

CONSTITUTION OF THE UNITED TRANSPORTATION UNION

INSURANCE ASSOCIATION

ARTICLE 1

NAME

The name of this association is the United Transportation Union Insurance Association, (UTUIA). It is incorporated under the laws of the State of Ohio as a fraternal benefit society under Chapter 3921 of the Ohio Revised Code. Its home office shall be located in Lakewood, Cuyahoga County, Ohio.

ARTICLE 2

OBJECTS

The objects of the UTUIA shall be to unite present and future members of the society in furthering their general welfare, advancing their social, moral, economic and intellectual interests, to protect the members and their families (spouse, child, grandchild, grandparent, father, mother, brother, sister, niece, nephew, aunt, uncle, cousin, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law and daughter-in-law) by the exercise of benevolence and to provide the members, their families, and descendants of members, with insurance benefits based upon adequate rates.

ARTICLE 3

MEMBERSHIP

Membership in the UTUIA shall be limited to persons of good moral character who are directly or indirectly engaged in the transportation industry, or in one or more other crafts or hazardous occupations in the same or similar lines of business, as determined by the Board of Directors (the "Membership Qualifications"). Further, unless waived by the Board of Directors, all members of the UTUIA must be members in good standing of the United Transportation Union ("UTU") or any successor in interest by merger or otherwise, or be special UTU members as determined by the UTU board or the UTU governing documents (each a "UTU Member"). Any UTU Member, any officer or director of UTU or any subordinate unit or affiliate thereof, and any employee or retired employee of UTU shall be an individual deemed to be engaged directly or indirectly in the transportation industry. In the event that a member of the UTUIA is expelled as a UTU Member, that individual shall lose all of his or her rights as a fraternal

member of the UTUIA, but shall be permitted to retain any insurance by continuing the payment of premiums for such insurance, to the extent permitted by law.

The Board of Directors may also admit “social members” as permitted under Ohio Revised Code Section 3921.06(B) or any amendment thereto, with such rights and privileges as may be afforded them by law and the Board of Directors.

To gain admission or readmission, an applicant must execute and file with the General Secretary and Treasurer an official application for membership.

In addition to such application, each applicant shall subscribe to the following statement in the presence of an officer or member who shall witness the applicant’s signature:

“I pledge my honor to faithfully observe the Constitution of the United States*. Further, I ** pledge my honor to faithfully observe the Constitution of the United Transportation Union Insurance Association; to comply with the rules and regulations for the government of the United Transportation Union*** and United Transportation Union Insurance Association; not to make known to outsiders private proceedings of the United Transportation Union*** or the United Transportation Union Insurance Association; to faithfully perform all the duties assigned to me to the best of my ability and skill; to so conduct myself at all times as not to bring reproach upon, and at all times bear true and faithful allegiance to, the United Transportation Union*** and the United Transportation Union Insurance Association.”

(* Canada: In case of resident of Canada, delete “the Constitution of the United States.”)

(** In the event the applicant is a director of the UTUIA, insert, “subject to any fiduciary duties imposed on me by law,”)

(*** In the event the Board of Directors has waived the requirement that the applicant be a UTU Member, delete all references to the United Transportation Union.)

In the event that, under the laws, statutes, rules or regulations of any state of the United States of America, an applicant or a member of the UTUIA is deemed not to satisfy the Membership Qualifications, then in such state (i) such applicant shall not be admitted as member of the UTUIA or (ii) if admitted, such member shall lose all of his or her rights as a member of the UTUIA, but shall be permitted to retain any insurance by continuing the payment of premium for such insurance, if permitted by applicable insurance laws.

Once an applicant has become a member, such member is eligible for all of the insurance benefits provided by the UTUIA, subject to compliance with policy requirements and applicable insurance laws.

ARTICLE 4

SUPREME BODY, GRAND CONVENTION, MEETINGS

The Supreme Legislative Body of the UTUIA shall be known as the Grand Convention and shall consist of the duly elected or appointed officers of the UTUIA, elected or appointed members of the Board of Directors of the UTUIA, and delegates elected as hereinafter provided.

