



**ARTICLES OF INCORPORATION  
OF  
CATHOLIC FINANCIAL LIFE**  
*(As Amended Effective March 2, 2021)*

**ARTICLE ONE**

**Name**

The name of this fraternal benefit Society shall be Catholic Financial Life (hereinafter the “Society”). The Society may operate under one or more doing business as names as determined by the Board of Directors.

**ARTICLE TWO**

**Location**

The location of the principal or home office of the society shall be in the City of Milwaukee, Wisconsin.

**ARTICLE THREE**

**Purposes**

The objects and purposes of this fraternal benefit Society, which exists solely for the benefit of the members of the Society, and their beneficiaries, shall be:

1. To unite its members fraternally for social, religious, benevolent and intellectual improvement, in accordance with the Bylaws of this Society;
2. To provide assistance to its members;
3. To engage in the insurance business and in any other business reasonably incidental to the insurance business and to form or acquire subsidiaries to the extent permissible under Wisconsin law;
4. To engage in any lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic or religious activity for the benefit of the members of this Society or the public as the Board of Directors may determine.

**ARTICLE FOUR**

**Members**

The classes of members and their respective qualifications and rights are as follows:

1. Qualifications of Members. A member is an individual who meets the Catholic Affiliation Requirement, and any other qualification requirement, that the Board of Directors may establish, and who has had his or her membership application accepted.

2. Rights of Members. Members who are at least eighteen years old have these rights and benefits:

(A) To have the opportunity to benefit from the insurance, financial and investment products and services produced by the Society and its subsidiaries;

(B) To participate in the social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic and religious activities of the Society and its local entities as defined in the Bylaws (“Local Entities”); and

(C) To vote for the Board of Directors and to vote and participate in Local Entity affairs.

The Board of Directors may grant additional benefits and rights to various members based on the extent of their contribution to carrying out the purposes of the Society.

3. Members Under Eighteen. The Board of Directors shall establish rules and regulations for the conduct of all matters relating to members under the age of eighteen. Such members shall receive such benefits of membership as determined by the Board of Directors.

## **ARTICLE FIVE**

### **Representative Form of Government**

The Supreme Governing Body of this Society shall be the Board of Directors. The Board of Directors shall have the power to make and adopt Bylaws and policies for the governance and management of the Society. The number of directors and the method of election or appointment shall be as set forth in the Bylaws.

## **ARTICLE SIX**

### **Local Entities**

The method of formation and powers of the Local Entities shall be as provided in the Bylaws of this Society.

## **ARTICLE SEVEN**

### **Amendments**

Any amendments to these Articles of Incorporation shall require approval from not less than two-thirds (2/3) of the votes cast by the Board of Directors at a regular or special meeting of the Board of Directors at which a quorum is present. Proposed amendments to these Articles of Incorporation must be jointly submitted by the President and Board of Directors to the member Judiciary Committee, and require recommendation by the Judiciary Committee prior to approval by the Board of Directors.

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**BYLAWS  
OF  
CATHOLIC FINANCIAL LIFE**  
*(As Amended Effective, April 26, 2021)*

**CHAPTER ONE**  
**Triennial Fraternal Meeting**

**SECTION 1. Triennial Fraternal Meeting.** Catholic Financial Life (the "Society") shall conduct a triennial fraternal meeting in person or virtually at such date, time and place as the Board of Directors (the "Board") shall determine. Triennial fraternal meetings will be comprised of local fraternal leaders and guests chosen in accordance with procedures established by the Board.

**CHAPTER TWO**  
**Member Committees**

**SECTION 2. Fraternal Leaders Advisory Group.** The Fraternal Leaders Advisory Group ("FLAG") consists entirely of chapter officers and advises the Board and the President on fraternal and chapter matters. The President appoints nine (9) or more chapter officers to serve on the FLAG. The President shall strive to make the FLAG broadly representative of the Society's membership. The FLAG shall meet at least two times each year.

