

CONSTITUTION AND BYLAWS

ARTICLE I

NAME AND PURPOSE

Section 1

NAME:

This organization shall be known as the International Association of Special Investigation Units. The name of the Association shall not be used publicly by any member other than by use of his/her membership card for identification purposes without the expressed written permission of the Board of Directors. This shall not restrict the officers or appointees or agents of the Association in the use of the name to carry out the purpose of the Association.

Section 2

PURPOSE:

The objectives of the Association shall be:

- A. To promote a coordinated effort within the industry to combat insurance fraud.
- B. To provide education and training for insurance investigators.
- C. To develop a greater awareness of the insurance fraud problem.
- D. To encourage high professional standards of conduct among insurance investigators.
- E. To support legislation which act as a deterrent to the crime of insurance fraud.
- F. To encourage members in the development and implementation of programs designed to facilitate the coordination and cooperation with law enforcement and criminal justice agencies in the investigation and prosecution of insurance fraud crimes.

Section 3

RESTRICTIONS

- A. This organization is to be considered a private not for profit organization.
- B. No funds from the Association may be used to align with any political body, group or person to advance the candidacy of any individual.

ARTICLE II

MEMBERSHIP

SECTION 1

MEMBERSHIP

A. Regular membership shall include:

1. Full-time employees of an insurance company, whose primary responsibility is the investigation or supervision of investigation of insurance fraud.
2. An employee of a self-insured corporation who is employed and assigned to a Special Investigation Unit and whose primary purpose is the full-time investigation and/or supervision of investigations of insurance fraud. The individual and organization must be engaged in anti-fraud activities and must be in conformance with the goals and objectives of the Association. Provided, however, any such individual whose professional activities or personal background are considered adverse to the objectives and interests of the Association shall not be deemed eligible for membership.
3. Full-time employees of the National Insurance Crime Bureau, whose primary responsibility is the investigation or supervision of investigation of insurance fraud or any similar organization outside the United States of America, upon majority approval of the IASIU Board of Directors and so recorded in the minutes of the board meeting.

B. Associate membership shall include:

1. Claims Representatives. Full-time employees of an insurance company who proactively identify questionable claims on a regular basis and who are endorsed in writing by a "Regular" member.
2. Local, state, federal, provincial, or similar governmental entities' law enforcement officer, or prosecutor who is involved in, or provides special expertise or services for the investigation and/or prosecution of insurance fraud crime.
3. A full-time investigator or investigations supervisor of a state insurance fraud bureau.
4. Any employee of an insurance company or any employee of a government agency, the Finnish Insurance Companies Association, and the Society of Lloyd's who is involved in, or provides special expertise or services for the investigation of insurance fraud, and who is endorsed in writing by a "Regular" member.
5. Retiree Associate. Regular and Associate members that retire and are not currently employed in the insurance industry or in a capacity ineligible for membership, are eligible to continue membership as an Associate member.
6. Third Party Administrator/General Agency Associate. Employees of TPA's or General Agencies who are involved in, or provide special expertise or services for the investigation of insurance fraud, who is endorsed in writing by a "Regular" member.
7. Independent SIU Professional - An individual who is employed by a company which is contracted with an insurance company, and whose primary purpose is the full-time investigation and/or supervision of insurance fraud investigations. The individual must be specifically designated as an Insurance Fraud Investigator or Special investigator. The individual and organization must be engaged in anti-fraud activities as defined by the IASIU Board of Directors and must be in conformance with the goals and objectives of the Association.

The individual shall provide written verification from their employer stating that the individual's primary duties and responsibilities are SIU investigations. Should the condition of their employment and purpose change, the individual further agrees to immediately report

the change to the Membership Committee and resign their IASIU membership.

“Associate” membership shall be granted at the discretion of the Board of Directors. “Associate” members shall have the privileges of “Regular” members except they may not hold office and may be excluded from any business meeting by a majority vote of “Regular” members present.

7. Independent Associate

A. Requirements for countries to allow Independent Associate status are: More than half of all IASIU Regular Members in the applicant country must petition IASIU to allow the issuance of Independent Associate status in their country. Those members must confirm in writing that in the majority of cases, the investigation of suspicious claims are assigned to personnel not employed by insurance companies.

If there are three or fewer regular members in a country, these members can directly petition the IASIU Board of Directors for this status.

The approval to grant Independent Associate status will rest with the IASIU Board of Directors and will require a majority vote of the IASIU Board.

