

NAVY MUTUAL AID ASSOCIATION **BYLAWS**



ARTICLE I ORGANIZATION

Section 1. Name and Objectives. This Association shall be known as THE NAVY MUTUAL AID ASSOCIATION, and is organized for the purpose of aiding its Members and their designated beneficiaries by providing with certainty and promptness a substantial sum for their relief in the most equitable manner, and at as near the actual net cost as possible, through the medium of benefit plans and by aiding them in securing the benefits to which they may be legally entitled. The Association also shall promote the well-being of present and former Navy, Marine Corps, Coast Guard, U. S. Public Health Service and the National Oceanic and Atmospheric Administration (collectively referred to herein as “Sea Services”) uniformed personnel and their families by assisting them in obtaining the government survivor benefits to which they may be legally entitled and by advising and educating them on matters of financial security to the extent permitted by law.

Section 2. Classification. The Association shall conduct its operations in accordance with its classification as a Veterans’ Service Organization and consistent with its obligations under 26 U.S.C. § 501(c)(23).

Section 3. Location. The main office of this Association shall be in such location as the Board of Directors may select in the best interests of the Membership. The Board may, from time to time, establish additional offices if the Board determines that doing so will serve the best interests of the Membership.

Section 4. Annual Meeting. The Association shall meet at least annually, and the annual meeting of the Association shall be held not later than 30 April of each year.

ARTICLE II BOARD OF DIRECTORS

Section 1. Composition. The members of the Board of Directors shall be Members of this Association and shall reside in the vicinity of the National Capitol Region. Not less than twelve nor more than eighteen members of the Board shall be former active or reserve component personnel in the Sea Services, including the Chairman and Vice Chairman of the Board and the President. Up to eight additional members of the Board shall be active or reserve component personnel. Additional active duty personnel may serve as

non-voting liaisons to the Board by virtue of their official position in the Sea Services; these individuals need not be Members of the Association, and bear no fiduciary responsibility.

Section 2. Duties of the Board of Directors. The Board of Directors shall have general charge over the affairs of the Association in accordance with these Bylaws and applicable law. The Board's duties shall include:

- ★ Establishing Association objectives and policies;
- ★ Establishing and maintaining criteria for Membership;
- ★ Establishing and maintaining employment policies and an equitable employee benefit program for the Association's employees;
- ★ Establishing Board term limits and election procedures; and
- ★ Overseeing the management of the Association's finances. This duty includes:
 - ★ Ensuring that assets of the Association are in safe custody and, as appropriate, invested in accordance with prudent person standards and consistent with Association objectives; and
 - ★ Directing regular and special audits of the financial accounts of the Association, to be made by a firm of certified public accountants. The Board may also direct such other actuarial, legal, technological or other audits as it deems appropriate or desirable to meet the objectives of the Association.

Section 3. Duties of Chairman. The Chairman of the Board shall preside at all meetings of the Association and its Board of Directors and perform all other duties pertaining to the office of Chairman in accordance with policies established by the Board of Directors.

Section 4. Duties of Vice Chairman. In case of the absence or incapacity of the Chairman, the Vice Chairman shall perform all of the Chairman's duties until such time as the Chairman is present and able to perform them or a successor Chairman has been elected.

Section 5. Regular and Special Meetings. Regular meetings of the Board of Directors shall be held three times a year (including the annual meeting). Special meetings may be held when considered necessary by the Chairman or Vice Chairman, or upon written request of five or more voting members of the Board. Notice of any of the above meetings shall be given at least five days

in advance unless waived by a majority of the members of the Board. At any meeting of the Board, a simple majority of the voting members of the Board shall constitute a quorum. Records of Board proceedings shall be open to the inspection of Members.

Section 6. Election of Chairman, Vice Chairman and Board. The Chairman, Vice Chairman, and members of the Board of Directors except the President shall be elected by the Members of the Association and shall hold office until their successors shall have been elected. The Board of Directors shall take appropriate action to have ballots distributed to all Members and to have returned ballots properly counted. Candidates receiving pluralities in accordance with the provisions of the ballot shall be declared elected.

Section 7. Removal of Board Members. A Board member may be removed from the Board by an affirmative vote of two-thirds of the members of the Board. Removal from the Board shall not impair any other Membership rights the former Board member holds as a Member of the Association.

Section 8. Bonding. All officers and employees of the Association authorized by the Board of Directors to sign checks or handle funds shall be suitably bonded.

ARTICLE III PRESIDENT

Section 1. Duties of President. The President is the Chief Executive Officer of the Association and shall, under the direction of the Board, manage the affairs of the Association. The President's duties shall include:

- ★ Overseeing the receipt, management, investment, and accounting for all funds and other assets of the Association in accordance with applicable statutory and generally-accepted life insurance accounting practices;
- ★ Serving as a member of the Board pursuant to Article II, Section 1 of these Bylaws;
- ★ Reporting to the Board at each of the Board's regular meetings, including the annual meeting and at such other times as the Board may require, on receipts and expenditures;
- ★ Recording meetings held by the Board;

- ★ Corresponding with Members and their beneficiaries;
- ★ Maintaining facilities for aiding the beneficiaries of deceased Members in securing the federal benefits and other allowances to which they may be legally entitled;
- ★ Furnishing information to Members and beneficiaries on federal benefits, claims, and insurance matters;
- ★ Promoting the well-being of present and former Sea Service uniformed personnel and their families by assisting them in obtaining the government survivor benefits to which they may be legally entitled and by advising and educating them on matters of personal financial security to the extent permitted by law; and
- ★ Performing such other duties as may be necessary or desirable to further the objectives of the Association as established by the Board.

