



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Acting Director

July 6, 2021

Mary Krutiak
Communications Director
1891 Financial Life
320 S. School Street
Mount Prospect, IL 60056-3334

RE: National Catholic Society of Foresters (NAIC # 57568) – Name Change to
1891 Financial Life

Dear Ms. Krutiak:

The Amended and Restated Articles of Incorporation and the Amended and Restated By-Laws, both adopted by the Board of Directors on April 29, 2021, the supreme governing body of this domestic fraternal benefit society, were approved by the Director effective June 16, 2021. An original duplicate Amended Certificate of Authority, Amended Articles and Amended By-Laws all bearing the Director's signature are enclosed for the fraternal benefit society's records.

Also enclosed is a replacement duplicate original of the annual Renewal Certificate of Authority reflecting the new name 1891 Financial Life on the Renewal. Please discard the version your fraternal may have received in the past few days which had the old name NCSF on the Renewal and my apologies for the error on my part.

Upon notification of the amendments to all members of the society, please submit the affidavit to my attention as required by 215 ILCS 5/292.1(c). An invoice in the amount of \$200.00 for the Amended Certificate of Authority, Amended and Restated Articles of Incorporation and for the Amended By-Laws fees is being mailed to your attention under separate cover.

Sincerely,

Amy Stuart
Supervisor, LAH Corporate Regulation
amy.stuart@illinois.gov

Enclosure



WHEREAS,

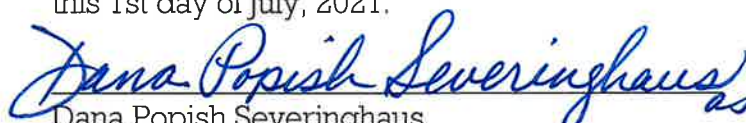
1891 FINANCIAL LIFE
located at
County of Cook, State of Illinois

has complied with all the requirements of the "*Illinois Insurance Code*" applicable to said Fraternal Benefit Society:

NOW, THEREFORE, I the undersigned, Acting Director of Insurance of the State of Illinois, do hereby authorize the said Society to transact its appropriate business of Fraternal Insurance in this State in accordance with the laws thereof, until the 1st day of July, 2022.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed this Seal.

Done at the City of Springfield,
this 1st day of July, 2021.


Dana Popish Severinghaus
Acting Director of Insurance



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



AMENDED CERTIFICATE OF AUTHORITY

WHEREAS, 1891 Financial Life (f/k/a *National Catholic Society of Foresters*), located in the County of Cook, State of Illinois, has complied with the requirements of the "*Illinois Insurance Code*" applicable to said Fraternal Benefit Society:

NOW, THEREFORE, I, the undersigned, Acting Director of Insurance of the State of Illinois, do hereby authorize the said 1891 Financial Life to transact its appropriate Business of Fraternal Insurance in this State in accordance with the laws thereof, until the 1st day of July, 2021.

DEPARTMENT OF INSURANCE of the State
of Illinois;

DATE: 6-16-2021

Dana Popish Severinghaus K.F.

DANA POPISH SEVERINGHAUS
ACTING DIRECTOR OF INSURANCE



NATIONAL CATHOLIC SOCIETY OF FORESTERS

OFFICERS' CERTIFICATE

June 8, 2021

The undersigned, officers of National Catholic Society of Foresters, an Illinois fraternal benefit society (the "Society"), hereby certify that they are authorized to execute this Officers' Certificate in the name and on behalf of the Society, and that:

1. Attached hereto as Exhibit A is a true and correct copy of the amended Articles of Incorporation of the Society (the "Articles") to change the name of the Society from National Catholic Society of Foresters to:

1891 Financial Life


2. Attached hereto as Exhibit B is a true and correct copy of the amended Bylaws of the Society to implement the name change of the Society.

3. The amendments to the Articles and Bylaws to implement the name change of the Society were approved by the Board of Directors of the Society, its supreme governing body, by resolution dated April 29, 2021 by a greater than two-thirds majority vote in accordance with the laws of the Society and 215 ILCS 5/292.1, which resolution has not been subsequently amended or rescinded.

