

CONSTITUTION AND BY-LAWS
OF THE
NATIONAL ASSOCIATION OF
CATASTROPHE ADJUSTERS, INC.

PREAMBLE

WE, THE CATASTROPHE INSURANCE ADJUSTERS OF THE UNITED STATES OF AMERICA, IN ORDER TO ESTABLISH PROFESSIONAL STANDARDS, INSURE WORKING RELATIONS WITH ONE ANOTHER, PROMOTE OUR GENERAL WELFARE, AND PROVIDE MEANS FOR DEALING WITH OUR COMMON PROBLEMS, MAKE THIS CONSTITUTION FOR OUR ASSOCIATION.

ARTICLE I

NAME

SECTION 1

The name of the Association shall be the NATIONAL ASSOCIATION OF CATASTROPHE ADJUSTERS, INC. and the acronym shall be NACA®.

SECTION 2

The Association shall be a non-profit association.

ARTICLE II

THE PURPOSE OF THIS ORGANIZATION SHALL BE:

SECTION 1

To promote and maintain the highest ethical practices and professional standards in the catastrophe insurance claims profession.

SECTION 2

To vigorously resist false, fraudulent claims and to promptly expose dishonest or unethical practices within our profession.

SECTION 3

To aid the education of the members by securing and disseminating information pertaining to our profession, through the free discussion of common problems and by the acknowledgment of education achievement.

SECTION 4

To promote the general welfare of the insurance industry and to foster and assist the organization and continuance of strong local claim association, and safeguard separate entity.

SECTION 5

To honor and acknowledge the noteworthy accomplishments of individual members who have gained stature through unselfish contribution, advanced education and tenure of experience in and for our profession.

SECTION 6

To activate good fellowship, harmony and cordial business relationships among the members.

ARTICLE III

CODE OF ETHICS

SECTION 1

Members will strictly adhere to The Statement of Principles on "RESPECTIVE RIGHTS AND DUTIES OF LAWYERS AND LAYMEN IN THE BUSINESS AND ADJUSTING OF INSURANCE CLAIMS" adopted by the Conference Committee On Adjusters or as it may hereafter be amended.

SECTION 2

Members shall strictly adhere to the "UNFAIR CLAIMS PRACTICES ACT" as enacted or passed by any applicable and/or appropriate state legislative or government body.

SECTION 3

No member shall accept gratuities from an insured and/or claimant or personal enrichment from the service of experts, salvors and/or repairmen.

SECTION 4

Members shall cooperate, and give to one another professional aid and support.

SECTION 5

No member shall knowingly compete or advise any person, firm or corporation in which his/her personal interest in any manner conflicts with those of the company he/she represents.

ARTICLE IV

MEMBERSHIP

SECTION 1

A. GENERAL MEMBERS: Any person is eligible for membership who has a minimum of four (4) years catastrophe property adjusting experience verified by work history and is actively engaged in and derives the major part of his/her income from the handling, adjusting, supervision or investigation of catastrophe losses and/or claims for, or on behalf of, insurance companies or self-insureds. Applicants must submit a completed application; application fee; first years membership dues; a resume with three verifiable insurance related business references; a work history for the last five years to include dates worked, location, type of storm(s) and storm office supervisor(s), verifiable business names, addresses, and direct supervisors name and phone numbers; and recommendation letters written and signed by two NACA® General Members.

B. ASSOCIATE MEMBERS: Any person who meets above qualifications for general members and has less than four years but more than one year catastrophe property adjusting experience. Associate Members do not have voting privilege. New applications for Associate Members will be voted on by the general membership at the next annual meeting. At any time after an Associate Member has four (4) years catastrophe property adjusting experience verified by work history, he or she may submit a regular membership application as detailed above. Existing Associate memberships will be voted on each year at the annual business meeting.

C. APPRENTICE MEMBERS: Any person who does not meet the qualifications for Associate Membership in that he/she may not be actively engaged in and derive the major part of his/her income from the handling, adjusting, supervision, or investigation of catastrophe losses and/or claims for, or on behalf of, insurance companies or self-insured's. This category of membership is intended for those persons who have just entered or are considering entering in the catastrophe adjusting profession. Apprentice Members do not have voting privilege. New applications and renewal apprentice memberships will be voted on by the members at the next annual meeting. At any time the Apprentice Member meets the requirements for an Associate Member, he/she may submit an application for Associate Membership.

