

BYLAWS OF

SILICON VALLEY ASSOCIATION OF HEALTH UNDERWRITERS

Revised 10/14/04

Revised 4/25/05

BYLAWS OF
SILICON VALLEY ASSOCIATION OF HEALTH UNDERWRITERS

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.1 Name. The name of this Professional Membership Association shall be the Silicon Valley Association of Health Underwriters, (hereinafter "SVAHU"). SVAHU shall be a non-profit organization established for the purposes and design to advance the objectives set forth in Article II below. SVAHU shall be a local chapter of the National Association of Health Underwriters ("NAHU") and the California Association of Health Underwriters ("CAHU").

1.2 Principal Office. The principal office of SVAHU shall be located in San Jose, California, unless the Board of Directors hereafter designates an alternative location therefore. At all times, the principal office of SVAHU shall be located within the State of California.

ARTICLE II
PURPOSES

2.1 The objectives of SVAHU shall be:

(a) To promote the common business interests of those engaged in disability and risk management and the health care distribution system.

(b) To advance public knowledge for the need and benefit of disability income and/or health insurance products.

(c) To promote the adoption and application of the highest standards of ethical conduct in the health insurance industry.

(d) To provide and promote a program of continuing education and self-improvement of SVAHU members.

(e) To increase the knowledge of members concerning the principles, functions and applications of health insurance and disability income products.

(f) To promote education, legislation, regulation, and practices which are in the best interest of the health insurance industry and the insuring public.

(g) To encourage adequate protection against the hazards of disability as part of a well-rounded insurance program.

(h) To do such other things and to carry out such other programs as are deemed reasonable and prudent to further the purposes of SVAHU.

2.2 SVAHU and its members recognize an obligation to present accurately, honestly and completely every fact essential to the client's decision as expressed in NAHU's Code of Ethics, which are considered a part of these Bylaws as though set forth in full.

ARTICLE III MEMBERSHIP

3.1 Membership in SVAHU will be available under the following designations:
(a) Individual Members,
(b) Associate Members.

3.2 An individual member shall be any individual involved in the distribution of health insurance products or anyone involved in the health care delivery system.

3.3 Associate members shall be those individuals, whether licensed or not, who currently are members in good standing with any other local association of health underwriters in this State as well as non-licensed insurance support personnel.

3.4 In accordance with NAHU's and CAHU's Bylaws, SVAHU shall have the power to fix and change its own dues payable to SVAHU by its members, subject to the ratification of a vote approving the same by at least three-fourths of its Board of Directors. Changes in dues will take place the first of each calendar year.

ARTICLE IV DIRECTORS

4.1 Powers. Subject to the provisions of the Corporation laws of the State of California governing non-profit membership corporations such as SVAHU and any limitations contained in the Articles of Incorporation and/or in these Bylaw relating to action required to be approved by the membership of the organization, the business and affairs of SVAHU shall be managed, in all respects by, and/or under the direction of, the Board of Directors of he Association.

Without prejudice to these general powers, and subject to the same limitation, the Directors shall have the power to:

(a) Select and remove all officers, agents, and employees of the organization; prescribe any powers and duties for said officers, agents and employees, which are consistent with law, the Articles of Incorporation, and these Bylaws; fix the compensation, if any, of such officers, agents and employees; and require from such persons security for faithful service.

(b) Establish or change the principal office of SVAHU in the State of California from one location to another; designate any place within or without the State of California for the holding of any membership meeting or meetings, including annual meetings; and designate those persons who will represent SVAHU at any local,

regional, state, or national meeting, conference, or convention of NAHU or CAHU or any other professional organization of like or otherwise similar nature.

(c) Adopt, make, and use a corporate seal; rule on any issues, questions, or disputes regarding the qualifications of an applicant for membership in SVAHU.

(d) Manage, direct, supervise, and otherwise prescribe the events to be engaged in for the education of SVAHU's members or any other matter connected with SVAHU's purposes and objectives, and to determine the nature and type of activities that SVAHU will engage in to raise funds to maintain the Association and/or to advance its objectives and principles as set forth more particularly herein; to select, hire, and otherwise designate, manage, and control, all agents and employees of SVAHU involved in such endeavors.

(e) Appoint, manage, direct, remove, and otherwise supervise an Executive Director and determine the compensation for such individual.

