



**Constitution and Bylaws
of the
CSA Fraternal Life**

**as adopted at the
XL Quadrennial Convention
August 10-11, 2014 Lombard, Illinois**

AFFIDAVIT

STATE OF ILLINOIS)

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COUNTY OF DU PAGE)

John Kielczewski, President, and Matthew Koski, Executive Secretary/Treasurer, both being duly sworn, have personally appeared before me, a Notary Public in and for said County and State, and say that the following is a correct and complete copy of the Constitution and Bylaws of said Society as adopted at the 40th Quadrennial Convention at Lombard, Illinois held August 10-11, 2014.

President

Executive Secretary/Treasurer

Sworn to before me and subscribed in my presence at Lombard, Illinois, the _____ day of _____ 2014.

Notary Public

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Constitution

PREAMBLE

Section 1

This fraternal benefit society now known as CSA Fraternal Life was originally organized in 1932 as the Czechoslovak Society of America (CSA). It was formed by a merger of the following Societies:

Czecho-Slavonic Protective Society, organized March 4, 1854 (St. Louis, Mo.)
Society of Taborites, organized May 13, 1880 (Chicago, IL)
Bohemian Slavonic Fraternal Benefit Union, organized March 16, 1885 (Cleveland, OH)
Bohemian Slavonic Union, organized May 12, 1892 (Chicago, IL)
Bohemian American Foresters, organized December 5, 1899 (Chicago, IL)

and later mergers of:

Bohemian American Union, Organized May 10, 1910 (Chicago, IL)
Czech Ladies Benevolent Society, organized February 2, 1890 (Cleveland, OH)
Central Committee of Bohemian American Women (Chicago, IL)
Unity of Czech Ladies and Men, organized in February 1873 (Cleveland, OH)

Section 2

The Charter of the Czecho Slavonic Protective Society was adopted by the Czechoslovak Society of America and establishes the Society's date of organization as March 4, 1854.

ARTICLE I

Name, Incorporation and Location

Section 1

The name of this Society is CSA Fraternal Life except in the state of New York where the name shall remain Czechoslovak Society of America.

Section 2

The Society is incorporated without capital stock in the State of Illinois as a fraternal benefit Society.

Section 3

The Society shall maintain its home office in the State of Illinois.

ARTICLE II

Purpose

Section 1

The Society is organized and maintained for the mutual benefit and protection of its members and beneficiaries. It shall issue certificates of insurance and annuity benefits and may provide such other benefits as are permitted under the Insurance Code of any State in which it is licensed.

Section 2

Its further purposes shall be:

- a) to foster fraternity, charity, and patriotism among its members;
- b) to promote the social, recreational, and spiritual welfare of its members and mankind in general;
- c) to encourage its members to practice physical fitness and to cooperate with and support organizations promoting such programs;

- d) To encourage and support every effort to perpetuate the Czech and Slovak heritage, language, and customs;
- e) to promote and support all activities and principles as befits a fraternal benefit society.

ARTICLE III

Membership

Any person of good character and who subscribes to the purpose for which the Society is organized and meets all requirements for membership established by the Society may apply for and be accepted into membership in the Society.

ARTICLE IV

Government

Section 1

The society shall be governed as follows:

- a) *All governance for the Society shall be performed in accordance with the written laws of the Society, i.e. the Constitution, Bylaws, and Rules of Order.*
- b) the Convention, which is the highest legislative body meeting in regular session quadrennially in any state in which the Society is authorized to do business;
- c) the National Board of Directors, which is highest authority of the Society in the interim between sessions of the Convention meeting in regular session at least quarterly;
- d) Executive Officers, who are the administrative body of the Society.

Section 2

- a) Society's Executive Officers shall be: President, *Secretary and Treasurer*.
- b) The Board of Directors shall be composed of Nine (9) Regional Directors and the President, with the other Executive Officers (*Secretary and Treasurer*) as non-voting members of the Board of Directors.
- c) The Convention shall elect the President and Regional Directors.
- d) The Board of Directors shall elect the *Secretary and Treasurer*.

Section 3

If the laws of the Society are silent as to any procedural aspect of any action or meeting of the Society, the rules contained in Robert's Rules of Order (latest edition) shall govern this Society in all cases to which they are applicable.

ARTICLE V

Amendments to the Constitution

The Constitution and Articles of Incorporation of the Society may only be amended at a Regular Convention or at a Special Session of the Convention called for that purpose.

- a) An affirmative vote by a two-thirds majority of the Convention Delegates present and voting is necessary for the adoption of any amendment to the Constitution.
- b) Amendments to the Constitution may be proposed by any Member, Lodge, District Council, or the Board of Directors and shall be submitted in writing to the *Secretary* no less than ninety (90) days prior to the convening

of the Convention. All proposed amendments that are submitted must refer to the page number, Article, Section, and Item being amended or added.

- c) The **Secretary** shall promptly submit such proposals to each member of the newly elected Pre-Convention Constitution, Bylaws and Rules of Order Committee which shall review such proposed amendments and provide recommendations to the Convention.
- d) If this format is not adhered to, the Constitution, Bylaws and Rules of Order Committee may decline to act upon the proposal.

BYLAWS

ARTICLE I

General Provisions

Section 1 - Waiver

No Society Officer, Director, subordinate body, nor any of its subordinate officers or members shall have the power or authority to waive any of the provisions of the laws of the Society. The Constitution and Bylaws shall be binding on the Society and every member and beneficiary of a member.

Section 2 – Terms

Terms as used in these bylaws will be understood to mean the following:

- a) Society shall mean CSA Fraternal Life; or in the State of New York, Czechoslovak Society of America;
- b) Articles shall mean Articles of these Bylaws;
- c) Convention shall mean the Quadrennial Convention of the Society;
- d) National Board of Directors, Board of Directors and Board are references to the same governing body;
- e) Officers shall mean the Society’s Executive Officers unless otherwise designated;
- f) Region shall mean a geographic area as established by these Bylaws;
- g) Youth and juvenile are interchangeable;
- h) Laws of the Society shall mean Constitution, Bylaws and Rules of Order;
- i) Quadrennial Committees shall mean those Committees serving 4 years between conventions.