D. ASSOCIATE BUSINESS MEMBERS: Adjusting firms, executives of insurance companies or firms, and individuals or firms associated with the catastrophe adjusting business. Associate Business Members do not have voting privilege. New applications for business associate members will be voted on each year by the general membership at the annual business meeting.

SECTION 2

General Membership shall be in the name of the individual and each membership shall be entitled to only one vote in any meeting, election or balloting.

SECTION 3

Any member who has not paid dues prior to June 30th shall be automatically dropped from membership until such time that he/she pays current dues plus the reinstatement fee.

SECTION 4

Members:

- A. May attend all meetings of The Association.
- B. May be eligible to attend all seminars and training sessions of The Association, subject to registration requirements.
- C. Shall receive all general and approved writings.
- D. Only General Members may vote and hold office in The Association or its committees.

SECTION 5

A. Life Membership may be given to those general members who are deserving of such recognition for their long tenure as an active member, and for their past contributions to The Association. Names of all candidates for Life Membership shall be submitted to the current Executive Committee who will determine qualifications, and which names will be submitted to the General Membership for voting approval or rejection during a regular session at the Annual Convention. Voting by the General Membership on any candidate submitted by the executive committee for such vote will be done by secret ballot.

B. Names of candidates who are submitted to the General Membership, as above, (Section 5, A) shall receive the classification of "Life Member" by a two thirds (2/3) vote of the General Membership present at the Annual Convention.

C. "Life Members" shall enjoy all the benefits of The Association as outlined in Section 4, Sub-paragraphs A, B, C and D, above.

D. "Life Members" will be exempt from paying annual dues, as well as their annual meeting registration fees, and convention

assessment. These expense items will be absorbed by The Association.

SECTION 6

Any member who knowingly sponsors a candidate for membership, who does not meet the qualifications for such, shall be brought before the grievance committee for possible expulsion from NACA®.

SECTION 7

Public Adjusters or anyone who has worked as a Public Adjuster in the preceding two (2) years is strictly prohibited from membership. Membership shall be forfeited upon working as a Public Adjuster.

ARTICLE V

OFFICERS

SECTION 1

Officers of the Association shall consist of a President, Vice-President, Secretary / Treasurer, and a Sergeant at Arms. The Sergeant at Arms shall be elected from the current listing of active, general members.

SECTION 2

Each officer shall serve for a term of one year.

SECTION 3

All officers of The Association shall serve until their successors take office. At that time, Vice President automatically moves into position of President; Secretary/Treasurer automatically moves into position of Vice President; Sergeant at Arms automatically moves into position of Secretary/Treasurer, and the newly elected Sergeant at Arms begins service. All officers of The Association shall serve without compensation.

SECTION 4

In the event a vacancy occurs in the office of President, the Vice-President shall immediately become President. If the office of Vice-President is vacant, or if the Vice-President is unable or unwilling to assume the Presidency, a successor to the office of President shall be elected by the Executive Committee by majority vote, to serve out the unexpired term, at which time a President shall be elected by the Members.

SECTION 5

In the event a vacancy occurs in the office of Vice-President, the Executive Committee shall appoint, by a majority vote, a Vice-President to serve out the unexpired term in the office of Vice-President. At the end of such term, a new President and Vice-President shall be elected by the members as provided by these Articles.

SECTION 6

In the event a vacancy occurs in the offices of Secretary/Treasurer or Sergeant At Arms, the successor shall be appointed by the President with the approval of the Executive Committee.

ARTICLE VI

DUTIES OF OFFICERS

SECTION 1

The President shall be in charge of all affairs of The Association. He/she shall preside at all meetings of The Association and of the Executive Committee during his/her term of office. He/she shall appoint all committees except the Executive Committee, after consultation with the Executive Committee regarding the availability and qualifications of the contemplated appointees.

SECTION 2

The Vice-President shall act in case of disability of the President and on such other occasions as the President may request, and as specified by these Articles.