**SECTION 3. Nominating Committee.**

- (a) The Nominating Committee consists of three (3) members appointed by the FLAG, three (3) members appointed by the President, and three (3) members appointed by the Board of Directors. Members of the Nominating Committee must be adult financial members and may not be employees, agents, directors, or candidates for director election.
- (b) The Nominating Committee's objectives are: (1) to ensure that only persons who meet the Eligibility Requirements for Board election set forth in section 10(a) are presented to the members for election, (2) to assist the members in electing directors who are best able to guide the Society in achieving its business and fraternal missions, and (3) to approve reasonable compensation for the Board.
- (c) The Nominating Committee obtains and reviews all completed applications for Board election and other information provided by applicants to the Secretary as needed to determine whether an applicant satisfies the Eligibility Requirements, certifies all applicants who do so, and provides the membership with a summary of pertinent information about each of the certified applicants.
- (d) The Nominating Committee shall also review and consider each candidate's qualifications relative to any desired attributes that the Board suggests pursuant to section 10(b). To help in this process, the Committee may interview each candidate and seek any additional information it needs to evaluate candidates. The Committee shall recommend to the membership the election

of those candidates who the Committee believes are the best suited to meet the current needs of the Society.

- (e) The Nominating Committee shall approve compensation for the Board, excluding the positions of President and Secretary, which reasonably reflects industry standards and the Board's fiduciary and legal responsibilities. This section does not abrogate the authority of the Board to fix compensation for services rendered to the Society by any persons serving on committees of the Board or prevent payment to any persons for special service rendered to the Society by authority of the Board.

**SECTION 4. Judiciary Committee**

- (a) The Judiciary Committee consists of three (3) members appointed by the FLAG, three (3) members appointed by the President, and three (3) members appointed by the Board of Directors. Members of the Judiciary Committee must be adult financial members and may not be employees, agents or directors.
- (b) The Judiciary Committee shall receive reports of all proposed amendments to the Articles of Incorporation and Bylaws of the Society jointly recommended by the Board of Directors and President, and such other subjects as may be deemed necessary from time to time. The Committee shall review and consider such proposals and shall determine whether to recommend them for final approval by the Board. The Judiciary Committee shall also submit any amendments to the Articles of Incorporation and Bylaws it determines to be fundamental, to a referendum of adult financial members in accordance with procedures established by the Committee. The Committee shall recommend such amendments for approval by the Board only if approved by a majority of member votes cast.

**SECTION 5. Other Committees.** The Board may appoint other member committees.

**SECTION 6. Other Powers and Duties.** In addition to the responsibilities outlined above, each member committee shall have such other powers and responsibilities as may be delegated to it by the Board.

**CHAPTER THREE**  
**Board of Directors**

**SECTION 7. Board of Directors.** The supreme governing body of the Society shall be the Board of Directors. The affairs of the Society shall be governed by the Board which shall have authority to provide rules and regulations for the extension and development of the Society and all other necessary and incidental powers to carry out the objectives of the Society as provided in the laws of the Society and the laws of the State of Wisconsin.

**SECTION 8. Number of Directors and Term of Office.**

- (a) Elected Directors. The number of the Society's elected directors shall not be fewer than nine (9) nor more than twelve (12). By January 1 of the election year, the Board shall set the number, within that range, of the Society's elected directors to be elected by the members. The Board may also change the number of elected directors at any time pursuant to a merger agreement, including, but not limited to, increasing the number of elected directors to more than twelve (12),

in accordance with such merger agreement, provided that the number of elected directors serving on the Board before the merger constitute at least two-thirds (2/3) of the total number of elected directors serving on the Board after the merger. Elected directors include those elected by the members and those appointed by the Board either to fill a vacancy in an elected director position or to increase the number of elected directors.

- (b) Appointed Directors. Subject to confirmation by the Board, the President shall appoint two (2) directors, only one of whom may be an officer or employee of the Society. Each appointed director shall be a Catholic adult member with expertise in the business of the Society who owns or participates in a financial service or product as determined by the Board.
- (c) Principal Officer Directors. The President and the Secretary of the Society shall also serve as members of the Board.
- (d) Voting. Except as otherwise provided herein, all of the foregoing directors have equal voting rights. The Spiritual Director is a non-voting member of the Board and shall not count as a director for purposes of quorums, voting requirements, or any other matter involving voting.

#### **SECTION 9. Terms of Directors.**

- (a) Terms. Elected directors serve for a term of three (3) years from the first day of January following their election and shall serve until their successors are elected and qualified. Appointed directors serve for one (1) year and may be reappointed.
- (b) Term Limits. No elected director may serve more than three (3) consecutive three-year terms or nine (9) consecutive years. If a director is elected or appointed to a partial term, that partial term does not count as part of this consecutive-year sequence. A break in service of at least three (3) years restarts the term-limit period.