B. Independent Associate applicants must meet the following criteria:

1. The Applicant is an employee of an independent adjusting company or licensed independent adjusting company. Within this organization, the Applicant must be specifically designated as an Insurance Fraud Investigator, Special Investigator, or other similar title.

2. The Applicant cannot perform any services for any person or organization other than insurance companies or self-insureds. The primary focus of the Applicant's job must be the investigation of insurance fraud.

3. The Applicant must have at least 40 hours of formal education or training in the investigation of insurance fraud and related issues.

4. The majority of the Applicant's work must be in a country, or countries, that has received IASIU approval to offer Independent Associate status.

5. The Applicant must meet all other applicable IASIU requirements and adhere to all applicable bylaws.

6. The Applicant must agree that membership in IASIU and in their local chapter shall not be used for the marketing or promotion of the Applicant's services, except for events that have a specified “vendor” area.

7. The Applicant must be recommended in writing by at least two regular IASIU members.

C. Charter membership shall include all individuals who became regular members prior to July 1, 1985.

D. Life membership shall include those individuals nominated by the Awards Committee and approved by a majority vote of the Board of Directors of the Association based upon the following guidelines:

The Association may bestow Life membership upon any qualified member of IASIU who has met the following minimum requirements:

1. Individual must be or have been a regular or associate member of the Association for ten years.

2. Individual must have rendered distinctive service to the Association through participation on committees, and/or service as an officer or member of the Board of Directors for a minimum of five years.

Life membership is to recognize outstanding contributions of those regular and/or associate members meeting the above minimum requirements. A life member shall have all the rights and privileges of a regular member without payment of dues. Nominations for life membership shall be made to the Awards Committee chairperson at least sixty days prior to the annual meeting. The Awards Committee shall make recommendations to the Board of Directors as to recipients of this life membership. No more than three (3) nominations for such membership may be approved by the Board in any one year.

E. "Of Counsel" membership shall include the appointed IASIU counsel. This membership will have all of the benefits of Regular Membership, with the exception of voting privileges without the payment of dues.

F. Legal Advocate Membership will be available to persons who:

- 1) are nominated by an IASIU regular member with five years of active and continued membership, and
- 2) are licensed to practice law in the state where membership is being sought, and
- 3) certify to the membership committee that: providing legal counsel and representation to insurers in defense of insurance claims constitutes a majority of their practice; and
- 4) further certify that they do not engage in plaintiff advocacy against insurers except on behalf of other insurers in subrogation actions; and
- 5) further agree to immediately report to the Membership Committee any change in these conditions and thereupon resign IASIU membership.

A Legal Advocate Member will have no voting rights nor be eligible to hold office or board of directors position, neither at the local chapter nor at the International level. Legal Advocate Members may be excluded from any business meeting by a majority vote of the members present. If, at any time, the above conditions and certifications no longer maintain with respect to a legal advocate member, the board of directors shall void the membership.

G. No person, firm, corporation, or partnership shall be eligible for any class of membership if he/she/they is a member or associated with, or becomes associated with any corporation, firm, proprietorship, partnership, business, entity, or association whose objectives, goals, and/or operations are inconsistent and/or adverse to the purpose, objectives, and interests of IASIU.

H. If circumstances develop, such that an existing member is no longer qualified to be a member, he or she shall have an extension of his or her eligibility for membership in order to provide an opportunity for him or her to re-qualify for membership. That extension of membership re-qualification opportunity will last for 180 days; provided that a member will not be entitled to this extension if he or she becomes ineligible due to the provisions of Section 1, F. of these Bylaws.

SECTION 2

APPLICATION PROCEDURES

- A. Applications for membership in the Association shall be submitted to IASIU at an address designated by the Board of Directors on an approved Membership Application Form, containing the name and signature of a regular member as sponsor of the applicant.
- B. Payment of the application fee and one year's membership dues shall be submitted with the application. Membership dues and/or fees shall not be prorated.
- C. All individual applicants must be at least twenty-one (21) years of age at the time of application for membership.

SECTION 3

MEMBERSHIP APPROVAL

- A. The Board of Directors shall determine the eligibility for membership for each applicant.

SECTION 4

MEMBERSHIP TERMINATION

- A. Membership shall continue so long as membership dues are paid and the member meets all other eligibility requirements.

