

Constitution



American Armed Forces Mutual Aid Association

ARTICLE I.

Name; Location of Office(s); Domicile; and Registered Agent(s).

SECTION 1. This Association shall be known as the "American Armed Forces Mutual Aid Association," domiciled in the Commonwealth of Virginia and its principal office shall be at such place in the Commonwealth of Virginia or such other domicile, location and name as the Board of Directors may select in the best interests of the membership. The Board of Directors may adopt, change and discontinue the use of one or more trade or fictitious names under which all or parts of the Association may operate in any or all states, districts or possessions of the United States of America. The Association may also have offices at such other places, both within and without the Commonwealth of Virginia, as the Board of Directors may from time-to-time decide or as the business of the Association may require. In case of any change in location of its principal office, domicile, or name, notice of such new location or amendment to this Constitution to change the name or domicile shall be communicated to members via any means deemed appropriate by the Board of Directors. To the extent required by the laws of any jurisdiction in which the Association maintains an office, the Association shall maintain an agent or attorney for the service of process and/or a registered office.

Object.

SECTION 2. The Association shall operate solely for the mutual benefit of its members, their families and beneficiaries, and not for profit. It shall aid its members and the families of deceased members, thereby enhancing the desire of and encouraging its members to remain in the service of the United States Armed Forces, proudly wearing the uniforms thereof and conforming to their prescribed ceremonies.

ARTICLE II.

Board of Directors.

SECTION 1. The affairs of the Association shall be managed by a Board of eleven or more directors who shall be elected from and by the members of the Association at the Annual Meeting of the members in such order and number that one-fourth of all, as nearly as practicable, shall be elected annually for terms not exceeding four years. The number of elected terms any director shall serve on the Board is limited to three consecutive terms unless waived by the members, except for the President who will serve during the period of such officer's incumbency.

Four directors shall constitute a quorum for business so long as three or more directors in such quorum are not officers or employees of the Association. At every meeting of the Board of Directors, if more than one director being counted in the quorum is an officer or employee of the Association, then the required number of directors for a quorum to conduct business shall be increased above four until there are more outside directors than officer or employee directors voting in such quorum at such meeting.

Officers of the Association.

SECTION 2. The officers of the Association shall be a President, a Secretary, a Treasurer, and such additional officers as the Board deems necessary to carry out the mission of the Association. A member may hold more than one office simultaneously. These

officers will be elected from the Association at large by the Board of Directors to serve at the pleasure of the Board. Each officer's term of service in a specific office shall not exceed five years unless the Board of Directors grants one or more extensions to such officer's term of office.

In the extended absence of the President, an officer selected by the President or the Chair shall perform the necessary duties of the President and, when doing so, shall have the powers and shall be subject to the same limitations as the President.

From among the members of the Association, the Board of Directors may elect an acting officer or officers to serve for and instead of the regular officers when necessary.

Vacancies Among the Board of Directors or Officers.

SECTION 3. In the event of the death, resignation or removal of any officer of the Association, or of any member of the Board of Directors, the vacancy may be filled by a majority vote of the Board. Any member of the Board so elected shall serve until the next Annual Meeting of the members of the Association. When any member of the Board of Directors has unexcused absences from all meetings of the Board during a period of three consecutive meetings or four unexcused absences in any year, such director may be deemed to have resigned and such office may be declared vacant by the Board, in which case the Board will act to fill this vacancy as provided herein for other vacancies.

Duties and Powers of Board of Directors and Committees.

