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INSURANCE LOSS CONTROL ASSOCIATION

eNews

Special Edition

AUGUST 2013

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Proposed Changes to the ILCA Articles of Association

As discussed and approved by a resolution at the 2012 Annual Meeting, the Executive Committee reviewed the current Articles of Association and proposed changes that originally date back to September 2010. The proposed changes primarily focus on restructuring the governance of ILCA. The original proposal included changing the current structure of the “Executive Committee” to a “Board of Directors”. The current Executive Committee is elected on an annual basis to specific leadership positions: President, First Vice President, Second Vice President and Secretary. The Financial Secretary is an appointed position by the Executive Committee. Traditionally, candidates will serve one year in an elected office and “move up the chairs” to higher offices at following annual elections.

It has been increasingly difficult to find members to serve on the Executive Committee. Many times positions have been vacated or have been vacant at the election, leaving the Executive Committee to appoint members to those vacant positions. The proposed changes would allow for an election of a Board of Directors who would each serve a term of three years. The changes would also provide for a minimum of five and a maximum of eleven directors. All Directors would be elected “At Large” by the membership. The new structure would then require the Directors to annually elect from within the Board, an Executive Committee comprising of a President, First Vice President, Second Vice President and Secretary. The Financial Secretary would remain an appointed position by the Board of Directors. This structure would provide ILCA with several benefits, including greater continuity in leadership with three year service terms; greater flexibility in filling Executive Committee vacancies with existing Directors that are already serving three year terms; and more opportunities for members to serve ILCA by creating “At Large” Director positions that do not require immediate responsibility for serving on the Executive Committee.

Many of the other proposed changes are technical in nature. If the new governance structure is approved by the membership, then many references to the “Executive Committee” must be technically changed to “Board of Directors”. Additionally, a new Article would be inserted into the Articles of Association for the new governance structure, which would require changes to the numbering of the existing Articles and their Section numbers.

Another primary proposal is to change the current language in the Articles to more accurately reflect our current usage of a paid Administrative Coordinator. The majority of the remaining changes are updating terminology; providing better descriptions; providing more contemporary descriptions and other technical changes as needed.

As a result of this review, the Executive Committee is proposing two amendments to Articles of Association. These amendments are listed below. Article IX: Amendments, Section 9.1 states that the Articles of Association may be changed at any regular meeting of the Association by a two-thirds (2/3) vote of a quorum of the membership, provided however that notice of the proposed changes have been published to the membership at least thirty (30) days prior to such regular meeting (to be held on October 8, 2013). Objections to any changes in these Articles may be filed in writing to the Association's Secretary, who shall state these objections to the meeting before any vote on them is taken. Objections may be mailed to: ILCA Secretary, PO BOX 346, Morton, IL 61550. Article VIII: Parliamentary Procedures, Section 8.1 states that a quorum for the transaction of business or the election of officers at any meeting of the Association shall be at least twenty (20) active members present at the meeting. The proposed Amendments are listed below, any additional or new text is indicated by underlined text. Any text to be removed or stricken from the current Articles of Association is indicated by ~~strikethrough bold~~ text.

Articles of Association Amendment #2013-1:

Explanatory comments: This amendment restructures the governance of ILCA from solely an Executive Committee to a Board of Directors. It also would insert a new Article into the Articles of Association and require technical changes to Articles and Sections that follow after it. This amendment is an entirely new Article and language to be inserted.