ARTICLE III

ELECTION AND TERMS OF OFFICES

SECTION 1

OFFICERS

- A. The officers shall be a President, Vice President, Secretary, and Treasurer.

SECTION 2

TERMS OF OFFICE

- A. The terms of Officers and Directors will be two (2) years or until the election of the respective successors at the annual meeting. The terms of Directors will be staggered so that a portion of the Directors are elected each year.
- B. Individuals must qualify as a Regular member to be eligible to hold an Officer or Director position. If an existing Officer or Director becomes ineligible to be a Regular member during his/her term, the Officer or Director shall have the shorter of 180 days, or the end of his/her term, to re-qualify as a Regular member and remain in office. This provision will also apply to Life Members who become ineligible to be a Regular member except for their status as a Life member.

SECTION 3

VACANCIES

A. Any vacancy occurring among the officers or Board shall be filled by appointment by the President. If the office of President becomes vacant, he/she will be replaced by the Vice President. The term will be the remaining portion of the term vacated.

SECTION 4

ELECTION

A. All officers and directors will be elected at an annual meeting.

B. All companies and/or organizations represented by regular members at the annual meeting shall have one (1) vote per group for the purpose of election of officers and directors. The group will be as defined by the most current AM Best publication.

C. All companies or organizations of regular members must select one individual who is a regular member to cast the company's vote during the election of officers and directors. The company or organization must inform the Secretary, or his/her designee, of the individual authorized to cast the company vote prior to the start of the annual business meeting.

D. All regular members in good standing shall have the right to cast individual votes on all other association business placed before them at the annual business meeting, other than the election of office and directors.

E. All votes must be in person, unless the annual meeting is held virtually. There will be no absentee voting.

ARTICLE IV

GOVERNMENT

SECTION 1

BOARD OF DIRECTORS

A. The Board of Directors shall consist of eleven (11) members, including the four officers, and the balance from other regular members of the Association duly elected. The outgoing President will become a non-voting consultant to the Board of Director for a period of one year after leaving office.

B. Each member of the Board of Directors shall act as a liaison to one or more local chapters in a spirit to foster communication and teamwork for the advancement of the purposes and objectives of IASIU and its chapters.

SECTION 2

DUTIES AND POWERS

A. The Board of Directors shall have full power to initiate and transact the business

necessary to the existence of the International Association of Special Investigation Units and the observance of its purposes. A simple majority of the Board shall constitute a quorum. The Board shall determine the time and location of the annual meeting and inform the membership in writing at least thirty (30) days in advance. The Board shall have the general powers to direct, control, and supervise the affairs of the International Association of Special Investigation Units. Each Board of Directors member shall have one (1) vote.

SECTION 3

PRESIDENT

A. The President is the Chief Executive Officer. It shall be his/her responsibility to supervise and coordinate the activities of the International Association of Special Investigation Units. The President shall preside at meetings, including Board of Directors meetings, and shall appoint appropriate committees to be responsible for the activities of the International Association of Special Investigation Units.

SECTION 4

VICE PRESIDENT

A. The Vice President shall preside in the absence of the President. It shall be the duty of the Vice President to assist the President in any matter of Association business.

SECTION 5

SECRETARY

A. The Secretary shall keep the records and minutes of meetings, retain and preserve the constitution and bylaws, and maintain a current listing of all members.

SECTION 6

TREASURER

A. The Treasurer shall be custodian and depositor of funds of the International Association of Special Investigation Units. Funds shall only be disbursed as authorized and approved by the Board of Directors. The Treasurer shall make a complete reporting at the annual meeting and to the Board of Directors at each Board meeting.

SECTION 7

ADMINISTRATOR

A. The Board of Directors may, by two-thirds majority vote, appoint an individual or firm to act as Administrator of the Association. The Administrator shall have the title of Executive Director. The rate of reimbursement for the Administrator of the Association shall be determined by the Board of Directors.

B. The duties and responsibilities of the Executive Director shall be determined by the Board of Directors.

SECTION 8

LEGAL COUNSEL

A. The Board of Directors may, by two-thirds majority vote, appoint an individual or firm to serve as legal counsel to the Association. The rate of reimbursement for the appointed legal counsel of the Association shall be determined by the Board of Directors.

B. The duties and responsibilities of the legal counsel shall be determined by the Board of Directors.

SECTION 9

COMPENSATION

A. Members of the Board of Directors, as such, shall not receive any salary for their services but on resolution of the Board, a fixed sum for expenses of attendance, if any, may be allowed for the attendance of each meeting, regular or special.

