

**THE MUTUAL BENEFICIAL ASSOCIATION, INC.**

# **Procedure Manual**



**FIRST ADOPTED**  
**August 1, 2012**

## **PREFACE – PROCEDURES PROCESS**

All Association Procedures will be listed in this Manual inclusive of all policies and procedures related to matters of the society and the Board of Directors. All new policies/procedures (or revisions of existing policies/procedures) will be drafted by and voted on by the Board of Directors. Policies/procedures that warrant security status will not be public and not available to be read without appropriate security permission.

All references in this document to “he” imply both he and she.

## **SECTION A – BOARD PROCEDURES**

### **1. ELECTION OF GENERAL OFFICERS (ADOPTED 8/1/2012 – NEW)**

The Board of Directors shall elect all General Officers, including the General President, General Vice-President and General Secretary-Treasurer. Each of these Officers shall serve at the pleasure of the Board of Directors.

### **2. CONFLICT OF INTEREST (ADOPTED 8/1/2012 – NEW)**

Directors will receive a *Conflict-of-Interest Disclosure* statement and shall be required to sign and date the policy form on an annual basis. These forms are retained and become part of the Association’s regular Board minutes.

Because of an actual, potential, or perceived “structural” conflict of interest, Directors may not sit concurrently on the boards of any other Fraternal Benefit Society.

### **3. AUTHORITY AND POWERS (ADOPTED 8/1/2012 – NEW)**

Without prejudice to the general powers conferred by statute, and the Certificate of Incorporation, the Board of Directors shall have the following specific powers, and duties:

(a) The Board may entertain all appeals from the acts and decisions of the General President, and when charges are preferred against any officer of the Association they shall proceed to arrange for an investigation and hearing thereof. The Board shall also entertain appeals when charges are preferred against any member of the Association on final sentence of suspension, expulsion or reprimand by proceedings in a Local Assembly, and when such appeals have been made to the Board, it shall proceed promptly to arrange for an investigation and hearing thereof.

(b) It shall have access to all papers, correspondence and books of the Association at all times, and shall have power to summon and require any member to testify affecting the matter which may be the subject of investigation before it.

(c) The Board shall cause the books and accounts of the Association to be audited under their supervision annually, or as required by Insurance Department or National Association of Insurance Commissioners (NAIC) laws.

(d) The Board shall have the authority to cancel the charter of any Local Assembly which fails, or refuses, to comply with the provisions of the Bylaws, and the members of such Local Assembly may be transferred by the Board to any other Local Assembly upon approval of said Local Assembly, and such members as are to be transferred shall pay all dues and assessments to the General Secretary-Treasurer during the period of time between the cancellation of the

charter of the Local Assembly to which they previously belonged and their acceptance into another Local Assembly.

(e) In addition to the powers and authorities of the Association's Bylaws expressly conferred, the Board may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Certificate of Incorporation or the Bylaws directed.

(f) Fidelity Bonds - All officers or agents who in any manner receive, disburse or handle money or other valuable securities as officers or agents of this Association shall, unless exempted especially by the Board of Directors, give bond in such amount and with such surety as may be approved by the Board of Directors. The said bond shall be conditioned on the faithful discharge by the said persons so bonded of their respective duties and the proper accounting for all moneys or other properties handled by them.

(g) Investments - No investment of funds shall be made by this Association unless the same shall first have been authorized by the Board of Directors or a committee appointed by the Board of Directors charged with the duty of supervising such investment.

## **SECTION B – LOCAL ASSEMBLIES**

### **1. ORGANIZATION (ADOPTED 8/1/2012 – NEW)**

(a) The Association will carry out its mission as a fraternal benefit society through Active and Social members being organized into Local Assemblies. Local Assemblies shall be created and maintained to foster voluntary activity for aiding such lawful fraternal and charitable endeavors as the Local Assembly determines in accord with the policies of the Association's Board of Directors.

(b) The Board of Directors of the Association may establish, when they deem it advisable, a new Local Assembly at a location provided the location is in a state where the Association is licensed to transact business. New Local Assemblies shall be assigned a name and number as determined by the Board of Directors following their organization.

(c) Whenever the Board of Directors of the Association deems it in the best interests of the Association or Local Assembly members, it may merge or consolidate two or more branches.

### **2. OFFICERS (ADOPTED 8/1/2012 – NEW)**

(a) Each Local Assembly may have a President, Vice President, Secretary and Treasurer as well as any other officers it may deem necessary, all of whom shall be elected biennially and shall serve until their successors are elected and installed.

(b) If the office of any Local Assembly becomes vacant, for any reason, a successor shall be nominated and elected at the next regular meeting of such Local Assembly, who shall hold office for the unexpired term.

(c) All Local Assembly officers must be Active or Social Adult members in 'Good Standing' as prescribed by the Association's Bylaws at the time of their election.

(d) Biennially at the last meeting of the calendar year all Local Assemblies will nominate, elect and install Local Officers in accordance with Robert's Rules of Order and the Association's Rituals.