Section 3) – Gender

Any use of a masculine pronoun in these Bylaws shall apply equally to both genders.

ARTICLE II

Membership

Section 1) - Membership Classification

The Society shall have these categories of membership:

- a) Benefit Member
 - 1) Adult Benefit Member
 - 2) Youth Benefit Member
- b) Non-Benefit Member
- c) Honorary Member

Section 2) - Member Eligibility

- a) A benefit member is a member who has been accepted for membership in accordance with the eligibility rules of the Society and has a valid CSA Certificate of Insurance or Annuity, and is the primary insured or is receiving a settlement agreement by reason of such insurance or annuity.
 - 1) Adult Benefit Member - shall be a minimum age of 18
 - 2) Youth Benefit Member - shall not have reached the age of 18
- b) A non-benefit member is one who meets any one of the following criteria:
 - 1) was accepted as a non-benefit member prior to August 10, 1994;
 - 2) has attained the age of 96 and has collected the entire proceeds of his certificate.
- c) An honorary member is one who has been granted membership by the Board of Directors, as described in the Rules of Order.

Section 3) - Member Rights

- a) Each adult benefit member shall have the right to:
 - 1) belong to one Lodge of his choice (Multiple Lodge membership established before August 10, 1994 will be honored);
 - 2) participate in any fraternal activities of the Society;
 - 3) participate in all deliberations and vote on all matters of his Lodge's business;
 - 4) be elected to Lodge office;
 - 5) be elected as a delegate to his District Council and serve as an officer thereof as provided for by the rules of the District Council;
 - 6) be elected as Delegate to the Convention, if otherwise qualified;
 - 7) be elected as an Officer or Director of the Society, if otherwise qualified.
 - 8) file disputes, claims, actions or grievances as described in the Rules of Order Resolution of Disputes.
- b) Each non-benefit member shall have the right to:
 - 1) belong to one Lodge of his choice (Multiple Lodge membership established before August 10, 1994 will be honored, except that a member may have only one non-benefit membership);
 - 2) participate in any fraternal activities of the Society;
 - 3) participate in all deliberations and vote on all matters of Lodge business;
 - 4) be elected to Lodge office;
 - 5) be elected as a delegate to his District Council as provided for by the rules of the District Council.

However, a non-benefit member shall not be eligible for election as a Delegate to a Convention of the Society or as an Officer or Director of the Society.

- c) Each youth benefit member shall have the right to:
 - 1) belong to one Lodge of his choice (Multiple Lodge membership established before August 10, 1994, will be honored);
 - 2) participate in fraternal activities of the Society;
 - 3) participate in all deliberations concerning Lodge business, but shall have no vote, shall not hold a principal office, and shall not be included in a quorum count.
- d) An honorary membership, conferred by the Board of Directors, is symbolic, without rights, and is described in the Rules of Order.

Section 4) - Member Duties

It shall be the duty of each member to:

- a) abide by the laws of the Society and other rules of the Society;
- b) fulfill all contractual obligations to the Society;
- c) act in the spirit of the motto of the Society, "Equality, Harmony and Fraternity" in all Society activities;
- d) advance the purpose of the society as stated in the Constitution;
- e) attend Lodge meetings to the best of his ability.

Section 5 - Resolution of Disputes

The Society was founded on the principles of mutual aid, to associate its members, and enable them to support each other and their communities. The Society is charged both to assist its members' needs and to provide stewardship of the assets of the Society to carry out its missions and to assist members in conflict.

A member having any disputes, claims, actions or grievances against the Society or against a member of the Society shall first exhaust all internal courses of action specified in the Rules of Order, Resolution of Dispute Process.

ARTICLE III

Lodges

Section 1) - Organization

- a) Lodges of the Society are the basic unit and the building framework of the Society generally constituted from members who live geographically consistent with the Lodge.
- b) The principal officers of a Lodge shall be understood to be President, Vice-President, Secretary and Treasurer.

Section 2) - Establishment

- a) Lodges may be organized through the efforts of the Home Office and, if applicable, the relevant District Council with the consent and approval of the Board.
- b) Organization of a Lodge shall be conducted in accordance with such regulations and directives prescribed by the Board.
- c) A new Lodge shall be at liberty to select its own name, but the name of a living person shall not be used without the consent of the person whose name is to be selected subject to approval by the Board.
- d) Newly established Lodges shall be issued a charter by the Board and its officers shall be installed by the President of the Society, or by his representative, with the governing District Council members present, if applicable.

Section 3) - Rights

- a) Lodges shall have the right to decide in their meetings upon all matters concerning their own Lodge within the provisions of the laws of the Society. All issues shall be decided by a majority vote of the members present, except when otherwise stated or mandated by the Society Bylaws or the laws of the Lodge.
- b) Lodges shall have the right to adopt their own bylaws, rules of order and standing rules which shall, however, in no way contravene, evade or be in conflict with the laws of the Society and will become effective only upon approval by the District Council governing the Lodge and by the Board. In case of conflict, the laws of the Society shall prevail.

- c) Lodges may raise funds through events which are legal, social and within the bounds of the Society's consciousness of community, family and the Society's integrity.

d) Each Lodge shall be assigned a sales representative who is obligated to visit the Lodge once a year.

Section 4) - Duties

- a) Lodges shall conduct regular meetings no less than once per month.
- b) Lodges shall conduct their activities in accordance with the laws of the Society and directives of the Board.
- c) Lodges shall support and promote civic, community, charitable and Society fraternal and membership activities.
- d) Lodges shall establish and maintain a treasury in a financially responsible manner in support of the objectives of the Lodge and Society.
 - 1) All expenditures of Lodge funds shall be made only upon proper authorization at a regular meeting of the Lodge, or in accordance with its laws.
 - 2) Lodges shall not divide or distribute their Lodge treasuries or pay out any unreasonable sums of money to their members. Lodges may make reasonable and ordinary payments to members for reimbursements of expenses or services provided on behalf of the Lodge. They may give reasonable financial support to members for fraternal activities and charitable purposes.
 - 3) Sale of Lodge property including real estate or other investments shall be approved and completed in accordance with the laws of the Lodge and the laws of the Society.