Article IV – Officers Board of Directors

- Section 4.1:** **Any active member is eligible to serve on the Board of Directors. No more than two individuals from the same employer may serve on the Board of Directors at any time.**
Eligibility
- Section 4.2:** **The policies and administration of ILCA are governed by an elected Board of Directors. It is the duty of the Board of Directors to control and manage the affairs and finances of ILCA. The Board of Directors may from time to time adopt rules to govern the operations of ILCA, its officers, standing and working committees, so as they do not conflict with these Articles of Association.**
Authority
- Section 4.3:** **The number of directors shall not be fewer than five (5) or more than eleven (11). A board resolution is required to change the existing number of directors within the range outlined above, and the number of directors shall always be an odd number. A copy of the most recent resolution of the Board of Directors denoting the number of current directors shall be filed with the official copy of the Articles of Association of ILCA and additionally noted within the official minutes.**
Composition
- At its first regular meeting, subsequent to the Annual Business Meeting but prior to January of the upcoming year, the Board-elect will elect from the individuals comprising said Board an Executive Committee/Officers – President, First Vice President, Second Vice President, Secretary and an appointed Financial Secretary and such other officers as it deems necessary, to serve for one (1) year terms on the Executive Committee, beginning on December 1 following the October meeting.**
- Section 4.4:** **Directors will serve a term of three years, staggered so that the terms of at least one-third of the authorized Director positions will expire each year. Terms of office will begin December 1 of each year.**
Terms of Office
- Section 4.5:** **At meetings of the Board of Directors a majority of the individuals comprising the Board shall constitute a quorum. Any act of the majority of the Directors present at a meeting where a quorum is present shall be a valid act of the Board of Directors unless a greater proportion is required by law or these Articles of Association.**
Quorum
- Section 4.6:** **An Officer or Director may be removed for cause by a two-thirds vote of the remaining Directors. Such persons must be given at least seven (7) days' notice prior to removal, and must also be given the option of a hearing before the Board of Directors.**
Removal
- Section 4.7:** **Board Members At-Large are those Directors not serving on the Executive Committee. Those members are responsible for working with the Executive Committee to implement association projects and serve as a liaison with committee chairs.**
Members At-Large
- Section 4.8:** **All financial transactions are to be approved by the Financial Secretary. A monthly accounting of funds is to be provided to the Board of Directors. All financial records are to be audited on an annual basis. Two active members are to be appointed by the Board to complete the audit.**
Financial Records

Articles of Association Amendment

This constitutes a revision of the Articles of Association as constituted Aug. 1-2, 1932 and revised April 16-19, 1951, Sept. 15-16, 1958, April 3-4, 1962, April 3-5, 1967, February 28, 1972, April 13, 1973, April 23, 1979, April 14, 1981, July 20, 1982, October 16, 1984, October 22, 1991, October 21, 2003, and October 18, 2005, **and October 8, 2013.**

Articles of Association Amendment #2013-2:

Explanatory comments: This amendment makes technical changes in the Articles of Association that would require changes in statements referring to the "Executive Committee" to "Board of Directors". It makes technical changes to when and how our dues are to be collected, as we have been collecting dues on July 1 for many years; more clarity to how the financial records are audited; more clarity to reflect our current usage of an administrative coordinator; and require the association to purchase directors and officers liability insurance. Lastly, it makes some updates in terminology to more accurately reflect our objectives and the vision of future operations.

Article I: Name

Section 1.1: This organization shall be known as the Insurance Loss Control Association (**ILCA**).

Section 1.2: It shall be incorporated as a non profit corporation under the laws of the State of Illinois.

Article II: Objectives

Section 2.1: The purpose of the Association shall be to improve the loss control capabilities **knowledge** of its members.

Section 2.2: This shall be accomplished by:

- (a) **an annual conference to provide education and training opportunities using speakers from industry and regulatory agencies.**
- (b) by informing the members of the latest concepts and techniques being employed to assist in reducing

Article III: Membership and Dues

Section 3.1: There shall be (3) grades of membership as follows:

Active Member Representatives of any insurance organization interested in furthering the prevention of loss in the property and casualty field. Requests for active membership of other related loss control representatives will be submitted to ~~the Executive Committee~~ **Board of Directors** of the Association for approval. Each active member shall have one vote in the Association.

Life Member Members in good standing in the Association who have: (a) reached the age of retirement in their respective companies and (b) have had an active membership in the Association for at least (10) years, may have a life membership conferred upon them by a majority vote of the active members in attendance at a regular meeting of The Association. Life Members shall not be entitled to vote in the Association.

