

**INSURANCE INDUSTRY**

**CREDIT UNION**

**CO-OPERATIVE**

**SOCIETY LTD.**



**BYE-LAWS**

**&**

**GUIDE TO LOAN POLICY**

**INSURANCE INDUSTRY CREDIT UNION  
BYE-LAWS**

**1. INTERPRETATION**

In these Bye-Laws, unless the context otherwise requires, "THE ACT" means the co-operative Societies Act, 1971 and any amendments thereto.

"THE BOARD" means the Board of Directors.

"THE COMMISSIONER" means the Commissioner for Co-operative Development.

"THE REGULATIONS" means the Co-operative Societies Regulations, 1971.

"THE SOCIETY" means the Insurance Industry Credit Union Co-operative Society Limited.

**2. NAME AND REGISTERED ADDRESS**

The Society shall be called The Insurance Industry Credit Union Co-operative Society Limited. The registered address shall be 49 Dundonald Street, Port of Spain, or such other place as the Board may from time to time decide. In the event of any change of the registered address, notice of such change shall be sent to the Commissioner within thirty (30) days.

**3. OBJECTS**

The object of the Society shall be:-

(a) To improve the economic and social conditions of its members by: -

- (i) promoting thrift and savings among its members;
- (ii) providing loans to members for provident and productive purposes;
- (iii) providing other services as approved by members in General Meeting.

(b) To promote the development of co-operative ideas by:-

- (i) educating members in co-operative principles and practice;
- (ii) affiliating or collaborating with any other co-operative society or organization.

(c) To do all such lawful things as are incidental to the attainment of the above objects including the holder of property.

**4. MEMBERSHIP**

**(a) QUALIFICATION**

The following shall be eligible for membership:-

- (i) All employees, retired employees and directors in the Insurance Industry, or in associated services, associated companies or subsidiary companies.
- (ii) The immediate family (spouse and children) of (i) above.
- (iii) Any other person approved by the Board.
- (iv) Persons who were granted membership under (i) above and have ceased to qualify for such membership, shall continue to be members at the discretion of the Board, and so shall their immediate family.

**(b) ADMISSION**

- (i) Application for membership shall be made on the prescribed form to the Secretary for approval by the Board. No application shall be dealt with unless the applicant is recommended by a member.

- (ii) Membership commences from the date of approval by the Board, with the payment of an entrance fee of \$5.00, or such other sum as the Board shall from time to time determine and the sum of at least \$5.00, the value of one full share.
- (iii) A copy of these bye-laws shall be given to each member on the approval of his application for membership.

(c) TERMINATION

- (i) Membership shall be terminated by death, insanity, resignation or expulsion in accordance with these bye-laws, and may be terminated by loss of qualification required under bye-law 4(a) at the discretion of the Board.
- (ii) A member shall have the right to resign from the Society at anytime, provided that he is not indebted to the Society directly or indirectly.

(d) EXPULSION

- (i) The Board may, by a two-thirds majority vote of its members present at a meeting convened for the purpose, expel from the Society any member who has violated the bye-laws, or who has acted in any manner contrary to the best interest of the Society. A statement in writing of the grounds for such expulsion must first have been served upon the member, and he must also have been given reasonable opportunity of being heard in his own defence.
- (ii) An appeal against the decision of the Board may be made in writing by the expelled member to the next General Meeting of the Society within fifteen (15) days after the expulsion notice has been served. A majority of the members present at the General Meeting may confirm or disallow the expulsion of the appellant.
- (iii) If the appellant is dissatisfied with the decision of the General Meeting, he may refer the matter to the Commissioner for decision in accordance with Section 67 of the Act.

5. LIABILITY

- (i) The liability of a member for debts of the Society shall be limited to his share capital.
- (ii) The liability of a past member for the debts of the Society as they existed at the time when he ceased to be a member, shall continue for a period of two (2) years from the date of his ceasing to be a member.
- (iii) The estate of a deceased member shall be liable for a period of two (2) years from the date of his decease for the debts of the Society, as they existed at the time of his death.