SECTION 3

The Secretary and/or Treasurer shall be in charge of the funds of The Association, shall see that dues and assessments are collected and bills paid and shall perform such other duties as are usual to the office. The Secretary and/or Treasurer, under the direction of the President, shall supervise the operation of the Executive Office and shall employ such persons as deemed necessary for the proper conduct of Association affairs, as provided in Article VII.

SECTION 4

The Sergeant At Arms shall keep order at meetings and assist the membership in following "ROBERTS RULES OF ORDER" and our Constitution and By-Laws.

ARTICLE VII

STAFF AND THEIR DUTIES

SECTION 1

A principal staff assistant shall be employed by the Association. This employee shall be hired by the Secretary and/or Treasurer upon authorization of, and subject to the approval of the President and Executive Committee, and shall be assigned such duties by the Secretary and/or Treasurer and the President as the affairs of the Association shall require. The terms and conditions shall be stated in an Employment Contract, subject to the approval of the Executive Committee, to be renewed annually. Regardless of any title conferred upon this employee or any contract laborer, such party shall not be considered as an Officer of The Association or have voting privileges at any time. Whenever in these Articles, the title "Executive Secretary" appears, the phrase Staff Assistant or Office Manager shall be substituted for the said title.

SECTION 2

Principal Staff Assistant may sign drafts up to and including \$2,500.00. Any draft issued above this amount would require being

counter signed by the President up to a limit of \$5,000.00. Any draft in excess of \$5,000.00 would require three signatures, consisting of the President, the Vice-President and the Secretary/Treasurer. In the event that the seat of any one of these offices is vacant, the Sergeant at Arms will then counter sign the draft.

ARTICLE VIII

COMMITTEES AND THEIR DUTIES

SECTION 1

General committees of The Association shall be composed as provided hereafter in this Article:

A. Chairman and committee members, except the Executive Committee, shall be appointed by the President and may be removed at his/her discretion.

B. Committee chairmen and members shall serve one year or until their successors shall be appointed, except as otherwise provided in this Article.

C. Each Committee shall formulate its own rules and procedure.

SECTION 2

EXECUTIVE COMMITTEE:

The Executive Committee shall consist of the officers of The Association and the Immediate Past President. It shall have general control of The Association between Association meetings. The Executive Committee shall appoint a member to review existing or non-renewed memberships.

SECTION 3

SPECIAL EXECUTIVE COMMITTEE:

The Special Executive Committee shall consist of the members of the Executive Committee and the members of the Past Presidents' Advisory Board. The presiding officer shall be the current President or highest ranking officer in attendance.

SECTION 4

MEMBERSHIP COMMITTEE:

Membership Committee shall consist of five (5) members so appointed that two (2) members shall be replaced yearly. It shall review applications for membership which have been tendered prior to the Annual Meeting and report to the Membership at Annual meetings.

SECTION 5

PRESIDENT:

The President may appoint such other committees and prescribe their duties as he/she may deem necessary.

ARTICLE IX

PAST PRESIDENTS' ADVISORY BOARD

SECTION 1

There shall be an Advisory Board consisting of the past Presidents of The Association who are members under this constitution. The immediate past President shall be the chairman and preside during its meeting. The Board shall formulate its own rules of procedure. Three members of The Board shall constitute a quorum at any meeting. The President may request the consultation and advice of The Board. All requests for advice from The Board shall be channeled through the President. The Board shall meet in conjunction with the annual meeting of The Association to consider matters before it. The Board will submit its recommendations to the President and the Executive Committee. The recommendation of The Board shall not be mandatory upon the President, the Officers or membership of The Association.

ARTICLE X

MEETINGS OF THE ASSOCIATION

SECTION 1

The Association shall meet once in each calendar year at a time and place determined by the Executive Committee. The purpose of the Annual Meeting will be to elect officers and transact all other business of The Association.

SECTION 2

All meetings of The Association will be conducted according to the latest edition of the "Robert's Rules of Order". An exception to the rules may be made by the presiding officer if such exception will expedite the transaction of business for The Association.