#### **SECTION 10. Eligibility Requirements.**

- (a) Required Qualifications. To be a candidate for election as a director, an applicant must:
  - (1) Submit his or her request to be certified as a candidate to the Secretary by the deadline established by the Nominating Committee;
  - (2) Own and have continuously owned or participated in a financial service or product as determined by the Board for at least two (2) years prior to January 1 of the election year and have been determined by the Nominating Committee to have demonstrated a significant financial commitment to the Society;
  - (3) Be an adult member in good standing as determined by the Board;
  - (4) Certify that he or she is a member of a Catholic parish;
  - (5) Submit certification(s) by one or more principal chapter officers or Society officers that the person attended at least six (6) chapter or Society fraternal functions in the three years prior to January 1 of the election year;

- (6) Not be a former agent or employee whose service was terminated by the Society in the three years prior to January 1 of the election year;
  - (7) Not be an agent or employee of the Society when his or her term would begin;
  - (8) Not be age 75 or older when his or her term would begin, and
  - (9) Comply with all rules, regulations and requirements that the Nominating Committee establishes.
- (b) Desired Attributes. The Board may suggest certain desired attributes of Board members based on the needs of the Society and the Board. These may include, for example, demonstrated sound judgment, prior board or other leadership experience, personality conducive to working in a group, an understanding of fiduciary responsibilities, business experience, fraternal experience, ethical values, ability and willingness to commit the required time and energy, and any specific expertise or qualities needed by the Board. Though these suggested attributes are not part of the Eligibility Requirements, they will be made available to all interested members.

**SECTION 11. Board Election Procedures.** The Board shall establish the procedures and timelines for election of directors by January 1 of the election year.

- (a) Candidates for the Board are required to submit all information required by the Nominating Committee and the Board to the Secretary and complete a screening process and background checks to ensure the candidate meets all Eligibility Requirements within the timeline established by the Board.
- (b) The Nominating Committee shall determine whether each nominated candidate meets the Eligibility Requirements to serve as a director. Only candidates who are determined by the Nominating Committee to meet the Eligibility Requirements will be included in the slate of candidates submitted to the adult members for election.
- (c) The Nominating Committee will submit the slate of candidates who meet the Eligibility Requirements for election by the adult members. The Nominating Committee will also share with the members, information regarding candidates' backgrounds and credentials, and recommendations as to the candidates the Nominating Committee has determined to be best suited to meet the current needs of the Society. Only candidate information provided to and approved for publication by the Nominating Committee will be shared with the members. To ensure fairness and consistency for all candidates, the candidates are otherwise prohibited from campaigning or publishing other information to members outside the process established by the Nominating Committee.
- (d) A vote shall be taken on candidates by direct written, electronic, or telephonic ballot by the adult members in good standing as of January 1 of the election year, as determined by the Board. The ballot shall specify the deadline for return of the ballot and no ballots received after such time shall be counted. Each adult member who is determined by the Board to be eligible to vote shall have one vote for each elected director position. Cumulative voting or voting by proxy is not permitted.

- (e) Directors shall be elected by a plurality of the votes cast by the members i.e., the candidates with the largest number of votes in favor of their election are elected as directors up to the maximum number of directors to be chosen in the election.

**SECTION 12. Chair of the Board.** The Board shall appoint a Chair to serve a term of one year from among its elected directors. No person shall serve as Chair for more than three years. A selection committee consisting of the President and two directors elected by the vote of a majority of the elected directors present at a meeting at which a quorum is present shall annually nominate a director for Chair. Their nomination must then be confirmed by the vote of a majority of the elected directors present at a meeting at which a quorum is present. The Board shall gather feedback from its members and evaluate the Chair's performance at the conclusion of a Chair's tenure, and before any consideration of reappointment by the selection committee. The compensation of the Chair shall be double the standard annual Board member base compensation.

The Chair has a leadership role on the Board and shall call and preside at all meetings of the Board. The Chair shall have the authority to perform such duties as prescribed or delegated by the Board and these Bylaws, including advisory and counseling responsibilities, oversight of the Board's activities and responsibilities, and facilitating orderly Board meetings. The Chair shall not assume managerial or executive responsibilities within the Society, usurp or undermine the authority of the President, or assume greater Board voting rights. In the Chair's absence or vacancy, another director temporarily appointed by the Board may preside.