SECTION 4. The Board of Directors shall attend generally to the government and financial affairs of the Association; including but not limited to the definition of membership, determination of eligibility for membership, benefits, types and plans of insurance, life insurance premiums, dues and reserves; shall have absolute power to accept or reject or otherwise pass upon all applications for membership and/or insurance, which power may be delegated to the officers and/or staff of the Association; shall authorize the procurement of necessary, reasonable or appropriate services and goods and shall be authorized to make and perform contracts and leases and to expend funds. The Board of Directors may establish one or more non-profit or for-profit, subsidiary or affiliated corporations, partnerships, limited liability companies, trusts or other entities of the Association for any purpose. The Board of Directors shall have full charge and authority respecting all matters not herein specially provided for, including but not limited to the authority to adopt, modify or amend in whole or in part any or all of the provisions of any new or existing retirement plans or programs for the employees of the Association. The Board of Directors shall meet upon the call of the Chair not less than two times a year and at other times upon the Chair's call, and a record of its proceedings, authenticated by the signature of the President and the Secretary, shall be kept. The Board of Directors may delegate any authority, duties and/or powers for any matter to its committees and/or to the President or other officers, including an Executive Committee of not less than four directors who may have full power and authority of the Board of Directors and act on its behalf. Such delegation may be evidenced and effectuated by a charter or resolution approved by the Board of Directors. Voting membership on such committees shall be limited to directors and officers of the Association with the officers always constituting a minority of the quorum. Such committees shall meet at the call of their chair and may delegate

to an officer the power and authority to take actions to facilitate the operations and/or financial affairs of the Association. A record of each committee's proceedings shall be kept and reported at the next regular Board meeting.

The Board of Directors may also create honorary/counselor/ambassadorial/advisory committees and/or boards of honorary directors/governors to recognize certain members and/or seek the advice of certain members. No such member shall have any management control of the Association or liability to the Association or its members for serving on such honorary committees or boards. The private property of the directors, officers, committee members and members of the Association shall not be subject to the payment of the debts of the Association to any extent whatsoever.

A director of the Association shall discharge such director's duties as a director, including any duties as a member of a committee, in accordance with such director's good faith judgment of the best interests of the Association and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. The standards of conduct for a director shall be the same as those standards applicable to directors of non-stock, non-profit corporations domiciled in the Commonwealth of Virginia as such standards may be changed by the application of the "business judgment" rule. A director shall not be liable for any action taken as a director of the Association or as a member of a committee, or any failure to take any action in either capacity, if such director performed the duties of such office in compliance with the foregoing standards of conduct.

The Board of Directors shall provide indemnification to the directors, officers and employees of the Association under the same or better terms and conditions as are required for directors, officers and employees of non-stock, non-profit corporations domiciled in the Commonwealth of Virginia. The Board of Directors may also purchase insurance to cover such risks as the Board deems appropriate, including without limitation errors and omissions insurance for directors, officers, employees, trustees and custodians of the Association.

The Board of Directors may at any time take measures to procure the incorporation of the Association or reformation to a different kind of entity or petition Congress for such legislation as will in its judgment be beneficial to the Association.

Duties of the Chair and Vice-Chair.

SECTION 5. A Chair of the Board and a Vice-Chair of the Board shall be elected by the members of the Board. The Chair shall preside over the meetings of the Association and of the Board of Directors, and shall perform all duties pertaining to the office. In the absence or disability of the Chair, the Vice-Chair shall preside and perform the duties of the Chair. If neither the Chair nor Vice-Chair is available, the director present who has served longest on the Board of Directors, except the President, shall act as Chair.

Duties of the President.

SECTION 6. Under the direction of the Board of Directors, the President shall have charge of the office of the Association and be the principal executive officer of the Association controlling all the business, affairs and property of the Association. The President shall supervise and direct the work of all officers and all employees of the Association.

Duties of the Secretary.

SECTION 7. The Secretary shall have charge of the records and books, conduct routine correspondence and attest Certificates of Membership and/or Insurance. The Secretary shall submit such reports as the Board of Directors or the President may require.

Duties of the Treasurer.

SECTION 8. The Treasurer shall receive and account for the funds and investments of the Association, shall have charge of the accounts and investments and shall mail notices of all payments due the Association. At each Annual Meeting of the members the Treasurer shall submit a report of business showing the receipts, disbursements, and the financial condition of the Association, and the Treasurer shall make such other reports as the Board of Directors or the President may direct.

ARTICLE III.

Eligibility for Membership.

SECTION 1. Membership shall be limited to: (i) all active duty, guard, reserve or retired or honorably discharged members of the United States Armed Forces; (ii) attendees at Armed Forces service academies; (iii) Reserve Officers' Training Corps (ROTC) cadets under contract; or (iv) as further restricted by the Board of Directors from time-to-time for any or all states, districts or possessions. Membership eligibility requirements may vary among jurisdictions.

