

# BYLAWS OF THE INTERCOMPANY LONG TERM CARE INSURANCE CONFERENCE ASSOCIATION, INC.

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## ARTICLE I: NAME

- A. **Name:** The name of this corporation is **The Intercompany Long Term Care Insurance Conference Association, Inc.** The corporation may be referred to as the "ILTCI."
- B. **Location:** The ILTCI may have offices, either within or without the State of California as the Board of Directors may determine or as the affairs of the ILTCI may require from time to time.

## ARTICLE II    PURPOSE

- A. The **ILTCI** is organized exclusively for public and charitable, scientific, and educational purposes.
- B. The specific purposes of the **ILTCI** are to:
  - 1. Provide educational events, including an annual conference (the "**ILTCI Conference**"), for representatives of the long term care insurance community and other strategic allies, including providers, public policy institutions, professional organizations, federal, state, and local government agencies, and the public.
  - 2. Provide a network and opportunities through which persons with an interest in long term care, long term care insurance, or long term care financing, can communicate and share information about skills and skill development, current and/or proposed methodology, tools, technology, and organizational issues.
  - 3. Increase public awareness of long term care needs and financing options.
  - 4. Foster research, reports, meetings, and workshops addressing funding mechanisms for long term care services.
  - 5. Foster alliances between public and private sectors to seek solutions for the catastrophic long term care risks facing American society and to lessen the costs borne by federal and state governments under current funding mechanisms.
  - 6. Foster alliances between public and private sectors to help educate the American public on the nature of long term care risks and their financial implications.

## ARTICLE III      RESTRICTIONS

- A. **Restrictions:** All policies and activities of the **ILTCI** shall be consistent with:
1. Applicable federal, state, and local antitrust, trade regulation, or other legal requirements; and
  2. Applicable tax exemption requirements including the requirement that the **ILTCI** not be organized for profit, and that no part of its earnings inure to the benefit of any private individual; and
  3. The California Nonprofit Public Benefit Company Code, as in effect from time to time (the "**NPBCC**").
- B. **Dissolution:** Upon dissolution of the **ILTCI**, or the winding up of its affairs, the assets of the **ILTCI** shall be distributed exclusively to organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code, and its Regulations as they now exist or as they may hereafter be amended.
- c. **Non-Discrimination:** The officers, directors, and persons served by the **ILTCI** shall be selected on a non-discriminatory basis with respect to age, ancestry, color, marital status, medical condition, national origin, physical disability, race, religious creed, or sex.

## ARTICLE IV      BOARD OF DIRECTORS

- A. **Responsibilities and Compensation:** The Board of Directors (the "**Board**," and each member thereof, a "**Director**") is responsible for the control and management of the affairs, property and interests of the **ILTCI**, and may exercise all powers of this corporation, subject to any and all limitations under the NPBCC. No Director shall receive any compensation in exchange for his or her service on the Board; however, **ILTCI** shall reimburse Directors for reasonable out-of-pocket expenses incurred in connection with the fulfillment of their duties to **ILTCI**.
- B. **Conflict of Interest:** This section shall protect the **ILTCI** when it is contemplating a transaction or arrangement that might benefit the private interest of an officer or Director of the **ILTCI**. All determinations of such arrangements or transactions shall be made through a majority vote of Directors who are not "interested directors" as defined in Section 5233 of the NPBCC.

1. **Conflict of Interest:** A “conflict of interest” exists if (a) the matter to be voted upon may result, directly or indirectly, in profit to the Director or his or her organization; or (b) the Director, or his or her organization, otherwise has a “material financial interest”, within the meaning of Section 5233(a) of the NPBCC, in the matter to be voted upon.
2. **Duty to Disclose:** A Director must disclose to the Board the possibility of a conflict of interest of which he or she is aware, and shall abstain from voting on such matter in which he has a potential conflict of interest.
3. **Determination of Conflict:** The Board shall perform due diligence, in a manner deemed appropriate by disinterested Directors, determining whether any potential conflict of interest exists.
4. **Resolution:** If a conflict of interest is found to exist, the disinterested Directors shall determine whether the **ILTCI** can obtain, with commercially reasonable efforts, an alternative arrangement on an arms-length basis with a third party unaffiliated with the interested Director (or any other Director) that is more advantageous to the **ILTCI** than the proposed arrangement involving the interested Director. If a majority of the disinterested Directors determines that such a third-party arrangement is not practicable or otherwise in the best interests of the **ILTCI**, then such majority of disinterested Directors shall determine whether the proposed arrangement with the interested Director is fair and reasonable and otherwise in the **ILTCI’s** best interests.
5. Nothing in this Section IV.B. shall be deemed to limit the Board’s rights or duties pursuant to Section 5233 of the NPBCC when considering approval of a transaction between the **ILTCI** and an “interested director,” as defined in Section 5233 of the NPBCC.