**SECTION 13. Meetings.**

- (a) Regular Meetings. The Board shall meet at least quarterly and at a time and place determined by the Chair and President. Such meetings may be held at the stated time and place without further notice.
- (b) Special Meetings. Special meetings of the Board may be held at any time and place for any purpose or purposes, unless otherwise prescribed by statute, on call of the President, Chair of the Board, or Secretary, and shall be called by the Secretary on the written request of any five (5) directors. Notice of any special meeting shall be given to each director not less than 24 hours prior to the meeting.
- (c) Electronic Meetings. Regular and special meetings of the Board and any committee or sub-committee of the Board, or any other meeting of the Society, may be conducted by telephone or video conference or other means of communication that allows all participants to simultaneously communicate with each other.

**SECTION 14. Quorum and Manner of Acting.** A majority of the total number of voting directors in office shall constitute a quorum for the transaction of business at any meeting of the Board. The affirmative vote of a majority of the voting directors present at a meeting at which a quorum is present is the act of the Board unless the Articles of Incorporation, these Bylaws, or applicable law requires the vote of a greater number.

**SECTION 15. Vacancy; Removal.**

- (a) Vacancies. Vacancies in the Board occurring by reason of death, resignation or otherwise shall be filled in a timely manner until the next regular election by the affirmative vote of a majority

of the directors then in office, even if less than a quorum. A vacancy in the position of President shall be filled within seven (7) days by the Board meeting and naming an "acting president" who shall continue to fulfill the responsibilities of the President until a successor is appointed by the Board.

- (b) Removals. An elected or appointed director may be removed from office for cause by an affirmative vote of two-thirds (2/3) of the full Board at a meeting of the Board called for that purpose. The Board may remove the President or the Secretary from his or her office and thus from the Board at any time, with or without cause, by the vote of two-thirds (2/3) of the total number of elected directors.

**SECTION 16. Committees of the Board**. The Board Chair may appoint committees, subject to confirmation by the Board, to have such authority as the Board may delegate. Each such committee shall be comprised of three (3) or more directors. The Board Chair may appoint elected members as Committee Chairs.

**SECTION 17. Mergers**. By the vote of two-thirds (2/3) of all of the directors in office, the Board may initiate and consummate a merger with a fraternal benefit society. Any merger with a fraternal that has assets greater than the Society shall also be approved by a majority vote of the adult members of the Society in accordance member voting procedures established by the Board prior to final Board approval.

## **CHAPTER FOUR**

### **Officers**

**SECTION 18. Officers**.

- (a) Principal Officers. The principal officers of the Society, who shall be appointed by the Board, shall be the President, the Secretary, and one or more other officers designated as principal.
- (b) Vice Presidents and Other Officers. The President may appoint one (1) or more Vice Presidents and other officers, who serve at the discretion of the President.

**SECTION 19. President**. The President shall be the principal executive officer of the Society and, subject to the supervision of the Board, shall supervise and control all of the business and affairs of the Society. In general, the President shall perform all duties incident to that office and such other duties as may be prescribed by the Board from time to time.

**SECTION 20. Secretary**. The Secretary shall maintain an accurate record of the minutes of all regular and special meetings of the Board, and shall report to the Board on any matters as may be requested. In general, the Secretary shall perform all duties incident to that office and such other duties as may be prescribed by the Board.

**SECTION 21. Duties**. The Other Principal Officers and the Vice Presidents and Other Officers shall perform such duties as are customarily assigned to their respective office and as may be assigned from time to time by the President.

**SECTION 22. Fidelity Bonds**. The Board may require that fidelity bonds be maintained on any society officer, chapter officer, employee or agent in such sum and with such sureties as determined by resolution of the Board.

**CHAPTER FIVE**  
**Spiritual Guidance**

**SECTION 23. Spiritual Director.** The President shall appoint a Catholic priest, bishop, archbishop or cardinal to serve as the Society's Spiritual Director. The Spiritual Director shall, upon request by the President or Board, and may, at any time, provide the Society through its President or Board with information or advice based on Catholic teachings or practices. Upon request by the President, the Spiritual Director may preside at Liturgies or other rites at the regular member meeting and other events and gatherings of Society members. The Spiritual Director will serve as a non-voting member of the Board of directors, will receive all materials that directors receive, and may attend and participate in any or all Board meetings.

**SECTION 24. Chaplains.** The President may appoint a Catholic priest to serve as chaplain of any state in which the Society is active. At the state and chapter level, a state chaplain may preside at religious services and provide information or advice based on Catholic teachings or practices. Each chaplain shall have such other duties and privileges as the President shall determine.