6. COMPOSITION OF CAPITAL

The Capital of the Society shall include the following: -

- (i) Shares – an unlimited number as contributed by members.
- (ii) Deposits – Savings Deposits, which can be withdrawn at any time subject to the notice required by the Board. Fixed Deposits shall be for specific periods.
- (iii) Loans – These may be accepted from members and/or non-members which include the Credit Union Bank and other commercial banks.

Loans and deposits whether from members or non-members, shall be subject to the maximum liability fixed by members at a General Meeting and approved by the Commissioner.

7. SHARES

(a) VALUE

Shares shall be valued at five dollars (\$5.00) each and may be paid for by monthly instalments of any multiple of five dollars (\$5.00). Additional shares may be purchased at any time.

(b) TRANSFER AND WITHDRAWALS

- (i) No transfer of shares shall be valid and effective unless such transfer has been registered on the direction of the Board.
- (ii) Shares may be transferred only from one member to another upon payment of a fee to be determined by the Board for each transfer.
- (iii) All transfers shall be in the form prescribed by the Board.
- (iv) No transfer of shares shall be registered if the request is made by a member who is indebted to the Society without special order of the Board.
- (v) All share transactions shall be at par value.
- (vi) On the death of a member, the Board may transfer his shares to the person nominated by him if that person is qualified to be a member, or to the heir or legal representative if he is so qualified.
- (vii) If the whereabouts of any member are not known to the Society and no claim is made within one (1) year of his last transaction with the Society, the Board may transfer his shares, after deducting any sum due to the Society, to an Unclaimed Share Account. Any sums remaining unclaimed in this account for three (3) years may be transferred to the Reserve Fund. Claims on inactive accounts after four (4) years will be paid at the discretion of the Board.
- (viii) A member may withdraw any portion of his share capital not otherwise pledged to the Society on demand except that the Board may require notice of a period not exceeding six (6) months.

8. DEPOSITS

- (i) In order that the Share Capital may be relatively permanent and subject to a few withdrawals, a member may deposit money in sums of not less than five dollars (\$5.00) at any time.
- (ii) On the first day of each quarter, interest at the rate fixed by the Board shall accrue on savings deposits. Interest so accrued will thereafter attract interest as in the case of an actual deposit. No interest shall be paid on fractional parts of one dollar (\$1.00).
- (iii) The Board may require a member wanting to make a withdrawal to give written notice not exceeding seven (7) days for each such withdrawal.

9. INVESTMENTS

(i) The Society may invest or deposit its funds:-

- a. In any bank approved by the Commissioner; or
- b. In any securities issued or guaranteed by the Government; or
- c. In the shares or on the security of any other society, provided that no such investment shall be made in the shares of any society other than one with limited liability; or

- d. In any other manner permitted by the Commissioner.
  - (ii) The funds of the Society shall be used for achieving the stated objects.
  - (iii) The Society may use its funds to hold, purchase, take on lease in its own name any property, and may sell, exchange, mortgage, lease or build with power to alter and pull down buildings and again rebuild.

#### 10. LIEN

The Society shall have a lien on the shares, deposits and dividends of a member for any sum due to the Society by such member or for any loan endorsed by him. For the purpose of enforcing a lien, the Board may transfer to a member, or to a person having the necessary qualifications for membership, the shares, deposits and dividends, the subject of such lien, in such manner as it thinks fit; but no such transfer shall be made until notice in writing of the intention to transfer shall have been served on such member and default shall have been made by him in the payment of such money for thirty (30) days after service of such notice. The proceeds of such sale shall be applied towards the payment of such monies due and the residue, if any, paid to the defaulting member.

#### 11. SURPLUS

##### (i) DISTRIBUTION

Out of the net surplus of the Society, 10% shall be credited to the Reserve Fund and 5% to an Education Fund. From the remaining net surplus the General Meeting shall have power to approve the following payments subject to the recommendations of the Board: -

1. A dividend on shares as prescribed in the regulations.
2. A rebate or patronage refund on interest paid by members. Such rebate or patronage refund shall be applied first to any arrears in interest payments, then towards reducing any loan balance that there may be. Otherwise it shall be credited to the shares of the members.
3. Honorarium to the Secretary, the Treasurer and such other persons as the Board may recommend.
4. The balance of the net surplus shall be carried forward to the succeeding year as Undivided Earnings.