**C. Financial Responsibility and Indemnification of Directors and Officers:**

1. The private property of any Director, officer of the **ILTCI**, or the General Manager shall not be subject to the debts or obligations of the **ILTCI** to any extent whatsoever.
2. The **ILTCI** shall not make any loan of money or property to or guarantee the obligation of any Director or officer of the **ILTCI**; provided, however, that the **ILTCI** may advance money to a Director or officer of the **ILTCI** as permitted under Section IV.C.7. hereof or for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or officer, if in the absence of such advance, such Director or officer or would be entitled to be reimbursed for such expenses by the **ILTCI**.

3. To the fullest extent permitted by the NPBCC, as it may be amended from time to time, the **ILTCI** shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending, or completed claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a Director, member of a committee, General Manager, officer, or other agent of the **ILTCI**, or is or was serving at the request of the Board, as a director, officer, employee, member of a committee, agent or trustee of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such claim, action, suit, or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the **ILTCI**; and with respect to criminal proceedings, the person had no reasonable cause to believe the conduct was unlawful. The Board may elect to participate directly on behalf of such person in such claim, action, suit, or proceeding. The termination of any such claim, action, suit, or proceeding, by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the **ILTCI** or that the person had reasonable cause to believe that the person's conduct was unlawful.
4. If the threatened, pending, or completed claim, action, suit, or proceeding to which Section IV.C.3. of these Bylaws applies, is by or in the right of the **ILTCI** to procure a judgment in favor of the **ILTCI**, then, notwithstanding the provisions of Section IV.C.3., and in addition to the requirement of Section IV.C.6., no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duties to the **ILTCI** unless and only to the extent:
  - a. That the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper; or
  - b. That the Board, by a majority vote of its members who are entitled to vote, whether or not they were parties to such proceedings and whether or not such members were or are disinterested, may determine.

5. If a person has been successful on the merits or otherwise in the defense of any claim, action, suit, or other proceeding to which Section IV.C.3. or IV.C.4. applies, or in defense of any claim, issue or matter therein, or in seeking indemnification in accordance with this Article, such person shall be indemnified by the **ILTCI** against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. In the event that such person is successful as to some but not all claims, issues or matters, or in the event that the applicable standards set forth in Section IV.C.3. or IV.C.4. are met as to some claims, issues or matters but not as to others, such person shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the claim, action, suit, or proceeding as to which such person was successful. Nothing contained in this section shall limit the ability of the **ILTCI** to indemnify such person as provided elsewhere in this Section IV.C.
6. Any indemnification under Sections IV.C.3., IV.C.4. or IV.C.5. (unless ordered by a court) or any election to participate in a claim, action, suit, or proceeding, shall be made by the Board only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the applicable standards set forth in Section IV.C.3. or IV.C.4. have been met, or the person to be indemnified has been successful on the merits or otherwise as set forth in Section IV.C.5. Such determination shall be made:
  - a. By a majority vote of a quorum of the Board, consisting of Directors who were not parties to such claim, action, suit, or proceeding; or
  - b. If such a quorum is not obtainable, or even if such a quorum is obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or
  - c. By a majority vote of a quorum of the Board entitled to vote, whether or not such Directors are or were parties to the claim, action, suit, or proceeding, and whether or not such Directors are or were disinterested.
7. Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal claim, action, suit, or proceeding may be paid by the **ILTCI** in advance of the final disposition of such claim, action, suit, or proceeding and as such expenses accrue, as authorized in the manner provided in Section IV.C.5. upon receipt of an undertaking by or on behalf of the person seeking indemnity to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the **ILTCI** as authorized in this Section IV.C.

