



Summary of Governance Bylaws Changes Approved by the NAIFA Board of Trustees (08-15-2022)

Governance Changes to the NAIFA Bylaws

On August 15, 2022, the NAIFA Board of Trustees approved recommendations of the Governance Committee to restructure the NAIFA Board of Trustees, create a new resource board for NAIFA, and modify the timeline for Governance Committee announcements of Board candidates.

To oversee the operations of NAIFA, the new model reduces the size of the Board of Trustees, as of January 1, 2024, so that four At-Large Trustees work with the five titled Officers. In addition, in 2023, the restructured governance model includes a new resource board for the association, of flexible size and composition, to provide critical resources, advice, and support to NAIFA. Finally, to accommodate implementation of the new Board structure, the Governance Committee timeline has been modified.

In particular, the NAIFA Board approved revisions to the NAIFA Bylaws to (i) restructure the Board of Trustees to govern the association, as of January 1, 2024, to be comprised of the five titled Officers and four At-Large Trustees, as nominated by the Governance Committee and elected at the annual meeting, and to eliminate the Executive Committee provided for in Article VII, Section 4; (ii) establish a resource board, as of January 1, 2023, appointed by the Board of Trustees, with such name as the Board of Trustees determines, of flexible size and composition, to serve as an advisory resource for NAIFA; and (iii) immediately reduce from 60 to 45 the number of days before each annual meeting for the Governance Committee to select and announce the candidates for vacancies on the Board of Trustees.

Revised Board of Trustees (2024)

A smaller Board of Trustees will be nimbler and more cohesive in focusing on the day-to-day oversight of the association. With the changes to NAIFA's structure, and the changing role and demands of Board service, the smaller Board will better oversee the operation of NAIFA by expanding participation in the current substantial work of the Executive Committee, which the restructured Board will replace. The 9-person Board of Trustees is expected to meet frequently to provide direction and functional oversight for NAIFA as fiduciaries of the association. The Governance Committee will nominate the members of the revised Board of Trustees using the current nomination process, with nominees elected by NAIFA members at the annual meeting. At-Large Trustees will be elected to staggered two-year terms.

New Resource Board (2023)

The new resource board will be comprised of leaders and representatives from a wide spectrum of industry constituencies. This stakeholder involvement in NAIFA's governance will increase corporate and industry support for NAIFA, resulting in expanded resources and membership growth. The resource board will add critical expertise to NAIFA's governance, to help the association make better, more informed decisions; will help NAIFA strengthen its relationships with other industry groups; and further amplify the NAIFA brand among industry leaders. The resource board will be appointed by the revised Board of Trustees, will be flexible in its size and composition, and will reflect all facets of the insurance and financial services industry.

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The changes to NAIFA's governance structure, approved by the NAIFA Board on August 15, 2022, result in the following revisions to the NAIFA Bylaws (underlined language is new; ~~struck~~ language is removed):

Article VI – Officers

Section 1: The officers of NAIFA shall be a President, a Chief Executive Officer, the Immediate Past President, a President-Elect, a Secretary, a Treasurer, and ~~between ten and twelve~~ four At-Large Trustees, depending on whether the Executive Committee appoints up to two Trustees pursuant to Section 6 of this Article. The authority and duty of each officer shall be such as is defined in these Bylaws.

Section 6. ~~Five~~ Two At-Large Trustees shall be elected annually. The term of office of all elected At-Large Trustees shall be two years or until their successors are elected (except in 2022, to allow for staggered terms in 2024 and thereafter, two At-Large Trustees shall be elected for a one-year term to be served in 2023 and two At-Large Trustees shall be elected for a two-year term to be served in 2023-2024, for a total of nine elected Trustees in 2023). At-Large Trustees shall be elected by the National Council at an election meeting held at such time during the Association's annual meeting as may be fixed by the Board of Trustees. Any vacancy in an At-Large Trustee position at the time of an annual meeting shall be filled by the National Council. ~~In addition to those Trustees who are elected by the National Council, the NAIFA Executive Committee shall have the authority, but shall not be required, to appoint up to two voting members to the NAIFA Board of Trustees, provided that such appointments shall not become effective until such appointments have been approved by the Board of Trustees. In making such appointments the Executive Committee shall have as its goal providing broader, more diverse representation on the Board of Trustees, and persons appointed to the Board of Trustees shall not be required to be eligible for active membership in NAIFA. The term of office for all appointed Trustees shall be one year, and each appointed Trustee may serve a maximum of two one-year terms. The term of office for all appointed Trustees shall commence upon approval of their appointment by the Board of Trustees.~~

Article VII – Board of Trustees

Section 1: The NAIFA Board of Trustees shall consist of the President, the Immediate Past President, the President-Elect, the Secretary, the Treasurer, and ~~between ten and twelve~~ four At-Large Trustees, depending on whether up to two Trustees are appointed pursuant to Article VI, Section 6 of these Bylaws.

~~Section 4. There shall be an Executive Committee composed of the President, the Immediate Past President, the President-Elect, the Secretary, and the Treasurer and assigned and delegated to it are the duties and powers of the Board of Trustees, with such duties to be performed and powers to be exercised only when the Board of Trustees is not in session. The President or, in the President's absence or inability to perform, the President-Elect, shall have the power to call a meeting of the Executive Committee. The Executive Committee shall maintain minutes of all action taken by it, which shall be reported to the Board of Trustees at its next meeting following any such action. Unless disapproved by vote of the majority of the Board present at such next meeting, the action of the Executive Committee shall be final to the same extent as though taken by the Board of Trustees under these Bylaws. A quorum of the Executive Committee shall consist of not less than four (4) members. [References to the Executive Committee are replaced with references to the Board of Trustees in Article VI, Section 8, and Article XIV, Section 2.]~~

Article X – Committees

Section 9. NAIFA Resource Board. The NAIFA resource board serves as an advisory body for NAIFA to provide advice, resources, and support to the Association. The resource board will be comprised of such individuals as are appointed by the Board of Trustees, in such numbers, and for such terms of office, as is determined by the Board of Trustees, and will be named as deemed appropriate by the Board of Trustees. The resource board may reflect all facets of the insurance and financial services industry, with leaders and representatives from a wide spectrum of industry constituencies, and persons appointed to

the resource board shall be encouraged, but not required, to be members of NAIFA. The resource board shall meet at such time, place, and manner, and for such purposes, as is determined by the Board of Trustees, in order to provide advice, resources, and support to NAIFA.

Article XIV – Nominations and Elections

Section 4. No later than ~~60~~ 45 days before each annual meeting, the Governance Committee shall select and announce for submission for the offices of President-Elect, Secretary and Treasurer, one (1) candidate for each of these offices, provided, however, that no one may be selected as or become a candidate for election to the offices of Secretary or President-Elect unless he or she has previously been elected or appointed to at least one term as a NAIFA Trustee or NAIFA Treasurer. No later than ~~60~~45 days before each annual meeting, the Committee shall also select and announce one (1) candidate for submission for each vacancy for the office of ~~elected~~ At-Large Trustee.

Section 6. At such time during the annual meeting as may be fixed by the Board of Trustees, and according to the procedures prescribed by the Board of Trustees, the National Council shall vote upon and elect the President-Elect, the Secretary, the Treasurer and the number of ~~elected~~ At-Large Trustees necessary to fill vacancies in the office of At-Large Trustee by reason of expiration of the terms of office of the incumbents in accordance with these Bylaws.