**CHAPTER SIX**  
**Indemnification of Officers and Directors**

**SECTION 25. Indemnification.** The Society shall, to the extent permitted by law, indemnify and hold harmless each officer, director or employee now or hereafter serving the Society, or any other corporation, partnership, joint venture, trust or other entity which said officer, director or employee now or hereafter serves as an officer, director, employee, trustee or agent at the request of the Society.

**SECTION 26. Liability Insurance.** The Society may maintain insurance on such directors, officers and employees against liability for acts or omissions in the performance of their duties as determined by resolution of the Board.

**CHAPTER SEVEN**  
**Membership**

**SECTION 27. Membership Provisions.** The Articles of Incorporation provide for the qualifications, rights and classes of members.

**SECTION 28. Application for Membership.** An applicant for membership in this Society shall sign an application furnished by the Society, stating such information as the Board shall deem necessary to determine their qualification for membership. Applicants for membership who are applying for an insurance contract shall name a beneficiary who has an insurable interest in the insured at the time the certificate is issued.

**SECTION 29. Insurance Contract.** A policy issued by the Society, including any riders or endorsements attached to it, the application, and the Articles of Incorporation and Bylaws constitute the entire contract when it is issued. Any subsequent changes to the Articles of Incorporation or Bylaws shall be binding upon the member, beneficiaries, and other persons affected and shall govern and control in all respects, except that no changes shall destroy or diminish benefits promised in the policy when it was issued. However, in the event of unforeseen circumstances that could threaten the Society's financial stability or result in an inequitable treatment for certain members, the Board of Directors may

adopt policies and procedures that are reasonably needed to protect the overall interest of the Society's members, including, but not limited to, limiting the amount or frequency of renewal premium deposits that may be made to previously issued contracts. Membership that is based on being an owner, insured, or annuitant shall expire if and when the insurance contract is surrendered or lapses.

**SECTION 30. Designation of Beneficiary.** An applicant for an insurance contract may designate as beneficiary any person or entity, including the estate of a member or an insured employee, to the extent that the designation is consistent with applicable law. While the insured is alive, the insurance contract owner may change any beneficiary by written notice acceptable to the Society. No change will be binding until it is recorded by the Society at the Home Office. Once recorded, the change will be effective as of the date the notice was signed. The change will not apply to any payment made by the Society before such change has been recorded. The Society may require that the insurance contract be submitted to make each change.

**SECTION 31. Expulsion of Members.** Any member may be expelled for just cause by a vote of his or her chapter, with the approval of the President of the Society. If the chapter fails to act on expulsion of a member, the matter may be referred to the President of the Society. If the President determines that there is cause for expulsion, the President shall have the power to expel said member from the membership of the Society, and of said chapter. Provided, however, that no member shall be expelled from the Society without first having had a full and fair opportunity to appear either in person, electronically, or by agent before the chapter or President of the Society, as the case may be, in his or her defense. Provided further that any expelled member shall be entitled to all of the financial and contractual benefits as provided for in the insurance contracts and under these Bylaws.

**SECTION 32. Reinstatement of Membership.** Any member who has been expelled or has allowed his or her membership to lapse because of nonpayment of premium may, within 60 days after expulsion or lapse, make application for reinstatement on a form prescribed by the Society. After said 60 days, such member may make application for reinstatement upon such further conditions as determined by the Society.

**SECTION 33. Assignment.** In such states where permitted by law, assignments of insurance contracts shall be permitted but shall be subject to any claim in favor of this Society and shall not be valid until a copy thereof is filed at the Home Office of the Society. No assignment shall change or deny the elective and social rights of a member.

**CHAPTER EIGHT**  
**Maintenance of Solvency**

**SECTION 34. Maintenance of Solvency.** If the Society's financial position becomes impaired, the Board may, on an equitable basis, apportion the deficiency among the members, the insured employees or the owners of policies, or any combination thereof. A member, insured employee or policy owner may then either (a) pay his, her or its share of the deficiency or accept the imposition of a lien on the insurance policy, to bear interest at the rate charged on policy loans under the policy, compounded annually until paid, or (b) accept a proportionate reduction in benefits under the policy. The Board may specify the manner of election and which alternative is to be presumed if no election is made.