Section 5) - Finances

Lodges shall receive annual lump sum support from the Home Office based on Lodge benefit membership as of December 31st of the previous year. They shall also receive monthly support based upon benefit membership of the last day of the preceding month.

- a) maximum amount of the total Society membership support for the year shall not exceed 0.20% of the Society's admitted assets as of December 31st of the previous year.
- b) The amount of annual support per benefit member shall be subject to an annual review by the Board based on the admitted assets and Lodge membership count as of December 31st of the previous year.
- c) The amount of support per benefit member shall be split among the Lodges and their respective District Councils in the proportion of 75/25 (Lodge/District Council). The amount of support per benefit member for Lodges not in a District Council will be 100 per cent.
- d) There shall be no conditions attached to receiving the monthly membership support.
- e) Disbursement of the annual lump sum membership support is contingent upon compliance with the Rules of Order.

Section 6) - Assets

In the event that a Lodge decides to dispose of any assets such as real estate, or investments which are legally property of the Lodge, and comprise more than 50 per cent of the Lodge's total assets, then a Resolution recommending such disposal must be submitted to a vote of the membership at a regular meeting or special meeting convened for that purpose.

- a) Written notice of such proposed action, shall be given to each member not less than ten (10) days prior to the date of the meeting. Such notice shall state the purpose, place, date, and hour of the meeting.

- b) At such meeting, the members may authorize the sale of such assets as have been proposed. Such authorization shall require a two-thirds (2/3) vote of the Lodge members present at said meeting.
- c) The money received by a Lodge from the sale of its legally owned assets shall revert to the Lodge treasury and no member shall receive any portion of the net proceeds from the sale of these assets.

Section 7) - Merger

- a) If a Lodge is unable to elect officers, to properly conduct its affairs, or in any other respect is unable to properly perform its duties; and the District Council is unable to rectify the situation, the Board is authorized to order a merger with any Lodge it shall designate. In such event, the Board shall direct the District Council, where applicable, having jurisdiction to proceed with the actual merger. Where there is no District Council, the Home Office shall proceed with the actual merger.
- b) Two or more Lodges may, by choice, merge into one Lodge upon compliance with the Rules of Order.

Section 8) - Disbanding

- a) If a merger is not possible, a Lodge may be disbanded on recommendation of the District Council, if applicable. If there is no District Council, the Lodge may request approval of the Board directly, or the Lodge may be disbanded by order of the Board when no Lodge request has occurred and no other resolution is possible.
- b) In the event a Lodge is disbanded by order of the Board, its Charter shall be rescinded by action of the Board. All the Lodge's affairs, papers and assets shall be handled as directed by the Home Office, including freezing of assets when appropriate.
- c) Each Lodge member shall be consulted and transferred to the most appropriate Lodge. The Lodge's assets shall be proportionately distributed to such Lodges where the members are transferred.

ARTICLE IV

District Councils

Section 1) - Organization

- a) The principal officers of each Lodge within the District Council shall automatically upon their election to office become delegates of their Lodge to the District Council. Additional delegates may be elected in the annual meeting of the Lodge as permitted or designated by the District Council's Bylaws
- b) Each District Council shall conduct its affairs and activities in accordance with the laws of the Society.

Section 2) - Establishment

- a) District Councils are established for the purpose of more effective control of all phases of fraternal and membership activity
- b) The Board shall have the right to establish new District Councils for a geographic area or to disband existing District Councils which cease to serve the stated purpose. In a geographic area where the Board has determined that no District Council would serve the stated purpose, Lodges may be established, or may continue to function without being associated with a District Council.
- c) There are now established District Councils in each of the following geographic areas:

- District 2) Metropolitan New York City and Nassau and Suffolk Counties of Long Island, New York
- District 4) Upper New York State
- District 5) State of New Jersey and Eastern portion of the State of Pennsylvania
- District 8) State of Pennsylvania (except the Eastern portion thereof)
- District 9) Southeastern portion of the State of Ohio
- District 10) Northern portion of the State of Ohio
- District 11) State of Michigan
- District 12) Northern portion of the State of Illinois, State of Wisconsin and State of Indiana
- District 13) State of Missouri and Southern portion of the State of Illinois
- District 14) Northwest portion of State of Illinois and States of Iowa, Minnesota and Nebraska

Section 3) - Rights

- a) Each District Council shall have the right to adopt its own bylaws and rules. Such bylaws and rules will become effective only upon approval by the Board. In case of conflict, the Society's laws shall prevail.
- b) Each District Council shall have the power to assess Lodges in its jurisdiction to provide sufficient funds for its operations. Such assessments shall be made pro rata based on the number of benefit members in each such Lodge.

Section 4) - Duties

District Councils shall serve the following purposes and duties:

- a) To maintain cordial relations among all Lodges in the District Council;
- b) To promote and support all forms of fraternal, charitable and membership activities within its jurisdiction;
- c) To cooperate with and assist Sales Representatives of the Society to serve the members and promote membership growth;
- d) Each District Council shall conduct its affairs and activities in accordance with the laws of the Society.

Section 5) – Finances

- a) Each District Council shall receive funding from the Home Office in accordance with Bylaws Article III, Lodges, Section 5) Finances.
- b) Each District Council may raise additional funds through events which are legal, social, and within the bounds of the Society's consciousness of community, family and the Society's integrity.
- c) Each District Council shall financially support and promote civic, community, charitable, and CSA fraternal and membership activities.
- d) Proper accounting of funds shall be made annually by each District Council to the Home Office, and no subsequent year allocation shall be made until proper accounting is submitted for the previous year.