A majority of the aggregate of all officers, directors and delegates present shall constitute a quorum and, subject to the voting requirements set forth in Article 25, the affirmative vote of a majority of all of the officers, directors and delegates present shall be necessary to take any action at the Grand Convention.

The aggregate voting power of officers and directors attending the Grand Convention shall not exceed one-half of the number of votes cast by delegates.

Officers, directors and delegates to the Grand Convention shall not vote by proxy.

The Grand Convention shall have and exercise the right and power to make a constitution, laws, rules and regulations for the government of itself and of the members of the UTUIA; to amend, repeal, modify, or change the same from time to time as hereinafter provided and to do all other legitimate acts proper and necessary to promote the welfare of the UTUIA.

The Grand Convention shall convene in regular session, quadrennially beginning in 1971, at a time and place selected by the Board of Directors.

ARTICLE 5

SPECIAL MEETINGS

At any time deemed necessary, a special meeting of the Grand Convention may be called (i) by the Board of Directors or (ii) by a petition submitted to the General Secretary and Treasurer, signed by 15% of the number of benefit members (as that term is defined in Ohio Revised Code Section 3921.01(B) or any amendment thereto) of the UTUIA ("Benefit Members") as of the preceding December 31st, representing not less than a majority of the Districts; provided thirty days notice be given to all Districts either by circular or by publication in the official organ. No business shall be transacted at special meetings, except that specified in the call as set forth in the notice.

Delegates attending the last regular meeting of the UTUIA shall constitute and be the delegates attending such special meeting. In the event of the inability of any delegate to attend the meeting, the District to which such delegate belongs or belonged shall elect a substitute delegate; provided, that if the District fails to elect a substitute delegate, the Board of Directors shall appoint some qualified Benefit Member residing within the District to represent the District at the special meeting.

ARTICLE 6

GRAND CONVENTION COMMITTEES

The International President, by and with the approval of the Board of Directors, may appoint such Grand Convention Committees as deemed advisable for the proper conduct of the Convention, including but not limited to a ritual and secret work committee and a resolution committee.

ARTICLE 7

OFFICIAL SEAL, RITUALS AND OFFICIAL ORGAN

The UTUIA may have an official seal and shall have rituals which shall be adopted by the Board of Directors. The General Secretary and Treasurer shall furnish each District with a copy of the rituals so adopted.

The Board of Directors shall establish, and be responsible for, the official publication of the UTUIA.

ARTICLE 8

OFFICERS AND BOARD OF DIRECTORS

The officers of the UTUIA shall be an International President, who shall be Chairman of the Board of Directors, an Assistant President, a General Secretary and Treasurer, and a National Legislative Director, who shall be elected at the Grand Convention. In addition, the Board of Directors may elect or appoint such other officers and assistant officers as may be deemed necessary by the Board of Directors.

The officers of the UTUIA shall hold office at the pleasure of the directors, and any officer may be removed (i) with cause, at any time, by the affirmative vote of a majority of all of the directors then in office (not including the vote of the subject officer, if he or she is a director), without prejudice to the contract rights, if any, of the person so removed and (ii) without cause, at any time, by the affirmative vote of all of the directors then in office (not including the vote of the subject officer, if he or she is a director), without prejudice to the contract rights, if any, of the person so removed.

The Board of Directors shall consist of the International President, the Assistant President, the General Secretary and Treasurer, and the National Legislative Director, plus four other Benefit Members of the UTUIA; such Benefit Members (who need not hold or be issued a policy of the UTUIA) shall be elected as directors at the Grand Convention. Officers and

directors shall be elected for terms of four years. Officer and director vacancies between sessions of the Grand Convention shall be filled by the Board of Directors.