Student Member Full or Part Time Students enrolled in a College or University and majoring in a Safety, Insurance, Risk Management or Related curriculum. Requests for student membership will be submitted to the Board of Directors for approval. The classification of Student Member can only be held for a maximum of 5 calendar years or until they have graduated. Upon notification of graduation, a student member will be advanced to the level of Active Member; the annual dues will be waived for the first calendar year as an Active Member. Student Members shall not be entitled to vote in the Association.

Section 3.2: Membership dues shall be on an annual ~~calendar year~~ basis, payable on ~~January~~ **July 1** of the year to which they apply. Amount of dues will be established by the ~~Executive Committee~~ **Board of Directors**. Failure to pay dues by ~~April succeeding~~ shall cause membership to be automatically terminated. Life members are not required to pay dues. **If a member, after payment of dues chooses to terminate his or her membership from ILCA, there will be no refund of the dues paid.**

Dues

Section 3.3: Upon application of a member of the Association, the ~~Executive Committee~~ **Board of Directors** shall suspend the payment of dues of such member who may enter the armed forces of the United States. Such a suspension shall remain in effect until ~~January~~ July 1 of the year following his severance from the

Suspension Dues

Article ~~IV~~ **V**: Officers

Section 5.1: The Association shall have a President, First Vice President, Second Vice President, Secretary and Financial Secretary. The Financial Secretary shall be appointed annually by the **Board of Directors**. They shall serve for a term of one (1) year or until their successors shall be nominated or appointed and elected.

Executive Committee

Section 5.2: Vacancies in any office may be filled by the **Board of Directors**. Such appointee shall serve until the next regular election of ~~officers~~ **Directors**.

Vacancies

Article VI: Duties of Officers

Section 6.1: It shall be the duty of the President to preside at all business meetings of the Association; to require due observance at all times of these Articles of Association; to see that accurate records and accounts are kept and annual dues and assessments are paid. This officer shall call meetings of the ~~Executive Committee~~ **Board of Directors**. This officer shall appoint such other committees as may be deemed necessary, including but not limited to; a Liaison Committee, a Standing Program Committee, and a Membership Committee. (See also Article ~~VH~~ **VIII** Committees.) This officer shall work for the advancement of the Association at all times. This officer shall be an ex-officio member of all committees of the Association, except the Nominating Committee.

President

Section 6.2: This officer shall preside in the absence of the President and shall act as program director of the meetings of the Association and be an ex-officio member of the Standing Program Committee. **This officer is responsible for the coordination of the annual conference.** This officer shall act as parliamentarian at the Association business meeting.

First Vice President

Section 6.3: This officer shall assume the duties of the First Vice President when that officer is unable to act or is absent and shall be in charge of all publicity and membership activities of the Association. This officer shall be responsible for ~~an ex-officio member~~ of the Membership Committee. This officer will also be responsible for a back-up ~~speech~~, **presentation at the conference**, coordination of web site activities, and coordination of all newsletter articles and activities.

Second Vice President

Section 6.4: *Secretary* This officer shall keep accurate Minutes of all meetings of the ~~Executive Committee~~ **Board of Directors** and of the Association. This officer shall handle Association correspondence and advise other officers as applicable. This officer shall be the Association historian and keep the Association's "history" updated.

Section 6.5: *Financial Secretary* This officer shall keep an accurate record of the membership, showing names, company affiliation, address, dates of membership and withdrawal. This officer shall collect monies due the Association and shall make such disbursements as are proper. This officer shall send out notices to the membership of dues payments. This officer will also be responsible for the coordination of the membership directory compilation, printing and distribution. This officer shall be an ex-officio member of the Membership Committee.

The Financial Secretary shall keep an accurate record of the membership. The Financial Secretary is charged with the custody of the funds of ILCA and their proper disbursement according to the general or specific authority of the Board of Directors. The Financial Secretary is responsible for overseeing the maintenance of the financial books, records, and documents of ILCA. The Financial Secretary is responsible for coordinating distribution of notices to the membership of dues payments. The Financial Secretary will perform other such duties as directed by the President and Board of Directors, and those customary to such office.