Eligible persons shall be admitted to membership with or without the purchase of life insurance provided that all of the appropriate information is submitted with the application, that the applicant is within the age limits prescribed by the Board of Directors, has satisfactory proof of sound health and other evidence of insurability for any insurance benefit(s) applied for and that the applicable membership dues, fees and/or life insurance premiums are paid. The Board of Directors may delegate to a committee who may delegate to an officer authority to accept or reject an applicant from the date application is received.

Leaving the Armed Forces.

SECTION 2. The status of a member of the Association shall not be affected by such member leaving the Armed Forces, so long as such member conforms to the requirements of the Constitution and the Certificate(s) of Insurance or Certificate of Membership owned by the member.

Resignations.

SECTION 3. Non-delinquent members may quit the Association at any time upon tender of their resignation in writing. A member who resigns thereby renounces all claims upon the Association, except for any Certificate(s) of Insurance owned by the former member on the member's or other insured lives that continue in force.

Readmission to Membership.

SECTION 4. Any person who has ceased to be a member of the Association and has tendered payment in full of all charges in default, if any, with interest at a rate per annum as declared by the Board of Directors, may be readmitted to membership provided that such person tenders such payment within a time period as specified by the Board of Directors and fully complies with the criteria for readmission established by the Board of Directors.

ARTICLE IV.

Benefits.

SECTION 1. The Association shall provide life insurance and other benefits of membership. A member, member's spouse, deceased member's surviving spouse, trust for the benefit of a member and/or member's spouse and/or family members, and/or such other family members/entities/persons determined by the Board of Directors may purchase types, plans and amounts of life insurance for the member and/or those family members as

then authorized by the Board of Directors. Membership dues, fees and life insurance premiums shall be based on the cost of the life insurance and services provided by the Association, as determined by the Board of Directors. The Board of Directors shall have absolute authority to expand or limit those persons or entities eligible to purchase life insurance and/or services based on an exemption from any income taxation and/or the application of any insurance regulation that affects the Association.

Eligibility, Types, Plans and Amounts of Insurance.

SECTION 2. The Board of Directors shall determine which family members of the member are eligible for life insurance coverage and/or other benefits. The types, plans and amounts of life insurance available to members and eligible family members shall be determined by the Board of Directors.

Determination and Payment of Membership Dues, Fees and/or Life Insurance Premiums.

SECTION 3. Membership dues for services or other benefits and/or life insurance premiums for each type, plan and amount of life insurance issued shall be in accordance with the schedules approved by the Board of Directors from time-to-time and shall be considered the applicable dues, fees or premiums. Membership dues, fees and/or life insurance premiums may be paid periodically or one time in such manner and with such invoicing as the Board of Directors shall determine from time-to-time.

Certificate of Membership and Certificate of Insurance.

SECTION 4. When an applicant is accepted for membership such applicant shall be issued a Certificate of Membership showing the benefits of membership. When an applicant, member or eligible family member, is approved for life insurance benefits, such person shall be issued a Certificate of Insurance showing the plan, type and amount of life insurance.

Types and Plans of Insurance in Effect Before 1997.

SECTION 5. For all Certificates of Insurance under types or plans of insurance available to members on or before 31 December 1996, including those Certificates of Insurance issued in 1997 under such types or plans of insurance, the rights, obligations and benefits of such Certificates of Insurance shall be determined in accordance with the Constitution of the Association as amended and in effect on 31 December 1996.

Types and Plans of Insurance In Effect After 1996.

SECTION 6. For all Certificates of Insurance issued under types or plans of insurance available to members or eligible family members after 31 December 1996, the rights, obligations and benefits of such Certificates of Insurance shall be determined in accordance with the terms and provisions stated in such Certificate of Insurance.

Lapses.

SECTION 7. A member whose separate membership dues are in arrears for thirty (30) days shall be notified via any means deemed appropriate by the Board of Directors sent to such member's last known address or contact. If such member shall remain in arrears for a period as specified by the Board of Directors, such member's membership shall be terminated.

