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FOLEY & LARDNER LLP
ATTORNEYS AT LAW

ATTORNEYS AT LAW

3000 K STREET, N.W.
WASHINGTON, D.C. 20007
202.672.5300 TEL
202.672.5399 FAX
www.foley.com
WRITER'S DIRECT LINE
202.295.4081
cmitchell@foley.com EMAIL

CLIENT/MATTER NUMBER
999100-0130

VIA HAND DELIVERY

Mr. Lawrence Norton
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

AOR 2004-41

2004 JUN 14 P 2:43

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: Advisory Opinion Request

Dear Mr. Norton:

This firm serves as counsel to CUNA Mutual Insurance Society which hereby submits this request for an Advisory Opinion from the Federal Election Commission ("the Commission" or "the FEC") pursuant to 2 U.S.C. §437f and 11 C.F.R. §112.1.

Contemporaneously with the filing of this Advisory Opinion Request ("AOR"), CUNA Mutual Insurance Society has filed its Statement of Organization for the establishment of the CUNA Mutual Insurance Society PAC, a separate segregated fund as described in 2 U.S.C. §441b(b)(2)(C) and 11 C.F.R. §100.5(b).

CUNA Mutual Insurance Society seeks the Commission's advisory opinion on the following question:

Is the CUNA Mutual Insurance Society PAC, the separate segregated fund ("SSF") of CUNA Mutual Insurance Society, affiliated as defined by 2 U.S.C. 441a(a)(5) and 11 CFR 100.5(g)(2) with the Credit Union Legislative Action Council ("CULAC"), the separate segregated fund of the Credit Union National Association ("CUNA"), CULAC's sponsoring organization?

Factual Background

"CUNA Mutual Group" is a trade name that refers to various corporate entities within a corporate organization as depicted in the attached organization chart(s). There are actually two "brother-sister" companies that serve as the ultimate parent companies for the corporate group: CUNA Mutual Insurance Society ("CUNA Mutual Insurance"), a Wisconsin mutual insurance company and its permanent affiliate, CUNA Mutual Life Insurance Company ("CMLIC"), an Iowa mutual insurance company. As mutual insurance companies, both entities are owned by their policyholders.

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CUNA Mutual Group is not itself a corporate entity but a name that refers colloquially and collectively to the corporate organization generally, i.e., the various legal entities owned and/or controlled by CUNA Mutual Insurance Society and CUNA Mutual Life Insurance Company. In strict organizational terms, "CUNA Mutual Group" does not include CUNA Mutual Life Insurance Company and its subsidiaries. But for purposes of this AOR, all for-profit entities related to CUNA Mutual Insurance Society—the connected organization of the CUNA Mutual Insurance Society PAC—and CUNA Mutual Life Insurance Company will be collectively referred to as CUNA Mutual Group, which is the manner in which the entities are referred to in their ordinary course of business.

CUNA is a not-for-profit national trade association of the credit union industry as defined by the Commission (11 C.F.R. §114.8(a)) and a business league as defined under the Internal Revenue Code (26 U.S.C. §501(c)(6)).

CUNA Mutual Group companies provide and sell various insurance, investment and financial solution products and services to credit unions and individual members of credit unions in the United States and several foreign countries. CUNA Mutual Insurance offers credit life, credit disability, health, and variable life and variable annuity products to credit unions and their members.

CUNA Mutual Insurance was formed in 1935 as a mutual insurance company by certain officers and directors of CUNA. Within ten years the two organizations were struggling to maintain their separate identities and missions within a framework of cooperation and service to the credit union movement. By 1956, the two organizations formed separate governing boards and entered into a period of mutual acrimony that lasted until the late 1960s, when efforts to recognize and respect the different roles of the two organizations were generally accepted.

Since that time, CUNA Mutual Insurance has both cooperated and competed with CUNA in their respective efforts to serve the credit union community. Each organization has understood that CUNA Mutual Group's mission is to sell insurance and related financial security products to credit unions and their members. CUNA has served as the national trade association for the credit union population. CUNA Mutual Insurance and CUNA have periodically entered into various business agreements¹ since reestablishing their efforts of cooperation in the late 1960's, specifically:

Mutual Cooperation Agreement. CUNA Mutual Insurance and CUNA have entered into a Mutual Cooperation Agreement by which the two organizations pledge to work together to support the growth and success of credit unions, deemed essential for the well-being of both organizations, albeit for different reasons. Pursuant to the Mutual Cooperation Agreement, which includes separate exhibits addressing Lending Solutions, Education and Training, and Promotional Opportunities, CUNA Mutual Insurance promises to pay base, supplemental and variable compensation amounts to CUNA depending upon CUNA Mutual's revenue growth in 2004.

¹ Requester will provide to the Commission the Agreements referenced herein should the Commission wish to review those. Due to the proprietary business nature of the referenced Agreements, Requester wishes to maintain the confidentiality of the Agreements and to make arrangements for the Commission to review them *in camera* if possible.

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CUNA, in turn, promises to work closely with CUNA Mutual Insurance to ensure its pre-eminence as the most favored provider of insurance and financial services solutions for credit unions and their members.

The Mutual Cooperation Agreement is effective February 1, 2004 and continues through December 31, 2004. The Agreement specifically notes that the relationship between CUNA Mutual Insurance and CUNA pursuant to the Agreement is exclusively a contractual relationship that does not give rise to legal rights based on actual or equitable partnership principles or otherwise change their legal relationship in any way.

The Mutual Cooperation Agreement further specifies that CUNA shall not perform any legislative, regulatory and/or lobbying support financed in whole or in part by funds provided by CUNA Mutual under the Agreement without CUNA Mutual's prior written consent.

Resolution of Mutual Support and Advocacy. CUNA Mutual Insurance and CUNA have jointly issued a Resolution of Mutual Support and Advocacy by which CUNA Mutual Group promises to work with CUNA to ensure CUNA's success as the leading national trade association in the credit union movement, providing *credit unions* with political leadership and legislative, regulatory, education and training expertise (*emphasis added*). In turn, CUNA promises to work with CUNA Mutual Group to ensure its success as the leading provider of insurance and financial services solutions for credit unions, organizations of credit unions, and credit union members. This joint resolution is not a binding contractual agreement but rather an expression of how the two organizations see their relationship relative to working together going forward.

The Mutual Cooperation Agreement and Resolution of Mutual Support and Advocacy are new this year. Previous major contractual agreements between CUNA Mutual Insurance and CUNA include:

Exclusive Endorsement Agreement. Prior to 2004, CUNA Mutual Insurance and CUNA entered into an Exclusive Endorsement Agreement in which CUNA endorsed the products and services of CUNA Mutual Group in exchange for which CUNA Mutual Insurance paid to CUNA an endorsement fee.

The Exclusive Endorsement Agreement was terminated effective December 31, 2003.

Investment in Growth Agreement. CUNA Mutual Insurance and CUNA have also previously entered into an Investment in Growth Agreement through which CUNA Mutual Insurance provided general funding to support CUNA's core trade association activities and CUNA provided certain legislative lobbying, education and training services for and on behalf of CUNA Mutual Insurance on issues related to the growth and development of the credit union movement. The agreement identified several areas in which the organizations would cooperate and assist each other in furtherance of their service to credit unions.

The Investment in Growth Agreement was terminated effective January 31, 2004.

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Transition Services Agreement. One of the CUNA Mutual Group entities, CUNA Mutual Business Services, Inc. purchases certain information technology services from CUNA as part of an agreement in 1999 whereby CUNA Mutual acquired most of the operations of a CUNA-owned enterprise, CUNA Service Group, Inc.

More about these agreements is provided below in a discussion of the individual affiliation factors set forth in 11 CFR 110.3(a)(3)(ii)(A)-(I).

CUNA and CUNA Mutual Insurance have an ongoing business relationship and some overlapping population(s) served by each organization in their respective and different ways. The two organizations work together where possible to accomplish the stated objectives reflected in the various agreements between CUNA and CUNA Mutual Group. However, neither entity has any control over the other's management, operations or business practices other than the contractual obligations set forth in the business agreements referenced above.

REVIEW OF FACTORS OF AFFILIATION AS APPLIED TO CUNA MUTUAL INSURANCE/CUNA MUTUAL GROUP ENTITIES AND CUNA

Where an entity is not an *acknowledged* subsidiary of another entity, Commission regulations provide for an examination of various factors in the context of an overall relationship to determine whether affiliation exists by virtue of the existence of the various factors.

Indicia of affiliation as provided in the FEC regulations (11 CFR 110.3(a)(3)(ii)(A)-(I)) include:

(A) whether a sponsoring organization owns a controlling interest in the voting stock or securities of another sponsoring organization;

(B) whether a sponsoring organization has the authority or ability to direct or participate in the governance of another sponsoring organization through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures;

(C) whether a sponsoring organization has the authority or ability to hire, appoint, demote or otherwise control the officers or other decisionmaking employees or members of another sponsoring organization;

(D) whether a sponsoring organization or committee has a common or overlapping membership with another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees;

(E) whether there are common or overlapping officers or employees, indicating a formal or ongoing relationship between the sponsoring organizations;

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(F) whether members, officers, or employees of an organization were members, officers, or employees of another organization which indicates a formal or ongoing relationship or the creation of a successor entity;

(G) whether a sponsoring organization or committee provides goods in a significant amount or on an ongoing basis to another sponsoring organization or committee, such as through direct or indirect payments for administrative, fundraising, or other costs;

(H) whether a sponsoring organization or committee causes or arranges for funds in a significant amount or on an ongoing basis to be provided to another sponsoring organization or committee; and

(I) whether there was an active or significant role by one sponsoring organization in the formation of another.