IN WITNESS WHEREOF, the undersigned officers of National Catholic Society of Foresters, have executed this Officers' Certificate as of the day and year first set forth above.



Leah Nicole Jansen
Board Secretary



Lisa M. Bickus
Chief Executive Officer

EXHIBIT A

**Amended Articles of Incorporation of
National Catholic Society of Foresters**

**ARTICLES OF INCORPORATION
OF
NATIONAL CATHOLIC SOCIETY OF FORESTERS**

1. The name or title by which such corporation shall be known in law is 1891 Financial Life.
2. The principal business office shall be located in County of Cook, the State of Illinois, or any other county within the State of Illinois determined by the Board of Directors.
3. The name of the incorporators are Rev. David J. Crimmins; John W. Clancy; James D. Kelly; William A. Hoyne; Leo P. Dwyer; Francis W. Fitz-Gerald; Thomas H. Cannon; John C. Schubert; James O'Connor; Patrick J. Cahill. The persons selected as the Board of Directors to control and manage this corporation for the first year are: Elizabeth Rodgers, Catherine Hughes, Christina Hoffman, Margaret O'Connor, Mary Crowley, Annie E. Daley, Celia M. Gilmore, Jennie Clancy, Mary Farrell, Minnie Keefe and Maggie Dugan.
4. This corporation is a fraternal benefit society, without capital stock, organized and carried on for the sole benefit of its members and their beneficiaries and not for profit, having a lodge system with ritualistic form of work and representative form of government. The purposes of the Society are to: promote friendship, unity and true Catholic charity among its members, foster fraternal and benevolent activities, further the progress of the Catholic Church, encourage patriotism and loyalty to the United States of America, and provide death, disability and other benefits, rights and privileges, as authorized by these Articles of Incorporation and Bylaws and in accordance with the laws of Illinois.
5. The Board of Directors (the Board) shall be the supreme governing body. The Board will consist of directors elected in a manner prescribed by the Bylaws.
6. Membership in the corporation shall be as provided in the Bylaws.
7. These Articles of Incorporation may be amended or repealed in whole or in part as provided in the Bylaws.



EXHIBIT B

Amended Bylaws of

National Catholic Society of Foresters

1891 FINANCIAL LIFE BYLAWS

NAME AND COMMON BOND

The name of this fraternal benefit society is 1891 Financial Life. As a fraternal benefit society, the Society is organized, incorporated and operated solely for the benefit of its members and their beneficiaries as a not for profit organization. The Society operates under a lodge system, uses a representative form of government and conducts its activities in accordance with the laws governing fraternal benefit societies.

The Society's common bond is to unite people who have an interest consistent with the purposes of the Society as stated in the Articles of Incorporation.

ARTICLE I MEMBERSHIP

Sec. 1.01 QUALIFICATIONS FOR MEMBERSHIP

Any person who supports the mission and purposes of 1891 Financial Life as described in the Articles of Incorporation and who meets all other requirements for membership in the Society, shall be eligible for membership in the 1891 Financial Life.

Sec. 1.02 HOW ACQUIRED

- A. Any person having the qualifications prescribed in these Bylaws may be admitted to membership upon application submitted and approved under conditions set by the Board of Directors which are consistent with these Bylaws. Admission to membership in a Court or Impact Team shall be required of all members.
- B. Application for a benefit certificate shall be made by an adult for a child less than sixteen (16) years of age.

Sec. 1.03 CLASSIFICATIONS OF MEMBERSHIP

- A. A beneficial member is one named as the Insured or Annuitant in a benefit certificate issued by this Society and is in good standing and entitled to all privileges of membership when:
 - (1) the certificate is being maintained in force by payment of the premiums due or in accordance with premium waiver, automatic premium loan or non-forfeiture provision or is a paid up certificate;
 - (2) the member otherwise meets all provisions of these Bylaws; and
 - (3) the member is not a junior member.

