



National Association of Insurance  
and Financial Advisors

### **Model NAIFA Local Chapter Agreement** (6/8/18)

This Agreement (“Agreement”) is entered into as of [DATE], between the National Association of Insurance and Financial Advisors (“National”), NAIFA – [STATE NAME] (“State”), NAIFA – [LOCAL NAME] (“Local”), for mutual consideration, the receipt and adequacy of which are acknowledged by the parties, who agree:

1. **Grant of Charter**. National grants a non-exclusive charter to Local to be an affiliated chapter of National, with Local authorized to use the designation “NAIFA-[LOCAL NAME], a chapter of the National Association of Insurance and Financial Advisors,” and with the authority to use this designation, or any appropriate contraction or acronym of it, in connection with the policies, programs, activities, and events of Local as authorized in this Agreement and subject to the terms and conditions of this Agreement. Local will serve the constituency of National in the geographic area of [DESCRIBE LOCAL AREA]. This grant of a charter by National to Local includes a limited non-exclusive right to use certain intellectual property of National, such as its trademarks or copyrights, subject to the terms and conditions of this Agreement.

2. **Membership**. All members of Local must maintain membership in National and State in accordance with the provisions, procedures, and applicable dues schedules of National and State. Local will deny the application of, or terminate the membership of, any person that does not maintain membership in National and State and inform National and State in writing of its intent to do so.

3. **Obligations of National and State**. The obligations of National and State to Local include the following:

a. **Political Advocacy, Professional Development, and Ethics Programs**. National and State will assist Local in developing, marketing, presenting, and coordinating political advocacy and professional development and education programs, in a variety of formats, in Local’s geographic area. National will provide a process for Local enforcement of the NAIFA Code of Ethics.

b. **Financial Management Assistance**. National will assist Local with the collection, accounting, and disbursement of Local dues revenue. National will collect Local dues from members of Local and promptly transmit the dues receipts to Local.

c. **Representation**. Local’s active members will be eligible to participate in the National Council convened and managed by National and the Delegate Council convened and managed by State.

d. Marketing and Communications. National and State will assist Local in promoting NAIFA membership, in marketing NAIFA programs and members' participation in such programs, and in preparing communications to Local members.

4. Obligations of Local. Local's obligations to National include the following:

a. Structure. Local will remain incorporated as a nonprofit corporation under the laws of its state and will maintain federal (and state, if applicable) income tax exemption. The articles of incorporation or corporate charter of Local, and its bylaws, will be consistent with those of National, and Local's bylaws will comport with the National model bylaws for local chapters. Any changes to the aforementioned governing documents of Local are subject to advance written approval by National and State. Local will follow a fiscal year and governance calendar that comports with a timeline set by National.

b. Adherence to Standards. Local will conduct all of its programs, activities, communications, branding, and events in accordance with (i) applicable legal and regulatory requirements, (ii) the bylaws, standards, policies, and decisions of National and State (as National and State may adopt, change, or modify them from time to time), and (iii) the highest ethical standards. Local shall provide membership services and programs that are consistent with those offered by National and State and other chapters of National. Local acknowledges and agrees that it is the policy of National to encourage cooperation between Local, National, and State, and between Local and other chapters of National, in order to develop and deliver high quality member services and programs, and Local agrees to cooperate with National and State and other chapters in this regard.

c. Liability Controls. Local will refrain from representing, and will use best efforts to compel representatives of Local to refrain from representing, that any policies, programs, activities, events, statements, positions, or communications emanate from, or are endorsed by, National or State unless specifically permitted in writing by National or State. Local will practice sound fiscal policy and shall maintain proper accounting procedures and records. Local will maintain liability insurance with coverage and limits acceptable to National.

d. Political Advocacy, Professional Development, and Ethics Programs. Local will develop, market, coordinate, and operate local-area political advocacy and professional development and education programs. Local will identify, engage, and mobilize local-area committees, teams, and task forces as needed to provide robust, effective, consistent, and quality local-area programming. Local will enforce the NAIFA Code of Ethics pursuant to National's process for addressing allegations of conduct unbecoming a member. Local will use its best efforts to ensure that such programs are consistent with National and State programming and standards and are of the highest quality with respect to program marketing, content, materials, and logistical preparation.

e. Annual Reporting. Local shall submit annual written reports to National and State that include: a summary of Local's activities for the prior year and Local's plans for the upcoming year, including number of regular meetings, topics, legislative days, in-district meetings, and any special events; financial activity and status; and a listing of current officers, directors, and

committee members. National and State may develop a standard form, timeline, and electronic reporting system for such annual reports and may require other reports from Local.