(e) Duties of Officers shall be as follows:

President – He shall preside as Chairman at all Local Assembly meetings and shall conduct all meetings in accordance with Robert’s Rules of Order.

Vice President – He shall assist the President in any way deemed necessary and preside and perform his duties in his absence.

Secretary – He shall act as clerk and record all votes and minutes of the Local Assembly and shall have custody of all official documents and papers.

Treasurer – He shall be the custodian of all securities owned by the Local Assembly and shall keep such records and make such reports as the Local Assembly and Home Office may prescribe.

Other Officers – Each Local Assembly, as it deems necessary, may have additional officers and committees who may perform whatever duties the Local Assembly may require.

### **3. MEETINGS (ADOPTED 8/1/2012 – NEW)**

(a) Regular Meetings of each Local Assembly shall be held at least quarterly or as frequently as may otherwise be required by law. Meetings will be held in the territory that the local Assembly has been established.

(b) Special Meetings of a Local Assembly may be called at the written request of ten (10) members of said Assembly or on the order of the President. The Secretary shall inform all members, four (4) days in advance of the time, place and purpose of such meeting.

(c) A Quorum for each Local Assembly meeting shall be constituted by five (5) members including at least two (2) officers all Adult Active Members in ‘Good Standing.’ Ten (10) members shall constitute a quorum for a Special Meeting.

(d) All meeting will be conducted in accordance with Robert’s Rules of Order, except as outlined in this Manual or in the Association’s Bylaws.

### **4. MEMBERSHIP OF LOCAL ASSEMBLIES (ADOPTED 8/1/2012 – NEW)**

(a) All members of the Association must be a member of one (1) Local Assembly, and a member cannot maintain membership in more than one (1) Local Assembly at any one time.

(b) Upon approval of the Home Office all new members will be given the opportunity to choose a Local Assembly of which he will immediately become a member. If the new member does not choose a Local assembly the Home office will designate one for him.

(c) All new members will be published in the next succeeding issue of the *Mutual Magazine* following their approval.

(d) Each Local Assembly will be supplied by the Home Office with a list, at least annually, reflecting additions and terminations in their Local Assembly. In addition, upon request to the Home Office, any Local Assembly may have this information forwarded to them.

(e) Transfer of Membership - If any member of a Local Assembly desires to transfer his membership to another Local Assembly he shall notify the Home Office in writing giving the name and number of the Assembly to which he desires to be transferred. The Home Office will then notify the Local Assembly to which the member is being transferred, and upon this notification the member will then become an official member of that Local Assembly.

*(Note: There is one exception to this Procedure and that is that no active Director may transfer his Local Assembly)*

(f) Visiting Members - Any member of another Local Assembly wishing to attend a different Local Assembly's meeting, may do so as long as the Local Secretary had proof that the member is in 'Good Standing.'

## **5. EXPULSION/SUSPENSION FROM MEMBERSHIP (ADOPTED 8/1/2012 – NEW)**

a) In addition to suspension for failure of a member to remain an Active or Social member in 'Good Standing,' a member may be expelled or suspended for the following offenses:

1. Accepting, claiming or appropriating any of the funds or property of the Association to the personal use of the member.
2. The violation of the obligation assumed by becoming a member hereof, as imposed by the Bylaws or the Ritual.
3. Any other act inimical to the best interests of the Association or the Local Assembly of which he is a member.

(b) For any one (1) or more offenses heretofore specified, any member of the Association may be expelled or suspended by majority vote of the elective officers of the Local Assembly then in office; but any such action may be appealed to a full meeting of the Local Assembly which, by majority vote may override or sustain the action of the officers.

(c) An expelled or suspended member shall forfeit all rights in the Association excepting the privilege of maintaining his insurance in force by continuing payment of the required dues or contribution payable under the insurance certificate and of such other assessments as may be required of all other continuing members holding certificates of the same class under the same or other reasonable convenient plan for dues payment; and that expelled or suspended members shall be given a notice in writing of this privilege of maintaining their insurance in force. A member shall not be suspended for a greater period of time than one (1) year and on termination of the period of suspension such members shall be re-admitted to the rights and privileges of membership without further action.

(d) Any member convicted and sentenced to expulsion or suspension may, within one (1) month from the date of said expulsion or suspension, appeal from said sentence to the Board of Directors of the Association in writing, who shall examine the papers and investigate the merits of the case by prompt hearing and investigation. The decision of the Board shall be final and shall include the power to re-instate the member and to transfer the member to another Local Assembly.

## **6. MISCELLANEOUS (ADOPTED 8/1/2012 – NEW)**

(a) Appeals - Local Assemblies or individual members who feel that an unfair decision has been made against them may appeal their case, in writing, to the Board of Directors through the General President, who shall present the case at the next regular Board of Director's Meeting following receipt of such appeal. The decision of the Board of Directors shall be final.

(b) Approval Required For Circulars or Letters - Any circular or letter emanating from a Local Assembly or any member thereof, which is intended for general circulation among the members of the Association, or among all or any member of Local Assemblies, shall require the approval of the General President of the Association before being put into circulation.