Section 6) - Disbanding

- a) A District Council may be disbanded by its own action or by order of the Board in accordance with the Rules of Order.
- b) In the event a District Council decides to disband or is disbanded by order of the Board, its Charter then shall be rescinded by action of the Board. All the District Council's affairs, papers and assets shall be handled in accordance with the Rules of Order.

ARTICLE V

Regions and Regional Directors

Section 1) - Regions

- a) CSA Fraternal Life shall be comprised of eight (8) Regions as follows:
 - A. Upper New York, Metropolitan New York & Connecticut - (1 Regional Director)
 - B. Florida, Maryland, New Jersey, Eastern Pennsylvania, Virginia & District of Columbia - (1 Regional Director)
 - C. Pennsylvania (except Eastern Pennsylvania) & Southeastern Ohio - (1 Regional Director)
 - D. Michigan & Northern Ohio - (1 Regional Director)
 - E. Northern Illinois, Wisconsin & Indiana - (2 Regional Directors)
 - F. Missouri & Southern Illinois - (1 Regional Director)
 - G. Northwest portion of the State of Illinois, Iowa, Minnesota & Nebraska - (1 Regional Director)
 - H. California, Colorado, Kansas & Texas - (1 Regional Director)
- b) Each of the Regions (A through H) shall be served by (an) elected Regional Director(s) as indicated in item a) above

Section 2 - Regional Directors

- a) Election

Regional Directors and their Alternates shall be selected in a Delegate caucus meeting for each of the Regions specified in Section 1 - Regions of this article established in Article V of the Bylaws. A single candidate (for each entitlement) of the Delegates' choice for Regional Director(s) and Alternate(s) will be placed in nomination at the Convention for election by the Convention delegation.
- b) Term of Office
 - 1) The term of each Regional Director shall commence immediately following the Quadrennial Convention at which he was elected and shall continue for a period of four (4) years or until his successor shall have qualified and assumed office.
 - 2) In the event that any Regional Director vacancy shall occur during the term, his Alternate shall be the successor.
 - 3) In the event of a Regional Director vacancy where there is no Alternate, or if the Region is unable to nominate a Director, the Board of Directors may, in cooperation with the Region, fill the vacancy.
- c) Qualification

A Regional Director:

 - 1) Shall be an Adult benefit Member in good standing at the time of the Quadrennial Convention and shall be eligible providing:
 - i) He does not receive a salary, commissions or fees from the Society for services rendered, or unless such a member terminated his contract or agreement upon election and prior to assuming office.
 - ii) He is not an active director or national officer of, or engaged in sales for any other Fraternal Benefit Society.
 - iii) Meets such other qualifications as may be prescribed by the Convention.

- 2) In order to better serve the Society, the Regional Directors are required to complete and pass Life Office Management Association (LOMA) course 280 or its LOMA equivalent, and upon passing, they shall be reimbursed tuition fees. Directors not passing this course shall be deemed ineligible for ***election or election as an Alternate Director***, until this course is completed and passed. This requirement does not apply to Alternate Directors until they begin a full term ***as Director or to Directors whose service ended before passing LOMA Course 280, or its LOMA equivalent, was required***.

d) Responsibility

A Regional Director:

- 1) Shall attend all Regular and Special meetings of the Board of Directors, unless previously excused for a valid reason.
- 2) Shall, in addition to being mindful of the best interest of the Society as a whole, maintain contact and disseminate appropriate information regarding Society activity to their respective District Council(s), Alternate Regional Director, Lodges, Convention Delegates and Convention Committee Members.

e) Rights

A Regional Director:

- 1) Shall receive a salary as designated by the Convention, and shall be compensated for expenses incurred in the performance of their duties.
- 2) Shall be eligible to hold office in their respective District Council.

f) Duties

A Regional Director:

- 1) Shall, at each meeting of the Board of Directors, submit a complete report of the general conditions existing among the Lodges and District Council(s) of their Region and report any situations that may require action by the Board.
- 2) Shall be prepared to fully participate in the agenda of each meeting of the Board of Directors.
- 3) Shall, along with their Alternate, keep each other informed of circumstances and condition of the Lodges and District Councils in their Region and offer their advice and counsel.

g) Removal from Office

A Regional Director may be removed from office upon the Board of Directors finding any of the following:

- 1) He is unable to perform the duties of his office because of incapacity or disability.
- 2) He has failed or refused to perform the duties and responsibilities of a Regional Director.
- 3) He has engaged in conduct unbecoming a Regional Director.
- 4) He has, without cause, missed two (2) consecutive regular Board meetings or failed to attend three regular Board meetings during the course of a calendar year.
- 5) He has changed residence to a location outside the Region from which he was elected or ceased to be a Society member.
- 6) He has breached a fiduciary duty owed to the Society, its members or beneficiaries;

- 7) He has materially violated the laws of the Society, any code of ethics or conflict of interest policy adopted by the Society or any other policies adopted by the Convention or Board.

The Director whose status is under consideration shall not be entitled to vote on the question.

Such action shall require a two-thirds (2/3) vote of the Board members.

A Regional Director removed from office for just cause as determined by the Board of Directors shall not be eligible to again run for the position of Regional Director, or an Executive Office without first obtaining approval from the Board of Directors.

This approval may be granted after following this procedure:

- a) Submit a petition for a hearing at a regular scheduled Board of Directors meeting.
- b) Following the hearing, obtaining approval of eligibility by a 2/3 vote from the Board of Directors.
- c) This eligibility must be re-gained sufficiently prior to an election to allow for official declaration of candidacy.

ARTICLE VI

Executive Officers

Section 1) - Election

- a) The President of the Society shall be elected at the Quadrennial Convention by the Convention Delegates.
- b) The *Secretary and Treasurer* shall be elected by the Board of Directors at the scheduled October/*November* Board meeting following the Quadrennial Convention.