8. The indemnification provided by this Section IV.C. shall be in addition to and shall not be deemed exclusive of any other rights to which a person may be entitled under any statute, agreement, vote of the Board or disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.
  9. This Section IV.C. shall apply to all claims, actions, suits, or proceedings, commenced after the effective date of these Bylaws, whether arising from acts or omissions occurring before or after such date. Each person who is now serving or who shall in the future serve as a Director, officer, General Manager, member of a committee, or other agent of the **ILTCI**, or at the request of the Board, as a director, officer, employee, member of a committee, agent or trustee of another corporation, partnership, joint venture, trust or other enterprise, shall be deemed to be doing so in reliance upon the rights of indemnification provide for in this Section IV.C., and such rights of indemnification shall continue as to a person who has ceased to be a Director, officer, General Manager, employee, member of a committee, agent or trustee, and shall inure to the benefit of the heirs, executors and administrators of such person.
  10. The **ILTCI** shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer of the **ILTCI**, General Manager, member of a committee, or other agent of the **ILTCI**, or who is serving at the request of the **ILTCI** as a director, officer, employee, member of a committee, agent or trustee of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person, of such person, or incurred by such person in any such capacity or arising out of such person's status as such, whether or not the **ILTCI** would have the power to indemnify such person against such liability under the provisions of this Section IV.C.
- D. **Number of Directors:** The Board shall consist of not less than three (3), nor more than seven (7) Directors. The number of Directors shall initially be four (4). The size of the Board may be increased or decreased from time to time, as determined by vote of a majority of the entire Board. The initial Directors (the "**Founding Directors**") of the **ILTCI** are:

James M. Glickman, Chair Emeritus  
21600 Oxnard Street, Suite 1500  
Woodland Hills, CA 91367

Kathleen S. Hamby, Chair  
1079 Kemper Drive  
Warminster PA 18974-1837

Carroll Stuart, Immediate Past Chair  
1826 Breezy Trail  
Verona WI 53593

Vincent Bodnar, Co-Chair  
130 Almshouse Road, Suite 209  
Richboro PA 18954

- E. **Term of Office:** Each Founding Director of the **ILTCI** shall participate as a Director until the expiration of six (6) years or his or her earlier resignation. All other Board Members shall serve one-year terms, but are eligible for re-election for up to two (2) additional terms.
- F. **Board Elections:** During the last quarter of each fiscal year of the **ILTCI**, the Board shall elect Directors to replace those whose terms will expire at the end of the fiscal year. This election shall take place during a regular meeting of the Board, called in accordance with the provisions of these Bylaws.
- G. **Election Procedures:** Except for the Founding Directors, the Board shall be elected by an appropriate method as adopted by the Board before the beginning of the fiscal year. Directors so elected shall serve a term beginning on the first day of the next fiscal year.
- H. **Regular Meetings and Notice:** The Board shall meet at least quarterly, at an agreed upon time and venue, inside or outside the state of California. A regular Board meeting requires that each Director have at least 72 hours notice in advance of the meeting. Notice may be delivered personally, by telephone or by electronic transmission (e-mail) by the **ILTCI**.
- I. **Special Meetings and Notice:** Special meetings of the Board shall be called upon the request of either (a) the Chair, or (b) one-third of the Board. Notice of a special meeting shall be delivered to each Director. Notice may be delivered personally, by telephone or by electronic transmission (e-mail) by the **ILTCI**.
- J. **Quorum:** A quorum, which is comprised of at least two-thirds of the Board (not counting any vacancies or any "interested Directors" as defined in Section 5233 of the NPBCC), is required at any meeting for business transactions to take place and for any motion or any other matter to be approved by the Board.
- K. **Action of the Board:** The vote of a majority of the Directors present at a duly held meeting shall constitute the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.



- L. **Action by Written Consent:** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board (other than any "interested directors," as defined in Section 5233 of the NPBCC) shall individually or collectively consent in writing to that action.
- M. **Vacancies:** When a vacancy on the Board exists mid-term, the nominations for new Directors must be made by present Directors. These nominations shall be sent out to the Board with the regular Board meeting announcement, at least five (5) business days in advance of a Board meeting, to be voted upon at the next Board meeting. These vacancies will be filled only to the end of the exiting Director's term.
- N. **Resignation, termination, and absences:** Resignation from the Board must be in writing. A Director shall be terminated from the Board due to excess absences (more than three unexcused absences from Board meetings in a year). A Director may be removed for other reasons by a two-thirds vote of the remaining Directors.
- O. **No Members:** This corporation shall have no members.