Because no factor is dispositive and this list is not exclusive, Requester asks the Commission to review the following facts as applied to the factors for purposes of understanding the overall relationship of CUNA and CUNA Mutual Insurance and the related CUNA Mutual Group entities to discern affiliation, similar to the review by the Commission in AO 1995-36. Based on our review, we have also cited to the Commission's Advisory Opinions relevant to each of the factors and the facts present here.

(A) whether a sponsoring organization owns a controlling interest in the voting stock or securities of another sponsoring organization;

FACTS: Neither CUNA nor CUNA Mutual Insurance Society issues voting stock or securities. CUNA owns no voting stock or securities of any of the CUNA Mutual Group for-profit companies. None of the CUNA Mutual Group for-profit entities are members of CUNA, nor are any of the CUNA Mutual Group entities *eligible* to be members of CUNA. In other words, there is no ownership interest in either organization by the other. The issue related to ownership is based on the ability of one entity to 'control' another through ownership. Because CUNA and CUNA Mutual Insurance have no ownership interest in the other's corporate organization, the potential for 'control' of one entity by the other is entirely absent. Most of the insurance policies issued to CUNA would be from CUNA Mutual Insurance's property and casualty subsidiary, CUMIS Insurance Society, Inc., which is not a mutual company. Those do not include ownership interests (and voting rights) in CUNA Mutual Insurance, the parent corporation. However, CUNA may own a disability or other policy issued by CUNA Mutual Insurance which would give the organization the type of mutual ownership enjoyed by other policyholders. However, CUNA's interest would be *de minimis* in comparison to the total number of policy owners.

(B) whether a sponsoring organization has the authority or ability to direct or participate in the governance of another sponsoring organization through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures;

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FACTS: There are no formal practices or procedures whereby CUNA controls or *could* control CUNA Mutual Insurance and, conversely, no formal practices or procedures whereby CUNA Mutual Insurance controls or could control CUNA, to-wit:

Governance. The governance of all CUNA Mutual Group entities is exercised principally by a 13-member board of directors, pursuant to corporate articles, bylaws and statutory authorization. A common board governs the six major corporations within the Group:

- 1) CUNA Mutual Insurance Society (CUNA Mutual Insurance)
- 2) CUNA Mutual Life Insurance Company (CMLIC)
- 3) CUNA Mutual Investment Corporation
- 4) CUMIS Insurance Society, Inc.
- 5) MEMBERS Life Insurance Company
- 6) CUNA Mutual Insurance Agency, Inc.

CUNA Mutual Insurance and CMLIC, the parent organizations, possess ownership directly or through wholly-owned subsidiaries in numerous additional companies, including several international entities, but have no ownership or management interest(s) or role in CUNA or any of its subsidiaries.

CUNA's president/CEO has been extended an invitation by vote of the CUNA Mutual Insurance board of directors to attend board meetings as an *ex officio non-voting* member of the 13-member CUNA Mutual Insurance board, serving without compensation or other director benefits. Similarly, the president/CEO of CUNA Mutual Insurance has been extended similar non-voting *ex officio* participation in CUNA's board meetings, also serving without compensation or other director benefits. It is rare for either official to actually attend a meeting of the other corporation's board of directors.

Additionally, neither CUNA Mutual Insurance nor any agent, employee or representative of CUNA Mutual Insurance has any role whatsoever in the management, direction, control or operation of CULAC. See Advisory Opinion 2003-21 (Even though one corporate entity owned 19% of the voting stock in another company ("Company") which provided to it the ability to participate in the governance of the Company, when considered in light of the Company's articles of incorporation and bylaws, even stock ownership was not sufficient to give the requesting entity either direction over, or control of, the governance of the Company. The stockholder's ability to participate in the governance of the Company was deemed by the Commission to be akin to the ability of a minority shareholder. Furthermore, neither the stockholder nor the stockholder's PAC directed or participated in any way in the governance of the Company PAC. The Company PAC was governed exclusively by its directors, officers and employees).

Management. The management of CUNA Mutual Group entities is determined in accordance with each entity's articles of incorporation and bylaws. CUNA has no role in the management, operations or administration of any CUNA Mutual Group entity, either directly as an

organization or indirectly by any individual associated with CUNA or any agent or representative of CUNA.

The management of CUNA is determined by the CUNA Board of Directors as provided in the CUNA articles of incorporation and bylaws. There is no management role or any control whatsoever by any CUNA Mutual Group entity in the management of CUNA.

Informal Practices or Procedures. In addition to no formal management or control of either CUNA or CUNA Mutual Insurance by the other, there is no informal role by CUNA or CUNA Mutual Insurance in the management or governance of the other.

CUNA Mutual Insurance and CUNA work closely together in furtherance of their common business interests pursuant to contractual relationships negotiated by the respective parties at arm's length. But in matters particular to each corporation, i.e., management of the for-profit CUNA Mutual Group business enterprises to develop, sell and support their financial services and insurance products and CUNA's role as a non-profit business league representing credit unions and members of credit unions, there is no attempt by either organization's ex officio board representative to participate in such management issues.

Simply put, there are no overlapping management personnel, officers or entities between CUNA and CUNA Mutual Insurance and none of the business agreements or memoranda entered into by the parties provides for any common management or control opportunities (See Advisory Opinion 2001-18: there is affiliation where one entity controls the management company which manages the other sponsoring organization).

The governing documents of each corporate entity vest no governing authority or positions in the other nor are any of the officers, directors or managers of one entity authorized to direct or engage in the management of the operations of the other organization. (See AO 1993-23: no affiliation exists where a former subsidiary of one corporation was spun off into a separate corporate entity with no continuing control or management by the former parent corporation.)

(C) whether a sponsoring organization has the authority or ability to hire, appoint, demote or otherwise control the officers or other decisionmaking employees or members of another sponsoring organization;

FACTS: There is no authority vested in CUNA to hire, appoint, demote or otherwise control the officers or other decisionmaking employees of any CUNA Mutual Group entity; conversely, no CUNA Mutual Group entity has the authority to hire, appoint, demote or otherwise control the officers or other decisionmaking employees or members of CUNA. Accordingly, this factor evidencing affiliation is not present with respect to CUNA and CUNA Mutual Group.

(D) whether a sponsoring organization or committee has a common or overlapping membership with another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees;

FACTS: There is no 'overlapping membership' because CUNA Mutual Insurance is neither a 'membership organization' nor a 'trade association' within the Commission's definition. 11 CFR 114.8(a) defines a trade association as a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit, and no part of the net earnings of which inures to the benefit of any member. See Advisory Opinions 1991-24, 1985-24, 1982-40 and 1982-2. A federation of trade associations would fall within this same framework. See 11 CFR 114.8(g). As one type of membership organization, the trade association must also possess certain attributes. It must (i) expressly provide for "members" in its articles and bylaws; (ii) expressly solicit members; and (iii) expressly acknowledge the acceptance of membership, such as by sending a membership card or inclusion on a membership newsletter list. 11 CFR 100.8(b)(4)(iv)(A), 114.1(e)(1).

CUNA Mutual Group consists of for-profit companies offering goods, services and financial products to a market segment comprised of individual credit unions, associations of credit unions (including CUNA and its member state trade associations) and their members.

CUNA performs traditional trade association functions for its member credit unions and state trade associations.

CUNA qualifies as a trade association under the Act. CUNA incorporated in the State of Wisconsin as a non-profit, non-stock corporation with members. CUNA's articles of incorporation and bylaws state that CUNA was organized to, among other things, promote and improve business conditions relative to the operation of state and federal credit unions. CUNA also seeks to perfect credit union laws, aids in the training and education of credit unions, and publishes a number of periodicals containing information on issues in the credit union industry, including management concepts, statistical studies, and legislative and regulatory matters. The Commission concluded in Advisory Opinion 1991-24 that CUNA was a membership organization with "members" who qualified as such under the Act. ["CUNA also qualifies under Commission regulations as a membership organization, a membership association and a federation of trade associations." See AO 1998-19] Its membership is comprised of individual credit unions, including both state and federal charters, and state-oriented credit union trade associations known generically as "leagues." See AO 1998-19 and AO 2003-39. The Commission concluded in AO 1998-19 that the individual credit union members of CUNA would be considered "members" for purposes of the Act and Commission regulations].

Pursuant to the CUNA bylaws, none of the CUNA Mutual Group entities are eligible to become members of CUNA and none are members. CUNA Mutual Group entities are for-profit enterprises rather than membership organizations or trade associations. CUNA members may become customers of CUNA Mutual Group companies if and when they purchase products or services offered by CUNA Mutual Group. As mutual insurance companies, certain of the CUNA Mutual companies are owned by their policyholders, including both credit unions and their members.

In AO 1996-50, the FEC found affiliation no longer existed between two entities which had been formerly affiliated even though both organizations had been established to serve similar audiences and objectives: one organization was established to promote the common interests of institutions chartered under the Farm Credit Act of 1971 and the other organization was/is to promote the interests of farm cooperatives. Although some degree of overlap in the memberships of the two organizations existed, the FEC found that the absence of control or influence of either organization in the direction, management or governance of the other did not create or extend a legal status as affiliated organizations under the Act.

Here, while CUNA and CUNA Mutual Group share the common objective of promoting, building and serving credit unions and credit union members, and members of CUNA may also be customers and/or policyowners of CUNA Mutual Insurance, the two entities have very different business organizations and operations and wholly different management and control.

(E) whether there are common or overlapping officers or employees, indicating a formal or ongoing relationship between the sponsoring organizations;

FACTS: There are no common or overlapping officers or employees between CUNA and any CUNA Mutual Group entity. Any employment transitions between employees of CUNA Mutual Group and employees of CUNA are entirely personal and without organizational encouragement or endorsement. The fact that CUNA Mutual Group provides insurance products and other financial services almost exclusively to credit unions and their members, and CUNA exists to serve the credit union industry with legislative lobbying, educational and other support services creates a natural affinity of experience in some respects for employees of the two organizations. But this is entirely serendipitous and not the byproduct of any organizational exchange.