- B. A junior member is one who is less than sixteen (16) years of age and is named as the Insured or Annuitant in a benefit certificate issued by the Society. All junior members having attained the age of sixteen (16) years shall be transferred to the adult membership of the Court or Impact Team. Junior members shall not have a voice or vote in the management of the affairs of the Society at large, or in their local Courts or Impact Teams, but may participate in the activities of and hold any youth office in their local Courts or Impact Teams.
- C. A social member is one who is not named as the Insured or Annuitant in any benefit certificate issued by the Society who is admitted to membership as a social member as provided in these Bylaws. A social member must be at least sixteen (16) years of age. Social members shall have no voice or vote in the management of the affairs of the Society, but have a voice and vote and may hold office in their local Courts or Impact Teams.

ARTICLE II BOARD OF DIRECTORS

Sec. 2.01 BOARD OF DIRECTORS

The Board of Directors shall be the supreme governing body of the Society. The Board of Directors shall have the authority to provide rules and regulations for the extension and development of the Society and shall have all other necessary and incidental powers and duties to carry out the objectives of the Society and as provided in the Articles of Incorporation and Bylaws and the laws of the State of Illinois.

At least annually, the Board of Directors shall conduct a self-assessment.

The Board of Directors shall be no fewer than seven (7) and no more than ten (10) elected directors as determined by resolution of the Board, one (1) optional appointed director, and the Chief Executive Officer as a non-voting member. The elected directors shall be elected by the beneficial members in the manner prescribed in these Bylaws, and shall constitute not less than two-thirds of the members of the Board of Directors in number. A newly elected director to the Board must within 6 months after their election participate in a board training or orientation program which includes information regarding board duties and responsibilities.

Sec. 2.02 ELIGIBILITY

A. To be eligible for nomination and election as a director, a member must:

- (1) be a member of the Catholic Church;
- (2) meet all qualifications as required by the Insurance Code of Illinois and any rules promulgated by the Illinois Director of Insurance for fraternal benefit society directors;
- (3) meet all the qualifications for directors adopted by a resolution approved by the Board of Directors prior to the call for candidates;
- (4) not be an officer, director, employee or agent of another fraternal benefit society or life insurance company;

(5) not be a current or former employee or insurance producer of the Society ("Disqualified Individual") or an immediate family member (parent, spouse, natural or adopted child or sibling) of a Disqualified Individual. Notwithstanding the foregoing, the following individuals shall not be Disqualified Individuals:

a.) directors serving as National President, National Vice President, National Treasurer or National Secretary as of May 2016

b.) any individual serving as a director as of May 2016 who is/was an insurance producer of the Society and not an employee of the Society.

A former employee or insurance producer of the Society will cease to be a Disqualified Individual upon the expiration of three (3) years from the termination of their most recent period of service for the Society.

(6) have no criminal history other than matters determined insignificant by the Election Committee, such as a minor traffic violation;

(7) have affirmed a willingness to participate in educational seminars and programs that provide orientation, training and instruction in matters such as board duties and responsibilities, life insurance and financial matters and the structure and regulation of fraternal benefit societies;

(8) be a beneficial member of the Society in good standing;

(9) not have been removed from office for cause by action of the Board of Directors;

(10) be under 75 years of age as of the date of election/appointment.

B. A person convicted of a felony may not be a director or an officer of the Society.

C. Appointed directors must meet the eligibility requirements listed in Section 2.02(A), and such other qualifications as determined by the Board of Directors.

Sec. 2.03 TERM OF OFFICE

Effective as of the 2018 election, elected directors shall serve four (4) year terms.

No elected director may serve more than two (2) consecutive four-year terms. Service prior to the 2018 election, or election to fill a partial term, is not included as part of this consecutive-year limitation. A break in service of at least four (4) years restarts the term-limit period.

The appointed director shall serve a term of up to two (2) years as determined by the Board of Directors and may be appointed for successive terms. Directors shall serve until their successors are elected and qualified. Upon conclusion of the term of office, every director shall deliver to the Board of Directors all property belonging to the Society.

