

CONSTITUTION AND BYLAWS

MINNESOTA CHAPTER INTERNATIONAL ASSOCIATION OF SPECIAL INVESTIGATION UNITS

ARTICLE I NAME AND PURPOSE

Section 1 **NAME:** This organization shall be known as the Minnesota Chapter International Association of Special Investigation Units (IASIU). 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 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 objective shall be:

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

ARTICLE II MEMBERSHIP

Section 1:

A. **"Regular"** membership shall include:

1. Insurance company employees primarily engaged full time in investigation and/or supervision of investigations 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. A special agent or supervisory special agent of the National Insurance Crime Bureau (NICB), the Insurance Bureau of Canada, Larmtjanst AB (Sweden), the Danish Insurance Association (Denmark), Norwegian Insurance Federation (Norway), Finnish Motor Insurers' Centre (Finland), or Finnish Insurance Federation (Finland).

B. **"Associate"** membership shall include:

1. A local, state, or federal 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.
2. A full time investigator or investigations supervisor of a state insurance fraud bureau.
3. Any individual or representative of an insurance company or government agency, the Finnish Insurance Companies Association, and the Society of Lloyd's, who is involved, or provides special expertise or services for the investigation of insurance fraud, who is endorsed in writing by a "Regular" member.
4. 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.
5. 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.
 "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.
6. 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.

The annual cost of associate membership shall be in accordance with guidelines established by the Board. The membership committee shall determine the qualifications of all applicants for associate member level.

ASSOCIATE MEMBERSHIP HAS NO VOTING PRIVILEGES, AND CANNOT HOLD OFFICE.

C. "**Legal Advocate**" membership shall include:

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 DIRECTOR'S 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.

- D. **"Charter"** membership shall include all individuals listed on the Petition to form MN IASIU Chapter, dated March 30, 1993.
- E. **"Life"** membership shall include those individuals nominated by Awards Committee and selected by the Board of Directors based upon the following guidelines:

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

1. Individual must be or have been a "regular" member or "associate" member of the Association.
 2. Individual must be or have been a "regular" or "associate" member in good standing for ten years.
 3. Individual must have rendered distinctive service to the Association through participation on committees or activities for a minimum of five years.
- F. Life membership is to recognize outstanding contribution of those regular or associate member individuals 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 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. **"Honorary"** Life Membership shall include:

1. All "Charter" Members

2. "Honorary Life Members" shall not have any voting rights, and may not hold office unless they qualify as a "Regular Member".

Section 2: Application Procedures/Membership Approval

- A. All applications for regular or associate membership, if accepted, will be on a temporary status until the next meeting of the Board of Directors. During this temporary status, an applicant's membership may be revoked at the discretion of the Board.
- B. All individuals making application for associate membership to the Association must be endorsed, in writing, by a "regular" member and must be at least twenty-one years of age at the time of application.
- C. All applications must be on the prescribed form approved by the Board.
- D. Applications for membership shall be made to the Membership Committee Chairperson. The Membership Committee shall review each application and make recommendation to the Board of Directors.

Section 3: Personal Qualifications For Applicants For Membership

- A. Prior to making recommendation to the Board on each applicant for membership, the Membership Committee shall give due consideration to the following, among other qualifications it deems applicable, to-wit:
 1. The personal character and reputation of the applicant:
 2. The nature, character, and reputation of the applicant's business:
 3. The character and reputation of the applicants employer and associates: and,
 4. The general nature, character, and reputation of the principle business of the applicant's employer and associates.
- B. No person shall be eligible for any class of membership if he/she has been a member , is presently a member, or becomes a member of any corporation, firm, business, or association whose objectives and operations are inconsistent with the purposes and objectives of MN Chapter IASIU.
- C. All members of the MN Chapter IASIU must be members of and maintain membership in the IASIU.