Section 2) - Term of Office

- a) The term of office for the President shall commence immediately following the Quadrennial Convention. His term shall continue for a period of four (4) years or until his successor has assumed office.
- b) The term of office for the *Secretary and the Treasurer* shall commence immediately following their election by the Board of Directors at the October/*November* Board meeting following the Quadrennial Convention.
- c) In the event that any vacancy shall occur during the term of any of the Executive Officers, the Board of Directors shall select a successor for the remainder of the term.

Section 3) – Qualification

An Executive Officer must meet the following conditions and qualifications:

- a) He shall be an Adult Benefit Member in good standing prior to election and once elected:
 - 1) He shall not receive commissions or fees from the Society for services rendered.
 - 2) He shall not be an active director or national officer of any other fraternal benefit society.
 - 3) He shall not engage in the business of selling, buying or trading bonds, stocks, or other forms of investments.
 - 4) He shall not engage in dealing in or competing for services offered by the Society or any subsidiary thereof.
- b) He shall have experience in and knowledge of the insurance industry.

- c) In order to better serve the Society and remain in office, Executive Officers are required to complete and pass Life office Management Association, (LOMA) courses 280 and 290, or LOMA equivalent, within two (2) years of taking office.
- d) He shall meet such other ongoing experience, training or orientation requirements defined by the Board or Convention.

Section 4 - Responsibility

- a) The Executive Officers shall be the administrative body of the Society and be responsible for the following:
 - 1) Efficient management of day to day operations of the Society, timely disposition of all business and Membership matters at the Home Office, and supervision and control of Home Office personnel;
 - 2) Development of an annual budget for their respective areas of responsibility;
 - 3) Development of a four (4) year Strategic Marketing Plan, within the first quarter of business after taking office;
 - 4) Submittal of pertinent information to the Regional Directors at least one week prior to each Board meeting;
 - 5) Submittal of pertinent information to all convention members/committee members at least one month prior to the Convention.
- b) The Executive Officers shall have accountability for Home Office functions including, but not limited to the following: Sales, Public Relations, Marketing, Human Resources, Fraternal, Education, CSA Journal, General Insurance Operations, Accounting, Information Technology, Investments, Property and the Czechoslovak Heritage Museum. The President, with the approval of the Board of Directors, will determine which Officer has which responsibilities.
- c) The three (3) Executive Officers shall be required to devote full time and attention to the performance of the designated or assigned duties, responsibilities, or assignments, and shall comply with all Society policies prohibiting or limiting outside business activity.

Section 5) - Rights

- a) The Executive Officers shall receive monetary compensation established by the Board of Directors based upon the parameters established by the Convention Finance Committee.
- b) They shall be privileged to attend meetings of the Convention, District Councils and Lodges.
- c) They shall have the right to vote in their own Lodge, District Council, Region and at the Convention.

Section 6) - Duties

The Executive Officers shall serve on a full time basis:

- a) President:
 - 1) shall have general supervision of all business operations and activities of the Society, however, he shall obtain Board approval for the following:
 - i) to add new positions and new departments at the Home Office;
 - ii) to develop new business ventures;
 - iii) to enter into new agreements outside of the budget;

- iv) to make purchases above normal operating expenses and the approved budget.
- 2) shall report to the Board of Directors;
- 3) shall have direct supervision of the other Executive Officers and shall report to the Board of Directors if any Officer or Regional Director is found to be remiss in his duties. The President, in conjunction with the Board of Directors, shall each year, establish goals and measures for the performance of the other Executive Officers and evaluate the Executive Officers at least once per year on job performance and Society financial performance and success.
- 4) may require written reports from Officers and request written reports from Regional Directors on matters within the scope of their duties and authority;
- 5) shall call the Convention to order and preside over same until Convention officers are elected;
- 6) shall designate the specific Officer responsible for the following functions:
 - i) maintaining of a complete record of the proceedings of all meetings of the Board of Directors;
 - ii) temporary Secretary of the Convention until the election of Convention officers;
 - iii) premium status of all Society members; and
 - iv) any other function deemed necessary.
- 7) shall perform such other duties as may be assigned by the Board.

b) Secretary (Chief Operating Officer)

- 1) *shall perform the duties and exercise the power of the President:*
 - i) *in the event of the latter's temporary absence or disability*
 - ii) *during a vacancy in the office of the President until a successor assumes the office*
- 2) shall obtain approval from the President for purchases above normal operating expenses;
- 3) *shall supervise the general administrative aspects of the Society's operations;*
- 4) *shall be responsible for the maintenance of proper records of the Society;*
- 5) shall perform any specific duties and supervise such departments as assigned by the President

c) Treasurer (Chief Financial Officer)

- 1) shall obtain approval from the President for purchases above normal operating expenses;
- 2) *shall supervise the financial aspects of the Society's operations;*
- 3) shall be responsible for investment of funds for the Society and shall prepare recommendations for investment of funds in accordance with the Insurance Code of the State of Illinois for action by the President;
- 4) shall be responsible for maintaining proper records regarding the status of investments of the Society;

- 5) shall be responsible for preparing the annual budget for the entire Society for submittal to the Board of Directors for its review and approval. The Society's budget for the year shall be in effect on the first day of the fiscal year;
- 6) shall be responsible for maintaining a budgetary accounting system as an integral part of the Society record keeping system; *and* for this purpose shall maintain necessary procedure, forms, programs, and manpower;
- 7) Shall submit a *quarterly* report on actual versus budgetary operating results to each member of the Board of Directors;
- 8) Shall perform any specific duties and supervise such departments as assigned by the President.

Section 7) - Indemnification

The Society shall completely indemnify to the full extent, now or subsequently permitted by law, any Executive Officer who was, is, or has been threatened to be made a party to any contemplated, pending, or completed action,

- a) wherever the action may be brought,
- b) whether civil, criminal, administrative, or investigative,
- c) brought because that person is or was a Executive Officer,
- d) against all expenses, attorneys' fees, judgments, costs, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the investigation, defense, handling, negotiation, and settlement of any action, suit or proceeding.