SECTION 3

The Executive Committee is empowered to decide whether a matter (except matters pertaining to constitutional changes which must be acted upon by a vote of members) shall be presented at the Annual Meeting of The Association for a vote of those present or be submitted to The Membership by electronic mail. If submitted by electronic mail, those votes which are returned by The Membership to the Executive Committee within thirty (30) days from the date of mailing to The Membership are to be counted. The affirmative vote required to pass or approve a matter by mail shall be the same as that which would have been if voted upon in the Annual Meeting. Matters submitted for a vote by electronic mail should be accompanied by sufficient information to enable a Member to understand the purpose of the matter submitted and the effect of his/her vote.

SECTION 4

The President, upon the recommendation of the Executive Committee, may call a special meeting by giving thirty (30) days written notice to the Membership stating the reason for the call and designating the time and place for holding the meeting.

SECTION 5

Two-thirds of the Members registered at any meeting shall constitute a quorum.

ARTICLE XI

DUES

SECTION 1

Dues for Members shall be set by the Executive Committee and voted on by the membership.

ARTICLE XII

AMENDMENTS TO CONSTITUTION AND BY-LAWS

SECTION 1

All amendments and amendments of amendments to the Constitution and By-Laws shall be submitted to the Executive Committee for submission to the Membership.

SECTION 2

Proposed amendments and amendments of amendments shall be considered and voted upon at any meeting of the Association provided the full text of such amendments has been given in writing to the Members at least thirty (30) days prior to the Meeting at which it is to be voted upon. An amendment shall be passed following an affirmative vote by a two-thirds majority of the Members voting.

SECTION 3

Amendments to the Constitution and By-Laws and the standard procedure for discipline shall be recommended by the Executive Committee and thereafter may be offered on the floor of any meeting of The Association and, if so desired, shall be voted on by a show of hands. Amendments may also be offered between meetings to the Executive Committee and, if approved, may be voted on by electronic mail. A two-thirds majority vote of the Members present at any

meeting shall be required for the passing of any amendment, and, in the case of voting by electronic mail, a two-thirds vote of the members whose ballots are returned to the Executive Office within thirty (30) days from the date they are mailed to the Membership.

SECTION 4

Any member whose proposed amendment to the Constitution and By-Laws fails to reach the floor of a meeting for vote, after such amendment has been processed in accordance with Section 1, 2, and/or 3 above, may call for an open discussion of said amendment from the floor of such meeting. He/she may also call for a vote by electronic mail on the amendment, within sixty (60) days of such meeting, if two-thirds of the Members present approve. A two-thirds majority of the members in good standing shall be required to pass the amendment so processed under this article.

ARTICLE XIII

ELECTIONS

SECTION 1

Election of sergeant at arms will be held at Annual Business Meetings with nominations from the floor based on a simple majority vote.

SECTION 2

New applicants for membership will be voted on by the Members with five (5) NO votes rejecting membership.

ARTICLE XIV

RULES AND REGULATIONS

SECTION 1

The Membership shall make appropriate By-Laws providing rules and regulations for The Association. The Phrase "these Articles" and "constitutional provisions" shall include all Articles of the Constitution and all By-Laws of The Association.

ARTICLE XV

ASSOCIATION PROPERTY

SECTION 1

The legal title and ownership of all property and assets of this Association shall vest in the NATIONAL ASSOCIATION OF CATASTROPHE ADJUSTERS.

BY-LAWS

1. **APPLICATION FOR MEMBERSHIP:** Applications signed by applicant with required support documents must be received by March 15, accompanied by application fee and annual dues. Associate Members, Apprentice Members and Associate Business Members do not require sponsors.

2. **APPLICANTS PLEDGE:** Applicants must pledge themselves to support The Association and conform to its rules, regulations and Code of Ethics if accepted.

3. **LICENSING:** Members must have and maintain licenses as independent adjusters where such licenses are required by law in the localities where they operate.

4. **PROFESSIONAL INTEGRITY:** Investigations and adjustments shall be made with judicial impartiality. Reports shall state the truth, the whole truth and nothing but the truth.

5. **PROFESSIONAL ABILITY:** Members must be fitted by knowledge and experience for the work they undertake. They must not endanger the interest of Insurers or risk doing injustice to insureds and/or claimants by attempting to handle work for which they are not qualified and for which they cannot find competent technical assistance.

6. **PROHIBITED ACTIVITIES:** No member shall accept gratuities from insureds and/or claimants, or participate in charges of experts,

salvers or repairmen. Members shall not acquire any interest in property salvage except by permission of the insurer.