Article ~~VH~~ VII: Meetings

Section 7.1: *Annual Meeting* There shall be at least one (1) business meeting of the Association, concurrent with the "Association Conference." If there **will** be more than one meeting, the first meeting of the year shall be designated as the Annual Meeting of the Association.

Article ~~VH~~ VIII: Committees

Section 8.1: *Executive Committee* The officers ~~and the immediate past president~~ shall constitute the Executive Committee. It is empowered to act in the name of the Association on all administrative and financial functions. All actions by this Committee shall be subject to review and approval by the membership at the regular meeting(s) of the Association. ~~Four (4) members of~~ **A majority of the individuals serving on** the **Executive** Committee shall constitute a quorum.

Section 8.2:
**Nominating
Committee**

This committee shall consist of four (4) members of the Association, three (3) of whom shall be appointed by the **Board of Directors** ~~Executive Committee~~ and one (1) elected by the membership (in the absence of a quorum, nomination committee shall consist of the three (3) appointed members) at the second yearly meeting of the Association. If there be only one meeting in a year, the appointment and election of members to the Nominating Committee shall take place at that meeting. This committee shall serve for one election.

They will meet or correspond with each other and develop a slate of nominees for the offices of the Association **Board of Directors** for election at the Annual Meeting of the Association. They shall report their findings to the President at least 30 days prior to the Annual Meeting. They shall query prospective nominees as to their willingness to serve and whether they have permission of their employers to serve and attend all meetings. The President will advise this Committee on Association traditional concepts affecting the offices of the Association. Other nominations ~~for office~~ **to the Board of Directors** may be made by the membership of the Association upon written notice to the Secretary. Such notification of intent must reach the Secretary at least 60 days prior to the Annual Meeting. List of candidates shall be distributed to the members at least four (4) weeks prior to the Annual Meeting.

If more than one candidate is nominated for an office **open Board of Directors position**, the election for that office shall be by secret ballot **at the Annual Meeting**.

Section 8.3:
**Meritorious
Service Award
Committee**

This Committee shall consist of three active Past Presidents appointed by the President, and the President. This Committee shall act as a review board and determine that the candidate for Meritorious Service Award has the necessary qualifications and approve the candidate. The candidate must have been active by serving on committees, attending ILCA meetings (when they are within reasonable travel distance), participating or cooperating in program activities; if in a supervisory position, allowing his personnel to serve on committees and/or participate in program activities. Submissions may be made by members to the President of ILCA in writing at least 90 days prior to any Annual Meeting. The **Board of Directors** ~~Executive Committee~~ shall be responsible for awarding the plaque to the candidate at the next Annual Meeting.

Section 8.4:
**Liaison
Committee**

This Committee, which is appointed by the President, shall consist of not less than three (3) members of the Association, each of whom shall serve not less than one (1) year. They shall maintain contact and **interchange exchange** information with any other supporting or allied organizations deemed necessary. ~~The Liaison Committee shall report to the Executive Committee.~~

Section 8.5:
**Standing
Program
Committee**

This Committee, which is appointed by the President, shall consist of not less than three (3) members of the Association, each of whom shall serve for not less than one (1) year. The First Vice President shall be a member of this committee ex-officio. They shall develop and recommend program content and format and guide the local program committees in the selection of topics, workshops and speakers. ~~The Standing Program Committee shall report to the Executive Committee.~~

Section 8.6:
**Membership
Committee**

This committee, which is appointed by the President, shall consist of not less than three (3) members of the Association, each of whom shall serve for not less than one year. The Second Vice President and Financial Secretary shall be members of this Committee ex-officio. The Committee shall develop and recommend methods, procedures, and programs for the acquiring and retaining of eligible members ~~and shall report to~~

~~Article VIII~~ **IX: Parliamentary Procedures**

Section 9.1: A quorum for the transaction of business or the election of officers at any meeting of the Association shall be at least twenty (20) active members present at the meeting.
Quorum

Section 9.2: Current Robert's Rules of Order shall govern all meetings.
Governing

