



## **Organization Bylaws**

### **Article I - Name**

The name of this organization shall be The Coalition Against Insurance Fraud, a nonprofit entity incorporated in the District of Columbia.

As used in these Bylaws:

### **Article II – Definitions**

"Coalition" means The Coalition Against Insurance Fraud, Inc. "Board" means the Board of Directors of the Coalition.

"Bylaws" means the Bylaws of The Coalition Against Insurance Fraud as set forth in this document.

"Corporation" means an insurer, a group of affiliated companies licensed to write insurance or another for-profit business whose mission includes helping to prevent, detect or investigate insurance fraud.

"Public interest organization" means a nonprofit entity, government organizations including law enforcement with at least one of its purposes being furthering the public interest in consumer protection or combating insurance fraud.

### **Article III – Office and Registered Agent**

Section 1. Offices. The Coalition shall continuously maintain its principal office in the District of Columbia, as may be designated by the Executive Director. Any other office location(s) must be approved in advance by the Executive Committee.

Section 2. Agent. The Coalition shall continuously maintain within the District of Columbia a registered agent.

### **Article IV – Purposes and Tax Status**

The Coalition is organized as a 501(c)(4) nonprofit entity to undertake public advocacy, research and education to combat all forms of insurance fraud as determined by the Board. The Coalition

shall not perform any activities other than those permitted to be performed and completed by an organization exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986 or amended.

## **Article V – Membership**

Section 1. Insurer Members. A licensed insurer may become a member of the Coalition by: (a) submitting a membership application signed by the authorized representative stating that it will, as a member of the Coalition, abide by these Bylaws, (b) timely pay all dues or fees, and (c) comply with such other conditions as the Board may specify.

Section 2. Public Interest Members. A public interest organization that seeks to assist in the fight against insurance fraud may become a member of the Coalition by (a) submitting a membership application signed by the authorized representative stating that it will, as a member of the Coalition, abide by these Bylaws and (b) comply with such other conditions as the Board may specify. Public interest members are not assessed dues as members.

Section 3. Associate and Association Members. An established and incorporated or otherwise legally established business entity, organization or association whose mission includes the fight against insurance fraud may apply for membership of the Coalition subject to approval by the Executive Director. Such business entities, organizations and associations may apply to become a member of the Coalition by (a) submitting a membership application signed by the authorized representative stating that it will, as a member of the Coalition, abide by these Bylaws, (b) timely pay all dues or fees, and (c) comply with such other conditions as the Board may specify.

Section 4. Law Firm Members. As set forth subsequently in these Bylaws, law firm membership is by invitation only and requires Executive Committee approval. Invited law firms must exhibit a proven commitment to fighting against insurance fraud in their practice. Law firms whose focus may be on insurer, public interest or consumer rights are also eligible for consideration. To become a member, invited law firms must (a) submit a membership application signed by the authorized representative stating that it will, as a member of the Coalition, abide by these Bylaws, (b) agree to commit to a minimum term of membership of five (5) years, (c) timely pay annual dues or fees, (d) actively participate on the Legal Affairs Committee and (e) comply with such other conditions as the Board may specify.

Section 5. Academic Members. Institutions of higher education, with a dedicated program addressing insurance fraud prevention, shall be eligible for full Coalition Membership. On a limited basis academic staff and graduate or doctoral level students may apply for limited Coalition membership. Such membership may be restricted in terms of benefits or privileges afforded and to a set period to conduct research or secure access to Coalition data for scholarly research or study purposes.

Academic membership shall be complementary.

Section 6. International Partners. Non-U.S.-based established anti-fraud organizations, operated by or under the auspices of a governmental agency or an established trade association, may apply to become affiliated with the Coalition. This category of membership shall be

complementary. Such organizations may be granted limited access to Coalition publications or data but shall have no other membership rights nor be eligible for Board membership. Executive Committee approval shall be required for this category of membership.

#### Section 7. Conditions of Membership.

The conditions of obtaining and retaining membership and the rights and obligations pertaining thereto, other than or in addition to those stated herein, shall be determined by the Board, or the Executive Committee as authorized by the Board or by these Bylaws.

#### Section 8. Termination of Membership.

A member's membership in the Coalition shall continue until (a) it fails to meet any condition of membership; (b) it resigns, pursuant to Section 10 of this Article; (c) it is removed from membership for any reason by a vote of the Executive Committee, or (d) if it is a dues paying member, it fails to pay any dues pursuant to these Bylaws.