Section 4: Membership Retention

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

**ARTICLE III
ELECTION AND TERMS OF OFFICES**

Section 1 OFFICERS: The officers shall be [A] President, [B] Vice President, [C] Secretary and [D] Treasurer.

Section 2 TERMS OF OFFICE: The term of officers will be two (2) years, or until the election of their respective successors at the annual meeting.

Section 3 VACANCIES: Any vacancy occurring among the officers or Board shall be filled by appointment, by the President. If the office of the 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 shall be elected at an annual meeting.
- B. All regular members in good standing at the annual meeting shall have one (1) vote for the purpose of election of officers and directors.
- C. All "regular" members, in good standing, shall also have the right to cast individual votes on all other association business placed before them at the annual meeting.

**ARTICLE IV
GOVERNMENT**

Section 1 BOARD OF DIRECTORS: The Board of Directors shall consist of ten (10) members, including 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 Directors for a period of one year after leaving from office.

Section 2 DUTIES AND POWERS: The Board shall have full power to initiate and transact the business necessary to the existence of the Minnesota Chapter 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 the location of the annual meeting, inform the membership, in writing, at least thirty (30) days in advance. It shall have the general powers to direct, control and supervise the affairs of the Minnesota Chapter International

Association of Special Investigation Units. Each Board of Directors member shall have one (1) vote.

- Section 3 THE PRESIDENT:** The President is the Chief Executive Officer. It shall be his/her responsibility to supervise and coordinate the activities of the Minnesota Chapter 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 Minnesota Chapter International Association of Special Investigation Units.
- Section 4 VICE PRESIDENT:** The Vice President shall preside in the absence of the President.
- Section 5 SECRETARY:** The Secretary shall keep the records and minutes of the meetings, retain the constitution and bylaws, and maintain a role of members.
- Section 6 TREASURER:** The Treasurer shall be custodian and sole depositor of the funds of the Minnesota Chapter International Association of Special Investigation Units. Funds to be disbursed as authorized by the Board of Directors. The Treasurer shall make a complete reporting at the annual meeting.

ARTICLE V MEETINGS

- Section 1** Regular meetings will be held every other month at such time and place as fixed by the Board of Directors and shall consist of, but not limited to, a Board of Directors meeting; general membership meeting, and a training session.
- Section 2** The annual meeting shall be held at such time and place as fixed by the Board of Directors and shall consist of, but not be limited to, the annual meeting of the Board; election of officers and Board members; general membership meeting, and a training session. Special meetings may be called by order of the Board. Notification of meetings is prescribed in Article 4, Section 2.

ARTICLE VI FINANCE

Section 1 FEES AND DUES: Fees and annual dues will be set by majority vote of the Board of Directors. Dues shall be submitted with membership application and will not be prorated.

Section 2 FISCAL YEAR: The fiscal year shall be the calendar year from January 1st to December 31st.

Section 3 GRANTS: Any grant or financial aid received shall be handled within the terms of that grant. No grant or financial aid will be accepted that is not compatible with the goals and purposes of the MN Chapter International Association of Special Investigation Units.

ARTICLE VII AMENDMENT

Section 1 REQUIREMENTS: This constitution may be amended at any general meeting, or special meeting of the Association, by a vote of two-thirds (2/3) of the members present, providing:

- A. The proposed amendment is presented with form consistent and without conflict with the remainder of the constitution of the Association.
- B. The proposed amendment is disseminated to the general membership for review through the Association publication at least thirty (30) days prior to the next regular or special meeting of the Association.
- C. 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
CHAPTER RESPONSIBILITIES**

Section 1 The Minnesota Chapter IASIU must be re-approved by the IASIU Board of Directors on an annual basis. In order for this to be accomplished, the Minnesota Chapter must hold an annual meeting and submit an Annual Report no later than thirty (30) days prior to the annual meeting of the IASIU Board of Directors.

**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 | |
- 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:
- 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.

- 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.

AMENDED 12/07/04

AMENDED 11/07/06

AMENDED 11/04/10