As noted above, there is an informal practice whereby the respective boards of directors of CUNA and CUNA Mutual Insurance annually appoint the CEO/president of the other corporation as an *ex officio* non-voting member of their respective boards, although neither has actually attended the other's board meetings in several years.

(F) whether members, officers, or employees of an organization were members, officers, or employees of another organization which indicates a formal or ongoing relationship or the creation of a successor entity;

FACTS: While there was initially a mutuality of employees or officers at CUNA Mutual's inception, that has not been the case since the 1950's. All CUNA members are eligible to also be customers of one or more CUNA Mutual Group companies if they purchase services or products from one or more of these companies. Such overlap does not vest any CUNA member with any management, governance or decisionmaking authority over CUNA Mutual Insurance. Rather, control of all CUNA Mutual Group companies is set forth in the specific articles of incorporation and bylaws of each entity. From the beginning, CUNA Mutual Insurance was established and owned by its policyholders.

There are CUNA Mutual Insurance officers and employees who are individual members of CUNA by virtue of their membership in various credit unions, but that membership is unrelated to their relationship to CUNA Mutual Insurance.

CUNA Mutual Insurance Society was founded in 1935 as a mutual insurance company by certain officers and directors of CUNA. A primary purpose for formation of CUNA Mutual was to provide credit insurance (life and disability) to credit union members in the depths of the Great Depression when loss of the family's wage earner or livelihood could have devastating effects on the family's economic well-being. The insurance also provided significant protection for credit union lending. Since that time, CUNA Mutual Insurance has expanded to include both national and international for-profit entities serving the insurance, investment and other financial needs of credit unions and their members around the world. CUNA Mutual Insurance and CUNA have had an ongoing relationship since 1935. However, the relationship has not involved organizational control by one over the other even at the outset. CUNA Mutual Insurance Society from the beginning was owned and controlled by its policyowners (common to any mutually-owned company) and not CUNA.

Further, any factors of control or common employees which may have given rise to affiliation at the inception of CUNA Mutual Insurance have long since passed. And as pointed out above, change in relevant circumstances warrants a finding by the Commission of 'no affiliation' even when two organizations may have been formerly affiliated.

(G) whether a sponsoring organization or committee provides goods in a significant amount or on an ongoing basis to another sponsoring organization or committee, such as through direct or indirect payments for administrative, fundraising, or other costs; and (H) whether a sponsoring organization or committee causes or arranges for funds in a significant amount or on an ongoing basis to be provided to another sponsoring organization or committee;

FACTS: CUNA Mutual Insurance provides goods or services to CUNA only pursuant to arm's length contractual relationships, which agreements recognize that the parties retain their status as independent contractors and that such agreements vest no ownership, management or other responsibilities or control in each other's business or internal operations. In the Mutual Cooperation Agreement, which defines the business relationship between the two organizations, the following appears as a clause in the agreement:

***Contractual Relationship.** The relationship between the parties (CUNA and CUNA Mutual) established in and as a result of this Agreement is exclusively a contractual relationship. This Agreement is not intended to and does not create any separate entity, any joint assets of any form or nature; give rise to any legal rights based on partnership or partnership principles, equitable or otherwise; or create any other principles, equitable or otherwise, or any other rights which are not expressly provided for in this Agreement. Neither party will have, nor represent to any person that it has, any right, power or authority to bind the other party, transact any business in the other party's name or on its behalf, or

make any promises or representations on behalf of the other party, except in each case, as may be expressly authorized in writing by the other party."

Business Transactions Involving CUNA Mutual Insurance and CUNA. In addition to the Mutual Cooperative Agreement described more fully on pp. 2-3 above, there have been several other instances in which the boards and management of the two entities have entered into business relationships for the mutual benefit of each. These recent agreements specifically provided that they fully defined the business relationship between the parties on the subject of the agreements and clearly indicated that that relationship was determined by arm's length bargaining. These past business agreements which are mostly no longer in effect include:

Exclusive Endorsement Agreement. The Exclusive Endorsement Agreement was a contract by which CUNA agreed to promote CUNA Mutual Insurance as the exclusive supplier for more than eighty (81) insurance, investment and pension products and related services and the non-exclusive provider for an additional eighteen (18) products and services. CUNA Mutual Insurance paid CUNA amounts pursuant to the contract for the CUNA endorsement and for the specific activities undertaken by CUNA to indicate its endorsement as required by the Agreement. However, the Endorsement Agreement provided no management responsibilities or control by either party in the affairs of the other. Further, CUNA Mutual has endorsement agreements with several other credit union organizations, none of which are regarded as affiliates of CUNA Mutual Insurance.

Investment in Growth Agreement. The Investment in Growth Agreement was a contract between CUNA and CUNA Mutual Insurance expressly founded upon two premises:

- (1) CUNA Mutual is committed to helping CUNA maintain its status as a "world class" trade association; and
- (2) CUNA is committed to helping CUNA Mutual maintain its position of insurance and financial services "partner of choice" for the credit union movement.

Contained in the Investment in Growth Agreement was a provision in which CUNA provided *ex officio* positions to CUNA Mutual Insurance senior staff on the CUNA Governmental Affairs Committee and Political Involvement Committee. However, the Agreement expressly noted the possibility of disagreement on lobbying, legislative and policy issues and provided that the two organizations agreed to pursue their separate policy and legislative interests in the event of such differences. The Investment in Growth Agreement provided no management responsibilities of control by either party in the affairs of the other *nor* did it vest any control, influence or responsibility in CUNA Mutual Insurance for decisions related to CULAC.

Also included in the agreement was a provision whereby CUNA Mutual made a one-time start-up contribution of \$50,000 to CUNA's Administrative Fund for support of its political activities in order to help finance CUNA's legislative and political advocacy for and on behalf of CUNA Mutual. This contribution was made at a time when CUNA Mutual Insurance anticipated a very limited role in its own political advocacy and desired to support CUNA's political and legislative

efforts.. In return, CUNA pledged to provide CUNA Mutual with legislative district matching and key contacts information, provided that CUNA Mutual obtained permission from CUNA and the relevant state trade association (league) prior to using such information for CUNA Mutual's separate legislative and regulatory objectives.

The cooperation embodied in the Investment in Growth Agreement was not based on nor did it create 'affiliation' (as defined by the Commission) between the two organizations. Rather, it reflected a decision at that time by CUNA Mutual to depend upon the political and legislative efforts of other organizations rather than establishing its own programs. In addition to supporting CUNA's legislative and political funds, CUNA Mutual also relied on the insurance and business trade associations of the American Insurance Association, American Council of Life Insurers, National Association of Independent Insurers (now Property Casualty Insurers Association of America), and the US Chamber of Commerce, for necessary advocacy activities. CUNA Mutual's contribution to CUNA's Administrative Fund was in exchange for services to be rendered, similar to the other services and promotion(s) purchased by the Investment in Growth Agreement. This agreement is no longer in effect. CUNA Mutual has not made other payments to CUNA's Administrative Fund and intends none in the future. Even more fundamentally, CUNA Mutual desires to create its own SSF and pursue its individual corporate interests through its own political action committee. That effort will be wholly independent of any control or direction by CUNA or CULAC.

Transition Services Agreement. One of the CUNA Mutual Group entities, CUNA Mutual Business Services, Inc. (formerly CMG Business Services, Inc.) ("Company") entered into an agreement ("Transition Services Agreement") with CUNA effective January 1, 2000 whereby CUNA agreed to perform certain services for and on behalf of Company as part of an acquisition agreement dated December 10, 1999 whereby CUNA Mutual Insurance acquired ownership of CUNA Service Group, Inc. from CUNA. Company paid and continues to pay CUNA for the performance of the services described in the Transition Services Agreement, as amended. Only certain information technology services continue to be purchased under this agreement. These purchases have been on an arm's length basis.

Other General Business Relationship(s). There are several other business relationships between CUNA Mutual Insurance and CUNA evidenced by separate agreements between the parties. These include:

- CUNA Mutual Insurance pays CUNA for lists of CUNA members to whom CUNA Mutual Insurance markets products and services in a standard commercial manner;
- CUNA licenses to CUNA Mutual Insurance the use of the CUNA hands-and-globe logo;
- CUNA Mutual Insurance leases office space to CUNA in property owned by CUNA Mutual Insurance, for which CUNA pays rent at a normal market rate; and
- CUNA purchases insurance policies from CUNA Mutual Group, such as property & casualty, liability insurance, directors and officers liability insurance, and other insurance coverage.

All of these agreements reflect arm's length, market-based pricing and none vest ownership or control of either party's management or business operations in the other.

The products, support, services and benefits provided by CUNA Mutual Insurance to CUNA, and vice versa, are through customary business arrangements for the mutual benefit and support of the contracting parties within an overlapping business marketplace. Affiliation does not arise simply because of a business relationship, even one involving the exclusive right to sell the products of another entity. See Advisory Opinion 1985-7, where the degree of influence exercised by a corporation over its wholesalers/distributors was insufficient to meet the standard for affiliation. Under the Equity Agreement between the parties, the wholesaler maintained its status as an independent business, and its independence was not significantly impaired by its contractual relationship with [the corporation]; hence, no affiliation.