#### Section 9. Resignation of Membership.

A member may resign from the Coalition by giving at least ninety days written notice to the Executive Director. Still, such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges accrued and unpaid, nor shall such resignation relieve the member so resigning of the obligation to pay any dues for the ensuing fiscal year pursuant to Article XI, Section 3 of these Bylaws unless the resignation is given no later than by September 1<sup>st</sup> prior to the ensuing fiscal year.

### **Article VI – Board of Directors**

Section 1. Board of Directors. The Board shall consist of up to sixty (60) Directors, but not fewer than eight (8) Directors. Members in all categories of members who are in good standing shall be eligible for membership on the Board.

A member in good standing may remove and replace its appointed Director at its discretion.

Section 2. Term of Office. A Board member shall continue to serve on the Board until they die, resign, or is removed by the member that appointed them, or until such member's membership terminates pursuant to Article V, Section 9 or 10.

Section 3. Powers. The Board shall have the responsibility for general oversight of the affairs of the Coalition, shall determine questions of policy, shall approve by vote all officers and the Executive Director and, in addition to any specific powers conferred by these Bylaws, shall have general power to take such action as it deems appropriate to carry out the purposes of the Coalition. Between annual meetings such actions and responsibilities shall be vested in the Officers and Executive Committee as elected by the Board.

Section 4. Meetings. The Board shall meet at least semi-annually in a manner and at such time and place as the Executive Committee shall determine. A meeting shall be held in December and

shall be designated as the “Annual Meeting”. The Annual Meeting shall normally occur in the Washington, D.C. area. A special meeting shall be held at the request of the Co-Chairs, a request by a majority of the Executive Committee or a request by one-third of the Board of Directors.

Section 5. Quorum. A quorum for the transaction of business shall consist of a majority of Directors then in office, including at least three (3) appointed by corporate members and three (3) appointed by public interest members.

Section 6. Notice of Meeting. Notice stating the location, date, and hour of the meeting shall be provided to each Director at least ten (10) days prior to the meeting.

Section 7. Voting. Except as otherwise provided herein, action may be taken by a majority vote of the Directors present and voting at a meeting where a quorum exists.

Section 8. Action Between Board Meetings. During periods between the meetings of the Board, the Executive Committee shall be empowered to act on behalf of the Board. Actions taken between meetings shall be communicated to the Board at its next meeting.

## **Article VII – Meetings of Members**

In conjunction with the Annual Meeting of the Board, the Co-Chairs shall call a meeting of all members of the Coalition. At such meetings, the Co-Chairs shall review the activities of the Coalition during the preceding year and contemplate activities of the Coalition for the next year. All members of the Coalition shall be provided the meeting agenda in advance and shall be afforded an opportunity to provide comments or suggestions for current or future actions of the Coalition either in advance or at the meeting.

## **Article VIII – Officers**

Section 1. Officers. Elected officers of the Coalition shall consist of a President (who shall be the Executive Director), two Co-Chairs, a Treasurer, and a Secretary. At each Annual Meeting, the Board shall elect a President and any other officer position, as necessary.

The Corporate Co-Chair and Treasurer shall be elected in odd-numbered years; the Public Interest Co-chair and the Secretary shall be elected in the even-numbered years.

Section 2. Terms of Officers. With the exception of the President, each of the officers elected by the Board shall serve for the term of two (2) calendar years or until their successor is elected. The Executive Committee shall fill any vacancy in any office which occurs between the Annual Meetings.

Section 3. Presiding Officers. One or both Co-Chairs of the Board shall preside at all meetings of the Board and perform such other duties as may be required by the Board. Co-Chairs may also serve on any committee as a member.

Section 4. Secretary. The Secretary shall perform the duties customarily appertain to this office and such other duties as may be assigned by the Board. The Secretary or their designee shall maintain accurate minutes of all proceedings of the Board and proceedings of all standing and ad

hoc committees. The Secretary shall give notice of all Annual and other meetings of the Board. The Secretary shall have charge of such books and records as the Board may place in the Secretary's care and shall make such reports to the Board as may be required.