(ii) When a dividend has been declared, a member may exercise the option of having such dividend paid directly to him, applied towards his loan or credited to his shares. However, if such option has not been exercised within ninety (90) days of the declaration of the dividend, then such dividend shall be credited to his shares.

#### 12. EVIDENCE OF PAYMENTS

- (i) For payments made through salary deductions, individual receipts shall not be issued. One receipt shall be issued to each employer for the total sum paid by him.
- (ii) For payments made other than through salary deductions, individual receipts shall be issued.
- (iii) Quarterly statements shall be issued to all members showing their share balance, loan balance, deposit balance and interest paid on their deposits.

#### 13. NOMINATIONS

##### (i) APPOINTMENT OF NOMINEE

Every member of the Society shall, in writing under his hand and attested by two witnesses, nominate any person or persons to whom or to whose credit the value of his shares and deposits may in the event of his death be paid or transferred.

##### (ii) REVOCAATION

A member may from time to time revoke or vary such nomination in writing under his hand and similarly attested. All such nominations, revocations or variations shall be recorded in a register of members.

##### (iii) PAYMENT TO NOMINEE

On receiving satisfactory proof of the death of the nominator, the Board of Directors shall pay to the nominee(s), in the manner directed by the nomination, the full value of the shares and the sum held on deposit, less any sum due to the Society, subject to the limit set out in paragraph 13 (iv).

##### (iv) LIMIT

The Society shall, unless prevented by order of a court of competent jurisdiction, pay to such nominee(s) or legal personal representative, as the case may be, a sum not exceeding FIVE THOUSAND DOLLARS due to the deceased member from the Society. All other monies due to the deceased member from the Society shall fall into his estate and be subject in all respects to the laws relating to inheritance including the requirement to pay estate duty.

##### (v) INTESTACY

If a member dies intestate without having made any nominations, the Board of Directors may, without a grant of Letters of Administration, pay a sum not exceeding FIVE THOUSAND DOLLARS to such person or persons as may appear to them, on sufficient evidence, to be entitled to such sum within one year. If there are no such persons, the Board of Directors shall deal with the matter as the Administrator General may direct.

#### 14. GENERAL MEETINGS

##### (a) SUPREME AUTHORITY

The Supreme Authority of the Society shall be vested in properly constituted General Meetings of members which every member has the right to attend, and at which he has the right to vote on all questions.

##### (b) ANNUAL

The Annual General Meeting shall be held as early as possible and not later than one (1) month after the receipt from the Auditor of his report on the audit of the accounts. At least seven (7) days written notice of the meeting shall be given to all members. The notice shall state the time and place of the meeting and the business to be transacted.

##### (c) SPECIAL

A special General Meeting shall be held at any time on the request of the President, the Board, the Supervisory Committee, the Commissioner or his representative, or on receipt by the Secretary of a written request signed by not less than 25% of the members. Fourteen (14) days notice of the meeting shall be given to all members. Only such matters as are so listed on the agenda shall be dealt with at a Special General Meeting.

meeting shall be given to all members. Only such matters as are so listed on the agenda shall be dealt with at a Special General Meeting.

**(d) QUORUM**

- (i) The quorum for any General Meeting shall be 50% of the membership or 25 members whichever is less.
- (ii) If a quorum is not present on the expiration of 45 minutes after the time fixed for such a meeting, an adjournment shall be taken to a date not less than fourteen (14) days thereafter, and members shall be notified accordingly at least five (5) days before the date thereof, such notification to be made in the same way as is provided in the case of a General Meeting. The decision of the adjourned meeting shall be final irrespective of the number of persons present constituting a quorum.

**(e) DECISIONS**

- (i) Save as provided for by bye-law 28, decisions at General Meetings shall be made by a majority of the votes recorded by members present. Each member shall have but a single vote whatever his shareholding, and there shall be no voting by proxy. A member being a society shall cast a single vote through a duly appointed delegate.
- (ii) All resolutions passed or decisions made at General Meetings shall be recorded in a Minute Book/File which shall be signed by the Secretary or the person recording same and countersigned by the Chairman of the meeting at which the minutes were confirmed.