## **ARTICLE V: OFFICERS**

- A. **Officers:** There shall be six (6) officers of the **ILTCI**, consisting of the Chair, Co-Chair, Immediate Past Chair, Chair Emeritus, Treasurer, and Secretary. Officers shall be elected by the full Board.
- B. **Duties:** The duties of each officers shall be as follows:
  - 1. The Chair shall convene regularly scheduled meetings of the Board, shall preside or arrange for other members of the Board to preside at each meeting in the following order: Co-Chair, Immediate Past Chair, then Treasurer. The Chair shall also be Chair of the annual ILTCI Conference. The Chair shall also be deemed to be the Chairman of the Board for purposes of the NPBCC.
  - 2. The Co-Chair shall chair the Publicity Committee of the annual ILTCI Conference, and committees on special subjects as designated by the Board of Directors.
  - 3. The Immediate Past Chair shall provide guidance on matters of policy, objectives, and methods to accomplish the aims and purposes of the **ILTCI**. The Immediate Past Chair shall provide orientation to Committee Chairpersons, as assigned, and shall chair committees on subjects as designated by the Board of Directors.

4. The Chair Emeritus shall provide guidance to the Board on matters of policy, objectives, and methods to accomplish the aims and purposes of the **ILTCI**, and shall provide assistance to the Chair and Co-Chair in the execution of the duties of their offices.
5. The Treasurer shall make a report at each Board meeting and shall chair the Finance Committee, assist in preparation of the budget, and make financial information available to the Board and to the public. No individual may serve concurrently as both Chair and Treasurer.
6. The Secretary shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each member of the Board, and assuring that corporate records are maintained. No individual may serve concurrently as both Chair and Secretary.

## **ARTICLE VI: COMMITTEES**

### **A. Board Committees.**

1. **Formation:** The Board may create and delegate authority to one or more committees as needed from time to time in accordance with Section 5212 of the NPBCC. The Chair shall appoint any committee chairs that are not designated in this Article VI. The following committees may be established upon adoption by the Board of a resolution providing for their creation and designating their respective members (this list is not intended to be exclusive and the Board may create such other committees from time to time as it shall see fit).
  - a. **Executive Committee:** If and when created pursuant to this Article VI, the Executive Committee shall consist of four members: the Chair Emeritus, the Chair, the Co-Chair and the Past-Chair. The number of Executive Committee members may be increased or decreased from time to time, as determined by vote of a majority of the Board. The Executive Committee shall have all the powers and authority of the Board in the intervals between meetings of the Board, subject to the limitations of Section 5212 of the NPBCC.
  - b. **Finance Committee:** If and when created pursuant to this Article VI, the Finance Committee shall be responsible for developing and reviewing fiscal procedures, fund-raising plans, and an annual budget with other Directors. The Finance Committee shall be comprised of the Treasurer (provided that the Treasurer is a Director) and two other members of the Board. The Treasurer shall be the chair of Finance Committee.

## B. **Non-Board Committees.**

1. **Formation:** The Board may create one or more committees or councils (collectively, the "**Non-Board Committees**") as needed from time to time to oversee and manage the ILTCI's operations. Non-Board Committees shall not have any authority of the Board and are not intended to be "committees" within the meaning of Section 5212 of the NPBCC. A Non-Board Committee may be comprised in part or exclusively of persons that are not Directors. The following Non-Board Committees may be established upon adoption by the Board of a resolution providing for their creation and designating their respective members (this list is not intended to be exclusive and the Board may create such other Non-Board Committees from time to time as it shall see fit, including, without limitation, a Public Relations Task Force Committee and a Past Presidents Council).
  - a. **Nominating Committee:** If and when created pursuant to this Article VI, the Nominating Committee will present a slate of candidates for each officer position for the Board's consideration.
  - b. **Educational Track Committee:** If and when created pursuant to this Article VI, the Educational Track Committee shall research, develop, and implement appropriate educational sessions for the annual ILTCI Conference.

## ARTICLE VII

## FISCAL MATTERS

- A. **Budget:** The Board must approve the budget and all expenditures must be within budget. Any major budget revision must be approved by the Board or the Executive Committee. The financial records of the organization are public information and shall be made available to the Board and the public.
- B. **Fiscal Year:** The fiscal year shall begin on July 1st and end on June 30th each year. Annual reports showing income, expenditures, and pending income are required to be submitted to the Board by the Finance Committee (if established by the Board) or by the Treasurer.