4.2 Number and Titles of Directors. The Board of Directors of SVAHU shall consist of the following elected officers of the organization:

- (1) President.
- (2) President-Elect.
- (3) Secretary
- (4) Treasurer
- (5) Legislative Chair
- (6) Education Chair
- (7) Communications Chair
- (8) Sponsorship Chair
- (9) Membership Chair
- (10) Membership Retention Chair
- (11) Immediate Past President
- (12) PAC Chair

4.3 Election and Term of office of Directors. Directors shall be elected at each annual meeting of the membership to hold office until the next annual meeting of the membership or until a successor is duly qualified and elected. Each director, including a director elected to fill a vacancy (see Article IV, section 4.4) shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

(a) The Board of Directors shall be elected by a vote of the membership. Those members entitled to vote shall be those who are determined by the organization to be members in good standing sixty (60) days before the date of the vote and who remain in good standing until the vote has occurred. The Board shall be elected by a majority vote of those members in good standing who actually cast a vote in said election.

4.4 Removal of a Director. A vacancy or vacancies on the Board of Directors shall be deemed to exist in the event of the death, resignation, or removal of any director, or if the Board of Directors, by a resolution adopted by three-fourths of the then duly qualified and elected directors, declares the office of a director to be vacant on the grounds that the affected director has been declared incompetent to manage his or her own affairs by an order of a court, has been convicted of a felony or other crime involving moral turpitude, or has had his/her license to engage in the marketing, promotion, and sale of insurance suspended, revoked, or terminated for any reason.

4.5 Resignation. Any director may resign effective on giving written notice to the President, the Secretary, or the Treasurer, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future date, the Board of Directors may elect a successor to take office when the resignation becomes effective.

4.6 Filling Vacancies. Vacancies on the Board of Directors may be filled by a vote of a majority of the remaining directors whether or not a quorum is present. Each director so elected shall hold office until the next annual meeting of members or until a successor has been elected and qualified by a vote of the members.

4.7 Time and Place of Meetings. The Board of Directors shall meet no less than monthly at any place within or outside the state of California that has been designated from time to time by the president. In the absence of such a designation, regular meetings shall be held at the principal offices of SVAHU. Unless otherwise designated, the Board will meet on the first Thursday of each month and every month.

(a) Special meetings of the Board shall not be held except upon written notice thereof being provided at least 72 hours before the meeting is scheduled to commence. Special meetings of the Board may be held at any place within the State of California that has been designated in a notice of the meeting or, if not stated in the notice or if there is no notice, at the principal offices of SVAHU. Such special meeting may be called at any time by the President or by any three (3) of the remaining directors.

4.8 Annual Meeting. The Annual Meeting of the members shall be held in June of each year. At the annual meeting, members shall vote to elect Directors to serve on the Board of Directors for the next fiscal year. The Board of Directors so elected will take office on July 1 and continue serving until successors have been qualified and elected at the following year's Annual Meeting. Immediately following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of organizing any desired election of officers, and the transaction of such other business as the Board deems necessary and appropriate. Notice of this meeting shall not be required.

4.9 Quorum. A majority of voting members of the Board shall constitute a quorum provided that at least 50% of the Board is present for the purposes of conducting business, except to adjourn, as provided in section 4.10 of this Article IV. Every act or decision done or made by a majority of the directors present at a meeting

duly held at which a quorum is present shall be regarded as the act of the Board of Directors subject to the provisions of California law and so long as the same complies with all applicable provisions of California's laws governing non-profit corporations. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the required quorum for that meeting.

4.10 Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and/or place.

4.11 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 4.7 (a) of this Article IV, to the directors who were not present at the time of the adjournment.

4.12 Conduct of Meetings. At every meeting of the directors, the President of SVAHU or, in his/her absence, the Secretary or Treasurer so designated by him/her or, in the absence of such designation, another individual chosen by a majority of the directors shall preside. The Executive Director of SVAHU shall act as the recording secretary of the Board. In the event the Executive Director shall be absent from any meeting, the President may appoint any person to act as the recording secretary for that meeting to take minutes of that meeting.

4.13 Action Taken Without Meeting. Any action required or permitted to be taken by the directors may be taken without a meeting, if all members of the Board shall individually or collectively consent, in writing, to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

4.14 Fees and Compensation of Directors. Directors and members of committees may receive only such compensation, if any, as is necessary to reimburse such directors for the expenses they incur as a result of being Board members in such sums as are fixed or otherwise determined by resolution of the Board of Directors.