Sec. 2.04 NOMINATION AND ELECTION PROCEDURES FOR DIRECTORS

- A. Candidates for elected director positions must submit their application for nomination to the Society within the time specified and must follow the procedures and provide all information regarding their background and credentials as required by the Board of Directors.
- B. Prior to the election, the Board of Directors shall establish a Vetting Committee composed of elected directors who are not seeking reelection. In the event fewer than three (3) directors are not seeking reelection, the Board of Directors shall appoint to the Vetting Committee other Society members who are not seeking election so that the Vetting Committee shall have three (3) members. The Vetting Committee shall gather information from candidates regarding qualifications and background and shall determine whether each nominated candidate is eligible to serve as a director. Only candidates who are determined by the Vetting Committee to meet the eligibility requirements will be included in the slate of candidates submitted for election.
- C. The Vetting Committee shall submit the slate of eligible candidates and direct the Society to prepare a ballot and give notice of election, specifying the time and procedures for elections. The notice shall also include information regarding the qualifications and background of the candidates.
- D. A vote shall be taken on the candidates by direct written or electronic ballot by beneficial members in good standing. The ballot shall specify the deadline for return of the ballot and no ballots received after such time shall be counted. Each beneficial member shall have one vote for each elected director position and directors shall be elected by a plurality of the votes cast by the beneficial members. Cumulative voting or voting by proxy is not permitted. "Members in good standing" shall be defined as determined by the Board of Directors.

Sec. 2.05 DIRECTOR VACANCY

Any vacancy in a director position shall be filled for the unexpired term of the director by election of the Board of Directors by a 2/3 majority vote of all directors then in office. A director filling a vacancy of an elected director shall be considered as an elected director for the unexpired term. Qualifications for filling the elected director vacancy will be the same as for any elected director.

Sec. 2.06 PROCEDURE FOR APPOINTED DIRECTOR

The optional appointment of an appointed director by the Board of Directors shall be by a 2/3 vote of all the directors then in office, and shall be decided by resolution of the Board prior to the end of the first year of the term. Reappointment of an appointed director shall be by a 2/3 vote of all the directors then in office, excluding the appointed director.

Sec. 2.07 REASONABLE COMPENSATION

The Board of Directors shall determine reasonable compensation for directors based on a recommendation from a professional compensation consulting firm that shall take into account market and industry standards, compensation paid to directors of similarly situated organizations, and other appropriate considerations.

Sec. 2.08 CHAIR

The Board of Directors shall elect a Chair from among its members for a term of one (1) year. A director may be elected Chair for successive terms. The Chair shall preside at all meetings of the Board of Directors and perform such other duties as may be designated by the Board of Directors.

Sec. 2.09 BOARD SECRETARY AND TREASURER

The Board of Directors shall elect a Board Secretary from among its members for a term of one (1) year. A director may be elected Secretary for successive terms. The Board Secretary shall ensure that minutes of meetings of the Board of Directors are kept and perform such other duties as may be delegated to the Secretary by the Chair or the Board of Directors.

The Board of Directors shall elect a Board Treasurer from among its members for a term of one (1) year. A director may be elected Treasurer for successive terms. The Board Treasurer shall provide oversight of the funds and securities of the Society and perform such other duties as may be delegated to the Treasurer by the Chair or the Board of directors.

The offices of Secretary and Treasurer may be held by the same individual.

Sec. 2.10 MEETINGS

- A. Regular meetings of the Board of Directors shall be held quarterly at such time and place as the Board of Directors shall designate.
- B. Special meetings of the Board of Directors may be called by the Chair or on the written request of any three (3) directors. Notice of a special meeting shall be given at least seven (7) days before the meeting.
- C. A majority of members of the Board of Directors shall constitute a quorum at any regular or special meeting. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Articles of Incorporation, Bylaws or applicable law.
- D. The Board of Directors and any committee or sub-committee of the Board of Directors, or any other meeting of the Society at which written minutes are kept, may meet by telephone conference or other means of communication that allows all participants to simultaneously communicate with each other.

- E. Any action required or permitted to be taken by the Board of Directors or any committee or sub-committee of the Board of Directors may be taken without a meeting by written consent of all of its members then in service. A written consent under this provision shall have the same force and effect as a vote taken at a meeting.