At least four members of the Board of Directors shall be independent directors. For purposes of this Article 8, a director is an independent director if he or she is not an officer or employee of UTUIA or an officer, director or employee of the UTU or any subordinate unit of the UTU (provided that UTU or UTUIA honorary directors, ex officio directors and such similar persons shall not be excluded); provided, however, an individual may be a UTU Member, and be an independent director of the UTUIA, so long as he or she is not an officer or employee of UTUIA or an officer, director or employee of the UTU or any subordinate unit of the UTU (provided that UTU or UTUIA honorary directors, ex officio directors and such similar persons shall not be excluded). Unless waived by the Board of Directors, it shall be a condition for eligibility to be elected as an independent director of the UTUIA, that such candidate be a UTU Member.

Any director may be removed from office for cause by the affirmative vote of a majority of the delegates or by the affirmative vote of a majority of all of the directors (not including the subject director) then in office, at a meeting duly called and noticed for the purpose of removing a director. For purposes of this Article 8, “cause” includes, but is not limited to, (i) conduct amounting to fraud or dishonesty against the UTUIA or UTU, (ii) a breach of the director’s duties of due care or loyalty to the UTUIA or UTU or the failure of a director to maintain the confidentiality of UTUIA’s or UTU’s confidential information, (iii) conduct amounting to intentional, willful or reckless misconduct that has caused damage to the UTUIA or UTU, as determined in good faith and in the sole reasonable discretion of the delegates or the directors, as the case may be, (iv) the failure or inability of a director to carry out his or her duties as a UTUIA director due to a disability, as determined in good faith and in the sole reasonable discretion of the delegates or the directors, as the case may be, (v) the misappropriation of UTUIA or UTU property or a UTUIA or a UTU business opportunity, (vi) being convicted of, or entering a guilty or no contest plea with respect to, a felony, the equivalent thereof, or any other crime in which imprisonment is a possible punishment, or (vii) being adjudicated insolvent or bankrupt. A new director may be appointed or elected at the same meeting for the unexpired term of each removed director. Failure to appoint or elect a new director to fill the unexpired term of any removed director shall be deemed to create a vacancy.

To the extent practicable, the Board of Directors shall meet quarterly on a date fixed by the International President or upon call of the International President.

The Board of Directors may create a committee to be known as the Executive Committee which shall consist of the International President, the Assistant President and the General Secretary and Treasurer. The Board of Directors may delegate to the Executive Committee any of the authority of the directors, however conferred, other than the authority to fill vacancies among the directors or in any committee of the directors. All actions of the Executive Committee shall remain in full force and effect unless disapproved by the Board of Directors.

In addition to the Executive Committee, the Board of Directors may create any other committee of directors, to consist of one or more of the directors, and may delegate to any such

committee any of the authority of the directors, however conferred, other than the authority to fill vacancies among the directors or in any committee of the directors. Any act or authorization of any act by any such committee within the authority delegated to it shall be as effective for all purposes as the act or authorization of the directors.

Pursuant to such authority, the Board of Directors shall create an Independent Governance and Audit Committee (the "IGAC"). This committee shall be comprised of at least a majority of independent directors and have the primary responsibility of providing the oversight of UTUIA's accounting and financial processes, including, without limitation, having the authority to (i) review and recommend the approval or disapproval of any contract, action or material transaction between or affecting the UTUIA and any officer, director or delegate of the UTUIA or any entity in which any officer, director or delegate of the UTUIA has a financial or a personal interest, (ii) provide advice and counsel on corporate governance issues, (iii) appoint (including fixing the terms of the engagement) the independent auditors of the UTUIA and provide advice and counsel on audit matters and (iv) provide such other functions as are assigned to it by the Board of Directors, including, but not limited to, investment policies, procedures and strategies of the UTUIA.

Except as permitted herein and under applicable law, the Executive Committee or any other committee of directors shall serve at the pleasure of the directors, shall act only in the intervals between meetings of the Board of Directors and shall be subject to the control and direction of the Board of Directors.