See also Advisory Opinion 2003-21, where one organization and its affiliates provided financial advisory and investment banking services to another corporate entity it had previously owned and could thus have been viewed as causing or arranging funding for the Company. However, the Commission noted that in a financial circular it was disclosed that the two entities had engaged in several related-party transactions involving investment banking and financial advisory services provided by one of the corporations to the other. These related-party transactions were deemed by the Commission to be commercially reasonable transactions not made on terms any better than those offered to other parties, but they nonetheless did evidence significant ongoing business activities between the two entities in which the former arranged financing for the latter. Relying on earlier advisory opinions, the Commission found that disaffiliated companies may maintain some customer-supplier relationships. See Advisory Opinion 1996-42 (after a corporation was spun-off from its parent, the two companies were no longer affiliated because factors indicating a continuing relationship between the two companies were outweighed by factors indicating separate control), citing Advisory Opinion 1995-36, n.3 (noting that two formerly affiliated entities continued to do business on an arm's length basis). The FEC specifically noted that the investment banking relationship was qualitatively different from an ordinary customer-supplier relationship because it was combined with former status as the majority owner of the Company's voting stock for four years and provided the requester with nonpublic knowledge regarding the Company that far exceeded the knowledge available to any other investor. However, as part of the overall circumstances of the two entities at the time of the AOR, that consideration was not decisive, according to the Commission in finding no affiliation.

(I) whether there was an active or significant role by one sponsoring organization in the formation of another.

FACTS: As discussed above, CUNA officers and directors were involved in the organization and formation of CUNA Mutual Insurance in the 1930's. Following the initial close relationship, a period of estrangement ensued which was reconciled by the 1970's. Today, the two entities work together with a shared commitment to the credit union movement. Neither has any organizational control over the other and the missions are quite different. Facts that may have given rise to affiliation at one time are no longer present.

Additionally and significantly, considering the past history of CUNA and CUNA Mutual Insurance, merely because these two organizations were affiliated in the past does not mean that they remain affiliated after the factors establishing affiliation are no longer present. See, e.g. Advisory Opinion 2000-28 (finding that an unincorporated association of businesses involved in the development and construction of multifamily housing for senior citizens and an incorporated trade association representing the interests of the multifamily housing industry were disaffiliated after a formal separation agreement was executed) and AO 1995-36 (finding that two formerly affiliated businesses were disaffiliated, in part because of the continuous separate operations of the businesses after an initial public offering of one entity's stock and direct competition between the businesses); Advisory Opinion 1996-42 (after a corporation was spun-off from its parent, the two companies were no longer affiliated because factors indicating a continuing relationship between the two companies were outweighed by factors indicating separate control), citing Advisory Opinion 1995-36, n.3 (noting that two formerly affiliated entities continued to do business on an arm's length basis but such business relationship did not constitute affiliation).

CUNA is a trade association within the meaning of 11 C.F.R. § 114.8(a). Because no CUNA Mutual Group entity is a *member* of or eligible for membership in CUNA pursuant to CUNA's bylaws, CUNA Mutual Insurance is not within the FEC's definition of 'membership' for purposes of examining its relationship with CUNA (11 C.F.R. § 114.1 (e)(2)). Because CUNA Mutual Insurance is not a member of CUNA, none of the corporate entities within the CUNA Mutual Group is eligible to grant authorization to CUNA to solicit contributions for CULAC from the restricted class of CUNA Mutual Insurance.

Absent the formation of a CUNA Mutual Insurance Society SSF, the restricted classes and families of the CUNA Mutual Group companies have no voice in the political process through a political action committee which could represent their views and support candidates who support CUNA Mutual Insurance policies and principles—which were acknowledged in the Investment in Growth agreement as being different from and potentially even adverse to the views and positions of CUNA. Although both organizations depend upon the vitality and support of a large credit union marketplace, the two organizations are fundamentally different. CUNA Mutual Group is a combination of for-profit businesses offering a wide range of insurance, investment and other financial products and services. It has vital political interests in laws and regulations pertaining to taxation, insurance offerings, business operations, securities management, and capital markets. CUNA is a not-for-profit 501(c)(6) trade association, in fact a federation of trade associations, formed by its members to facilitate the ability of credit unions to function and serve their membership well. CUNA's political action committee, CULAC, has no mandate nor does CUNA have any expertise to address the common business, insurance, and for-profit issues that CUNA Mutual Group deals with on a daily basis.

While CUNA Mutual Insurance and CUNA share some mutual interests, CUNA Mutual Insurance is not *eligible* for membership in CUNA (as discussed above) because CUNA Mutual Insurance and CUNA are not in the same 'business'. CUNA Mutual is, however, a member of several *other* trade associations by virtue of its common business interests with other members of those associations as required for a 'business league' within the definition of 26 U.S.C. §501(c)(6),



Mr. Lawrence Norton
June 14, 2004
Page 15

including the American Insurance Association, American Council of Life Insurers, Property Casualty Insurers Association of America, the United States Chamber of Commerce, and Wisconsin Manufacturers and Commerce. None of these memberships is deemed to give rise to affiliation within the meaning of the Federal Election Commission Act despite the convergence of political interests within the sphere of concern for each association. Member company SSFs operate freely and independently from their association SSFs. Similarly, the convergence of interests between CUNA Mutual and CUNA in serving credit unions should not be deemed to constitute affiliation. To do so would severely limit the ability of CUNA Mutual Insurance to establish an SSF able to participate in the political process fully and freely on behalf of the interests of its connected organization and its business subsidiaries and affiliates.

The Commission's line of advisory opinions related to franchisees, licensees, and business affiliates of a subsidiary or licensee whose business is controlled by a parent company are instructive only inasmuch as those AO's are clearly inapposite to the relationship that exists between CUNA and CUNA Mutual which is not a franchisee, licensee or distributor of or for CUNA. CUNA does not control CUNA Mutual's business operations and does not develop, license or approve its products and services. There is no control by CUNA over the business enterprises of CUNA Mutual. Advisory Opinion 1985-7 is more closely on point, where the Commission determined that wholesaler-distributors of the parent company's products were not sufficiently controlled by the manufacturer to qualify as "affiliated" for purposes of the Act.

Please contact me at (202) 295-4081 should you have any questions or comments regarding this Request for Advisory Opinion or should you require any further information or materials.

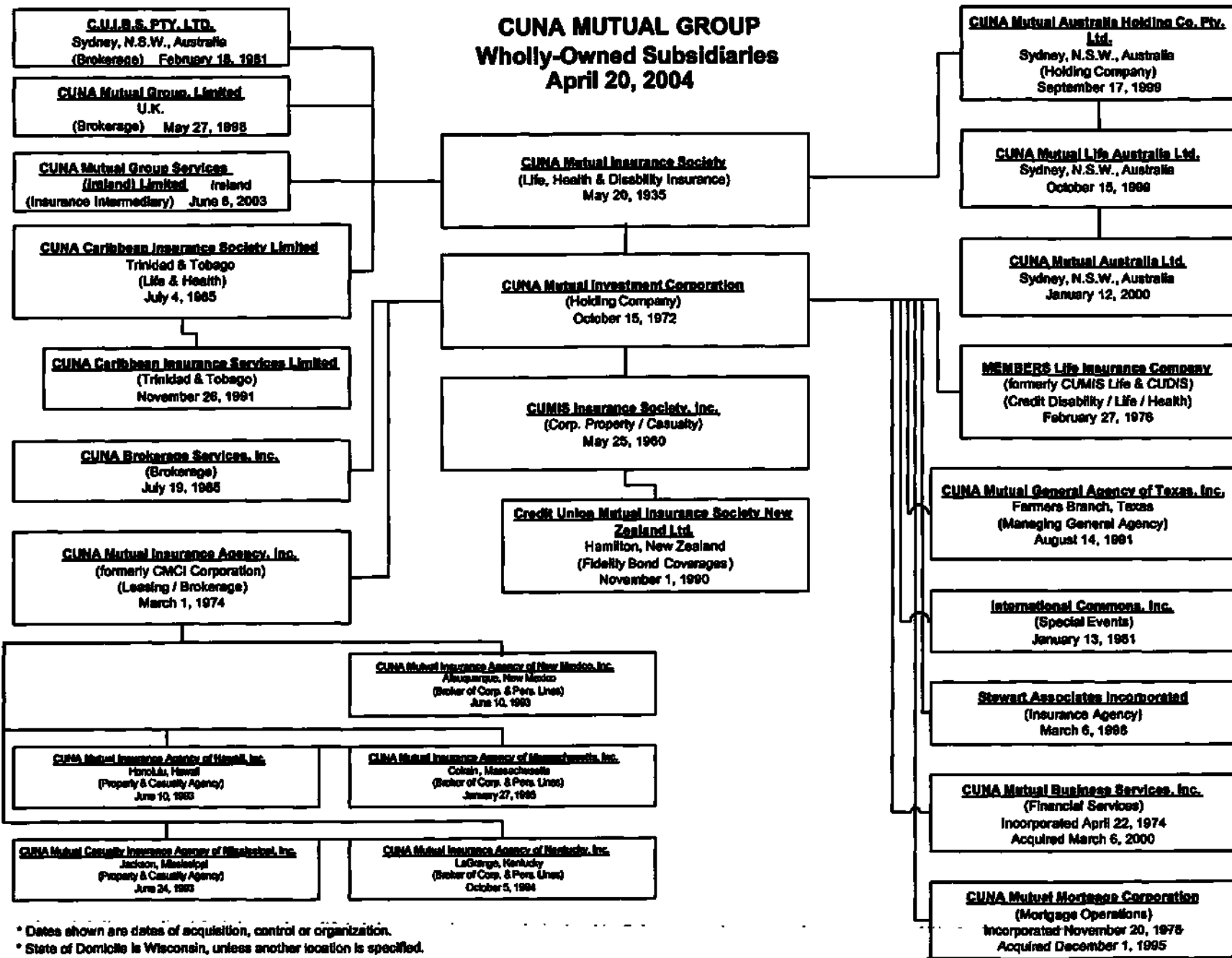
Thank you for your consideration.