ARTICLE V

MEETING

SECTION 1

ANNUAL MEETING

A. The annual business meeting of the Association shall be held in conjunction with the annual Association seminar. The date, time, and location, either in person or virtually, shall be determined by the Board of Directors.

B. The annual business meeting shall be conducted according to Robert's Rules of Order.

SECTION 2

BOARD OF DIRECTOR MEETINGS

A. The Board of Directors shall meet a minimum of four times during a calendar year. One of these meetings may occur at the annual meeting and seminar. The Board may elect to hold additional meetings to conduct business of the Association. The Board, by majority vote, shall determine the date, time, and location of any Board meeting.

B. The Board of Directors meetings shall be open to duly elected Presidents of chartered chapters of the International Association of Special Investigation Units. However, the Presidents of chapter shall not vote on any issues presented to the Board.

C. The Board of Directors, by a majority vote, may hold executive sessions of the Board and exclude any individual not duly elected as an Officer or Director of the Association.

D. Minutes of all Board meetings shall be kept by the Secretary and after the minutes have

been read and approved by the Board they shall be open for inspection by any member of the Association.

SECTION 3

NOTIFICATION

- A. Notification of the annual meeting is proscribed in Article 4, Section 2.
- B. Notification of all Board meetings shall be given to Board members and chapter presidents, in writing, at least thirty days in advance.

ARTICLE VI

FINANCE

SECTION 1

FEES AND DUES

- A. Application fees and annual dues for each class of membership will be set by majority vote of the Board of Directors. Dues shall be submitted with a membership application in addition to the application fee and shall not be prorated.

SECTION 2

FISCAL YEAR

- A. The fiscal year shall be the calendar year from January 1 to December 31.

SECTION 3

GRANTS

- A. Any grant or financial aid received shall be handled within the terms of the grant. No grant or financial aid will be accepted that is not compatible with the goals and purposes of the International Association of Special Investigation Units.

SECTION 4

NON-PROFIT ORGANIZATION

- A. The Association is organized and shall be operated for charitable and/or educational purposes within the meaning of Section 501 (c) (6) of the Internal Revenue Code.

ARTICLE VII

AMENDMENTS

SECTION 1

REQUIREMENTS

A. This Constitution and Bylaws may be amended at any regular meeting or special meeting of the Association by a vote of two-thirds of the members present, providing:

1. The proposed amendment is presented with form consistent and without conflict with the remainder of the Constitution and Bylaws of the Association.

2. The proposed amendment is disseminated to the general membership for review through an association publication at least thirty days prior to the next regular or special meeting of the Association.

B. This Constitution and Bylaws may be amended by a special procedure conducted in writing by a vote of two-thirds of the regular members responding, providing:

1. The proposed amendment is presented with form consistent and without conflict with the remainder of the Constitution and Bylaws of the Association.

2. The proposed amendment is disseminated to the general regular membership for review through an Association publication and allowing forty-five days or the next Board of Directors meeting, whichever is longer, for return of ballots before final tabulation of votes are made, providing:

a. Regular members may return ballots via governmental postal agency, private carrier, electronic transmission, or by facsimile to an address or phone number designated by the Board of Directors.

b. All ballots must have the name, signature, member ID number, address, and phone number of the voting member. If the ballot is returned by electronic transmission, the ballot must be returned by the form designated by the Board of Directors and include the member ID number.

ARTICLE VIII

CHAPTERS

SECTION 1

APPLICATION

A. Upon written petition signed by at least ten (10) "Regular" members in good standing, the Board may authorize the formation of a chapter of the Association in any geographic area, to perform such functions and to exercise such rights and powers as the Board may determine to be consistent with the Constitution, Bylaws, and Purpose of this Association.

B. Rules or regulations for the control, guidance, or continuance of such Chapter may be

enforced, fixed, or changed by two-thirds vote of the Board of Directors of the International Association of Special Investigation Units.

C. All chapter members must be members of the International Association of Special Investigation Units with the exception of sworn law enforcement and fire personnel. These persons shall be eligible for membership in the local chapters without IASIU membership and will be eligible to attend the annual IASIU seminar at the rate offered to a current member. If these persons wish to join IASIU, they may do so at the normal fee as set by the Board of Directors.