No notice of a meeting of the Executive Committee or of any other committee of directors shall be required. A meeting of the Executive Committee or of any other committee of directors may be called only by the International President, another officer specifically authorized by action of the Board of Directors to give notice of a meeting of such committee, or a member of such Executive or other committee of directors. A majority of the members of the Executive Committee or other committee of directors shall constitute a quorum, and the affirmative vote of a majority of the members present at a meeting at which a quorum is present shall be necessary to take any action. Meetings of the Board of Directors or the Executive Committee or of any other committee of directors may be held through any communications equipment, if all persons participating can hear each other, and participation in such a meeting shall constitute presence thereat.

ARTICLE 9

ADMINISTRATOR OF INSURANCE

The International President shall select and appoint an Administrator of Insurance, subject to the approval of the IGAC. The Administrator shall have the necessary professional, educational and insurance business experience as is necessary to fulfill the duties of the Administrator.

The Administrator shall be authorized to handle administrative matters, interim matters, issuance of new policies, and from time to time, issue rules, regulations and premium rates. The Administrator shall report to and work under the supervision of the International President.

Actions or decisions of the International President and/or the Administrator on insurance matters other than those covered elsewhere in the Constitution may be appealed to the Board of Directors, provided such appeal is filed with the General Secretary and Treasurer within ninety days from the date of such action or decision. Decisions by the Board of Directors on such appeals shall be final and binding.

ARTICLE 10

SALARIES AND EXPENSES

The Board of Directors shall determine the compensation (and expenses) for the officers and directors of the UTUIA. The compensation (and expenses) of the non-independent directors shall reflect the amount of time required of each such director to fulfill his or her duties.

No officer, director or delegate shall receive compensation or expenses from more than one entity of the UTU or UTUIA for the same period of time.

ARTICLE 11

DUTIES OF THE INTERNATIONAL PRESIDENT

The International President shall be the executive head of the UTUIA and exercise general supervision over its affairs and interests, including all subordinate bodies. He or she shall sign all checks and drafts requiring his or her signature and such other papers as may be necessary in the transaction of the business of his or her office. He or she shall preside at all sessions of the Grand Convention.

He or she shall interpret all laws of the association, decide all questions arising therefrom, and decide all other controversies not provided for under the existing laws of the association, subject to appeal to the Board of Directors.

ARTICLE 12

DUTIES OF THE ASSISTANT PRESIDENT

The Assistant President shall assist the International President in the performance of his or her duties and in the formulation of all policies and programs of the UTUIA. He or she shall perform such other duties as may be assigned by the International President and as may be required by the Constitution.

ARTICLE 13

DUTIES OF THE GENERAL SECRETARY AND TREASURER

The General Secretary and Treasurer shall be the chief financial officer of the UTUIA. He or she may employ professionals (including, without limitation, a comptroller and an executive director of finance) who have the professional, educational, accounting, auditing and insurance experience necessary to assist him or her in the fulfillment of his or her duties. He or she may delegate any of his or her duties to such employee. The duties of the General Secretary and Treasurer include, without limitation, receiving and collecting all monies due the UTUIA; paying all expenses and claims of the UTUIA, and signing all checks (including employing facsimile signature and other disbursement methods deemed appropriate), drafts and such other papers as may be necessary in the transaction of the business in his or her office. With the approval of the International President, he or she shall employ sufficient personnel necessary to properly conduct the business and affairs of the UTUIA. At each Grand Convention, he or she shall produce and make available to the officers, directors and delegates (i) the annual statement of the UTUIA, as filed with governmental insurance regulators, for each of the four years preceding the Grand Convention and (ii) the audited financial statements of the UTUIA for each of the four years preceding the Grand Convention. He or she shall jointly, with the International President, make all arrangements for Grand Conventions and perform such other duties as may be assigned by the International President and as may be required by the Constitution.

ARTICLE 14

DUTIES OF THE NATIONAL LEGISLATIVE DIRECTOR

The National Legislative Director shall devote his or her efforts to secure the enactment, modification, or repeal of laws in accordance with the legislative policy of the UTUIA. He or she shall handle all legislative matters referred to him or her by the International President and perform such other duties as may be assigned by the International President and as may be required by this Constitution.