7. **TENURE OF MEMBERSHIP:** A member shall hold membership as long as he/she pays his/her dues and assessments and has not been suspended, expelled, or otherwise duly terminated in membership due to or because of a violation of provisions of the Constitution and By-Laws of the NATIONAL ASSOCIATION OF CATASTROPHE ADJUSTERS.

8. **RELATIONS BETWEEN MEMBERS:** Members shall cooperate and give to one another professional aid and support.

9. **INVESTIGATIONS OF COMPLAINTS:** All Complaints and charges against a member shall be investigated and a hearing held in accordance with a standard procedure for discipline adopted by The Association and amendments thereto. Any failure to follow such procedure shall not affect the legality of the proceedings or the decision rendered unless such failure has deprived the accused Member of the fair and impartial hearing or an opportunity to present his/her answer to the complaints. The findings and decision of the Executive Committee shall be final.

10. **DISCIPLINARY ACTION:** If the investigation of charges by the GRIEVANCE COMMITTEE indicates that the accused Member is guilty, but the offense is not severe enough to justify expulsion, the Executive Committee shall have authority to waive formal hearing and to impose a reprimand, fine, suspension or such other penalty as appears appropriate. The President shall present a copy of the complaint, report of investigation, report of the Grievance Committee and his/her recommendation at the next meeting of the Executive Committee, who shall decide on what further action shall be taken. Nothing herein shall deprive a Member of the right to a formal hearing in the manner prescribed in the standard procedure for discipline, provided request for such hearing is made within thirty (30) days after receipt by the Member of notice of the penalty imposed.

11. **STANDARD PROCEDURE FOR DISCIPLINE:** All complaints against a Member will be submitted in writing to the Executive

Committee, which will refer such complaints to the Grievance Committee for investigation. The expense for such investigation by the Grievance Committee shall be prorated and shared by the membership if deemed necessary by the Executive Committee. The results of this investigation by the Grievance Committee and their recommendations shall be returned to the Executive Committee within sixty (60) days from the date complaint was first made. The Executive Committee shall be empowered to fix the form of punishment if same is in order, or, to clear the name of the Member. The individual Member shall have the right to request a formal hearing and such hearing must be held within sixty (60) days of such request. All information pertaining to complaints and any action taken by the Grievance Committee and/or Executive Committee shall be confidential.

12. **GROUNDS FOR EXPULSION:** Any Member found guilty of any breach of trust, violation of the Constitution, By-Laws, or Code of Ethics, incompetence or any other misconduct that is prejudicial to the reputation and good standing of The Association, may be expelled by the Executive Committee as provided by the standard procedure for discipline.

13. **REINSTATEMENT:** In the event a member has at any time in good faith resigned from The Association for any reason other than upon request by the Executive Committee, this former Member may reinstate by paying current annual dues plus the application fee. Member will be automatically reinstated when dues and fee are received. A Member not paid for more than two years should reapply as a new member.

14. Usually some suites at the convention are given on a complimentary basis. The order the suites will be assigned are as follows: 1) President, 2) Vice President, 3) Secretary/Treasurer, 4) current year Sergeant at Arms, 5) Staff person, 6) Balance of rooms, if any, will be selected through a drawing at the annual banquet, and Members, Associate Members, Apprentice Members and Associate Business Members will be eligible. If there should be less than three complimentary rooms, The Association will pay for the rooms of 1) President, 2) Vice President, 3) Secretary/Treasurer, 4) current year

Sergeant at Arms, and 5) Staff person. The Association will also reimburse reasonable meal and travel expenses of 1) President, 2) Vice President, 3) Secretary/Treasurer, 4) current year Sergeant at Arms, and 5) Staff person and their spouses.

15. NOTICE OF MEETINGS AND PROGRAMS: Written notice of any meeting shall be distributed to each member at least thirty (30) days before the date of the meeting.

16. ORDER OF BUSINESS: The order of business for any meeting shall be planned by the Executive Secretary and approved by the President. It shall be incorporated in the program of the meeting.

17. REPORTS OF ANNUAL MEETINGS: The reports of each annual meeting shall be printed and distributed to the Membership promptly.

18. GUESTS: Guests are welcome except for certain items of the meeting which will be designated.