

PAHU-PAC OPERATING RULES & BYLAWS

Name

The name of this political action committee shall be Pennsylvania Association Health Underwriters Political Action Committee-PA (PAHU-PAC)

Governing Authority

This political action committee (PAC) shall be governed by the laws and regulations of the Commonwealth of Pennsylvania. As such, it understands that the purpose of a PAC is NOT to influence legislators' votes on particular pieces of legislation. PAHU-PAC's purpose is to recognize and support candidates for public office, incumbent or challenger, who share the philosophies and objectives of the PAC's Board of Directors and its parent organization, the Pennsylvania Association of Health Underwriters (PAHU). These disbursements shall be made on a bipartisan basis. It also will assist its investors in educating PAHU members on the importance of being actively involved in the political environment. It may accept investments by its investors, PAHU members, directors, officers, committees, or employees and associate members as long as the contribution is not made by a corporation.

Goals

1. Support candidates who support the role of the private sector and the importance of the licensed insurance producer in bringing health and employee benefit insurance products to individuals, families, and businesses.
2. Oppose those candidates supporting intrusive government actions that destabilize the private sector provision of health insurance /employee benefit products.
3. Disbursements shall be bipartisan in that no more than 2/3 of disbursements may go to candidates of one political party in a calendar year.
4. Assist PAHU in attracting and recruiting qualified candidates with a pro-insurance philosophy.
5. Encourage investors, members and associate members to take informed positions on relevant issues and to advocate those positions responsibly.

Governance

PAHU-PAC membership consists of investors having a shared interest in legislative education and advocacy. An investor is someone who makes a personal (non-corporate) contribution to PAHU-PAC. PAHU-PAC will solicit contributions from PAHU's member base. Non-corporate business entities and individuals supporting the above-stated goals education are also welcome to become investors.

PAHU-PAC is governed by a Board of Directors who shall be investors.

Except for the initial organization of PAHU-PAC where the PAHU Board of Directors shall select officers and members of the PAHUPAC Board of Directors, investors shall elect the members of the PAHU-PAC Board of Directors at the PAHU-PAC Annual Meeting, which shall take place concurrent with the PAHU Convention. Board members shall include an odd number of members of which one shall belong to each of PAHU's local associations: Central PA AHU, Central Highlands AHU, Greater Philadelphia AHU, Northeast AHU, and Pittsburgh AHU. Initially, the Board shall include seven voting members.

Each new local association shall be entitled to appoint a member to a position on the PAHU-PAC Board of Directors. In the event of an even number of voting Board members because of the creation of a new local association, the PAHU President may appoint an additional member of the PAHU-PAC Board who shall serve until the next PAHU-PAC Annual Meeting.

Board members have the responsibility to actively promote interest in PAHU-PAC.

Board Authority

The Board of Directors shall:

- Elect the offices of Chairman, Vice-Chairman, Secretary, and Treasurer on an annual basis to direct the activities of the PAC within parameters described below. This group shall be known as the Executive Committee. A registered lobbyist may not serve as Chairman or as Treasurer. The Chairman and Treasurer must be members of the Pennsylvania Association of Health Underwriters. The Board may fill officer vacancies on an interim basis until the next PAHU-PAC Annual meeting. The President of PAHU and the Legislative Chairman shall automatically be members of the PAHU-PAC Board. The lobbyist shall be a non-voting member of the Board of Directors.
- Authorize the Executive Committee to contract with a PAC Manager whose responsibilities shall include:
 - Maintaining financial records and compiling reports as required by the PA Department of State
 - Researching legislative records and positions of legislators and candidates necessary to recommend disbursements
 - Reporting to the Board on all financial activities of the PAC
 - Interviewing candidates relevant to PAHU
 - Organizing political training workshops for PAHU members
- Approve disbursements to candidates as described below.
- Ratify payments as follows:
 - Pay for reasonable business expenses such as authorized non-local travel, clerical, telephone, and office expenses connected with PAC fundraising or reporting on PAC activities and grassroots political education.

- At its option, subsidize participation in how-to seminars designed to assist PAHU-PAC in raising money.

Investment Levels

There shall not be a minimum investment level. Investment levels involve yearly contributions as follows:

Grassroots Investor	\$ 25.00
Bronze Investor	\$ 100.00
Silver Investor	\$ 250.00
Gold Investor	\$ 500.00
Commonwealth Investor	\$ 1,000.00

Criteria for Disbursement

Criteria for disbursement to a candidate shall include at least two of the following:

- Relevant professional insurance background
- Consistency of candidate philosophy with PAHU's
- Key contact recommendation from a PAHU member back in the district
- District event preferable to comparable Harrisburg event
- Lobbyist or PAHU Legislative Committee recommendation
- Disbursements shall be made to candidates of both parties

Decisions for disbursements must be approved or ratified by a majority of the Board.

Dissolution

Should the Board of Directors decide to dissolve the PAC, the effective date shall be one month after the last State-required report is submitted to the Election Bureau.

Remaining assets must be reserved for close-out expenses with the remainder being transferred to another political action committee with similar aims or donated to a non-profit 501 (c)(3) organization.

Effective Date

The effective date for the formation of this political action committee shall be May 1, 2004 denoting approval by the PAHU Board of Directors on April 22, 2004.

Witnessed, _____ PAHU President

4/22/04

ADDENDUM TO FORMATION OF PAHU-PAC

On April 22, 2004, the PAHU Board of Directors appointed these individuals to the PAHU-PAC Board of Directors and named officers as follows:

Chairman	Shawn Orenstein, Greater Philadelphia AHU
Vice-Chairman	Doug Moore, Pittsburgh AHU
Secretary	Bill Raab, Greater Philadelphia AHU
Treasurer	Bob Ziff, Greater Philadelphia AHU

PAHU President	Chub Neiman, Central PA AHU
Legislative Chairman	NA
Member	Bob Fountain, Northeast AHU
Member	Tom Link, Central Highlands AHU
Non-Voting	Vince Phillips, Lobbyist

The newly named PAHU-PAC Board named Phillips Associates and lobbyist Vince Phillips to serve as its PAC manager on a term concurrent with the Agreement between Phillips Associates and the Pennsylvania Association of Health Underwriters.