The Society shall maintain insurance on the Executive Officers against liabilities for acts of omissions in the performance of their duties as determined by the Board of Directors.

Section 8) - Removal from Office

The Board of Directors shall have the right to remove an Executive Officer from his office:

- a) if he is under suspension from his Lodge or was expelled from his Lodge in accordance with the Bylaws of the Society;
- or
- b) by reason of his improper conduct, neglect of duty, failure to attend meetings, or lack of cooperation.
- c) such action shall require a two-thirds (2/3) vote of the Board members present

An Executive Officer removed from office for just cause as determined by the Board of Directors shall not be eligible to run again for Executive Office or Regional Director without first obtaining approval from the Board of Directors.

This approval may be granted after the following procedure:

- d) Submit a petition for a hearing at a regular scheduled meeting of the Board of Directors.
- e) Following the hearing, obtain approval of eligibility by a two-thirds (2/3) vote of the Board members present.
- f) This eligibility must be re-gained sufficiently prior to the election to allow for official declaration of candidacy.

ARTICLE VII

Board of Directors

Section 1) - Organization

The Board of Directors shall consist of Ten (10) members made up as follows:

- a) The nine (9) Regional Directors and the President of the Society with the Executive Officers (*Secretary and Treasurer*) as non-voting members of the Board.
- b) A chairperson shall be elected at the first meeting of the Board of Directors.

Section 2) – Responsibility

The Chairman of the Board shall present a report to the Convention, outlining how the following directives were met by the Board of Directors during the term of office since the previous Convention.

The Board of Directors:

- a) Shall be the highest authority of the Society in the interim between sessions of the Convention;
- b) Shall enforce and construe the Society Bylaws and Rules of Order.
- c) Shall take care that business and the affairs of the Society are faithfully and properly managed.
- d) Shall address improper actions of Officers, Directors, District Councils, Lodges and Society Members and shall determine appropriate measures for correction.
 - i) To this end it shall have broad powers of inquiry, superintendence, direction, and disciplinary action up to and including termination of Executive Officers and Directors.
 - ii) In order for the Board of Directors to prescribe termination of Executive Officers or Directors it must show cause, create documentation of the entire process, invite the Officer or Director to attend the termination meeting and, have a minimum two-thirds (2/3) vote of the Board members present. Anyone accused of wrong doing shall have the opportunity to present defense of his actions to the Board prior to any vote.
- e) Shall determine the general financial and investment policy, programs and planning of the Society.
- f) Shall establish reasonable compensation for the Executive Officers based upon the parameters established by the Convention Finance Committee and approved by the Convention.
- g) Shall, in the event that a vacancy occurs during the term of any of the Executive Officers, elect a successor.
- h) Shall, each year, establish goals and measures for the performance of the President in cooperation with the President and evaluate the President at least once per year on job performance and Society financial performance and success.
- i) Shall evaluate the other Executive Officers in cooperation with the President at least once per year on job performance and Society financial performance and success.
- j) Shall seek, evaluate, provide and recommend qualified candidates for the office of President and ensure that at least one (1) candidate is available on the ballot for the Quadrennial Convention.
- k) Shall in the event of a Regional Director vacancy where there is no alternate for replacement, or if the Region is unable to nominate a Director, the Board of Directors may, in co-operation with the Region, fill the vacancy.

Section 3 - Rights

The Board of Directors:

- a) Shall be authorized to make changes in Regions as shall be deemed necessary from time to time.
- b) Shall have the right to establish or disband District Councils and Lodges
- c) Shall have the right to amend the Society Rules of Order in the interim between Conventions.
- d) Shall have the right to organize itself into committees as may be necessary.
- e) Shall have the right to call a special meeting of the Board by the Chairperson or any other three (3) Board members.

Section 4 - Duties

The Board of Directors:

- a) Shall meet quarterly for the purpose of reviewing the progress of the Society and to adopt policies or programs as circumstances shall warrant.
- b) Shall assure that the account books and the records of the Society are examined and audited annually by a Certified Public Accountant.
- c) Shall publish in the CSA Journal an abstract of each Board meeting.
- d) Shall, through the chairman, provide that an agenda and all pertinent information for a Board of Directors meeting is available at least one (1) week prior to the meeting for all Board members.

Section 5 - Indemnification

The Society shall completely indemnify to the full extent, now or subsequently permitted by law, any Director who was, is, or has been threatened to be made a party to any contemplated, pending, or completed action,

- a) wherever the action may be brought,
- b) whether civil, criminal, administrative, or investigative,
- c) brought because that person is or was a Director,
- d) against all expenses, attorneys' fees, judgments, costs, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the investigation, defense, handling, negotiation, and settlement of any action, suit or proceeding.

The Society shall maintain insurance on the Directors against liabilities for acts of omissions in the performance of their duties as determined by the Board of Directors.

Section 6 – Quorum and Voting

A majority of the Board shall constitute a quorum, but a smaller number may adjourn a meeting of the Board for lack of a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by the Constitution, Bylaws or applicable law.

ARTICLE VIII

Convention

Section 1) - Organization

The Convention is the highest legislative body of the Society and shall be convened once every four (4) years.

a) Delegates

The Convention shall be composed of the Executive Officers, Regional Directors, and Convention Delegates.