**(f) POWERS AND DUTIES**

The powers and duties of the Annual General Meeting shall be :-

- (i) To elect by ballot a Board of Directors, a Credit Committee and a Supervisory Committee as set out in bye-laws 17, 20 and 22.
- (ii) To elect two (2) substitutes each for the Board, Credit Committee and Supervisory Committee for the period until the next Annual General Meeting. The substitutes shall take office if any seats on the Board and Committee become vacant during the period.
- (iii) To consider the accounts and reports presented by the Board and Committees for the preceding year together with any comments thereon made by the Auditor and/or the Commissioner.
- (iv) To approve or disapprove recommendations of the Board for the allocation of surplus from the previous year subject to the Act, Regulations thereunder and these bye-laws.
- (v) To approve or amend the budget for the current financial year.
- (vi) To approve or amend any rules made by the Board under bye-law 17 (c) (xii).
- (vii) To appoint an auditor for the ensuing term from a panel approved by the Commissioner.
- (viii) To deal with any business duly brought forward.

**15. MOTIONS**

- (i) The Chairman of a General or Committee meeting may propose any motion without previous notice provided that the majority of the members present agree thereto and provided further that he shall propose any motion when requested by the Commissioner so to do.

member shall be entitled to ask any question or initiate any discussion on any matter of which such notice has not been given, except with the consent of the person presiding or of at least a three-fourths majority of those present.

**16. NOMINATION COMMITTEE**

- (i) The Board shall have the power to appoint a Nomination Committee not exceeding five (5) members whose duty shall be the selection of qualified members who are willing to be considered for election to the Board and Committees by the General Meeting.
- (ii) Notwithstanding the recommendations of the Nomination Committee, any member shall have the right to nominate other members for election to the Board and Committee at the General Meeting.

**17. BOARD OF DIRECTORS**

**(a) DEFINITION**

There shall be a Board of Directors, which shall be entrusted with the general management of the Society.

**(b) COMPOSITION**

The Board shall consist of twelve (12) members to serve for a term of three (3) years and to be elected at an Annual General Meeting, provided that at the first General Meeting of the Society to be held after registration, 1/3 of the members of the Board shall be elected to serve until the first Annual General Meeting, 1/3 of the members to serve until the second Annual General Meeting and 1/3 of the members to serve until the Third Annual General Meeting. Thereafter all elections shall be for terms of three (3) years.

**(c) POWERS AND DUTIES**

The Board shall exercise all powers of the Society except those reserved for the General Meeting of the members and in particular shall have the following powers and duties:-

- (i) To decide upon applications for membership and expulsion of members.
- (ii) To appoint the Manager and Staff of the Society.
- (iii) To fix salaries and salary ranges for jobs in the Society, as well as allowances payable to any member of the Society.
- (iv) To determine the rate of interest on deposits and on loans to members, and to recommend rebates on interest and also dividends on shareholdings, consistent with the Act and Regulations.
- (v) To determine the maximum amount which may be lent to a member, with or without security.
- (vi) To have charge of investments other than loans to members.
- (vii) To fix the amount of the bond or fidelity guarantee required of all financial officers.
- (viii) To appoint an Education Committee in accordance with bye-law 21.
- (ix) To designate the bank or banks in which funds of the Society shall be deposited.
- (x) To appoint sub-committees and specify their area of operations.
- (xi) To take all measures to provide for the management of the affairs of the Society for which no provision is specifically made in these bye-laws.
- (xii) To make such rules for the conduct of the affairs of the Society as may seem necessary, from time to time, and as would not be contradictory to the bye-

laws of the Society, and shall cause a book (containing all such rules) to be kept for inspection of members or any person or persons authorized by the Commissioner.

All such rules shall be ratified by the General meeting following their formulation.

## 18. ELECTION OF OFFICERS

- (i) The Board shall, at the first meeting to be held within fourteen (14) days after each Annual General Meeting, elect from its own members the President, Vice President, Secretary, Assistant Secretary and Treasurer.
- (ii) If the Board employs a Manager, he may perform the duties of Treasurer and he may also perform the function of Secretary.