Sincerely,

Clea Mitchell, Esq.
For CUNA Mutual Insurance Society

cc: Mr. James L. Carney, Esq.

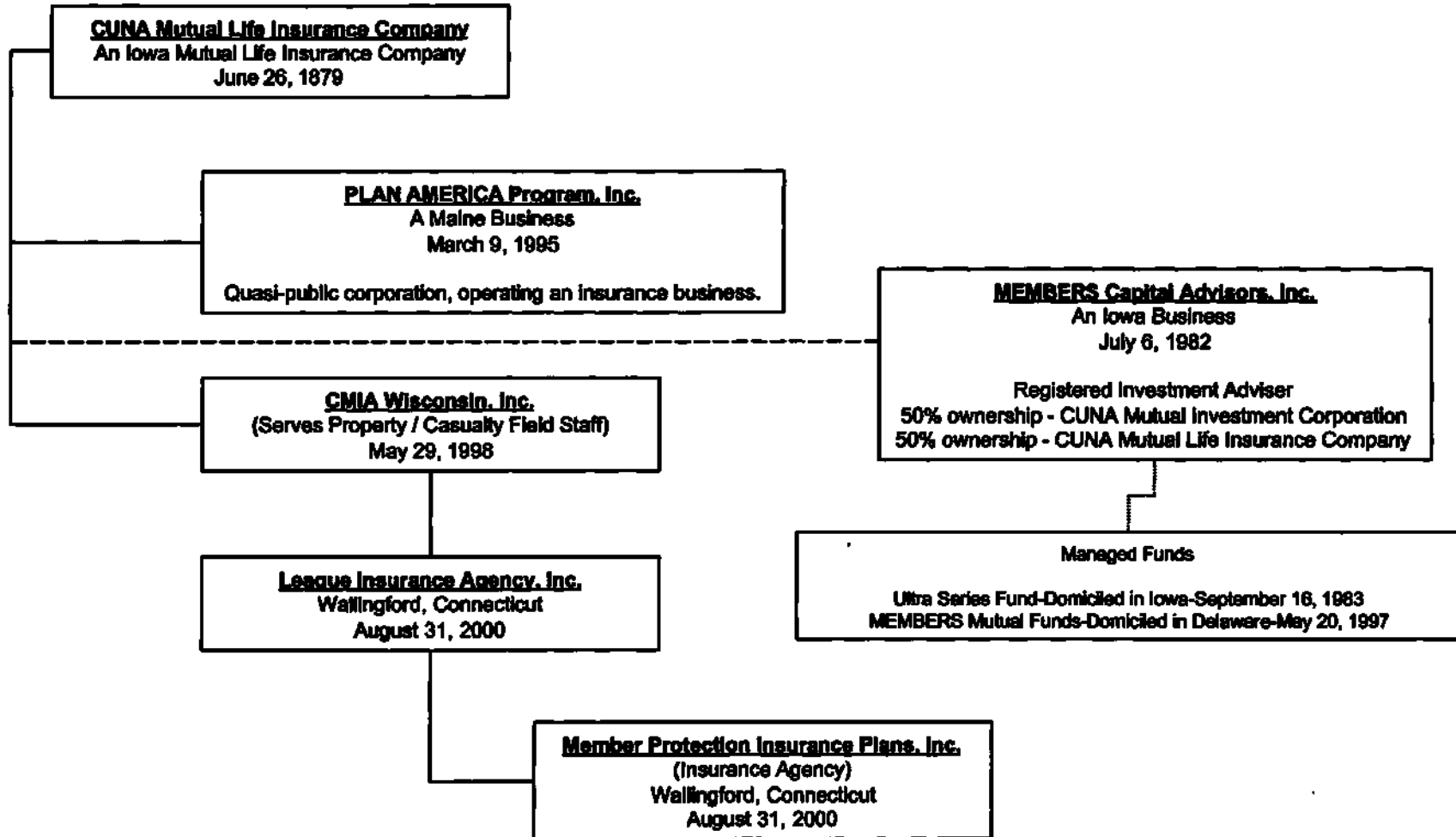
**CUNA MUTUAL GROUP
Wholly-Owned Subsidiaries
April 20, 2004**



ATTACHMENT A

* Dates shown are dates of acquisition, control or organization.
* State of Domicile is Wisconsin, unless another location is specified.

CUNA MUTUAL LIFE INSURANCE COMPANY
Wholly-Owned Subsidiaries
February 10, 2003





FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 23, 2004

Cleta Mitchell, Esq.
Foley & Lardner LLP
3000 K Street, N.W.
Washington, D.C. 20007

Dear Ms. Mitchell:

This refers to your letter dated June 14, 2004, concerning the application of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations to the CUNA Mutual Insurance Society PAC, a separate segregated fund of the CUNA Mutual Insurance Society ("CUNA Mutual Insurance"). You ask whether CUNA Mutual Insurance Society PAC is affiliated with the Credit Union Legislative Action Council, the separate segregated fund of the Credit Union National Association ("CUNA").

You state that CUNA Mutual Insurance has filed a Statement of Organization for CUNA Mutual Insurance Society PAC with the Commission. You state that CUNA Mutual Insurance was formed in 1935 as a mutual insurance company by certain officers and directors of CUNA. You state that CUNA Mutual Insurance is a part of the CUNA Mutual Group corporate group, and that CUNA Mutual Insurance has a brother-sister relationship with the CUNA Mutual Life Insurance Company ("CMLIC"). You state that CUMIS Insurance Society, Inc. is a property and casualty insurance subsidiary of CUNA Mutual Insurance. You state that CUNA Mutual Insurance and CUNA have entered into a Mutual Cooperation Agreement and have jointly issued a Resolution of Mutual Support and Advocacy.

The Act authorizes the Commission to issue an advisory opinion request in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. 437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c). Further information will be needed for your request to include a complete description of the relevant facts. Please provide responses to the following questions and requests for documents:

Letter to Clea Mitchell, Esq.

June 23, 2004

Page 2

- (1) Please provide the articles of incorporation and bylaws for CUNA Mutual Insurance and CMLIC.
- (2) Please explain what is meant by your statement that CUNA Mutual Insurance and CMLIC are "permanent affiliates."
- (3) Please describe in detail any ownership interest in CUNA Mutual Insurance, CMLIC, or a subsidiary of either, that CUNA has obtained, including any ownership interest obtained through an insurance policy issued by CUNA Mutual Insurance, CMLIC, or one of their subsidiaries.
- (4) Please state whether any officers or directors of CUNA Mutual Insurance have any relationship to CUNA, or to member leagues of CUNA, or to credit unions that are members of CUNA members.
 - (a) Explain in detail any such relationships.
 - (b) Explain the role(s) of any such person in CUNA, including that individual's voting or other decision-making powers.
- (5) Please provide copies of the referenced Mutual Cooperation Agreement and Resolution of Mutual Support and Advocacy, redacted, as necessary, to protect proprietary business information.

Upon receipt of your responses, this Office will give further consideration to your inquiry. If you have any questions about the advisory opinion process or this letter, please contact Albert J. Kiss at 202-694-1650.

Sincerely,


Rosemary C. Smith
Associate General Counsel



FOLEY & LARDNER LLP
 ATTORNEYS AT LAW
 WASHINGTON HARBOUR
 3000 K STREET, N.W., SUITE 500
 WASHINGTON, D.C. 20007-5143
 202.672.5300 TEL
 202.672.5399 FAX
 www.foley.com

September 16, 2004

VIA HAND DELIVERY

WRITER'S DIRECT LINE
 202.295.4081
 cmitchell@foley.com EMAIL

CLIENT/MATTER NUMBER
 07708-0103

Ms. Rosemary C. Smith, Esq.
 Associate General Counsel
 Federal Election Commission
 999 E Street, NW
 Washington, D.C. 20463

2004 SEP 16 P 5:01
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Re: Substituted Supplemental Information Filed in Response to FEC Letter
 Dated June 23, 2004

Dear Ms. Smith:

Please find enclosed the Response and Exhibits in response to your letter dated June 23, 2004 regarding the Advisory Opinion Request ("AOR") submitted by CUNA Mutual Insurance Society.

Please replace this filing with the Response and Exhibits filed on September 13, 2004. There were two pages inadvertently included in the earlier filing which were not intended to be contained in the filing.

The attached Response and Exhibits are the correct versions to be placed on the public record at the appropriate time when the Commission deems the AOR complete.

Please contact me at (202) 295-4081 if you have any questions. Thank you for your assistance.

Sincerely,

Cleta Mitchell, Esq.
 Counsel to CUNA Mutual Insurance Society

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 COUNSEL

cc: Mr. James L. Carney, Esq.

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ATTORNEYS AT LAW

WASHINGTON HARBOUR
3000 K STREET, N.W., SUITE 500
WASHINGTON, D.C. 20007-5143
202.672.5300 TEL
202.672.5399 FAX
www.foley.com

WRITER'S DIRECT LINE
202.295.4081
cmitchell@foley.com EMAIL

CLIENT/MATTER NUMBER
077008-0103

VIA HAND DELIVERY

Ms. Rosemary C. Smith, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: Supplemental Information in Response to FEC Letter Dated June 23, 2004

Dear Ms. Smith:

This is in response to your letter dated June 23, 2004, in which you have requested on behalf of the Federal Election Commission ("the Commission") certain additional information regarding the Advisory Opinion Request ("AOR") submitted by CUNA Mutual Insurance Society. The Commission's questions are re-stated below and are followed by the information responsive to each question.

- (1) "Please provide the articles of incorporation and bylaws for CUNA Mutual Insurance and CMLIC."

Enclosed as Exhibits 1, 2, 3 and 4.

- (2) Please explain what is meant by your statement that CUNA Mutual Insurance and CMLIC are 'permanent affiliates.'"