Section 5. Treasurer. The Treasurer or their designee shall oversee the receipt and disbursement of all monies of the Coalition and shall deposit the funds in the name of the Coalition in such bank or banks as may be designated. The Treasurer or their designee shall keep complete and accurate records and accounts and books belonging to the Coalition of receipts and disbursements showing the financial condition of the Coalition and shall make a complete and accurate report at the end of each fiscal year. The Treasurer or his or her designee shall render to the Board, upon its request, such statements and reports as may be required at any time. The books and accounts shall be open at all times during business hours for inspection by any Director or by any auditor appointed by the Board. Such funds shall be disbursed in such manner as may be determined by resolution of the Board. The Treasurer shall also serve on the Financial Review Committee appointed by the Executive Committee.

### **Article IX – Executive Director**

Section 1. Duties. The chief executive officer of the Coalition shall be the Executive Director appointed by the Board to serve at its pleasure. In addition to such duties and responsibilities as may be given him or her by the Board, the Executive Director shall implement the policies and decisions of the Board and supervise the work of the staff.

Section 2. Board and Executive Committee Participation. The Executive Director shall attend and participate in all meetings of the Board and Executive Committee unless specifically requested to be excluded and shall serve as an *ex-officio* member of all standing and ad hoc committees.

### **Article X – Committees**

Section 1. Executive Committee. There shall be an Executive Committee elected by the Board consisting of the Co-Chairs of the Board and the Secretary and Treasurer of the Coalition plus up to twelve (12) additional Directors appointed by the Board at the Annual Meeting. The Executive Committee shall consist of equal numbers of members representing public interest (50%) and combined corporate, associate or association members (50%). For corporate, associate and association members, a majority of the 50% shall be insurer members. In addition, a representative from the Coalition's law firm membership may, at the Board's discretion, be invited to serve as an advisor to the Executive Committee as well.

The Board may also extend invitations to the Chief Executive Officer of the National Insurance Crime Bureau (NICB) and to the President of the International Association of Special Investigation Units (IASIU) to sit on the Executive Committee as advisors.

Members of the Executive Committee shall serve for a term of four (4) years. Terms shall be staggered with an equal number of corporate, associate or association and public interest seats up for vote at least every two (2) years. Vacancies on the Executive Committee may be filled for the

remainder of the elected term by vote of the Executive Committee subject to approval at the next Annual Meeting.

The Executive Committee shall have the power to provide direct oversight of the Coalition's regular operations and carry out such instructions as the Board may give. The Executive Committee shall report its actions in a timely manner to the Board, but no later than at the board's next meeting. The Executive Committee shall appoint chairs of each standing committee prior to each fiscal year and any vacancy of committee chairs that might arise during the year.

## Section 2. Coalition Committees and Task Forces

Membership on committees shall be open to any Coalition member in good standing. While not mandatory, committees should represent to the fullest extent possible a balance of all categories of members. Limited exceptions to these standards are as set forth in the committee descriptions described in this section. All committees shall operate under the direction of and report at least annually on their activities to the Board. Each committee is expected to meet at least quarterly throughout the year, with the exception of the Financial Review Committee as noted below. Each committee shall have a Coalition staff person assigned to assist the committee with carrying out its mission and objectives.

**Action Without a Meeting.** Any action required or permitted to be taken as necessary at any meeting of a committee may be taken without a meeting if the text of the resolution or matter to be agreed upon is sent to all members of the committee and a majority of members consent to such action, setting forth the action taken. Such consent shall have the same force and effect as a committee meeting vote and may be described as such in any document executed by the Coalition.

The following shall be the standing committees of the Coalition:

### A. Government Affairs.

The Government Affairs Committee shall recommend specific legislative priorities for the Coalition to undertake. The Committee shall seek input from all members to assess such priorities. A final list of the Committee's recommended priorities shall be submitted to the Executive Committee to review and approve or make any changes. The final legislative priorities for the upcoming year shall then be presented at the board's Annual Meeting. The Government Affairs Committee may also draft and recommend adoption by the Coalition of model legislation

through the same process. The Government Affairs Committee shall also have such other powers as may be given it by the Board.

### B. Public Information.

The Public Information Committee shall have the power to recommend specific communications and awareness projects for the Coalition to undertake. In addition, the Committee shall work to ensure the Coalition provides a broad scope of public information resources directed to the fight against insurance fraud and that the Coalition remains focused on providing information and

resources addressing all forms of insurance fraud. The Public Information Committee shall also have such other powers as may be given it by the Board.

#### C. Research.

The Research Committee shall oversee the research studies undertaken by the Coalition. The Committee will identify areas where anti-fraud research is needed and seek partnerships with Coalition members to fund, develop and execute such studies. The Committee will submit all recommendations for studies to the Executive Committee for approval prior to undertaking any research study.