5. Intellectual Property. Local will not use, or cause, or permit to be used by any person, any logos, trademark, service marks, membership lists, or copyrighted materials of National (“Intellectual Property”) without National’s prior written consent, other than the limited use of that Intellectual Property in connection with performance of the specific obligations of Local provided in this Agreement. Local will ensure that the applicable copyright or trademark notice is used with any Intellectual Property of National as appropriate. Upon the expiration or termination of this Agreement, all use by Local of Intellectual Property of National will end immediately, and Local expressly disavows any ownership or interest in such Intellectual Property except to the extent licensed to it by National.

6. Revocation or Surrender of Charter. The charter granted to Local by this Agreement, with all of its attendant rights and obligations, will remain in full force and effect until and unless revoked by National or surrendered by Local in accordance with the following provisions:

a. Revocation. National, through its Board of Trustees, has the right and authority to revoke Local’s charter if the Board determines that the conduct of Local is in violation of this Agreement or the provisions of National’s bylaws or applicable, standards, policies or procedures. Any decision by National to revoke Local’s charter will be initiated by written notice to Local specifying the reasons for the revocation, with Local provided an opportunity to respond to National’s Board of Trustees in writing or, if permitted by the Board, in person. All decisions of the National Board regarding charter revocation are final; and Local specifically warrants and agrees that it will assert no appeal to such decisions in any other forum.

b. Surrender. Local may surrender its charter by delivering written notice of its intention to do so at least sixty (60) days in advance of the effective date of the surrender to the National Board of Trustees.

c. National’s Rights after Revocation or Surrender. After revocation or surrender of Local’s charter, National will have the right to notify each member of Local of the fact of the revocation or surrender and will have the sole discretion and authority to organize a new local of those members to replace the former Local of National. Local will cease to represent or suggest any affiliation with National or State and will return to National and State, respectively, any National or State property or assets that may be in the possession or control of Local at the time of revocation or surrender of the charter.

7. Relationship of the Parties. National, State, and Local expressly acknowledge and warrant that they are, and will remain, separate legal entities. The relationship of National, State and Local in the performance of this Agreement is based on a charter, and no agency, partnership, or joint venture arrangement is intended. None of the parties hereto is authorized to incur any liability, obligation, or expense on behalf of the other. Each party will indemnify and hold harmless the other party, its officers, directors, trustees, agents, members, and employees, from and against any action, suit, proceeding, claim, damage, liability, obligation, cost, or expense that may arise by reason of any act or omission by the indemnifying party, its officers, directors, trustees, agents, or employees. All employees or agents performing services that are to be

performed by National or State under this Agreement will at all times be under National's or State's exclusive direction and control and will be employees or agents of National or State and not of Local. Unless the parties agree otherwise in writing, all employees or agents performing services that are to be performed by Local under this Agreement will at all times be under Local's exclusive direction and control and will be employees or agents of Local and not of National or State.

8. Confidentiality. National, State, and Local may at times come into possession of confidential information of another party to this Agreement. That confidential information will be maintained in confidence and will be subjected to the same level of protection that each party would utilize for its own similar confidential information. No party hereto will disclose confidential information of another party hereto except as permitted in writing by the other party or required under compulsion of law.

9. Notices. Any notices or communications required under this Agreement will be in writing and will become effective upon mailing (postage prepaid) or overnight delivery addressed to the current President and chief staff officer of the recipient party.

10. Assignment, Entire Agreement, Amendments, Severability, Force Majeure. Local may not assign this Agreement without the prior written approval of National and State, and this Agreement shall be binding on the parties, their successors and assigns. This Agreement constitutes the entire agreement between the parties, and supersedes all prior written or oral agreements concerning its subject matter. This Agreement may be amended only in a writing signed by National, State and Local. If any provision of this Agreement is held to be unenforceable, the validity of the remaining provisions of this Agreement shall not be affected thereby. No party shall be liable for any delay or default in the performance of its obligations under this Agreement if such delay or default is caused by acts of God, strikes, riots, terrorism, war, interference by civil or military authorities, or by other conditions beyond a party's control.

11. Governing Law. This Agreement shall be governed in all respects by the laws of the District of Columbia (without regard to its conflict of laws principals), and the exclusive forum for any dispute concerning this Agreement shall be Fairfax County, Virginia.

NAIFA – [LOCAL NAME]

NAIFA – [STATE NAME]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

NAIFA – National

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_