The permanent corporation affiliation created between CUNA Mutual Insurance Society and Century Life of America which was referenced in the AOR was authorized and approved by the Boards of Directors of both entities on December 1, 1989. Through this unique partnership, the two companies leverage their complementary strengths to achieve a healthy rate of growth for both. Under this business affiliation, the two companies have remained separate entities and are responsible to their respective policyowners. However, beginning in July 1990 until the present time (and with no ending date of the affiliation foreseen), both entities have been served by the same Board members and senior management team. In addition, the companies are integrated administratively and participate in each other's financial performance through reinsurance treaties.

The permanent affiliation partners provide services (e.g., marketing, servicing) to each other, for which an accounting "true-up" is performed annually and reimbursement is made to the partner to whom it is owed. The "true-up" process is in place to ensure equity for the policyowners of both entities. The partners jointly and equally own an investment advisory firm

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Ms. Rosemary C. Smith, Esq.
Associate General Counsel
September 16, 2004
Page 2

that performs investment functions for both of them. The Board and senior management perform strategic planning for both organizations simultaneously and seek to maximize results for both organizations. These entities are also affiliated for purposes of 2 U.S.C. §441a(a)(5).

(3) Please describe in detail any ownership interest in CUNA Mutual Insurance, CMLIC, or a subsidiary of either, that CUNA has obtained, including any ownership interest obtained through an insurance policy issued by CUNA Mutual Insurance, CMLIC, or one of their subsidiaries."

Other than voting rights common to all mutual insurance policyholders (discussed further below), CUNA has no ownership interest in CUNA Mutual Insurance, CMLIC, or a subsidiary of either. It is a policyholder of CUNA Mutual Insurance by virtue of its purchase of group life insurance and long term disability insurance. CUNA also has its organizational defined benefit pension plan and 401(k) retirement plan administered through CUNA Mutual's pension department. These do not confer policyholder ownership rights.

In addition to these insurance policies and customer relationships, CUNA purchases the following additional insurance coverage from CUNA Mutual's property and casualty arm, CUMIS Insurance Society, Inc.: special insurance package, CUPOP 92, workers compensation, business auto, and commercial crime coverage. None of these policies, however, are mutual insurance policies and they do not, therefore, convey any voting or other ownership rights in the policyholder.

As a policyholder of CUNA Mutual Insurance, CUNA is entitled to one vote on matters presented for policyholder action (the most common being elections of directors) regardless of the number and types of policies it owns. CUNA Mutual Insurance has more than 135,000 policyholders, many of which own more than one policy.

Accordingly, CUNA as a policyholder has one (1) vote of a possible 135,000 voting policyholders.

- (4) Please state whether any officers or directors of CUNA Mutual Insurance have any relationship to CUNA, or to member leagues of CUNA, or to credit unions that are members of CUNA members.*
- (a) Explain in detail any such relationships.*
 - (b) Explain the role(s) of any such person in CUNA, including that individual's voting or other decision-making powers.*

CUNA Mutual Insurance is governed by a 13-member board of directors and employs in excess of 150 officers (assistant vice president and above) plus several hundred lower-level managers.

CUNA Mutual Group's nearly 6,000 employees are located in Madison, Wisconsin; Waverly, Iowa; at numerous regional offices, credit unions and other locations throughout the United States, as well as in Canada, the Caribbean, and elsewhere in the world.

Ms. Rosemary C. Smith, Esq.
Associate General Counsel
September 16, 2004
Page 3

Following are the members of the officers and directors of CUNA Mutual Group and their respective positions with CUNA or one of its competitors as requested by the Commission. All directors are listed, however, only officers who have some position of involvement with CUNA are listed here.

Directors:

Loretta Burd, Board Chairman

President/CEO of Centra Credit Union, Columbus, IN
Serves on CUNA's Partnership Committee and Partnership Council as a representative from CUNA Mutual's Executive Committee. The Partnership Council is the executive element of the Partnership Committee, which is composed of the leadership of CUNA, CUNA Strategic Services, Inc. (a CUNA affiliate), CUNA Mutual Group, the American Association of Credit Union Leagues (AACUL), the Association of Corporate Credit Unions (ACCU), the Filene Research Institute (FRI), U.S. Central Credit Union (USC)(central corporate credit union), and the World Council of Credit Unions (WOCCU). The Partnership Committee/Council exists to consider long-range planning issues and develop improved coordination between the national credit union organizations.

Centra Credit Union is a member of CUNA and the Indiana Credit Union League.

Brian L. McDonnell, Board Vice Chairman (*resigned effective June 30, 2004*)

President/CEO of Navy Federal Credit Union, Vienna, VA
CUNA Mutual Vice Chair serves on CUNA's Partnership Committee
Also, serves on board of directors for the National Association of Federal Credit Unions (NAFCU), a national trade association that competes with CUNA to represent federal credit unions nationally.

Navy Federal Credit Union is a member of NAFCU and CUNA.

Eldon Arnold

President/CEO of Citizens Equity First Credit Union (CEFCU), Peoria, IL
Not a member of CUNA's board but serves on CUNA's Consumer Protection subcommittee and as an Advisory Council member of the National Action Response Program (established to promote the common business interests of the credit union industry and to advocate for the common interests of credit unions in federal and state legislative and regulatory arenas)

Now serves as CUNA Mutual Vice Chair and as such replaces Brian McDonnell on CUNA's Partnership Committee.

CEFCU is a member of CUNA, NAFCU and the Illinois Credit Union League.

James L. Bryan

Retired President/CEO of Texans Credit Union, Richardson, TX



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Associate General Counsel
September 16, 2004
Page 4

As Immediate Past Chair of CUNA Mutual Group, he is also a member of CUNA's Partnership Committee.

Texas Credit Union is a member of CUNA.

Ralph Canterbury

Retired President/CEO of US Airways Federal Credit Union, Moon Township, PA
Member of US Airways FCU and Space Coast Credit Union, Melbourne, FL.

US Airways FCU and Space Coast CU are both members of CUNA. Mr. Canterbury does not serve in any official capacity with CUNA.

Thomas R. Graham

President/CEO of Kinecta Federal Credit Union, Manhattan Beach, CA
Kinecta FCU is a member of CUNA, NAFCU and the California Credit Union League.
Serves on the Applied Research Institute Council for the California CU League.
Mr. Graham does not serve in any official capacity with CUNA.

Jerald R. Hinrichs

President, Hinrichs & Associates (Insurance Marketing Consultants), Overland Park, KS
Member of CUNA Credit Union, Madison, WI, which is a member of CUNA.
Mr. Hinrichs does not serve in any official capacity with CUNA.

Thomas C. Jones

Retired President of Cigna Retirement and Investment Services, Philadelphia, PA
Member of University of Michigan Credit Union, Ann Arbor, MI and State Employees Credit Union, Lansing, MI.
Mr. Jones does not serve in any official capacity with CUNA.

Michael B. Kitchen (retired effective August 1, 2004)

President/CEO of CUNA Mutual Group
Ex Officio (non-voting) member of CUNA's board of directors and serves on CUNA's Partnership Committee/Partnership Council; *ex officio* member of Oversight Council for National Action and Response Program (NARP), a task force to promote the common business interests of the credit union industry and to advocate for the common interests of credit unions in federal and state legislative and regulatory arenas; *ex officio* member of CUNA's National Credit Union Roundtable Advisory Council (through 2004 Roundtable Conference).

Member of CUNA Credit Union, Madison, WI, which is a member of CUNA.



Ms. Rosemary C. Smith, Esq.
Associate General Counsel
September 16, 2004
Page 5

C. Alan Peppers

President/CEO of Denver Public Schools Credit Union (DPSCU), Denver, CO

DPSCU is a member of CUNA and the Colorado Credit Union League. Mr. Peppers does not serve in any official capacity with CUNA.

Neil A. Springer

Managing Director, Springer & Associates, Chicago, IL
Member of Central Credit Union of Illinois, Bellwood, IL

Mr. Springer does not serve in any official capacity with CUNA.

Farouk D.G. Wang

Director, Buildings & Grounds Management, Univ. of Hawaii at Manoa, Honolulu, HI
Volunteer director and member of University of Hawaii Federal Credit Union (Board Treasurer), Honolulu, HI; member, Hawaii State Federal Credit Union, Honolulu, HI and Hawaii Central Credit Union, Honolulu, HI. All of these credit unions are members of CUNA and NAFCU.

Mr. Wang does not serve in any official capacity with CUNA.

Larry T. Wilson

President/CEO of Coastal Federal Credit Union, Raleigh, NC
Member of NAFCU board of directors and chairman of NAFCU PAC and NAFCU Region III Advisory Committee.

Coastal FCU is a member of CUNA, NAFCU and the North Carolina Credit Union League. Member of State Employees Credit Union, Raleigh, NC and Summit Credit Union, Greensboro, NC, both of which are members of CUNA.

Mr. Wilson does not serve in any official capacity with CUNA.

Officers:

Larry Blanchard, Senior Vice President For Corporate and Legislative Affairs, CUNA Mutual Group

Serves on CUNA's Governmental Affairs Committee and on its ad hoc CUSO Broker Activities Task Force (CUSO BatForce). In addition, he serves on the National Action and Response Program (NARP) as, among other assignments, a chairman of one of its steering committees.

None of the aforementioned CUNA committees are vested with legal control of the governance of CUNA.

Ms. Rosemary C. Smith, Esq.
Associate General Counsel
September 16, 2004
Page 6

Other Officers of CUNA Mutual Group

Various officers of CUNA Mutual Group work closely with CUNA, NAFCU (a competitor of CUNA's), the state leagues, and credit unions throughout America and worldwide. To our knowledge, none of them serve on the boards of CUNA, NAFCU or any state league. It is possible but not known nor reported as a CUNA Mutual activity that one or more officers serve on one or more state league committees.