## 19. DUTIES OF OFFICERS

### (i) PRESIDENT

It shall be the duty of the President to summon and preside at all meetings of members and of the Board of Directors, to countersign cheques and other documents drawn up by the Society and to perform such other duties as related to his office.

### (ii) VICE PRESIDENT

It shall be the duty of the Vice President to perform the duties of the President in the event of the absence or disability of that officer and such duties as may be assigned to him by the Board.

### (iii) SECRETARY AND ASSISTANT SECRETARY

The Secretary shall keep correct records of the meetings of the members and of the Board. He shall give due notice of all meetings in consultation with the President and in the manner prescribed by the bye-laws, and shall perform all other lawful duties incidental to his office and such other duties assigned to him by the Board of Directors. In the performance of his duties he shall be assisted by the Assistant Secretary.

### (iv) TREASURER/MANAGER

- (a) To serve as the General Manager of the Society under the direction of the Board of Directors.
- (b) To prepare for the consideration of the Board and Committee such budgets and financial and other statements as may be required.
- (c) To sign cheques and other documents of the Society together with the other persons appointed by the Board.
- (d) To ensure safe keeping of the liquid cash and to deposit in the bank or banks prescribed within twenty-four (24) hours after receipt all funds in his possession, except such sums as he may be permitted to keep in hand by the Board. All banking accounts shall be in the name of the Society.
- (e) To supervise the working of the office and to be responsible for the proper and punctual keeping of books, accounts, registers and other documents of the Society.
- (f) To attend all meetings of the Board and Committees, with the exception of the Supervisory Committee unless specially summoned to do so.
- (g) To perform such other lawful duties as may be assigned to him by the Board.

## 20. SUPERVISORY COMMITTEE

### (a) COMPOSITION

The Supervisory Committee shall consist of three (3) members to be elected annually by the members at each Annual General Meeting. No member of the Supervisory Committee shall serve on the Board or on the Credit Committee. No member shall serve for more than three (3) consecutive terms, but shall become eligible for election again after a lapse of at least one (1) year. A Chairman and a Secretary shall be chosen by and from the Committee at their first meeting after each Annual General Meeting. Two (2) members shall form a quorum.

### (b) DUTIES

The Supervisory Committee shall be the internal auditors of the Society and as such shall have the following powers and duties: -

- (i) Make an examination of the affairs of the Society, including an audit of its books at least semi-annually and, if necessary, convene a special General meeting and submit its report to the Meeting.
- (ii) Make an annual report of its audit and submit the same to the Board two (2) weeks before the Annual General Meeting of the members at which it is to be presented.
- (iii) By the unanimous vote of its members, if it deems such action to be necessary to the proper conduct of the Society, suspend any Board or Committee member and convene a Special General Meeting to act on such suspensions.
- (iv) If it deems such action necessary, call a Special General Meeting of the members to consider any matter which the Committee will submit to the Meeting.
- (v) At least one member of this committee shall attest the balance sheet required to be submitted to the Commissioner.

### (c) GENERAL

The members of the Supervisory Committee shall keep themselves fully informed as to the financial condition of the Society by examining, at least every six (6) months, the share and deposit accounts and loan balances, the securities and cash accounts and all applications for loans made during the period under examination, satisfy themselves that for each loan proper documents are on file and that each application embodies the purpose for which the relative loan was made and the security offered, if any, and bears the approval at least three (3) members of the Credit Committee.

## 21. EDUCATION COMMITTEE

- (i) The Board shall at its first meeting after the Annual General Meeting appoint a Committee of five (5) persons, who may also be members of any other Committee, to be known as the Education Committee. This Committee shall be in charge of publicity and education. The Committee will assist in the provision and maintenance of a library for the use of members of the Society and arrange for the purchase of books and magazines particularly in relation to the Co-operative Movement.
- (ii) The Chairman and Secretary shall be chosen by and from the Committee at its first meeting after its appointment. The Committee shall be empowered to co-opt persons to be members who shall take part in all discussions but shall not have the right to vote.