- 1) Executive Officers and Regional Directors shall automatically be Convention Delegates. Delegate entitlement of the Lodge of such automatic Delegate shall not be affected by this provision.
- 2) Convention Delegates and Alternates are elected at the annual meeting of each Lodge in the month of November preceding the Convention year. Such Delegates and Alternates are elected in accordance with the Rules of Order. Delegate entitlement of a Lodge is based on the benefit membership formula as follows:
 - a. 25 to **250** Adult Benefit Members, inclusive, shall elect **two (2) Delegates**.
 - b. **251** and over Adult Benefit Members, **inclusive**, shall elect **three (3) Delegates**.
 - c. Lodges having less than twenty-five (25) Adult Benefit Members, shall not be entitled to elect their own delegate to the Convention, but may be entitled to representation as provided in the Rules of Order.
- 3) Adult Benefit Member count shall be established by Home Office as of October 1 preceding the election.
- 4) Only those who have been members of the Society for not less than one (1) year are eligible to be elected as Convention Delegates.
- 5) Each Delegate and Alternate shall hold office from the date of election until the Lodge annual meeting immediately preceding a Convention, when Convention Delegates are elected. However, Delegates to the prior Convention serving on a quadrennial committee whose work is not yet complete may continue to serve on that committee until that Convention committee is reconstituted for the next Convention.

Elected Alternates shall have no official status unless the Delegate is unable to serve; the Alternate shall assume all duties of a Delegate whenever that Delegate is unable to attend the Convention. Once seated, he then becomes the permanent Delegate.
- 6) Each Delegate shall have one vote. No Delegate may vote by proxy.

b) Elected Convention Committees

For the Convention, the following elected Convention Committees will be formed prior to the Convention by election from among the Delegates in each of the Society's established District Councils, or Regions, as applicable, in accordance with the Rules of Order:

- 1) Constitution, Bylaws and Rules of Order (quadrennial)
- 2) Finance (quadrennial)
- 3) Resolutions
- 4) Credentials
- 5) Rules, Order and Agenda

One (1) Committee Member and one (1) Alternate Committee Member from among the Convention Delegates of a District Council or Region, as applicable, shall be elected to each of these Convention Committees. A District Council with more than 5,000 members shall elect two (2) Committee Members and two (2) Alternate Committee Members, from among its Convention Delegates, to the Constitution Bylaws and Rules of Order Committee, and to the Finance Committee.

Executive Officers and Regional Directors shall not serve on any of the Elected Committees.

c) Appointed Convention Committees

The following Appointed Convention Committees shall be designated by the Convention Chairman from lists submitted by the convention delegations. Each Region will be entitled to only one (1) representative on each of these committees:

- 1) Grievance: To promptly hear and resolve grievances that might arise during the Convention. If no resolution is reached, then the complainant may proceed to the Dispute Resolution Procedures of the Society.
- 2) Gifts & Donations: To review and designate the beneficiaries of Convention grants, not to exceed an amount approved by the Convention on recommendation of the Finance Committee.
- 3) Such other committees as deemed necessary

Section 2) - Establishment

The Convention shall be called to order by the President of the Society or in his absence or inability to act, by the *Secretary* of the Society. Further succession shall be governed by Robert's Rules of Order. Immediately after the call to order, the Convention shall:

- a) receive and approve the Credentials Committee report;
- b) receive and approve the Rules, Order and Agenda Committee report;
- c) elect Convention officers;
- d) establish Appointed Convention Committees.

Section 3) - Rights

The Convention:

- a) shall receive and act on the Executive Officers' reports;
- b) Shall elect the President of the Society;
- c) Shall set salary ranges of all Executive Officers based on the Finance Committee's recommendations which shall include an analysis of market and industry standards and compensation ranges of similarly situated organizations;
- d) Shall elect Regional Directors in accordance with the procedures in the Rules of Order and determine reasonable Directors' fees based on the Finance Committee's recommendations which shall include an analysis of market and industry standards and directors' fees of similarly situated organizations;
- e) may change, amend, and revise the Constitution, Bylaws and the Rules of Order of the Society as reviewed, prepared, and presented by the Constitution, Bylaws and Rules of Order Committee;
- f) Shall designate the time of the next Regular Convention;
- g) May take any action consistent with the purposes or the best interests of the Society and not in conflict with any applicable laws or regulations.

Section 4) - Election

- a) The President shall be elected by the Convention Delegates, by secret ballot, according to the Rules established in advance of the election by the Rules, Order, and Agenda Committee. The names of all eligible candidates for President shall be placed on a single ballot.
- b) Regional Directors and their Alternates shall be selected in a Delegate caucus meeting for each of the Regions established in Article V of the Bylaws. A single candidate (for each entitlement) of the Delegates' choice for Regional Director(s) and Alternate(s) will be placed in nomination at the Convention for election by the Convention delegation.

Section 5) - Special Sessions

A Special Session of the Convention may be called by a two-thirds (2/3) majority vote of the Board of Directors when the Board of Directors deems it advisable or necessary to resolve any situation which only a Convention could resolve.

The National Board of Directors is authorized and empowered to issue such directives as to the convening of the Special Session as it deems appropriate. Mail balloting is a permissible form of the Special Session.

- a) Delegates, or their Alternates, from the preceding Regular Convention shall be the Delegates for any called Special Session.
- b) Agenda and deliberations will be confined to the specific purposes for which the Special Session was called and the Rules of Order of the preceding Regular Convention shall prevail.

Section 6 - Quorum and Voting

A majority of the Delegates entitled to attend any Regular Convention or Special Session when assembled, shall constitute a quorum for the transaction of all business, but a smaller number may adjourn the Convention or Special Session for lack of a quorum. The act of a majority of the Delegates present at a Convention or Special Session at which a quorum is present shall be the act of the Convention, unless the act of a greater number is required by the Constitution, Bylaws or applicable law.

ARTICLE IX

Official Publication

Section 1) - Name

The Society shall issue an official publication known as *The CSA Journal*. Any notice or report required by law to be given to the members may be given through this official publication

Section 2) - Publishing

- a) The make-up of *The CSA Journal* shall be under the direction of the Journal Editor.
- b) The Journal Editor shall adhere to format and policies established by the Board of Directors.
- c) *The CSA Journal* shall be issued on a regular basis.
- d) One copy shall be mailed to each membership household.