It is not unusual for CUNA Mutual officers and employees to seek voluntary board positions on local credit union boards of directors. These are personal prerogatives enjoyed by all credit union members and are not linked to CUNA Mutual Group's corporate or business interests. Of course, a CUNA Mutual employee serving on a credit union board might well promote the value of CUNA Mutual's insurance products and services. This would not reflect any organizational attempt by CUNA Mutual to influence such persons, who would have a fiduciary responsibility to act in the best interests of the credit union on which board they sat. In fact, our knowledge of such credit union activities by CUNA Mutual employees comes from the annual conflict of interest disclosure statements that all employees are required to submit.

Of nearly 6,000 CUNA Mutual Group employees, 20 were serving on a credit union board or committee as of the end of 2003. Fourteen employees were volunteer board members with ten separate credit unions (possibly eleven, since one employee, no longer employed by CUNA Mutual, did not identify the credit union nor what service he performed there). Six others served on credit union committees, including the CUNA Credit Union Audit and Asset Equity committees and the California Center Credit Union Annual Meeting committee. In 2004, another CUNA Mutual employee was elected to the CUNA Credit Union board of directors. She replaced a CUNA Mutual officer who did not win reelection to the board. Yet another CUNA Mutual officer began service on the CUNA credit union audit committee in August 2004.

Because the total number of CUNA Mutual employees—not all of whom are officers—serving on credit union boards and committees is so small, especially in light of CUNA's total credit union membership of 8,250 credit unions (88 percent of the total 9,334 credit unions in the United States on June 30, 2004) this would appear to be an insignificant factor in assessing whether CUNA Mutual enjoys any meaningful element of management and control of CUNA.

- (5) *Please provide copies of the referenced Mutual Cooperation Agreement and Resolution of Mutual Support and Advocacy, redacted, as necessary, to protect proprietary business information.*

Enclosed as *Exhibits 5 and 6*.

- (6) Although not part of the June 23 FEC request for additional information, we believe it would be helpful to the Commission to note the following:



Ms. Rosemary C. Smith, Esq.
Associate General Counsel
September 16, 2004
Page 7

a) CUNA Mutual signs mutual support agreements with all of the state credit union leagues, all of which are members of CUNA. These agreements are standardized in all material respects.

Enclosed as *Exhibit 7* is a typical agreement, redacted to protect proprietary information.

b) To fully advise the Commission, the bylaws of CUNA's separate segregated fund, CULAC, provide for an *ex-officio non-voting* representative of CUNA Mutual to CULAC's board of directors. The position has been vacant for more than three years, is vacant at this time and there are no present plans to fill the position. While it was deemed important to bring this fact to the attention of the Commission, we do not believe it is material insofar as altering in any way the assertion on p. 6 of our Advisory Opinion Request that CUNA Mutual Insurance is not involved in any way with the management and operations of CULAC.

We trust that this information is sufficient and fully responsive to the Commission request for additional information. Please contact me at (202) 295-4081 should you have additional questions.

Thank you for your consideration.

Sincerely,

Cleta Mitchell, Esq.
Counsel for CUNA Mutual Insurance Society

Enclosures

cc: Mr. James L. Carney, Esq.

EXHIBIT LIST

Exhibits Responsive to FEC Question #1:

1. CUNA Mutual Insurance Society Restated Articles of Incorporation
2. CUNA Mutual Insurance Society Restated Bylaws
3. CUNA Mutual Life Insurance Company Articles of Incorporation
4. CUNA Mutual Life Insurance Company Bylaws

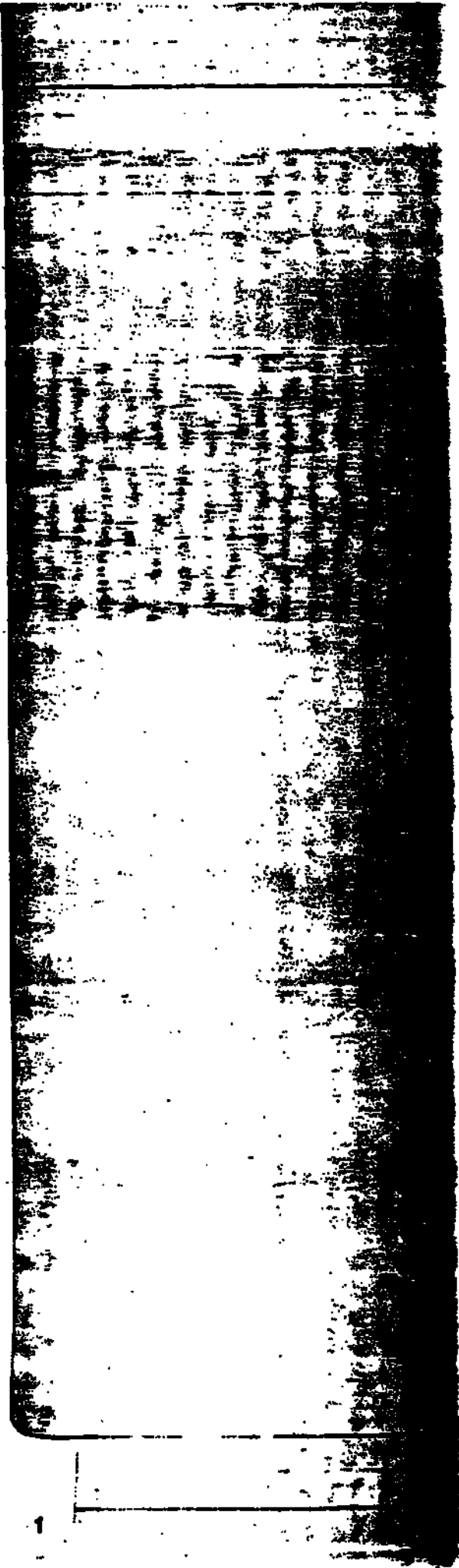
[No Exhibits Responsive to FEC Questions #2, 3 & 4]

Exhibits Responsive to FEC Question #5:

5. CUNA Mutual Group / CUNA Mutual Cooperation Agreement (Redacted, Unsigned Copy)
6. CUNA Mutual Group / CUNA Resolution of Mutual Support and Advocacy

Additional Exhibit Not Related to Specific FEC Question: Furnished as Additional Information:

7. Standard Marketing Agreement



**CUNA Mutual Insurance Society
Madison, Wisconsin**

**Restated
ARTICLES OF INCORPORATION**

**ARTICLE I
Name and Location**

Section 1. The name of this Corporation shall be CUNA Mutual Insurance Society. The principal office of this Corporation shall be 5910 Mineral Point Road, Madison, Dane County, Wisconsin 53705, and its registered agent is Faye A. Patzner at the same address.

**ARTICLE II
Plan**

Section 1. This Corporation shall be nonstock and no stock shall ever be sold or issued. The plan of operation of this Corporation shall be that of a mutual insurance company.

Section 2. No insurance policies shall be issued the performance of which are contingent upon payment of assessments or calls made upon its members and no member shall be liable for the losses of this Corporation.

**ARTICLE III
Business of this Corporation**

Section 1. The primary purpose of this Corporation shall be to transact the business of writing life, health and disability insurance, annuities and endowments.

Section 2. This Corporation was organized for the purpose of providing for the insurance needs of credit unions, credit union organizations and credit union members and such purpose shall be maintained as provided in this Section. Accordingly, the primary business of this Corporation shall be limited to the writing of insurance of the types set forth in Section 1 hereof for credit unions, credit union organizations, credit union members and corporations, associations or cooperatives with savings and loan purposes similar to credit unions or institutions organized on the cooperative basis for meeting financial needs of people. The Board of Directors shall establish the types of institutions, the members of which may be included within such business and, in its discretion, any exceptions which are deemed in the best interests of this Corporation in furtherance of the primary business purpose stated.

Section 3. The business of this Corporation may be conducted in any part of the world.

Section 4. The Board of Directors may authorize organization of subsidiary corporations to carry on the business to be undertaken, or to engage in the business of providing types of insurance for which this Corporation is not authorized, or to provide incidental or related services, or for investment purposes or for any other purposes allowed by law. This Corporation may participate in any such subsidiary corporate businesses with others as the Board of Directors deems desirable in the best interests of this Corporation.

Section 5. The purpose and business of this Corporation as described in these Articles of Incorporation shall be interpreted liberally to allow the Board of Directors sufficient authority to meet insurance and financial service needs of those to be served.

ARTICLE IV

Membership, Voting and Elections

Section 1. Membership in this Corporation shall be limited to bona fide policyholders of this Corporation whose insurance is, and shall have been, in force at least one year prior thereto. Members shall have one vote on any matter presented to the members for a vote regardless of the number of policies or the amount of insurance carried.

Section 2. Voting of members for election of directors and upon such other matters as members shall be entitled to vote upon, or which may be submitted to members, shall be conducted at a Biennial General Election held in each even numbered year in lieu of meetings of members. The Bylaws shall contain rules governing voting and voting procedures. Special elections, or special voting of members, or special meetings of members, or delegates of members, may be allowed as provided in the Bylaws.

ARTICLE V

Mode of Exercising Corporate Powers

Section 1. The corporate powers of this Corporation shall be exercised by a Board of Directors composed of at least nine (9) and not more than twenty (20) persons as provided in the Bylaws. Directors must be policyholders of this Corporation and shall be chosen by ballot at the Biennial General Election.

Section 2. The Board of Directors shall have general control of the business and affairs of this Corporation and shall possess and exercise all powers vested in directors of insurance corporations which are consistent with the provisions of the charter and with the laws of the State. The Board of Directors shall adopt, or provide for adoption of, rates, applications, insurance policies, rules and instructions governing the acceptance of risks and generally provide policy direction of this Corporation with appropriate delegation of the administration to management. The Board of Directors shall elect all principal officers, fix the salaries and compensation of such officers and, when not otherwise provided for, define their duties, and appoint inspectors for the Biennial General Election.