**CHAPTER NINE**  
**Funds and Investments**

**SECTION 35. Funds and Investments.** The funds of the Society shall be invested in accordance with investment policies adopted by the Board from time to time. Provided, however, that a reasonable amount of the funds of the Society shall be set aside for payment of claims and as a special reserve fund as necessary, in accordance with the laws of the State of Wisconsin and of other states in which the Society is licensed to do business.

**CHAPTER TEN**  
**Local Chapters**

**SECTION 36. Chapters.** Local chapters may be established, dissolved, and determined to be inactive in accordance with policies and procedures (hereafter referred to as "Chapter Policies") that the Board may from time to time adopt after soliciting and considering recommendations made by the Fraternal Leaders Advisory Group. If a chapter is dissolved, its members shall be transferred to one or more other chapters in accordance with the Chapter Policies.

**SECTION 37. Chapter Purposes.** Chapters shall operate to further the object and purposes of the Society pursuant to the Chapter Policies.

**SECTION 38. Chapter Operations.** At minimum, chapters shall hold meetings and undertake activities as required by applicable law and the Chapter Policies. As subordinate units of the Society, chapters are accountable to the Society for their activities and finances. Chapters shall maintain accurate records of their activities and finances and shall submit an annual activity and financial report to the Home Office of the Society on a form prescribed for such use. Other procedures relating to operation of the chapters, including without limitation, responsibilities of the chapter officers, and chapter meeting quorum, voting and procedures, shall be set forth in the Chapter Policies.

**SECTION 39. Chapter Officers.**

- (a) **Number and Manner of Selection.** Each chapter shall have three principal officers as provided in the Chapter Policies. In the Chapter Policies, the Board may provide for non-principal officers and shall specify the manner of election or appointment of officers, the filling of vacancies, and the removal of officers.
- (b) **Officer Qualifications.** A person in either of the following categories may not serve in any chapter officer position: (1) full-time or part-time sales representative of the Society; or (2) a member of the Board of the Society or any of its subsidiaries. Each principal officer must be a

Catholic member who owns or participates in a financial service or product as determined by the Board, except that principal officers of former Degree of Honor (DOH) chapters need not be Catholic. Unless the Chapter Policies provide otherwise, non-principal officers need not be Catholic or own or participate in a financial service or product.

**SECTION 40. Transfer.** A member may be transferred from one chapter to another upon his or her own request; however, all members living as a family in a single household must be members of one (1) and the same chapter. New members shall be assigned to the chapter nearest their residence or, if otherwise preferred, the chapter of their choice.

## **CHAPTER ELEVEN** **Resolution of Disputes**

**SECTION 41. Resolution of Disputes.**

- (a) **Purpose.** The purpose of this section is to provide the sole means to present and resolve certain grievances, complaints and disputes between or among members, insureds, certificate owners, or beneficiaries, their heirs, administrators, guardians, representatives, successors and assigns, and the Society or its directors, officers, agents, and employees. The procedures set forth in this section are meant to provide prompt, fair and efficient opportunities for dispute resolution, consistent with the fraternal nature of the Society, without the delay and expense of formal legal proceedings.
  
- (b) **Scope.** Except as expressly limited herein (see subsection e) this section applies to all past, current or future benefit certificates, members, insureds, certificate owners, beneficiaries and their heirs, administrators, successors, guardians, representatives, successors and assigns and the Society. It applies to all claims, actions, disputes and grievances of any kind or nature whatsoever. It includes, but is not limited to, claims based on breach of contract, as well as claims based on fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation, and infliction of distress against the Society or its directors, officers, agents, or employees. To the extent permitted by applicable law, this section applies to all claims, actions, disputes, and grievances brought by the Society against members, insureds, certificate owners, or beneficiaries and their heirs, administrators, guardians, representatives, successors and assigns.

In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this section, this section will remain in full force and effect as to any remaining parties or claims involved in such dispute. This section does not apply to any claims or disputes relating to interpleader actions to determine proper owner, beneficiary or payee.

- (c) **Procedures.** No lawsuits or any other actions may be brought for any claims or disputes covered by this section. All disputes covered by this section will be resolved in accordance with the following procedures, which will occur in the order given in this section:

Step 1. Appeal. Any dispute covered by this section must be submitted to the Secretary at its Home Office at 1100 W. Wells Street, Milwaukee, WI 53233, (800) 927-2547, for resolution by the Society's internal review process.

Step 2. Mediation. If Step 1 does not result in a mutually satisfactory resolution, either party may have the matter mediated in accordance with the applicable mediation rules of the American Arbitration Association (or other neutral organization as agreed upon by the parties).

Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, matter will be resolved by binding arbitration in accordance with the applicable arbitration rules as prescribed by the American Arbitration Association (or the rules of another neutral organization mutually agreed upon) as applicable to the type of matter in dispute. The arbitration shall be administered by a neutral organization agreed upon by the parties. The decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the arbitration rules and applicable laws. The member, insured, certificate owner, beneficiary or other party shall have the right to be represented by legal counsel of his or her choosing at any time at his or her own expense (unless, as provided in subsection (f) below, he or she is awarded attorney's fees). If an issue in dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be nonbinding, unless the parties agree to binding arbitration after the claim or dispute has arisen. The Society will take reasonable measures to assure that the dispute resolution process proceeds promptly.

- (d) Costs. The administrative costs of any mediation or arbitration (including fees and expenses of mediators and arbitrators, filing fees, reasonable and necessary court reporting fees) will be paid by the Society. Except as awarded under subsection (f) below, each party will bear its own attorney's fees, expert fees, and discovery costs.
- (e) Restriction of Joinder of Disputes. The procedures of this section are designed to afford individual members, benefit certificate owners, beneficiaries, other parties and the Society a prompt, fair, and efficient means of resolving individual disputes. Accordingly, no dispute may be brought forward in a representative group or on behalf of or against any "class" of persons, and the disputes of multiple members or benefit certificate owners or beneficiaries (other than immediate family members) may not be joined together for purposes of these procedures without the express written consent of both (i) all members and benefit certificate owners, beneficiaries, and other parties affected thereby and (ii) the Society. The restriction on joinder of disputes contained in this subsection (e) is a condition upon which the agreement to arbitrate contained in subsection (b) and (c) depends. Thus, should a court or arbitrator of competent jurisdiction deem the restriction on joinder of disputes contained in this subsection (e) unenforceable or otherwise void, there shall be no agreement to arbitrate.
- (f) Remedies. This section applies to any claim or dispute resolved through binding arbitration as provided in subsection (c) above and to any action in a court of law in the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to binding arbitration. Except as expressly limited in this section, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorney's fees and expenses if such attorney's fees and expenses are deemed appropriate under applicable law. Exemplary or punitive damages may be awarded for claims arising under applicable federal or state statutes to the extent permitted under the applicable statutes or, for claims arising under the common law, exemplary or punitive damages may be awarded but may not exceed three times the amount of compensatory damages. In the event that any court or arbitrator of competent jurisdiction deems the foregoing limitation on common law exemplary or punitive damages to be unenforceable or otherwise void under applicable law, the remaining portions of this section will remain in full force and effect.

**CHAPTER TWELVE**  
**Communications to Members**

**SECTION 42. Communications to Members.**

- (a) **Means of Communication.** The Society shall maintain an official publication in which it may include any notice, report or statement required by law to be given to the members, including notice of election. If the records of the Society show that two (2) or more members have the same mailing address, an official publication mailed to one (1) member is deemed to be mailed to all members at the same address unless a separate copy is requested. The Society may provide any required notice, report or statement to members by means other than the official publication, including by mail or, to the extent that applicable law allows, by email, website, or other electronic means.
  
- (b) **Required Communications.** All amendments to the Articles of Incorporation and Bylaws shall be provided to members within four (4) months after the filing of any such amendment with the Office of the Commissioner of Insurance of the State of Wisconsin and shall serve as official notice of such changes. The Society will provide members with an annual report that at minimum shall contain basic financial and operating data, information about important business and corporate developments, and such other information as the Society wishes to include or as the Office of the Commissioner requires it to include in order to keep members adequately informed.

**CHAPTER THIRTEEN**  
**Amendments of Society Bylaws**

**SECTION 43. Procedure.** Any amendments to these Bylaws shall require approval from not less than two-thirds (2/3) of the votes cast by the Board of Directors at a regular or special meeting of the Board of Directors at which a quorum is present. Proposed amendments to these Bylaws must be jointly submitted by the President and Board to the Judiciary Committee, and require recommendation by the Judiciary Committee prior to approval by the Board.

**SECTION 44. Reporting.** All amendments duly adopted shall be immediately printed under the supervision of the President and Secretary of the Society and a copy sent forthwith to the Office of the Commissioner of Insurance of the State of Wisconsin. A copy of all amendments shall be provided to members pursuant to section 42 above. The Secretary shall keep a complete record of each amendment.