A member who is also an owner of a Certificate of Insurance whose combined membership dues and life insurance premiums are in arrears shall be notified after such period of arrearage and in the manner specified in the Certificate of Insurance. If such member shall remain in arrears for the time period specified in the Certificate of Insurance, such member's membership and

Certificate of Insurance shall be terminated, except as provided by the Automatic Loan Provision for Premiums contained in such Certificate of Insurance, if any. The lapse of a Certificate of Insurance owned by a non-member and the lapse of any membership dependent on the continuation of such Certificate of Insurance shall be determined and controlled by such Certificate of Insurance.

ARTICLE V.

Annual Closing of Books.

SECTION 1. The fiscal year of the Association shall extend from 1 January to 31 December of each year, and the books of the Association shall be closed annually on 31 December.

Investments.

SECTION 2. The funds of the Association shall be applicable only to the payment of benefits and business expenses. The Association generally shall invest in the manner authorized for life insurance companies nationwide by the National Association of Insurance Commissioners (NAIC) in its Investments of Insurers Model Act. Authority to determine and effectuate investments pursuant to written guidelines may be delegated to an officer of the Association by the Board of Directors. Investment transactions shall be reviewed and approved by the Board of Directors and, if reviewed and approved by its committee, the aggregate investment transactions shall be reported to the Board at its next regular meeting.

Disbursements.

SECTION 3. All disbursements other than petty cash shall be effectuated by such means and authorized in such manner as the Board of Directors shall determine.

Securities and Other Investments.

SECTION 4. The Board of Directors may appoint as custodian and/or trustee a bank or trust company which is a member of the Federal Reserve System to hold for safekeeping the securities owned by the Association, but the control of the securities shall not pass from the Board of Directors, and a duly authenticated summary of the securities as of 31 December of each year shall be presented by the Treasurer at the succeeding Annual Meeting of the members. All securities and other investments shall be held in a manner required for unincorporated associations. The operation and control of the investment accounts shall be determined by the Board of Directors.

Accounting and Auditing.

SECTION 5. In determining the assets and liabilities of the Association, the Association shall use Generally Accepted Accounting Principles or Statutory Accounting for Insurance Companies, whichever is more appropriate for the Association. The accounting method shall determine how assets, liabilities, income, expenses, gains, losses and other financial factors and transactions shall be treated and presented. The accounts of the Association shall be audited at the end of each year by a Certified Public Accountant. A report of such audit shall be presented at each Annual Meeting of the members and a copy thereof shall be printed in the Annual Report.

Reporting Value of Assets.

SECTION 6. Each Annual Report shall show the assets of the Association including a summary of securities at their market value or estimated market value and also their book or amortized value in every case.

Reserves.

SECTION 7. All reserve calculations shall be based upon such mortality tables and other risks as are recommended by the Actuary, in accordance with sound insurance practice, and approved by the Board of Directors. The reserve liability computed on the above basis on account of insurance in force or interest maintenance is referred to herein as the Reserve.

In addition to the Reserve there shall be accumulated an emergency fund in such amount as the Board of Directors may determine to be necessary and which is referred to herein as the Contingency Reserve.

No moneys shall be collected from the members by the Association beyond amounts needed for the payment of benefits, for the necessary business expenses and for the accumulation of the Reserve and the Contingency Reserve.

Interest in Reserves.

SECTION 8. No member or owner of a Certificate of Insurance shall have any divisible interest in the Reserve or Contingency Reserve, except as provided in the Certificate of Insurance for cash surrender value or except as provided by any plan of insurance or membership which provides for termination dividends, as approved by the Board of Directors, and otherwise no portion of the Reserve or Contingency Reserve shall be paid to any member or owner who surrenders a Certificate of Insurance. The benefit paid in every case where the Certificate of Insurance is in full force and effect at the time of an insured's death shall be the current death benefit of the member's or owner's Certificate of Insurance.

ARTICLE VI.

Meetings and Reports.