ARTICLE 15

DUTIES OF ALL OFFICERS OF THE UTUIA

All officers of the UTUIA shall assist the International President in the performance of his or her duties and perform such other duties as may be assigned by the Board of Directors, the International President and as may be required by the Constitution.

ARTICLE 16

DUTIES OF THE BOARD OF DIRECTORS

The management and affairs of the UTUIA between sessions of the Grand Convention shall be vested in the Board of Directors and its committees.

The Board of Directors shall submit a report to the Grand Convention of its activities during the period between Grand Conventions together with recommendations to promote the welfare of the UTUIA; receive the bonds of all officers; have the right to declare dividends, and perform such other duties as required by the Constitution.

If the UTUIA's reserves as to any certificates assumed by the UTUIA or hereafter issued become impaired, the Board of Directors may require that there shall be paid by the owner of the certificate issued by the UTUIA the amount of such owner's equitable proportion of such deficiency as ascertained by the Board of Directors, and that if such ascertained deficiency is not paid, it shall stand as an indebtedness against the certificate and shall draw interest not to exceed the rate specified for certificate loans under the certificates.

The Board of Directors shall have authority, when in session, to deal with appeals properly submitted as provided in Article 18. The decision of the Board of Directors on such appeals shall be final and binding.

ARTICLE 17

CUSTODIANSHIP AND INVESTMENT OF ASSETS

The International President and the General Secretary and Treasurer shall arrange for the custody of UTUIA's invested assets through a federally-insured bank or other appropriate financial institution in the United States. Other UTUIA assets including books, records, electronic media, and other assets shall be maintained at the UTUIA home office.

All premiums and other receipts or funds shall be collected and deposited to the credit of the UTUIA in a federally-insured bank or other appropriate financial institution in the United States. The International President and General Secretary and Treasurer shall direct that the assets of the UTUIA be invested prudently and in accordance with insurance regulations and the UTUIA investment policies, as may be amended from time to time, utilizing employees, outside investment managers and consultants, if needed.

ARTICLE 18

APPEALS

An owner of a certificate and/or claimant dissatisfied with the decision disapproving a claim for benefits in whole or in part may appeal such decision. Such appeal must first be made to the Administrator of Insurance (and must be made within sixty (60) days of the date of the disapproval of the claim for benefits) and, if such owner and/or claimant is not satisfied with the determination of the Administrator of Insurance, to the Board of Directors, provided that appeal is received by the Board of Directors within sixty (60) days of the date of the written decision of the Administrator of Insurance. The owner of the certificate and/or claimant must exhaust all remedies by appeal, as provided in this Article 18, before resorting to any legal action.

PROCEDURE FOR APPEALS TO BOARD OF DIRECTORS

Appeals must be submitted in writing to the Chairman of the Board of Directors and set forth the basis of the appeal together with any data, documents, affidavits, or other pertinent material to support the contentions of the appellant.

Appeals received at least thirty (30) days in advance of the regular scheduled meeting of the Board of Directors shall be considered and a decision rendered thereon. All interested parties will be promptly furnished a copy of the decision.

Appeals not received at least thirty (30) days in advance of the date the Board of Directors is scheduled to meet will be held over and decided at the next regular session of the Board of Directors. Decisions of the Board of Directors shall be final and binding.

ARTICLE 19

ELIGIBILITY - OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS

Unless otherwise provided herein, any Benefit Member in good standing shall be eligible for election to any office, or as a member of the Board of Directors, in the UTUIA; provided that an elected officer or member of the Board of Directors of the UTUIA shall not be eligible to be elected as a delegate.

ARTICLE 20

DISTRICTS

For the purposes of administration and delegate representation to the Grand Convention, the Board of Directors shall create Districts by the affirmative vote of a majority of directors in office. Such Districts shall be set forth in a resolution and may be subject to further change by the Board of Directors as provided herein.