Sec. 2.11 COMMITTEES

The Board of Directors may establish committees of the Board to have such authority as the Board may delegate. Each committee of the Board of Directors shall consist of three or more directors.

The Board of Directors shall appoint an Audit Committee. The Audit Committee shall:

- A. have a working knowledge of financial matters;
- B. be responsible for the appointment and oversight of the independent auditors of the Society;
- C. be responsible for oversight of the audited financial statements of the Society; and
- D. be responsible for any duties required by the laws of the State of Illinois, and such other duties as assigned to it by the Board.

The majority of members of each committee shall constitute a quorum for the transaction of all committee business.

Sec. 2.12 REMOVAL OF DIRECTORS

A director may be removed from the Board of Directors “for cause” by a two-thirds affirmative vote of the directors, excluding the director whose status is at issue, at a meeting called for that purpose. “For cause” for purposes of this section shall include:

- A. failing to continue to meet the eligibility requirements for directors;
- B. inability or failure to perform the duties and responsibilities of a director;
- C. engaging in conduct unbecoming a director;
- D. absence from two meetings of the Board of Directors during the course of a calendar year, without good cause;
- E. breaching a fiduciary duty owed to the Society, its members or beneficiaries; or
- F. materially violating the Articles of Incorporation or Bylaws, any code of ethics, conflict of interest policy or other policy adopted by the Society.

A determination of cause shall be made in the reasonable discretion of the Board of Directors. The director whose status is at issue shall not be entitled to vote in the matter.

ARTICLE III EXECUTIVE OFFICERS

Sec. 3.01 EXECUTIVE OFFICERS

The executive officers of the Society shall be the Chief Executive Officer and such other officers as recommended by the Chief Executive Officer and approved by the Board of Directors. Except for the office of Chief Executive Officer, other executive officer positions may be combined. The Chief Executive Officer shall be hired by the Board of Directors. Other executive officers shall be hired as employees by the Chief Executive Officer and confirmed by the Board of Directors.

Sec. 3.02 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer ("CEO") shall serve as the principal operational officer of the Society. The CEO shall provide general supervision and direction of the day to day business and affairs of the Society, shall advise the Board of Directors, and shall perform all duties incident to the position and such other duties as assigned by the Board of Directors. Subject to such rules and policies as determined by the Board of Directors, the CEO shall have authority to appoint and terminate other officers, managers, agents and employees.

Sec. 3.03 REMOVAL OF EXECUTIVE OFFICERS

The Board of Directors may remove the CEO with or without cause by a majority vote of all directors at a meeting called for that purpose. Other executive officers may be removed with or without cause by the CEO.

Sec. 3.04 COMPENSATION

The Board of Directors shall determine reasonable compensation of the CEO. In its determination of reasonable compensation, the Board of Directors, shall take into account, the services rendered by and the performance of the CEO, the performance of the Society, market and industry standards, and compensation paid to CEOs of similarly situated organizations and other appropriate considerations.

Reasonable compensation of all executive officers other than the CEO shall be recommended by the CEO and approved by the Board of Directors.

ARTICLE IV SURETY BONDS, INSURANCE COVERAGE AND INDEMNIFICATION

Sec. 4.01 SURETY BONDS AND INSURANCE COVERAGE

The Board of Directors shall procure and maintain in force surety bonds on such officers, directors and employees in at least the amounts as required by the State of Illinois Department of Insurance. The Society may purchase and maintain insurance on behalf of any such individual against liability asserted and expenses incurred by the individual for any proceeding in connection with performance of his or her duties regardless of whether the Society is required or permitted to indemnify or allow expenses to the individual. The Society shall purchase

insurance coverage in amounts as the Board deems advisable to protect the Society against fire, robbery, burglary, larceny and theft of property and forgery or alteration.

Sec. 4.02 INDEMNIFICATION

To the fullest extent required or permitted by present or future laws, each director, officer or employee of the Society who is made a party to or threatened with any civil, criminal, or administrative action, suit or proceeding by reason of the fact that he or she is or was such a director, officer or employee, shall be indemnified against all expenses, including attorney's fees, amounts paid on account of judgments, settlements, compromises, fines or penalties resulting from any civil, criminal, or administrative suit or proceedings. The right of indemnification shall not be deemed exclusive of any right to which directors, officers or employees may be entitled.