#### D. Legal Affairs.

The Legal Affairs Committee shall advise the Coalition on legislative, regulatory and judicial advocacy matters. The Committee shall also assist in keeping the Coalition's state regulation and laws databases current and with the Coalition's *amicus curiae* program.

#### E. *Amicus Curiae* Review.

Membership on this committee shall be by invitation only from the Executive Committee. A majority of this committee shall be from the public interest membership. The committee shall review all potential cases for consideration under the Coalition's *amicus curiae* program. Cases recommended by the committee for *amicus curiae* brief filing shall be subject to final approval by the Executive Committee. This committee shall work closely with the Government and Legal Affairs Committee to make sure the *amicus curiae* program represents all aspects of the Coalition. Assistance shall also be sought in helping to identify cases for consideration and assistance with the drafting and filing of briefs.

#### F. Financial Review

The Executive Committee shall appoint a Financial Review Committee to review the books and accounts of the Coalition as soon as practical after the close of each fiscal year and report on the state of the Coalition's finances to the Executive Committee. Once the report is submitted, the work of this Committee shall be deemed complete for the year with no further meetings required. The Financial Review Committee shall be chaired by the Treasurer and include at least two (2) other members of the Executive Committee. Coalition staff shall provide the committee with full access to all financial records, banking or investment account statements and with full access to any financial service providers involved with the Coalition's financial accounts.

#### G. Other Committees.

The Board shall have the power to appoint or authorize the appointment of such other standing or ad hoc committees as may be deemed necessary and determine their duties and powers. When so authorized or appointed, such committees shall hold office until their successors are appointed or until the particular purpose is accomplished.

## H. Task Forces

At its discretion, the Executive Committee may authorize continuing or ad hoc task forces to assist the Coalition's efforts, and better involve members in the activities and mission of the Coalition. Such task forces may include, but not be limited to, special interest groups of membership categories (such as Associate or Association members) or areas of specific anti-fraud interest (such as life and disability, workers compensation, or other insurance lines). Such task forces shall be open to all Coalition members in good standing.

## **Article XI – Finances**

### Section 1. Fiscal Year.

The fiscal year of the Coalition shall commence on January 1st and end on December 31st of each year.

### Section 2. Budget.

Annually, prior to the beginning of each fiscal year, the Executive Committee shall recommend a budget of income and expenditures for the ensuing year, which the Board shall approve. The approved budget shall be the basis for appropriation of funds to the Coalition by each member. Allocations of funds in the budget may be changed by the Board. Any unexpected balance not appropriated at the end of each fiscal year may be credited to the reserve funds of the Coalition.

### Section 3. Dues.

(a) Corporate, associate, association and law firm members shall be subject to dues. (b) Public interest members shall not be assessed dues.

(c) Annual dues shall be determined by the Board based on the recommendation of the Executive Committee.

## **Article XII – Distribution of Assets on Dissolution**

Should the Coalition for any reason be dissolved, the assets of the Coalition remaining after satisfaction of all the Coalition's obligations outstanding as of the date of or in connection with dissolution shall be distributed by the Board to such nonprofit anti-fraud organizations designated by the Board.

## **Article XIII – Indemnification**

Section 1. Any individual made or threatened to be made a party to any action, suit, or proceeding, because such individual serve(s)(d) on the Executive Committee, Board or a committee or (is) (was) an officer of the Coalition may be indemnified against all judgments, fines, amounts paid in settlement, reasonable costs and expenses, including attorneys' fees and other liabilities that may be incurred as a result of such action, suit or proceeding, or threatened action, suit or proceeding, if such individual acted in good faith for a purpose which he or she reasonably believed to be in the best interests of the Coalition.



Section 2. In each instance in which a question of indemnification arises, entitlement thereto, shall be determined by the Executive Committee who are not parties to such action, suit, or proceeding. Such decisions may be made in consultation with or subject to final input and decision from any insurer providing applicable coverage to the Coalition. The decision to provide or decline indemnification may also be reversed or modified by the Executive Committee or Board as additional information or evidence may warrant at any time.

#### **Article XIV – Amendments**

These Bylaws may be amended at any meeting of the Board upon a vote of a majority of the Board members. Any amendment shall be acted upon only after thirty (30) days' written notice has been given to the Board, together with a copy of the proposed amendment or a statement of the substance thereof.

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Revised March 1996

Revised September 1998

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