SECTION 2

ANNUAL REPORT

A. Local chapters must be re-approved by the International's Board of Directors on an annual basis.

B. Local chapters must submit an Annual Report, or a report approved by the International's Board of Directors, within thirty days after the chapter's annual meeting during which officers and directors of the chapter are elected.

C. The Annual Report of the chapter shall be mailed to the Chapters Chairperson. A copy of the Annual Report shall be mailed to the Administrator of the International.

D. Failure to submit the Annual Report in a timely fashion, may result in the revocation of the Local Chapter Charter.

SECTION 3

INDEPENDENT FINANCIAL STATUS

A. The Directors, Officers, and members of the Local Chapters are responsible and accountable for the financial affairs of their own chapter.

B. The International's Board of Directors will not review or audit the finances of any chapter.

C. The International does not, and shall not, provide insurance coverage, of any type, for the local chapters.

D. Notwithstanding any conflict with the remainder of the Constitution and Bylaws of the Association, the International may collect and distribute dues on behalf of a Chapter if the Chapter elects to have the International provide this service. No fees will be payable by the Chapter to the International for this service. The International may require that any chapters utilizing this benefit be on the same membership year calendar as the International.

SECTION 4

TAX EXEMPT STATUS

A. The local chapters are not permitted to use the Federal Tax Exemption Number of the International.

SECTION 5

INDEMNIFICATION

A. The International will not indemnify or hold harmless the local chapter for any negligence or breach of contract.

B. The local chapters are required to indemnify and hold harmless the International for all claims, causes of action, demands, or costs arising directly or indirectly from the negligence or breach of any local chapter, or its officers or directors.

C. The local chapter shall be required to submit a Hold Harmless Agreement in a form approved by the International's Board of Directors each year at the time the annual report is filed with the International.

SECTION 6

AUTHORITY TO BIND THE INTERNATIONAL

A. The International does not grant any implied, express, or apparent authority or permission to the local chapters to bind the International in any way, shape, or fashion.

SECTION 7

REQUIREMENTS

A. Local chapters of IASIU shall be required to submit to the International's Board of Directors:

1. Minutes of the local chapter annual meeting
2. Changes to Constitution and Bylaws
3. Current list of Officers, Directors, and Members

SECTION 8

CHAPTER SUPPORT

A. The International's Board of Directors may, upon two-third majority vote, in an attempt to defray expenses involved with establishing or operating a chapter of IASIU, pay to the chapter treasury a sum determined by the International's Board. This amount shall be based upon and fixed according to number of members in the local chapter.

ARTICLE IX

COMMITTEES AND APPOINTMENTS

SECTION 1

COMMITTEES

A. The following shall be standing committees of the Association:

- | | |
|--------------------------|----------------------------|
| 1. Membership | 5. Awards |
| 2. Education & Training | 6. Nominations |
| 3. Constitution & Bylaws | 7. Chapters |
| 4. Laws & Legislation | 8. NICB Liaison |
| 9. Certification | 10. Communications/Website |

- 11. Editorial
- 13. Finance
- 15. Seminar

- 12. Ethics
- 14. Organizational Improvement

B. The Board of Directors may, by majority vote, create and establish additional standing committees as may be deemed necessary to the efficient and effective operation of the Association.

SECTION 2

APPOINTMENTS

A. The President shall appoint a chairperson for each of the standing committees and such person shall serve for one year, providing:

- 1. The chairperson may be removed by a majority vote of the Board of Directors.

B. The chairperson of the committee may appoint any member in good standing to the committee for a period of one year, providing:

Each committee shall consist of the chairperson and a minimum of two members in good standing of the Association.

- 1. The chairperson shall provide to the Board of Directors the names of the members appointed to their committee.

SECTION 3

SPECIAL COMMITTEES

A. The President, or majority vote of the Board of Directors, may appoint Special Committees, as needed, providing:

- 1. These special committees shall dissolve at the conclusion of their assigned project and/or assignment or upon majority vote of the Board of Directors.

- 2. Each committee shall consist of the chairperson and a minimum of two members in good standing of the Association.

- 3. The chairperson shall provide to the Board of Directors the names of the members appointed to their committee.

SECTION 4

POWERS

A. The committees shall have the power to act on behalf of the Association upon majority approval of the Board of Directors, provided however that no committee shall be empowered to enter into and/or execute contracts or incur any debt without the express written approval of the Board of Directors.

B. The majority vote of the Board of Directors may remove any member of any committee for neglect of duty.

(Revised September, 2002)

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