A director, officer or employee shall not be indemnified or reimbursed for any such amounts if in relation to such action, suit or proceedings he or she shall finally be adjudged to be or have been guilty of breach of duty as a director, officer, employee or in respect to such matter there has been made a compromise settlement, unless in either such case the person acted in good faith for a purpose the person reasonably believed to be in or not opposed to the best interests of the Society and, in a criminal action or proceeding, in addition, had no reasonable cause to believe that his or her conduct was unlawful. The determination whether the conduct of such person met the standard required to justify indemnification and reimbursement in this section may only be made by the Board of Directors by a majority vote of a quorum consisting of persons who were not parties to such action, suit or proceeding.

ARTICLE V COURTS AND IMPACT TEAMS

Sec. 5.01 CHARTER

Courts and Impact Teams may be chartered by the Board of Directors in accordance with the rules and requirements prescribed by the Board of Directors and shall indicate acceptance of the Articles of Incorporation and Bylaws of the Society.

Sec. 5.02 RULES

Courts and Impact Teams are largely self-governing organizations but shall comply with the Articles of Incorporation and Bylaws of the Society, shall adopt and comply with the uniform bylaws for courts adopted by the Board of Directors and all other requirements adopted by the Board.

Sec. 5.03 CHARTER WITHDRAWAL

The Board of Directors may withdraw the charter of any Court or Impact Team in the event it determines that withdrawal is in the best interest of the Society. The Board of Directors shall provide for the disposition of property of Courts and Impact Teams that have been suspended or dissolved in a manner consistent with the purposes of Courts and Impact Teams.

Sec. 5.04 MEETINGS

Regular meetings of Courts and Impact Teams shall be held monthly in accordance with the Illinois Fraternal Code.

ARTICLE VI MEMBER ASSEMBLY

Sec. 6.01 PURPOSE

The purpose of meetings of the Member Assembly is to provide education, recognition and other support to Courts and Impact Teams and their leaders and to promote and carry out the fraternal and charitable activities of the Society.

Sec. 6.02 MEETINGS

The Member Assembly shall meet at a time and location determined by the Board of Directors.

Sec. 6.03 ATTENDEES

The Member Assembly shall be comprised of members from the Courts and Impact Teams in accordance with procedures established by the Board of Directors.

ARTICLE VII BENEFIT CERTIFICATES

Sec. 7.01 MAINTENANCE OF RESERVES

If the Society's reserves for all or any class of certificates become impaired, the Board of Directors is authorized to charge each member's certificate with its equitable share of such deficiency in accordance with Illinois law. If not paid, the amount of the deficiency so charged shall either:

- A. stand as an indebtedness against the certificate and draw interest not to exceed the rate specified for certificate loans under the certificate; or
- B. in lieu of or in combination with (A.) above, the owner may accept a proportionate reduction in benefits under the certificate.

The Society may specify the manner of the election and which alternative is to be presumed if no election is made.

The foregoing shall be applicable to all certificates to all members, including those certificates that have become paid up by their terms or are being continued in force as extended term insurance. No member shall be personally liable for indebtedness of the Society.

No such assessment shall take effect unless a 30-day notification has been provided to the Director of the Illinois Department of Insurance, who shall have the ability to disapprove the

assessment if the Director finds that such assessment is not in the best interests of the benefit members of the domestic society.” (Pursuant to 215 ILCS 5/300.1(d)).

Sec. 7.02 MISSTATEMENT OF AGE

If the age of the insured has been misstated, the amount payable under the certificate shall be such as the premiums would have purchased at the correct age, provided that if the correct age was not an insurable age under the Articles of Incorporation and Bylaws of the Society, only the net premiums need be returned.