ARTICLE 21

DISTRICT OFFICERS

The officers of each District shall be a Chairman and a Secretary who shall be appointed by the affirmative vote of a majority of the Board of Directors and who shall hold office at the pleasure of the Board. The District Chairman shall preside at meetings of the District. The District Secretary shall keep a record of District meetings, and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE 22

LOCAL UNITS

Local Units of the UTUIA shall be created, organized, and operated in accordance with procedures established by the Board of Directors.

ARTICLE 23

DELEGATES TO GRAND CONVENTION

All delegates or alternates to the Grand Convention shall be Benefit Members in good standing of the UTUIA.

Each District shall be entitled to one delegate to the Grand Convention for each 2,000 Benefit Members, or majority fractional part thereof, within such District. Each District shall be entitled to at least one such delegate.

All delegates or their alternates shall hold office until a successor is selected and qualified.

ARTICLE 24

ELECTION OF DELEGATES

Prior to the quadrennial Grand Convention of the UTUIA, the Benefit Members shall vote for their District delegates and alternates to represent the UTUIA at the Grand Convention in accordance with procedures established by the Board of Directors.

The Board of Directors of the UTUIA shall determine the salary and expenses of delegates attending conventions.

ARTICLE 25

AMENDMENTS

Proposed amendments to this Constitution may be submitted by any District or by the International President, at any time prior to 180 days before the Grand Convention begins.

All proposed amendments shall be submitted in writing to the General Secretary and Treasurer and referred by him to the Board of Directors. Each submission shall contain a clear and concise explanation of the proposed changes.

The Board of Directors shall convene at such location to be determined by the Chairman of the Board of Directors during the year in which the Grand Convention is to be held for the purpose of considering all proposed amendments. The Board of Directors shall prepare a report which shall include all amendments referred to it for consideration. A copy of its report, including its recommendations, shall be submitted to each delegate and officer at the Grand Convention.

A two-thirds vote of the officers, directors and delegates present shall be necessary to adopt amendments.

All amendments to the Constitution, except those specified otherwise, shall become effective on the first day of the third month following adjournment of the Grand Convention at which they are adopted.

AMENDMENT BY MAIL REFERENDUM

When any question of policy shall arise between Grand Conventions or any proposed change, alteration or amendment to the Constitution is suggested which, in the opinion of the Board of Directors, is of such importance and urgency that it should be submitted to the delegates; and when the calling of a special meeting is not deemed advisable, the proposal shall be submitted in writing to all officers and delegates by the General Secretary and Treasurer.

The proposal shall be made to the officers, directors and delegates of the UTUIA who were entitled to vote at the last quadrennial or special session of the Grand Convention, within thirty (30) days after the action has been authorized by the Board of Directors.

When the officers, directors and delegates shall have had an opportunity to consider the proposals they shall cast their votes and return them to the General Secretary and Treasurer. If two-thirds of the persons voting are in favor of the proposal and such vote shall have occurred within six months of submission of the proposal to the officers and delegates, it shall have the same force and effect as an action adopted at a regular or special meeting and such amendment

shall take effect on the date that the result is certified by the General Secretary and Treasurer unless the proposal provides for a different effective date.

No amendment to this Constitution shall take effect unless approved by the Superintendent of the Ohio Department of Insurance, as required by Ohio Revised Code Section 3921.11(B) or any amendment thereto.

All amendments to this Constitution enacted in any manner under this Article shall be codified, printed and sent to each member in a manner that complies with Ohio Revised Code Section 3921.11(C) or any amendment thereto.

ARTICLE 26

FRATERNAL ACTIVITIES

The Board of Directors may provide for such benevolences and fraternal benefits or programs as it may deem necessary. The International President may appoint a fraternal coordinator who will work with the UTUIA officers and directors to review existing and proposed fraternal benefits for members of the UTUIA.

ARTICLE 27

FISCAL YEAR

The fiscal year of the UTUIA and all its subordinate bodies shall begin on the first day of January and end on the thirty-first day of December of the same year.