## ARTICLE VIII

## GENERAL MANAGER

- A. **General Manager:** The General Manager shall be named by the Board. The General Manager shall have day-to-day responsibilities for the operations of the **ILTCI**, including carrying out the **ILTCI**'s goals and policies as set by the Board and the committees thereof. The General Manager will attend all Board meetings, report on the progress of the organization, answer questions of the Board of Directors, and carry out the duties assigned to him or her by the Board. The General Manager shall be an agent of the **ILTCI** but shall not be an "officer" within the meaning of Section 5213 of the NPBCC.
- B. **Duties:** The General Manager shall be the designated registered agent of the **ILTCI**. The General Manager shall also be responsible to:
1. Keep on file at all times a complete copy of the Articles of Incorporation, the Bylaws, and all other legal documents of the **ILTCI**, including all amendments to any such documents, in order that a copy shall always be open for the inspection of the Board and the public.
  2. Assure that all necessary government reports and forms are filed in accordance with federal and state regulatory requirements.
  3. Enter into any contract or execute and deliver any instrument in the name of and on behalf of the **ILTCI**, upon approval by the Board. Such authority may be general or confined to specific instances as determined by the Board.
  4. Maintain a current signature card at the designated bank for the **ILTCI**.
  5. Accept funds for the **ILTCI**. All such funds shall be deposited from time to time to the credit of the **ILTCI** in such banks or other depositories as the Board may select. The General Manager may accept any contributions, gift, bequest or devise consistent with the purposes of the **ILTCI**.
  6. Create and maintain register of the names and mailing addresses of all participants in the **ILTCI Conference** or other events, meetings or workshops that the **ILTCI** may sponsor.

## ARTICLE IX ILTCI RECOGNITION AWARDS

- A. **Purpose:** The **ILTCI** shall be able to recognize by a special ILTCI Recognition Award those persons and organizations that have made significant, long-term contributions in attaining the **ILTCI** vision and that meet the eligibility requirements in Section IX.C.
- B. **Vision Statement:** The **ILTCI**'s vision is to create an environment for aging in America that includes thoughtful, informed planning that takes into account the most effective and efficient use of resources in addressing the risks and costs of long term care for all levels of American society.
- C. **Eligibility Requirements:** To be eligible for this award, candidates must:
1. Be engaged in the long term care industry, as a long term care service provider or financier, as a regulator or legislator involved in governance of long term care or these entities, or as a research or policy expert in long term care issues.
  2. Exhibit an extraordinary commitment to the industry through ingenuity, length of service and dedication.
  3. Be submitted through the Nominations process pursuant to this Article IX.
- There is no requirement that the candidate be affiliated with the **ILTCI** in any way.
- D. **Nominees:** The names of nominees can be submitted by Directors or officers to the Chair. Any names submitted can be carried forward for two years and may be resubmitted after that period.
- E. **Selection:** Nominees will be presented by the Chair and reviewed by the Board. A minimum of 75% of the Board voting must select the nominee in order for the award to be given. The Board is not required to accept nominees for or select a recipient of a Special Recognition Award each year.
- F. **The ILTCI Conference:** The recipient of the ILTCI Recognition Award shall be honored at the next Intercompany Long Term Care Insurance Conference. The **ILTCI** will provide the recipient a courtesy registration for the Conference.

**ARTICLE X            AMENDMENTS**

- A. **Amendments to Bylaws:** Proposed adoption, amendment or repeal of these Bylaws shall require a two-thirds affirmative vote of the Board of Directors. These Bylaws shall be reviewed on a biennial basis. Proposed amendments must be submitted to the secretary to be sent out with announcements to the Board of Directors.
  
- B. **Interpretation of Bylaws:** In the event of a conflict among the NPBCC, the Articles of Incorporation of the **ILTCI** (the "**Articles**") and these Bylaws, or any of them, the NPBCC shall control over the Articles and these Bylaws, and the Articles shall control over these Bylaws. In the event of any ambiguity or dispute in interpretation of these Bylaws, such ambiguity or dispute shall be resolved by majority vote of the Board.
  
- C. **Rules of Order:** Roberts Rules of Order, as in effect from time to time, shall serve as guidance for the **ILTCI** Board of Directors and its committees in all cases in which they are applicable and not inconsistent with these Bylaws, and any special rules of order the **ILTCI** Board of Directors may adopt.

**CERTIFICATE OF ADOPTION**

THIS IS TO CERTIFY THAT I am the Chair Emeritus of the **Intercompany Long Term Care Insurance Conference Association, Inc.** , and that the above and foregoing Bylaws constituting a true, original copy were duly adopted as the Bylaws of said corporation by its Board of Directors on

\_\_\_\_\_, with an effective date of \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand.

\_\_\_\_\_  
James M. Glickman

\_\_\_\_\_  
DATE