- (iii) The Committee will, from time to time, submit to the Board a requisition to cover the cost of literature etc., and shall see to it that the amount allocated is used for the purpose for which it is intended. The books and magazines shall be for the use of members, but they shall not be removed from the office except with the permission of the Manager.
- (iv) The members of the Committee will meet at least once a month.

## 22. CREDIT COMMITTEE

- (i) The Credit Committee shall be responsible for the general supervision of all loans to members.
- (ii) The Committee shall consist of five (5) members elected by the members at each Annual General Meeting. A Chairman and a Secretary shall be chosen by and from the Committee at the first meeting after the Annual General Meeting. The Secretary shall keep a full and correct record of all action taken by the Committee and submit a monthly report to the Board.
- (iii) The Committee shall meet not less than once a week and in accordance with the policy laid down by the Board of Directors. Additional meetings shall be held from time to time as business may require.
- (iv) The Committee shall enquire fully into the financial position of borrowing members and their endorsers so as to ascertain their ability to repay fully and promptly the obligations assumed by them, and ascertain whether the loan promises to be of benefit to the borrower.

## 23. LOANS

(a) The Society shall make loans exclusively to its own members and solely for a provident and productive purpose.

### (b) INTEREST

Interest on loans shall not exceed 1½ percent per month on the unpaid balance.

### (c) APPLICATION

Applications or loans shall be made on the prescribed form.

### (d) APPROVAL

No loan shall be made unless approved by at least three members of the Credit Committee with the exception of emergency loans up to \$1000.00.

### (e) LOANS TO OFFICERS

No loans to an officer of the Society shall exceed the amount of his holdings in the Society as represented by shares, deposits and accumulated dividends and interest thereon, provided however, that a loan in excess of such holdings may be made if approved by the vote of a two-thirds majority of the other members of the Board, the Credit and Supervisory Committees all sitting together, or with the consent in writing of all such members other than the borrowing officer.

(f) When there are pending more loan applications than can be granted with the funds available, they shall be dealt with in order of receipt.

## 24. GENERAL RULES FOR THE BOARD AND COMMITTEES

### (a) QUALIFICATION

No person under the age of eighteen (18) years shall be allowed to serve on the Board, the Credit Committee or the Supervisory Committee.

### (b) MEETINGS

The Board and Committees shall meet as often as the business of the Society may require, but not less than once each month. All such meetings shall be called on the order of the Chairman or a majority of the members.

### (c) QUORUM

- (i) A majority of the members shall constitute a quorum at any Board or Committee Meeting.
- (ii) If after half an hour after the fixed time for any Board or Committee Meeting the members present are insufficient to form a quorum, the meeting shall be adjourned by those present to a fixed day, and the members absent shall be informed accordingly. The decision of that adjourned meeting shall be final irrespective of the number of members present.

### (d) ATTENDANCE AT MEETINGS

If any member fails to attend three (3) consecutive meetings of the Board or Committees without tendering a valid and proper excuse to the satisfaction of the Board or Committees, his office shall be declared vacant.

### (e) DECISIONS

Decisions at Board and Committee Meetings shall be by a majority of the members present and voting. Every member shall have one (1) vote only except that the members presiding, in the event of an equality of votes, shall have a casting vote. No Board or Committee member shall be present when any matter in which he has a direct interest is being decided.

### (f) SECRECY

All transactions of the Society with its members and all information regarding their personal affairs shall be held in the strictest confidence by all members of the Board and Committees of the Society.

### (g) RESPONSIBILITY

In their conduct of the affairs of the Society, the Board and Committee members shall exercise due prudence and diligence and shall be responsible for any loss sustained through actions contrary to the Act, the Regulations, these Bye-laws and any rules made under Bye-Law 17 (c) (xii).

### (h) DISQUALIFICATION

A Board or Committee member shall cease to hold office:

- (i) If he ceases to be a member of the Society.
- (ii) If he applies for bankruptcy, or is declared bankrupt.
- (iii) If he becomes of unsound mind.
- (iv) If he is employed by the Board and is in receipt of a salary or wage, provided that the granting to a member of an honorarium or allowance approved by the Board shall not be deemed to disqualify such member from a seat on the Board or Committee as the case may be.
- (v) If he is convicted of any offence involving dishonesty.