ARTICLE V **COMMITTEES**

5.1 Standing Committee. The Nominations Committee shall be a standing committee. The Nominations Committee shall consist of the President, Immediate Past President, and one (1) to three (3) members appointed by the President and ratified by a majority vote of the Board of Directors. The President shall serve as the Chair of the Nominations Committee. The Nominations Committee shall use all available methods to solicit interest from members and develop a slate of nominees to serve on the Board of Directors. The slate of nominees shall be presented to the Board of Directors before May 1 of each year. The Board of Directors may, by a majority vote, adopt the slate of nominees as presented or may, by a majority vote, add to the slate of nominees. Once

approved, in no case shall a nominee presented by the Nominations Committee be removed from the slate. The final slate of nominees for election to the Board of Directors shall be approved by a majority vote of the Board of Directors. The slate shall then be presented to the entire membership at least thirty (30) days but not more than sixty (60) days before the date of the annual meeting.

5.2. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one (1) or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. The Board may designate, by a vote of a majority of the authorized number of directors, one (1) or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committees, to the extent provided in the resolution of the Board of Directors, shall have the authority of the Board of Directors, except with respect to:

- (a) the approval of any action which, under the laws of the State of California, also requires members' approval;
- (b) the filling of vacancies on the Board of Directors or in any committee thereof;
- (c) the amendment or repeal of these Bylaws or the adoption of new Bylaws;
- (d) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and
- (e) the appointment of any other committees of the Board of Directors or the members of those committees.

5.3 Meetings and Action of Committees. The Board of Directors may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws. In the absence of rules adopted by the board, these Bylaws shall govern the meetings and actions of committees, with such changes in application of these Bylaws as are necessary or appropriate for any committee.

ARTICLE VI
OFFICERS AND EX OFFICIO GOVERNING MEMBERS OF SVAHU

6.1 Officers. The officers of SVAHU shall be a President, a President-Elect, a Secretary, a Treasurer, and an Immediate Past President.

6.2 Election of Officers. The officers of SVAHU, except such officers as succeed to the offices of President and Immediate Past President, pursuant to the provisions of Sections 6.7 and 6.9 of this Article VI, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board.

6.3 Subordinate Officers. The Board of Directors may appoint, and may empower the President to appoint, such other officers as the business of the organization may require, each of whom shall serve for such period, have such authority, and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

6.4 Removal and Resignation of Officers. Any officer may be removed with cause only by the Board of Directors at any regular or special meeting of the Board.

(a) Any officer may resign at any time given by giving written notice to the President, the Secretary, or the Treasurer of SVAHU. Any resignation shall take effect upon the date of receipt of that notice; and, unless otherwise specified in that notice, acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of SVAHU as against such officer.

6.5 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

6.6 President. The President shall be the chief executive officer of the organization and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and the officers of the organization. He/she shall preside at all meetings of the membership and at all meetings of the Board of Directors. He/she shall have such other powers and duties as may be prescribed by the Board of Directors from time to time or by these bylaws. In no event shall the Board authorize the President to exercise such powers and/or duties, which are expressly denied to him/her by the laws of the State of California, the Article of Incorporation for SVAHU, or these Bylaws.

6.7 Succession of President. If the office of President becomes vacant due to the death, disability, resignation, or other removal by the Board of Directors or the members, the President Elect shall assume the office for the former President's unexpired term and shall then serve his/her term as President for the succeeding year. In that event, the office of President Elect shall become vacant during the term of the former President that the President Elect fills until the next regular election. If the office of President becomes vacant, the order of succession shall be determined by the board of directors.

6.8 Vacancy in President Elect Office. If the office of President Elect shall become vacant due to the death, disability, resignation, or other removal of the President Elect, the President shall appoint a member in good standing to fulfill the duties of the office for its unexpired term. The appointment shall be subject to ratification by a majority vote of the Board of Directors. Notwithstanding the foregoing, the office itself shall remain vacant until the next regular election and the appointed President Elect shall not automatically succeed to the office of President without a vote of the membership.

6.9 Vacancy in Secretary or Treasurer Offices. If either or both offices of Secretary and Treasurer becomes vacant due to the death, disability, resignation, or other removal by the Board of Directors or the members, , either or both shall be filled

by appointment made by the President. The appointment shall be ratified by a majority vote of the Board of Directors then duly qualified and voting, and shall be only for the unexpired term of the affected office.

6.10 Limitation on Power of Appointment. The power to appoint or nominate replacements for any vacancy in an office shall be restricted to unexpired terms, which cannot be filled within thirty-one (31) days of the end of the fiscal year.

6.11 Immediate Past President. The office of Immediate Past President shall be filled automatically by the outgoing President. In the event there is no outgoing President, this office shall remain vacant and the President shall appoint a member in good standing to fulfill the duties of the office for a period not to exceed twelve (12) months, or until the office can be filled in accordance with the provisions of this section. The appointment by the President of a member to fulfill the duties of this office shall be subject to ratification by a majority vote of the then elected and sitting members of the Board of Directors.