In the absence or incapacity of the President, these duties shall be performed by an individual designated by the President in writing until some other person or persons shall be designated by the Board of Directors.

Section 2. Appointment of President. The President shall be appointed by the Board of Directors and shall hold office until a successor has been appointed.

ARTICLE IV **NON-RESIDENT DIRECTORS**

Section 1. Appointment. The Board of Directors shall appoint as many Non-Resident Directors throughout the Sea Services, ashore and afloat, as the Board deems necessary to represent properly the Membership to the Association.

Section 2. Duties of the Non-Resident Directors. The Non-Resident Directors shall represent the Membership to the Association. Their duties shall include approving amendments to these Bylaws as provided in Article VI, Section 1, and advising the Board concerning the needs and desires of the Membership.

ARTICLE V MEMBERSHIP

Section 1. Eligibility. To the extent permitted by law, officers and enlisted, regular or reserve, active, retired or honorably discharged members of the Sea Services are eligible for Membership in the Association. Membership is available to an eligible individual who meets the Association's admission requirements and pays any associated fees. Current and prospective Members are entitled, but not required as a condition of Membership, to apply for benefit plans in accordance with the terms and conditions established by the Board of Directors and set forth in, or attached to, the benefit plan certificates, and are entitled to all of the other privileges and obligations of Membership. Membership privileges and obligations are not affected by subsequent separation, return to active duty, reserve status, retirement from active duty or transfer to the Fleet Reserve, or subsequent termination of benefit plans. Assignment or succession of ownership of benefit plans does not convey Membership rights.

Section 2. Associate Membership. Spouses of existing or deceased Members may become Associate Members in the Association by applying and qualifying for an entitling benefit plan in accordance with the terms and conditions set forth in, or attached to, the forms provided for Associate Membership. In addition, employees of the Association may apply for Associate Membership during their period of employment by applying and qualifying for an entitling benefit plan in accordance with the terms and conditions set forth in, or attached to, the forms provided for Associate Membership. Associate Members do not have voting rights in the Association.

Section 3. Benefit Plans. The terms and conditions of benefit plans offered by the Association pursuant to Article I, including the scope of coverage provided by such plans, the actuarial bases to be used in the determination of premiums and nonforfeiture values, interest rates on benefit plan loans, the level of benefits provided, and other related matters, shall be determined from time to time by the Board of Directors. Said terms and conditions, including ownership rights, the transferability and assignability of ownership, nonforfeiture values, availability of guaranteed insurability, long term care and settlement options, availability of benefit plan loans, right of reinstatement, termination, designation of beneficiaries, methods of premium payment, and other significant plan provisions, shall be as defined in the benefit plan certificate.

Section 4. Applications for Benefit Plans. An application for a benefit plan shall indicate the specific benefit plan or plans applied for and shall be accompanied by any required advance of premiums applicable to such plan or plans. Applications for benefit plans shall not be approved until the Medical Director or the Medical Director's representative certifies that the applicant is a suitable insurance risk. In all cases of rejection of an application, the sum paid with the application shall be refunded to the applicant.

Section 5. Addresses of Members, Associate Members, Owners, and Beneficiaries. It shall be the duty of all Members, Associate Members, and assignee or successor owners of benefit plans to keep the Association fully advised of their addresses, the addresses of their beneficiaries, and, where necessary, the address of the agent designated to pay their benefit plan and annuity premiums.

Section 6. Proof of Death. A certified copy of the public record of death or an official notice from the cognizant department of the uniformed service of which the deceased is a member shall be accepted as sufficient evidence of the death of a person covered under a benefit plan. When such evidence is not immediately available, the President may choose to accept other evidence as sufficient to establish death.

Section 7. Truth in Member Representations. Members must be truthful and disclose all relevant information in all communications with the Association. Failure to satisfy this requirement may be grounds for termination of insurance coverage or Membership in the Association.

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 1. Amendments. Amendments may be proposed: (a) by any Board member; (b) by any Non-Resident Director; or (c) in a written proposal that has been signed by at least fifteen Members and submitted to the President of the Association.

The President shall refer all proposed Bylaw amendments to the Board of Directors for consideration and, if authorized by the Board, cause them to be published to the Non-Resident Directors at least two months prior to their being acted upon. Non-Resident Directors' votes on proposed Bylaw amendments shall be in writing and addressed to the President.

Any of the foregoing Bylaws may be altered or amended by a three-fourths vote of the Non-Resident Directors voting on the proposed amendments.

Section 2. Indemnification. The Association shall maintain suitable directors' and officers' liability coverage or otherwise indemnify to the fullest extent of the Association's net assets Board members, officers and employees, either individually or jointly, for damages, judgments, settlements, costs, charges, insurance deductibles or other expenses incurred while acting in good faith on the Association's behalf or incident to the defense of any claim, action, suit, or proceedings, or appeal therefrom to which the directors, officers or employees may be a party or with which they may be threatened.

Section 3. Valuation of Assets and Liabilities. The value of the Association's assets and liabilities shall be determined in accordance with applicable accounting principles for life insurers, applicable generally-accepted actuarial standards, and any policies that have been duly adopted by the Board of Directors.

The image features an abstract graphic design. The top half is white with three overlapping, semi-transparent rectangular shapes: a vertical one on the right, a diagonal one on the left, and a horizontal one at the bottom. The bottom half is a solid blue gradient. On the right side, there is a graphic of a building's roofline composed of many thin, parallel lines.

HENDERSON HALL ★ 29 CARPENTER ROAD ★ ARLINGTON VIRGINIA 22212

TOLL FREE 800.628.6011 ★ FAX 703.945.1441 ★ WWW.NAVYMUTUAL.ORG

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