



National Association of Insurance
and Financial Advisors

Model NAIFA State Chapter Agreement (6/8/18)

This Agreement (“Agreement”) is entered into as of [DATE], between the National Association of Insurance and Financial Advisors (“National”) and NAIFA – [STATE NAME] (“Chapter”) 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 Chapter to be an affiliated chapter of National, with Chapter authorized to use the designation “NAIFA-[STATE], 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 Chapter as authorized in this Agreement and subject to the terms and conditions of this Agreement. Chapter will serve the constituency of National in the geographic area of the state of [STATE]. This grant of a charter by National to Chapter 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 Chapter must maintain membership in National in accordance with the provisions, procedures, and applicable dues schedules of National. Chapter will deny the application of, or terminate the membership of, any person that does not maintain membership in National and inform National in writing of its intent to do so.

3. **Obligations of National.** National’s obligations to Chapter include the following:

a. **Political Advocacy, Professional Development, and Ethics Programs.** National will assist Chapter in developing, marketing, presenting, and coordinating political advocacy and professional development and education programs, including the coordination of IFAPAC, in a variety of formats, in Chapter’s geographic area, in multi-state regional areas, nationally, and online. National will provide a process for Chapter enforcement of the NAIFA Code of Ethics.

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

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

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

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

a. Structure. Chapter 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 Chapter, and its bylaws, will be consistent with those of National, and Chapter's bylaws will comport with the National model bylaws for state chapters. Any changes to the aforementioned governing documents of Chapter are subject to advance written approval by National. Chapter will follow a fiscal year and governance calendar that comports with a timeline set by National.

b. Adherence to Standards. Chapter 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 (as National may adopt, change, or modify them from time to time), and (iii) the highest ethical standards. Chapter shall provide membership services and programs that are consistent with those offered by National and other chapters of National. Chapter acknowledges and agrees that it is the policy of National to encourage cooperation between Chapter and National, and between Chapter and other chapters of National, in order to develop and deliver high quality member services and programs, and Chapter agrees to cooperate with National and other chapters in this regard.

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

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

e. Annual Reporting. Chapter shall submit annual written reports to National that include: a summary of Chapter's activities for the prior year and Chapter'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 may develop a standard form, timeline, and electronic reporting system for such annual reports and may require other reports from Chapter.

5. Intellectual Property. Chapter 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 Chapter provided in this Agreement. Chapter 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 Chapter of Intellectual Property of National will end immediately, and Chapter 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 Chapter 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 Chapter in accordance with the following provisions:

a. Revocation. National, through its Board of Trustees, has the right and authority to revoke Chapter’s charter if the Board determines that the conduct of Chapter 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 Chapter’s charter will be initiated by written notice to Chapter specifying the reasons for the revocation, with Chapter 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 Chapter specifically warrants and agrees that it will assert no appeal to such decisions in any other forum.

b. Surrender. Chapter 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 Chapter’s charter, National will have the right to notify each member of Chapter of the fact of the revocation or surrender and will have the sole authority to organize a new chapter of those members to replace the former Chapter of National. Chapter will cease to represent or suggest any affiliation with National and will return to National any National property or assets that may be in the possession or control of Chapter at the time of revocation or surrender of the charter.

7. Relationship of the Parties. National and Chapter expressly acknowledge and warrant that they are, and will remain, separate legal entities. National’s relationship with Chapter in the performance of this Agreement is based on a charter, and no agency, partnership, or joint venture arrangement is intended. Neither party 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 under this

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

8. Confidentiality. National and Chapter may at times come into possession of confidential information of the other. 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. Neither National nor Chapter will disclose confidential information of the other except as permitted in writing by the other 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. Chapter may not assign this Agreement without the prior written approval of National, 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 and Chapter. 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-[STATE]

NAIFA NATIONAL

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____