6.13 Secretary

(a) The Secretary (hereafter "Secretary") shall produce and keep or cause to be kept at the principal office of the organization, or such other place as the board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and members, showing (1) the time and place of such meetings and whether regular or special in nature; (2) in the case of special meetings, how authorization therefore was obtained and the notice given therefore; (3) the names of those present at each and every directors' meeting or committee meeting; and (4) the members of the organization who vote at all membership meetings and all other proceedings related to such membership meetings.

(b) The said Secretary for SVAHU shall also be responsible to give notice of all meetings of the membership and of the Board of Directors which are required to be given by the laws of the State of California and/or SVAHU's Articles of Incorporation and/or these Bylaws and he/she shall keep the seal of the organization, if one is adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board so long as the same are not inconsistent with the laws of the State of California, the Articles and/or these bylaws.

6.14 Treasurer

(a) The said Treasurer for SVAHU shall keep, and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the income and expenses of the organization, including accounts of any assets, liabilities, receipts, disbursements, income, and capital, if any. The books of accounts shall, at all reasonable times, be open to inspection by any director.

(b) The said Treasurer for SVAHU shall be responsible for handling all monies received by the organization and depositing the same in those accounts which the Board of Directors from time to time directs.

(c) The said Treasurer shall be responsible for providing the members of SVAHU with an annual report of income and expenses for the organization as required by California law governing non-profit membership associations.

6.15 Executive Director.

(a) The Executive Director of SVAHU shall be, at all times, an ex officio member of the Board Of Directors and, in that role, may be required to attend all regular and special meetings of the Board and of such committees of the Board as a majority of the Board shall designate. The Executive Director shall be appointed by and serve at the pleasure of the Board. In no event shall the Executive Director have any voting rights or privileges respecting any issue at any regular or special meeting of the Board or of any committee thereof.

(b) The Executive Director shall be responsible for coordinating the bi-monthly luncheons conducted by SVAHU, the bi-monthly educational programs offered to SVAHU members, the selling of advertising for the bi-monthly newsletter (Article IX, Section 9.1), to pay the costs associated with preparing and producing the newsletter, including the determination of the articles to be inserted in each issue, and the distribution of the same. The Executive Director shall also assist the Treasurer, as directed by said Treasurer, with the accounting of all of SVAHU's transactions and the financial condition of the organization. The Executive Director shall also assist the Secretary, as directed by the Secretary, in the keeping of minutes of all meetings and actions of the Directors, Committees of Directors, and members as set forth more particularly in Article 6.13 (a) hereof.

(c) The Executive Director shall manage, supervise, and direct day-to-day activities of the organization including, but not limited to, managing, supervising, and directing the employees of the organization, if the organization has such employees, overseeing those individuals engaged in the preparation, development, issuance, printing, and distribution of the organization's newsletters, informational flyers, notices of membership meetings, notices of fundraising activities, notices of continuing education courses being offered by the organization, and the like.

(d) The Executive Director shall have such other powers and perform such other duties as may be prescribed by the Board of Directors provided that those additional duties are not in excess of and/or otherwise in conflict with the laws of the State of California and/or SVAHU's Articles and/or these Bylaws.

ARTICLE VII **INDEMNIFICATION**

7.1 Indemnification of Directors, Officers, Employees and Other Agents.
SVAHU shall provide, to the fullest extent permitted by law, the following to its directors, officers, employees and other agents:

(a) Indemnification for any and all liabilities incurred by such individuals in undertaking good faith actions on behalf of the organization and for the benefit of the organization and/or its members. Notwithstanding the foregoing, SVAHU shall not provide indemnification for acts, omissions, or transactions for which a director may not be relieved of liability as set forth in the exceptions to paragraph (a) (10) of section 204 of the California Corporations Code or as to circumstances in which indemnity is expressly prohibited by section 317 of the California Corporations Code or any other law of the State of California. In addition, by a vote of three-quarters of the Board of Directors or a three-fifths majority of the members, the organization may agree to indemnify employees and agents in the excess of the indemnification otherwise permitted by § 317 of the California Corporations Code.

7.2 Additional Liability Insurance. SVAHU shall have the right to purchase and maintain insurance for any risk and/or liability asserted against or incurred by any of its agents whether or not the organization would have the power to indemnify such agent against the liability insured against.