### (i) FILLING OF VACANCIES

Vacancies occurring on the Board or the Credit and Supervisory Committees shall be filled from the substitutes elected at the Annual General Meeting in accordance with Bye-law 14 (f) (ii).

## 25. FINANCIAL YEAR

The Financial Year of the Society shall begin on the first day of January each year and end on the last day of December following.

## 26. AUDIT

The Board shall submit the books of Accounts of the Society to the Auditor appointed by the General Meeting within two (2) months after the end of the Financial Year.

## 27. SEAL

The seal of the Society shall bear legibly engraved on it the registered name of the Society. It shall not be affixed to any document except by order of the Board as entered in their minutes.

## 28. DISSOLUTION

The Society may be voluntarily dissolved by an instrument of dissolution with the approval of three-fourths (3/4) of its members, but only in the manner provided by the Act or any amendments thereto.

## 29. AMENDMENTS

- (i) Amendments to these Bye-Laws shall be made by resolution passed at a General Meeting by three-fourths (3/4) majority of the members present and voting at a meeting specially called for the purpose, or at the Annual General Meeting, if prior notice to that effect has been given.
- (ii) Provided however, that if a resolution under paragraph (i) above is not passed by the required majority of votes, the same resolution may unaltered, be proposed at a Special Meeting convened not earlier than one (1) month and not later than two (2) months after the General Meeting where it was first proposed and at this Special Meeting the resolution shall be valid and effective if a majority of the members present vote in favour of it.
- (iii) A copy of every resolution passed under paragraphs (i) and (ii) above shall be forwarded to the Commissioner together with three (3) copies of the amendment.

## GUIDE TO LOAN POLICY

### INTRODUCTION

The Insurance Industry Credit Union Co-operative Society Limited encourages and promotes thrift among its members, and provides them with loans for productive and/or provident purposes at an interest rate not exceeding 1 ½ % per month on the unpaid balance and by such regular instalments and within such periods of time as determined by the Credit Committee.

### 1.0 METHOD OF APPLICATION

- 1.1 Applications for loans must be made on the prescribed form and all the questions answered accurately. In particular the purpose of the loan must be stated.
- 1.2 Applications must reach the Manager by 4.00 p.m on Monday of each week.
- 1.3 It may be necessary to submit invoices, estimates, or other such documents as may be requested by the Credit Committee to support the loan application.
- 1.4 The Credit Committee reserves the right to verify with any creditor the information supplied by applicants.

### 2.0 ASSESSMENT OF APPLICATIONS

- 2.1 Each application will be assessed on its own merit and the Credit Committee may interview any applicant if it considers this necessary.

### 3.0 LUMP SUM PAYMENT FOR LOAN PURPOSES

- 3.1 Deposits will be permitted by a member to increase share capital to obtain a loan for which he or she would not have qualified; however a period of six (6) months or such other period as determined by the Credit Committee must elapse before an application is considered.

### 4.0 CREDIT COMMITTEE MEETINGS

- 4.1 The Credit Committee meets to consider applications on every Tuesday except the last two weeks in December and the first week in January. If a holiday falls on the Tuesday, the Committee will meet on the first working day thereafter.

### 5.0 APPROVED LOANS

- 5.1 The payment of loans approved by the Credit Committee will be made by the third working day following approval of the loan.
- 5.2 Repayment shall be by salary deduction except where a member receives the approval of the Credit Committee to pay by cash, cheque or Bankers order.

### 6.0 EMERGENCY LOANS

- 6.1 Emergency loans in case of sickness or death for example will be processed at any time during working hours.
- 6.2 The Manager and any member of the Credit Committee or Board of Management shall in emergency situations be authorized to approve loans to members to the extent of the unencumbered portion of their entitlement. Such loans shall be ratified by the Credit Committee at the first meeting after.
- 6.3 Straightforward Loans may be approved by the Manager up to a limit of \$10,000.00,



of the unencumbered portion of their entitlement. Such loans shall be ratified by the Credit Committee at the first meeting after.