Sec. 7.03 FINANCES

All funds of the Society shall be available for the payment of benefits and of expenses incurred in conducting and furthering the work of the Society. All funds and assets shall be maintained and carried without separation or segregation, but with the maintenance at all times of adequate and sufficient reserves on all outstanding contracts and such contingent and other reserves as the Board of Directors shall determine. Any surplus in excess of required reserves and other liabilities may be distributed through the payment of equitable dividends to members of the Society as the Board may determine.

Sec. 7.04 FRATERNAL CONTRACT

The certificate of membership and insurance or annuity, together with any riders or endorsements attached to it, the application, the declaration of insurability (if any) signed by the applicant, the Articles of Incorporation 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 Articles of Incorporation and Bylaws shall be binding upon the applicant member, owner, beneficiaries and other persons affected, and shall govern and control in all respects, except that no changes shall destroy or diminish insurance and/or annuity benefits promised in the certificate when it was issued.

Sec. 7.05 BENEFICIARIES

Benefit certificates may be made payable to such person or persons, entity or interest as may be permitted under the rules and regulations of the Society and applicable state laws.

In the event a named beneficiary predeceases the insured or is otherwise not legally entitled to receive the certificate proceeds, the certificate proceeds shall be paid per stirpes to the family members of the insured in the following succession, as applicable, (i) the surviving spouse; (ii) children; (iii) grandchildren; (iv) parents; (v) brothers and sisters; (vi) grandparents; (vii) other relatives in accordance with the laws of descent and distribution of Illinois. In the event it is determined that the deceased insured has no living relatives, after a reasonable search, the certificate proceeds shall be paid to the estate of the insured.

No beneficiary change shall take effect unless received by the Society at its principal office during the lifetime of the insured. When it is received, any change shall take effect as of the date the request for beneficiary change was signed, as long as the request for change was mailed or actually delivered to the Society while the insured was alive. Such beneficiary change shall be

null and void where the Society has made a good faith payment of the proceeds or has taken another action before receiving the change.

ARTICLE VIII RESOLUTION OF DISPUTES

Sec. 8.01 PURPOSE

The purpose of this Article is to prescribe the sole means to present and resolve grievances, complaints or disputes between members, insureds, certificate owners or beneficiaries and the Society or its directors, officers, agents and employees. Procedures set forth in this Article are meant to provide prompt, fair and efficient opportunities for dispute resolution, consistent with the fraternal nature of the Society, without the delay and expense of formal legal proceedings.

Sec. 8.02 SCOPE

Except as expressly limited in this Article, this Article applies to all past, current and future benefit certificates, members, insureds, certificate owners, beneficiaries and the Society. It applies to all claims, actions, disputes and grievances of any kind or nature whatsoever. It includes, but is not limited to, claims based on breach of benefit contract, as well as claims based on fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation, and infliction of distress, against the Society or its directors, officers, agents or employees. To the extent permitted by applicable law, this Article applies to all claims, actions, disputes and grievances brought by the Society against members, insureds, certificate owners or beneficiaries. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this Article, this Article shall remain in full force and effect as to any remaining parties or claims involved in such dispute. This Article does not apply to any claims or disputes relating to interpleader actions to determine proper owner, beneficiary or payee.

Sec. 8.03 PROCEDURES

No lawsuits or any other actions may be brought for any claims or disputes covered by this Article. The following are the steps and procedures for presenting and resolving disputes:

- Step 1. Appeal. Appeal of the dispute to a designated reviewer within the Society as appropriate to the dispute.
- Step 2. Mediation. If Step 1 does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the applicable mediation rules of the American Arbitration Association (or the rules of another neutral organization as agreed upon by the parties). The mediation shall be administered by a neutral organization agreed upon by the parties.
- Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration in accordance with the applicable arbitration rules as prescribed by the American Arbitration Association (or the rules of another neutral organization mutually agreed upon) as applicable to the type of matter in dispute. The arbitration shall be administered by a neutral organization agreed upon by the parties. The decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the

arbitration rules and applicable laws. The member, insured, certificate owner or beneficiary shall have the right to be represented by legal counsel of his or her choosing at any time at his or her own expense (unless, as provided in Section 8.06 below, he or she is awarded attorney's fees). If an issue in dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be nonbinding, unless the parties agree to binding arbitration after the claim or dispute has arisen. The Society will take reasonable measures to assure that the dispute resolution process proceeds promptly.