ARTICLE VIII **FINANCIAL**

8.1 Fiscal Year. The fiscal year for SVAHU shall be from July 1 to June 30.

8.2 Financial Books and Records. The Treasurer for SVAHU shall install and maintain, or cause to be installed and maintained, an efficient system of accounts. There shall be an independent audit by an ad-hoc committee to audit SVAHU's books at the end of each fiscal year.

8.3 Preparation of Financial Reports and Informational Returns. The Treasurer for SVAHU shall be responsible for the completion, or cause to be responsible for the completion at the end of the fiscal year, of the proper informational return to both the state and federal governments.

8.4 Day-to-Day Financial Transactions. The Treasurer for SVAHU shall also be responsible to make certain that all of SVAHU's money is used for reasonable and necessary expenses of operating the organization in order to fulfill its objectives, as set forth in the Articles and/or these Bylaws, and for no other purpose. Said Treasurer shall report on a no less than monthly basis to the President of SVAHU or, in the case that there is no duly elected and acting President or the Directors, as applicable, such documentation of the receipt and use of the organization's monies as the said President or Board, as applicable, shall deem necessary. In the absence of a duly elected and acting Treasurer, the President shall provide such information to the Board of Directors.

(a) In any event, on a no less than monthly basis, the Treasurer shall provide the Board of Directors with a detailed profit/loss statement which will, in summary fashion, indicate the money received by SVAHU and the disbursements made by the organization during the referable time period.

ARTICLE IX
OFFICIAL PUBLICATION

9.1 Newsletters. SVAHU will publish and distribute a newsletter to its members on a bi-monthly basis.

9.2 Distribution of Newsletter. The newsletter shall be made available to all members of SVAHU at no cost to any individual member.

9.3 Payment of Expenditures Referable to Newsletter. SVAHU may undertake such fundraising activities as the organization deems necessary and appropriate to acquire the monies necessary to cover the costs of preparing, producing, and distributing such a newsletter. Such fundraising may include, but is not limited to, the selling of advertising in such newsletter to members and non-members of the organization.

ARTICLE X
CONDUCT OF MEETINGS

10.1 Parliamentary Authority. SVAHU has adopted “Roberts Rules of Orderly-Newly Revised” as its mode of conducting business for its Board of Directors meetings.

ARTICLE XI
DISSOLUTION AND TERMINATION

11.1 Dissolution. SVAHU may be dissolved only in the following ways and for the following reasons:

(a) A vote of three-fourths of the then active members of the organization; for purposes of this section “active members” shall consist of all members of the organization, in good standing, as of the date thirty (30) days before the vote on dissolution.

(b) On the filing of a voluntary petition for protection from creditors under the bankruptcy laws of the United States or, in the case where an involuntary bankruptcy proceeding has been commenced against the Organization, upon the failure to get such bankruptcy proceeding dismissed within sixty (60) days of the filing thereof;

(c) Upon an order of any Court of the United States and/or the State of California, with appropriate jurisdiction to hear the matter, directing the dissolution of the Organization; and

(d) Upon the suspension of the Organization’s status as a valid non-profit corporation under the laws of the United States and/or the laws of the State of

California unless, by a three-fourths vote of the membership of the Organization, the Organization decided against dissolving.

ARTICLE XII AMENDMENTS

12.1 Power of Directors. Subject to the rights of the members, as provided in section 11.2 of this Article XI to adopt, amend, or repeal bylaws other than a bylaw or amendment thereof changing the authorized number of directors for any action may be adopted, amended or repealed by the Board of Directors.

12.2 Power of Members. New Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the members entitled to vote thereon, except as otherwise provided by law or by the Articles of Incorporation.

ARTICLE XIII GENERAL PROVISIONS

13.1 Construction and Definitions. Unless the context otherwise requires, the general provision, rules of construction and definitions contained in the general corporation law of the State of California governing non-profit corporations shall govern the interpretation and construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and the neuter gender, the singular number includes the plural and the plural number includes the singular, and the term "person" or "individual" includes, as applicable, a corporation or other business entity as well as the natural person.

13.2 Headings. The use of heading in these Bylaws is for convenience only and the use of any particular heading shall have these Bylaws or any provision hereof.

CERTIFICATION OF PRESIDENT

I, _____, hereby certify:

That I am the President of the Silicon Valley Association of Health Underwriters, a California Non-profit Corporation; and

That the foregoing Bylaws, consisting of 13 pages, including this one, constitute the Bylaws of said Corporation, as duly adopted by the Board of Directors at a meeting held on _____, 200__, at _____, in _____, CA.

IN WITNESS WHEREOF, I hereunto set my hand this _____ day of _____, 20__.

Signed: _____