SECTION 1. The meetings of the members, committees and/or Board of Directors of the Association shall be held at any location or in any manner or by any medium where the attendees can communicate with each other. The Annual Meeting of the members shall be held on the second Tuesday in June, at which time the Board of Directors shall submit a report of the transactions of the Association for the preceding fiscal year. Special meetings of the members shall be called upon the written request of not less than five percent (5%) of the membership or by the Board of Directors, but no special meeting shall be called on less than 30 days' nor more than 120 days' notice to the members. Any notice required by this Constitution, any By-Laws, committee charters, regulations and/or guidelines may be sent by first class mail, facsimile, electronic mail or any medium which provides an individual address for a member or owner of a Certificate of Insurance.

The proceedings of meetings of the members shall be published for the information of the Association and communicated to the members by any means deemed appropriate by the Board of Directors. The Association shall publish an Annual Report at a time and in a manner of the Board of Directors choosing which may include reports of the Board of Directors, President, Secretary, Treasurer, Auditor, Actuary or additional reports as deemed appropriate by the Board of Directors. Such Annual Report may vary over time depending upon practice, means of delivery, and applicable regulations and laws.

Books Open to Inspection.

SECTION 2. The books of the Association shall be open to the inspection of members upon reasonable prior written request to the Chair or President with access permitted during normal business hours and such inspection shall be at the expense of the requesting member.

Quorum and Voting.

SECTION 3. A quorum for any meeting of the members shall be five percent (5%) of the members then in good standing. At all meetings of the members, a committee or the Board of the Association, each individual member shall be entitled to one vote. Votes at any meeting of the members may be cast in person, by proxy, by ballot delivered to the President or the Secretary or any other member of the Association designated in writing as the proxy of an absent member, or by any means generally available to members whereby the member communicates the member's vote on any issue to be voted on in the meeting. Votes at any meeting of a committee or the Board may only be cast by a member participating in such meeting. Except for amendments to this Constitution, all decisions shall be by a majority of members present at or participating in any meeting of the members, a committee or the Board at which a quorum is present for such vote. The Board of Directors or any committee may take any action by unanimous written consent, including by electronic communications or any other means by which a director or committee member can confirm his or her consent, of all members then serving on the Board or committee in lieu of a meeting.

Amendments to Constitution.

SECTION 4. This Constitution may be altered or amended by a two-thirds vote of the members present or properly represented by proxy or ballot or other means generally available to the members at any meeting of the members of the Association, except for an amendment which only changes the domicile or name of the Association. A majority of the Board of Directors, without any vote or approval of the members, shall have the power to amend this constitution for the sole purpose of changing the domicile or name of the Association.

Provided, that the proposed alterations and amendments, approved by a majority of the Board of Directors or signed by five percent (5%) of the membership of the Association shall have been furnished to the Secretary in writing not less than 60 days prior to the meeting at which they are to be acted upon, except for an amendment which only changes the domicile or name of the Association. Annual or special meetings of the members of the Association may, by a majority vote, propose amendments to be voted upon in not less than 90 days after proposal. It shall be the duty of the Secretary, under the direction of the Board of Directors, to send notice of duly proposed alterations and amendments to the members of the Association not less than 30 days and not more than 120 days prior to the meetings at which they are to be voted upon.

By-Laws, Committee Charters and Regulations/Guidelines.

SECTION 5. By-laws, committee charters, regulations/guidelines and resolutions, if not in conflict with this Constitution, may be prescribed, adopted, modified and/or repealed by the Board of Directors at any time, and shall govern in the operations and transaction of the business of the Association.

Adopted 13 January 1879, and amended
1880, 1882, 1884, 1887, 1891, 1892, 1896, 1899, 1902, 1906,
1909, 1910, 1923, 1924, 1925, 1926, 1929, 1931, 1932, 1933,
1937, 1942, 1946, 1947, 1949, 1951, 1952, 1955, 1956, 1957,
1958, 1961, 1962, 1965, 1970, 1971, 1972, 1974, 1979, 1984,
1987, 1991, 1995, 1997, 2000, 2007, 2012 and 2013.

Certified Correct.
MICHAEL MEESE
Secretary

Fort Myer, VA, 12 June 2013