Sec. 8.04 COSTS

The administrative costs of the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, filing fees, reasonable and necessary court reporting fees) shall be paid by the Society. Provided, however, unless awarded pursuant to Section 8.06 below, each party shall bear its own attorney's fees, expert fees and discovery costs.

Sec. 8.05 RESTRICTION OF JOINDER OF DISPUTES

The procedures of this Article are designed to afford individual members, insureds, certificate owners, beneficiaries and the Society a prompt, fair and efficient means of resolving individual disputes. Accordingly, no disputes may be brought forward in a representative group or on behalf of or against any "class" of persons, and the disputes of multiple members, insureds, certificate owners or beneficiaries (other than immediate family) may not be joined together for purposes of these procedures without the express written consent of both (i) all members, insureds, certificate owners and beneficiaries affected thereby and (ii) the Society. The restriction on joinder of disputes contained in this Section 8.05 is a condition upon which the agreement to arbitrate contained in Sections 8.02 and 8.03 depends. Thus, should a court or arbitrator of competent jurisdiction deem the restriction on joinder of disputes contained in this Section 8.05 unenforceable or otherwise void, there shall be no agreement to arbitrate.

Sec. 8.06 REMEDIES.

This paragraph applies to any claim or dispute resolved through binding arbitration as provided in Section 8.03 above, and it applies to any action in a court of law in the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to binding arbitration. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorney's fees and expenses if such attorney's fees and expenses are deemed appropriate under applicable law. Exemplary or punitive damages may be awarded for claims arising under applicable federal or state statute(s) to the extent permitted under the applicable statute(s) or, for claims arising under common law, exemplary or punitive damages may be awarded but may not exceed three times the amount of compensatory damages. In the event that any court or arbitrator of competent jurisdiction deems the foregoing limitation on common law exemplary or punitive damages to be unenforceable or otherwise void under applicable law the remaining portion of this Section 8.06 shall remain in full force and effect.

ARTICLE IX OFFICIAL PUBLICATION

Sec. 9.01 The name of the official publication of the Society shall be *National Catholic Forester* or such other name as the Board of Directors shall determine. It shall be published at regular periodic intervals under the direction and approval of the Board of Directors. The official publication shall be provided to each member in good standing according to the records of the Society. If the records of the Society show that two (2) or more members have the same mailing address, an official publication mailed to one member is deemed to be mailed to all members at the same address unless a member requests a separate copy. Any general notice printed in the publication shall constitute sufficient notice to the membership.

ARTICLE X MISCELLANEOUS

Sec. 10.01 RULES OF ORDER

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall guide the Society in all cases to which they are applicable and in which they are not inconsistent with this Articles of Incorporation and Bylaws or any special rules of order as have been or may be adopted.

Sec. 10.02 NOTICE

Written notice shall be considered given when deposited in the mail addressed to an officer of a Court or Impact Team or a member at the last known address according to the records of the Home Office.

Sec 10.03 WAIVER

No subordinate body, nor any officer, agent, employee or member shall have the power or authority to waive any of the provisions of the laws of the Society. Such provisions shall be binding on the Society and every member and beneficiary of a member.

Sec. 10.04 INTERPRETATION OF BYLAWS

If any section of these Bylaws should not be explicit, or in case of uncertainty or dispute as to its intent or meaning, the Board of Directors shall have the power to decide upon such situation; and its decision shall remain in force until such decision or section is duly amended.

ARTICLE XI AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

Sec. 11.01 AMENDMENT PROCEDURES

The Articles of Incorporation and these Bylaws may be repealed or amended in whole or in part by a two-thirds (2/3) vote of all of the members of the Board of Directors.

Sec. 11.02 EFFECTIVE DATE

All amendments to the Articles of Incorporation and to the Bylaws shall take effect thirty (30) days after approval by the Illinois Department of Insurance, unless otherwise provided.

Acting