~~Article IX~~ **X: Amendments**

Section 10.1: These Articles of Association may be changed at any regular meeting of the Association by a two-thirds (2/3) vote of a quorum of the membership, provided however that notice of the proposed changes have been published to the membership at least thirty (30) days prior to such regular meeting. Objections to any changes in these Articles may be filed in writing to the Association's Secretary, who shall state these objections to the meeting before any vote on them is taken.
Vote

~~Article X~~ **XI: Liaison and Control**

Section 11.1: The Association shall act as the programming organization for the Insurance Loss Control Association Conference under the direction of the Association' First Vice President.
Programming Organization

Section 11.2: The Registered Agent of the Corporation will be a member of the Insurance Loss Control Association and appointed by the **Board of Directors** ~~Executive Committee~~ when required.
Registered Agent

Section 11.3: The Association, under the direction **and control** of the ~~Executive Committee~~ **Board of Directors**, may enter into "fee for Service agreements", "service contracts" or similar agreements for the purpose of "Association Management" functions. "Association Management" functions may include, but are not limited to: **assisting the Financial Secretary with membership maintenance, collecting dues and financial records**; conference and event planning; conference and event administrative services; on-site conference and event coordination services; newsletter services; website and related internet technology services; and association marketing and promotion. The Second Vice President shall assist such designee of the ~~Executive Committee~~ **Board of Directors** in publishing the "Association Newsletter." The Association will pay any such designee of the ~~Executive Committee~~ **Board of Directors** for any such services performed.
Management

Article ~~XI~~ XII: Dissolution of the Association

- Section 12.1:
Dissolved The Association may be dissolved by the ~~Executive Committee~~ **Board of Directors** in the following manner. A resolution to dissolve the Association shall be acted upon at a meeting of the ~~Executive Committee~~ **Board of Directors** at which a quorum is present. The resolution shall set forth the reasons of the dissolution.
- Section 12.2:
Ballot Within thirty (30) days following ~~Executive Committee~~ **Board of Directors** action, a mail ballot shall be sent to all Association members setting forth the reason for dissolution. Thirty (30) days later, the ballots shall be counted by a Tellers Committee appointed by the President. A two thirds (2/3) vote of the members voting will decide the question.
- Section 12.3:
Resolution Adoption Upon adoption of the resolution to dissolve, the ~~Executive Committee~~ **Board of Directors** shall proceed to carry out the dissolution of the Association in accordance with the terms of the Charter and the applicable statutes of the State of Illinois. Any assets will be distributed to an educational or philanthropic organization that is designated by the ~~Executive Committee~~ **Board of Directors**.

Article ~~XII~~ XIII: Indemnification

- Section 13.1:
Indemnify The Insurance Loss Control Association will indemnify the officers, employees and agents of the corporation as and to the extent permitted under any applicable statutes of the State of Illinois or any other applicable jurisdiction.
- Section 13.2:
Good Faith The Insurance Loss Control Association will indemnify, defend and hold harmless it's officers, employees and agents from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of their duties as an officer, employee or agent (other than an action or suit by or in the right of the Insurance Loss Control Association), and if they have acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the interests of the Insurance Loss Control Association and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination or settlement of any action, suit or proceeding will not create a presumption that the person did not act in good faith or in a manner that was unlawful.
- Section 13.3:
Insurance The Insurance Loss Control Association ~~may~~ **will** purchase and maintain insurance on behalf of any person who is or was an officer, employee or agent of the corporation, to cover any liability asserted against him or her and incurred by him or her in any such capacity, or arising by virtue of his or her status and duties as an officer, employee or agent of the Insurance Loss Control Association.

Articles of Association Amendment

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Insurance Loss Control Association

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2013 Board Members:

President — Kevin Matthews
First Vice President — Ron Huber
Second Vice President — Larry Peterson
Secretary — Dan Finn
Financial Secretary — Stig Ruxlow
Member at Large — Dave Waggamon

Thank you to our vendors!

Please visit the ILCA Website. Follow the links to our Vendor Directory for info about these companies and their services:



Alexander & Schmidt
PO Box 337
Yarmouth, ME 04096
Phone: 800-491-6484

www.alexanderschmidt.com



Brotherhood Mutual Insurance Company
6400 Brotherhood Way
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