6.3 Straightforward Loans may be approved by the Manager up to a limit of \$10,000.00, but must be ratified by the Credit Committee at the first meeting thereafter.

#### **7.0 LOAN CONDITIONS**

A member of the Credit Union is eligible for a loan subject to the following:

- 7.1 The availability of funds.
- 7.2 The condition that the applicant must have been a member for not less than six months. However, in cases where a member has been in the Credit Union for a shorter period, he or she shall only be eligible for a loan equivalent to his or her share capital, except there exists a special loan facility between his or her Company and the Credit Union.
- 7.3. A maximum of one and a half times his or her share capital, except where there exists a special loan facility between his or her Company and the Credit Union.
- 7.4 His or her personal borrowing habits and personal discipline.
- 7.5 Length of service with his or her Company.
- 7.6 Any other factor which the Credit Committee considers relevant to the proper use or repayment of such loan.

#### **8.0 MAXIMUM PERIOD OF REPAYMENT**

- 8.1 The period for the repayment of a loan shall not exceed three (3) years for loans up to \$15000.00. The period for the repayment of a loan in excess of \$15000.00 will be left to the discretion of the Credit Committee and will be related to the purpose of the loan and the amount of the loan.

#### **9.0 RESCHEDULED OR REFINANCED LOANS**

- 9.1 Rescheduling or refinancing of loans in excess of share capital shall not be considered until 50% of the members' outstanding loan is repaid. However, notwithstanding this provision, the Credit Committee may, in its discretion, grant a refinanced loan or reschedule an existing loan provided that the committee is satisfied that such a measure is in the best interest of the member and the Credit Union.
- 9.2 The Credit Committee may request an applicant for refinancing or rescheduling of a loan to supply a statement of all the outstanding debts to be repaid.

#### **10.0 COLLATERAL SECURITY**

The Credit Committee will accept the following as collateral security for a loan:

- 10.1 Share Capital.
- 10.2 Deposits.
- 10.3 An Instrument of Charge.  
account of the applicant.
- 10.4 Assignment of life insurance policies with sufficient cash surrender values to cover any amount exceeding the members entitlement. All legal fees will be for the account of the applicant.
- 10.5 A co-maker who must be a member of the Credit Union with sufficient unencumbered share capital to guarantee the excess of the loan above the member's entitlement. Repayments will first be applied towards releasing the co-maker's guarantee. The co-maker's liability will also be reduced as the member's loan entitlement is increased through additional share purchases. No further loan requiring a co-maker would be granted to an applicant until the co-maker's guarantee for the previous loan has been released.

#### **11.0 REPAYMENT INSTALMENT**

- 11.1 The Credit Committee will not normally approve a loan requiring a repayment which is more than 30% of the applicants' monthly income.

#### **12.0 WAIVERS ON LOAN PAYMENTS**

- 12.1 Authority for the granting of waivers is vested in the Credit Committee and applications must be made in writing. Normally, waivers will not be granted for more than one instalment per year.

#### **13.0 LOANS FOR THE PURCHASE OF FURNITURE, APPLIANCES, ETC.**

- 13.1 Applications for the purchase of the above should be accompanied by invoices.
- 13.2 Payment cheques covering this type of loan shall be made payable only to the firm.

#### **14.0 LOANS FOR HOUSE REPAIRS AND RENOVATIONS**

- 14.1 Applications for loans for repairs/renovations must be accompanied by a detailed estimate.
- 14.2 Applicants who have obtained such loans will be expected to co-operate with the Manager or his representative by allowing him or her to inspect the work in progress.

#### **15.0 LOANS TO CREDIT UNION OFFICERS**

- 15.1 Whenever an officer of the Credit Union applies for a loan in excess of his holdings it shall be dealt with in accordance with Bye-law 23 (e).

**IF IT IS DISCOVERED THAT A PARTICULAR LOAN HAS BEEN UTILIZED FOR PURPOSES OTHER THAN THOSE STATED IN THE APPLICATION, THE MEMBER MAY BE REQUIRED TO REPAY SUCH LOAN IMMEDIATELY.**