(c) Requirements For Letters Written by Local Assembly Committees - In order for communications, emanating from Committees of Local Assemblies, to be recognized and to

receive consideration by the Board of Directors they must bear the signature of both the Chairman and Secretary of such Committees and the seal (or similar verification) of the Local Assembly.

(d) Ritual: No Waiver of Bylaws - The Ritual used by Local Assemblies shall be the one last adopted by the Board of Directors. No Local Assembly or any officer thereof shall have the power or authority to waive any provision of the Bylaws of the Association.

## **SECTION C – CERTIFICATES**

### **1. APPLICATIONS ADULT/JUVENILE (ADOPTED 8/1/2012 – NEW)**

(a) Adult - Applicants must be not less than age 16 nor over age 80 nearest birthday for Life Insurance, while Annuities may be purchased at any age. Each applicant shall submit an application for membership and for Life Insurance applicants a medical examination in the form and within the time required by the Board of Directors, except that such applicants who are not less than age 16 nearest birthday nor over age 45 nearest birthday may also be accepted without medical examination upon such showing of eligibility and in such manner and upon such terms and conditions and within such limitations of amount of insurance and otherwise, as the Board of Directors may from time to time determine.

(b) Juvenile - There is hereby established a Juvenile Department, wherein a child may be enrolled and insured if the child's age at nearest birthday is fifteen (15) or less at date of issue of certificate; however, no application may be written until a child is thirty (30) days old and home from the hospital.

### **2. FORMS ADULT/JUVENILE (ADOPTED 8/1/2012 – NEW)**

(a) Life Insurance - The Association may issue any form of Certificate so long as such forms are issued upon rates prepared by a competent actuary. Such forms and rates, together with the provisions governing the issuance thereof, when approved by the Board of Directors, shall be and are a part of the Constitution and Bylaws.

(b) Annuities - The Association may issue any form of Certificate so long as such forms are issued upon rates prepared by a competent actuary. Such forms and rates, together with the provisions governing the issuance thereof, when approved by the Board of Directors, shall be and are a part of the Constitution and Bylaws.

### **3. LIMITS OF COVERAGE ADULT/JUVENILE (ADOPTED 8/1/2012 – NEW)**

(a) A member may hold one or more certificates under the several plans with an unlimited amount. However, the amount of liability that the Association shall hold will not exceed \$25,000 with the remainder to be placed with an approved reinsurance company. Certificates shall be issued for a minimum of \$2,000 in multiples of \$500.

### **4. REFUND OF SURPLUS (ADOPTED 8/1/2012 – NEW)**

All the outstanding certificates of this Association, with the exception of Decreasing Term certificates under \$50,000, which have been continuously in force two (2) full years, or longer, except (a) those on the paid-up basis following default in payment of dues, and (b) those Retirement Income and Protective Retirement Income at age 65 certificates issued on dues basis in effect prior to January 1, 1945, on which retirement income is being paid, shall participate in distributable surplus to the extent and in the manner determined by the Board of Directors upon certification of a competent Actuary, the distribution in any calendar year on any benefit certificate to be made only if it is in full force on the then current anniversary of its date of issue. All refunds shall be paid in cash or credited as Paid-Up Additional insurance and the General Officers of the Association are

empowered to follow such procedure as they may deem best as to payment or credit of any refund of less than \$1.00 on a given certificate.

#### **5. LOCAL DUES (ADOPTED 8/1/2012 – NEW)**

(a) Upon each insurance certificate there shall be apportioned to the Local Assembly ten (10) cents per month as Local Dues for all Active Certificates and for each Social member of the Local Assembly.

(b) All Local Dues shall be payable in advance in the same manner as dues to the Association.

### **SECTION D – MISCELLANEOUS**

#### **1. PUBLICATION/MUTUAL MAGAZINE (ADOPTED 8/1/2012 – NEW)**

(a) There may be published by the Association, at such intervals as may be determined by the Board of Directors, a Magazine which shall be published under the direction of the Board of Directors and the General President. The Magazine shall contain an annual statement of the financial condition and progress of the Association and such other articles or contributions of literary merit as may be of interest to the membership. Preference shall be given to the articles which tend to promote efficiency and improvements in the field of transportation. The columns of the Magazine shall be open to all members of the Association and to the officers of the transportation companies who desire to contribute articles which have for their purpose the promotion of efficiency, a better understanding of the science of transportation operation and the creation of greater interest in the Association.

(b) The General President shall appoint, subject to the approval of the Board of Directors, an Editor who shall have charge of the publication of the Magazine.

(c) The Editor shall be the censor of the Publication, and only such articles shall be printed as shall serve the purpose for which the Magazine is published.

(d) The annual subscription price to the Magazine shall be fixed from time to time by the Board of Directors, not to exceed sixty (60) cents per annum (which is part of each member's annual dues) for members of this Association, but for others the subscription price shall be such amount as is determined from time to time by the Board of Directors.

#### **2. FISCAL YEAR (ADOPTED 8/1/2012 – NEW)**

The fiscal year of the Association shall end on December 31 of each year.