ARTICLE X

Funds of the Society

Section 1) - Society Funds

Pursuant to provisions of the statutes governing fraternal benefit societies in the States in which the Society is authorized to transact its business, the Society shall maintain the following funds:

Life Insurance Fund
Health and Accident Fund
Special Mortuary Fund
Annuity Fund

Section 2) - The Life Insurance Fund

This Fund shall have credited to it the following:

- a) all premiums paid by members for life, endowment, and term certificates and supplementary benefits;
- b) all interest income received on invested assets of the Society;
- c) all other income of the Society not specifically allocable to any other of the designated funds and from this Fund shall be paid the following:
 - 1) all certificate and contract claims and benefits;
 - 2) all net interest allocations to other funds as provided hereunder;
 - 3) all refunds to members on life certificates in accordance with equitable apportionment annually by the Board of Directors;
 - 4) all other membership benefits;
 - 5) all expenses incurred in the operations of the Society and in the conduct of its authorized activities.

Section 3) - The Health and Accident Fund

This Fund shall have credited to it:

- a) all premiums paid by members for supplementary contracts providing Accident and Sickness, Hospital and Surgical, and Specified Disease benefits, and
- b) net interest allocable on the ledger balances of this Fund and from this Fund shall be paid the following:
 - 1) all lawful claims against the Society under the forms of benefit certificates designated above.
 - 2) any refunds to members which may be made from this Fund;
 - 3) all expenses allocable to this Fund;

In this Fund shall be maintained all reserves required on all forms of benefit certificates designated above.

Section 4) - The Special Mortuary Fund

This Fund shall have deposited therein:

- a) the proceeds of certificates of deceased members designated for payment to beneficiaries who are minors;
- b) the proceeds of certificates of deceased members designated for payment to beneficiaries who are incompetent without a trustee or whose whereabouts are unknown and not in conflict with state escheat laws;
- c) the proceeds of matured certificates or of certificates of deceased members for which no qualified payee can be readily located and not in conflict with state escheat laws;

- d) the proceeds of certificates being applied in accordance with settlement options designated by the insured member or his beneficiary; and to this Fund shall be credited interest annually at a rate specified from time to time by the Board of Directors.

From this Fund shall be paid the amounts of principal and interest accrued thereon to the qualified payees entitled to receive same.

Section 5) - The Annuity Fund

This Fund shall have credited to it the following:

- a) all premiums paid into the Annuity Fund;
- b) all interest income received on Annuity assets and from this Fund shall be paid the following:
 - 1) all annuity contract claims and benefits;
 - 2) all allocable expenses incurred in the operation of the Annuity Fund.

ARTICLE XI

Insurance Provisions

Section 1) - Premiums

Premium rates on all certificates and riders shall be established or levied by the Society as recommended by its actuary at the time of issue.

Section 2) - Reserves and Values

Reserves on all certificates issued by the Society and non-forfeiture, cash and loan values shall be computed in accordance with the mortality table, rate of interest and valuation method prescribed in each certificate, provided that such higher reserves may be maintained as are recommended by the Society's Actuary.

Section 3) - Impairment

If the reserves as to all or any class of certificates issued by the Society become impaired, the Board shall require that there be paid by the certificate owner, the amount of his equitable proportion of such deficiency. If payment shall not be made, the amount shall be charged as indebtedness against his certificate together with interest not to exceed the rate specified for certificate loan under the certificate, compounded annually. In lieu of payment or in combination thereof, the certificate owner may accept a proportionate reduction in benefits under the certificate.

Section 4) - Beneficiaries

- a) The beneficiary or beneficiaries designated to receive the certificate benefits shall be a person, persons, entity, or interests qualified to be named beneficiaries under the provisions of the statutes pertaining to fraternal benefit societies of the state in which the member resides.
- b) A certificate owner shall have the right at all times to change the beneficiary or writing that the beneficiary designation be irrevocable.
- c) If the certificate owner fails to designate a lawful beneficiary or the designated beneficiary predeceased the certificate holder, the certificate benefits shall be paid out in accordance with the Rules of Order.

Section 5) - Claims

Settlement of all claims against the Society under its benefit certificates shall be governed by the provisions appearing in such certificates in such manner as provided for in the Rules of Order.

Section 6) - Open Contract

The certificate of membership and insurance or annuity, together with any riders or endorsements attached to it, and the application, the declaration of insurability (if any) signed by the applicant, the Constitution and Bylaws of the Society and all amendments to them, constitute the entire contract when it is issued. Any subsequent changes, additions or amendments to the Constitution or Bylaws shall be binding upon the applicant member, certificate owner, beneficiaries and other persons affected, and shall govern and control in all respects, except that no changes shall destroy or diminish benefits promised in the certificate when it was issued.

ARTICLE XII

Amendments to Bylaws

Section 1- Procedure

The Bylaws of the Society may only be amended at a Regular Convention or at a Special Session called for that purpose:

- a) An affirmative vote by a simple majority of the Convention Delegates present and voting is necessary for the adoption of any amendment to the Bylaws.
- b) Amendments to the Bylaws may be proposed by any Member, Lodge, District Council, or the Board of Directors and shall be submitted in writing to the *Secretary* no less than ninety (90) days prior to the Convention. All proposed amendments that are submitted must refer to the page number, Article, Section, and Item being amended or added.
- c) The *Secretary* shall promptly submit such proposals to each member of the newly elected Pre-Convention Constitution, Bylaws and Rules of Order Committee which shall review such proposed amendments and provide Recommendations to the Convention
- d) If this format is not adhered to, the Constitution, Bylaws and Rules of Order Committee may decline to act upon the proposal
- e) *The Constitution, Bylaws and Rules of Order Committee shall give a written explanation of why proposals meeting the above requirements were not accepted.*

Section 2) - Compliance

If any Bylaws approved by the Convention are deemed not to be in compliance with applicable law or in conflict with another portion of the document or the Constitution, the Constitution, Bylaws and Rules of Order Committee shall review the specific Sections or Articles and the problem identified, and shall edit and arrange in a manner which does not alter the intent and content. This work shall then be forwarded to the Board of Directors for their approval.