)
3. \_\_\_\_\_  
Signature \_\_\_\_\_  
Name (please print)
4. \_\_\_\_\_  
Signature \_\_\_\_\_  
Name (please print)
5. \_\_\_\_\_  
Signature \_\_\_\_\_  
Name (please print)

POST OFFICE ADDRESS

1. 2544 Christopher Oaks Ct.  
Street St. Louis, MO 63129  
City/Town State ZIP
2. 13 Bordeaux Place  
Street Lake St. Louis, MO 63367  
City/Town State ZIP
3. \_\_\_\_\_  
Street \_\_\_\_\_  
City/Town State ZIP
4. \_\_\_\_\_  
Street \_\_\_\_\_  
City/Town State ZIP
5. \_\_\_\_\_  
Street \_\_\_\_\_  
City/Town State ZIP

(Signatures must be in BLACK INK on original document. Carbon copied, photocopied or rubber stamped signatures may only be used on the true copy)

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its President or Vice-President and verified by him, and attested by its Secretary or an Assistant Secretary.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in this State, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation which is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1934, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

FOR INSERTS - USE WHITE PAPER - SIZE 8 1/2 x 11

File No. \_\_\_\_\_  
  
FORM NFP-102.10  
ARTICLES OF INCORPORATION  
under the  
GENERAL NOT FOR PROFIT  
CORPORATION ACT  
of \_\_\_\_\_

SECRETARY OF STATE  
DEPARTMENT OF BUSINESS SERVICES  
CORPORATION DIVISION  
SPRINGFIELD, ILLINOIS 62756  
TELEPHONE (217) 782-8522  
782-8523  
(These Articles Must Be Executed and Filed  
in Duplicate)

Filing Fee \$50  
C-157.11

NFP-102.10

(Rev. Jan. 1999)

<http://www.sos.state.il.us>

## ARTICLES OF INCORPORATION

0010326752 Page 2 of 3  
(Do Not Write In This Space)**SUBMIT IN DUPLICATE**

Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to "Secretary of State,"

DO NOT SEND CASH

Date 1-26-01

Filing Fee \$50

Approved *[Signature]*

TO: JESSE WHITE, Secretary of State

Pursuant to the provisions of "The General Not For Profit Corporation Act of 1986," the undersigned incorporator(s) hereby adopt the following Articles of Incorporation.

Article 1. The name of the corporation is: American Programmers' Association

Article 2. The name and address of the initial registered agent and registered office are:

Registered Agent CT CORPORATION SYSTEM  
 First Name Middle Name Last Name  
 Registered Office 208 S. LA SALLE  
 Number Street (Do not use P.O. Box)  
CHICAGO IL 60604 COOK  
 City ZIP Code County

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Tracy MacIntosh	2720	Sunny Meadows Dr.	St. Charles, MO	63303

Article 4. The purposes for which the corporation is organized are:

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Is this corporation a Condominium Association as established under the Condominium Property Act?  
☐ Yes ☒ No (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? ☐ Yes ☒ No (Check one)

Is this a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? ☐ Yes ☒ No

Article 5. Other provisions (please use separate page):

NFP-102.10  
(Rev. Jan. 1999)

<http://www.sos.state.il.us>

## ARTICLES OF INCORPORATION

0010326752  
(Do Not Write in This Space)

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DO NOT SEND CASH!

Date 1-26-01

Filing Fee \$50

Approved *Pa*

TO: SECRETARY OF STATE  
JESSE WHITE, Secretary of State

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Registered Agent CT CORPORATION SYSTEM  
First Name Middle Name Last Name  
Registered Office 208 S. KASALLE  
Number Street (Do not use P.O. Box)  
CHICAGO IL 60604 COOK  
City ZIP Code County

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