The Board of Directors shall have power, as provided in the Bylaws, to establish committees to which authority may be delegated, including powers vested in the Board of Directors within limits prescribed by Wisconsin law.

The Board of Directors shall determine annually in their sole discretion any equitable distribution of surplus of this Corporation to policyholders. In declaring any such distribution, consideration shall be given to the financial strength of this Corporation reasonably required for the business to be conducted giving recognition of the necessity to provide for sufficient capital through its reserves and surplus funds in order to build and maintain a sound insurance institution capable of meeting insurance needs and services to policyholders.

Section 3. The Bylaws of this Corporation may be amended by a two-thirds (2/3) vote of the Board of Directors at any meeting of the Board of Directors in any manner not inconsistent with the insurance laws of the state of Wisconsin and these Articles of Incorporation, subject to the power of the members to alter or repeal any amendment made by the Board of Directors. Any particular article or section of the Bylaws may provide for amendment only upon vote of the members. The

Bylaws of this Corporation may also be amended, altered, or repealed in any manner not inconsistent with the insurance laws of the state of Wisconsin by a vote of two-thirds (2/3) of the members voting at a Biennial General Election or special vote or meeting of the members of this Corporation.

Section 4. An amendment to the Bylaws may be initiated by the direct action of the members as follows:

One percent (1%) or more of this Corporation's members shall sign and file with the Secretary, not later than ninety (90) days prior to the date of the Biennial General Election of this Corporation, a copy of the proposed amendment or amendments together with a brief statement of the purpose thereof and a statement from this Corporation's General Counsel that the proposed amendment is acceptable under Wisconsin law. Such a copy of the proposed amendment and statement of purpose shall be on a form to be furnished by the Secretary and shall be signed by the member if a natural person and by the president, or treasurer, or other authorized officer, if a corporate member, such officer having been so authorized by resolution duly adopted by the board of directors of such corporation.

Upon timely receipt of a proposed amendment to the Bylaws accompanied by the two required statements, properly prepared and signed and arising by action of the members as herein provided, the Secretary shall send or cause to be sent a copy of such proposed amendment to all members not less than twenty (20) days prior to the date of the next Biennial General Election. The Board of Directors may make a recommendation to members as to any such amendment as proposed.

Section 5. Nominations to the Board of Directors may be made in the following manner and not otherwise: (a) By the Board of Directors; (b) By one percent (1%) or more of this Corporation's members in the way and manner provided herein and in the Bylaws.

Such one percent (1%) or more of this Corporation's members shall file with the Secretary of this Corporation, not more than ninety (90) nor less than sixty (60) days prior to the election, a certificate signed and acknowledged by them giving the names, occupations and addresses of their candidate or candidates together with a statement signed by said candidates that they will accept office if elected.

Section 6. The Board of Directors shall be divided into classes of Directors as provided for in the Bylaws of the Corporation.

Section 7. A Director may be removed from office for cause by an affirmative vote of three-fourths (3/4) of the full Board of Directors at a meeting of the Board called for that purpose.

ARTICLE VI

Principal Officers

Section 1. The principal officers of this Corporation shall be as prescribed in the Bylaws of the Corporation.

Section 2. The Board of Directors shall elect or appoint or authorize the appointment of such other officers, agents and employees as are prescribed in the Bylaws, or as may be deemed by them to be required for the conduct of the business of this Corporation, to perform such duties as are prescribed in the Bylaws or assigned to them from time to time.

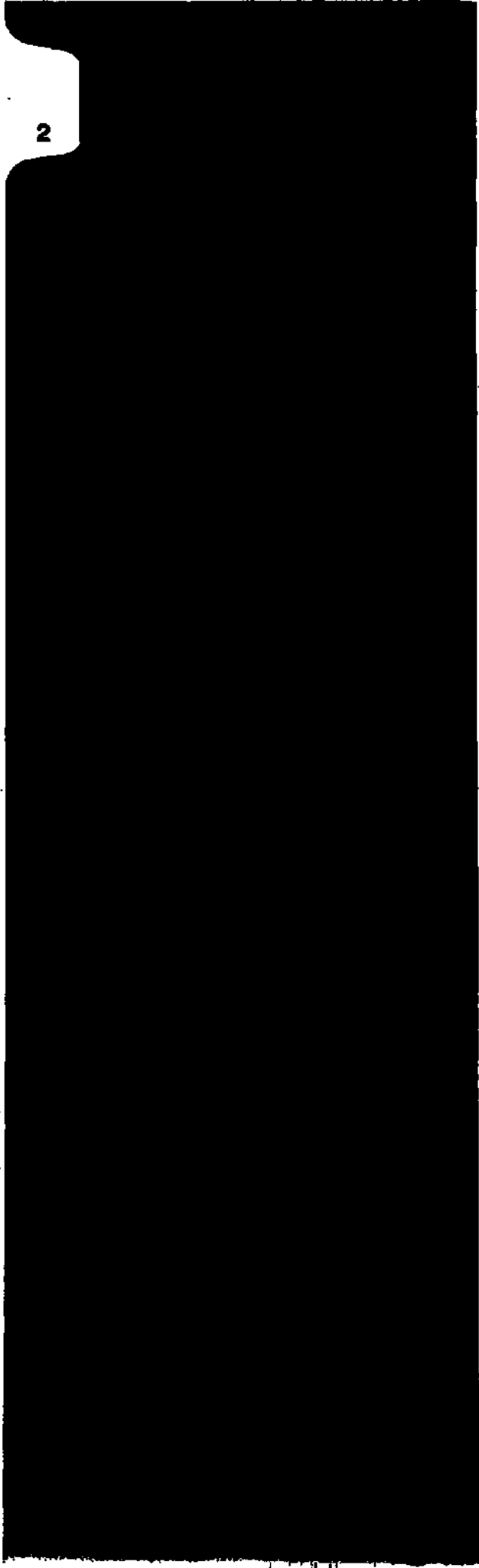
ARTICLE VII
Amendments

Section 1. Amendments to these Articles may be proposed by the Board of Directors or by direct action of not less than one percent (1%) of this Corporation's members who shall sign and file a written copy thereof with the Secretary of this Corporation not later than ninety (90) days prior to the date of the Biennial General Election of this Corporation together with a brief statement of the purpose thereof and a statement from this Corporation's General Counsel that the proposed amendment is acceptable under Wisconsin law. Such copy of the proposed amendment and statement of purpose shall be on a form to be furnished by the Secretary and shall be signed by the member, if a natural person, and by the president, or treasurer, or other authorized officer, if a corporate member, such officer having been so authorized by resolution duly adopted by the board of directors of such corporation.

Section 2. Upon approval of an amendment of the Articles of Incorporation proposed by the Board of Directors or upon timely receipt of such an amendment proposed by members, accompanied by the two required statements, properly prepared and signed and arising by action of the members as herein provided, the proposed amendment shall be mailed by the Secretary or Assistant Secretary of this Corporation with notice of time and place of the voting on such amendment to each member not less than twenty (20) days prior to the date when adoption of the amendment shall be voted upon.

Section 3. Amendments shall be adopted by a vote of two-thirds (2/3) of the members voting at any Biennial General Election or special vote or meeting of the members of this Corporation.

The foregoing shall constitute Restated Articles of Incorporation of this Corporation which shall supersede and take the place of the heretofore existing Articles of Incorporation and Amendments thereto.



**CUNA Mutual Insurance Society
Madison, Wisconsin**

**Restated
BYLAWS**

**ARTICLE I
Purposes and Operating Principles**

Section 1.1. This Corporation is organized in accordance with the provisions of a mutual law and, therefore, not for profit.

Section 1.2. The business of this Corporation shall be limited to the writing of insurance of the types set forth in Article III of the Articles of Incorporation and it is the purpose of this Corporation to provide such insurance at the lowest possible cost consistent with sound operating principles.

Section 1.3. Every effort shall be made consistent with the insurance laws of the state of Wisconsin to establish and maintain a unity of interest and a cooperative working relationship by and between this Corporation and the established organizations of the international credit union movement.

**ARTICLE II
Number, Eligibility and Tenure of Directors**

Section 2.1. The Board of Directors shall consist of at least nine (9) and not more than twenty (20) persons who shall be elected or selected as provided in the Articles of Incorporation or these Bylaws.

Section 2.2. Directors must be policyholders of this Corporation and shall be chosen by ballot at the Biennial General Election. No more than four (4) employees and agents of this Corporation shall be members of the Board of Directors at any time.

Section 2.3. The Board of Directors shall be divided into two (2) classes which shall have as close to the same number of members as possible. At each Biennial General Election of this Corporation one class of Directors shall be elected for a term of four (4) years and until their successors are appointed or elected, and each class of Directors shall be elected in rotation as the terms of the Directors in each class are expiring. Any vacancy occurring during the interim between Biennial General Elections due to resignation, death, incapacity, or removal shall be filled by the Board of Directors, except that the members may nominate and elect Directors to fill vacancies at a special election where the Board of Directors is unable to fill such vacancies.

**ARTICLE III
Meetings of the Board of Directors**

Section 3.1. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw on such date in the months of April, May or June as the Board of Directors shall determine. At such meetings, the Directors shall elect the officers of this Corporation and transact such business as pertains to the annual meetings of the Board. The Board of Directors may provide by resolution, or the Chairman of the Board, Vice Chairman or President may designate, the time, date and place, either within or without the state of Wisconsin, for the holding of additional regular meetings by giving notice at a regular or special meeting of Directors or by written notice as provided in this Article for special meetings.

Any Director absent from three consecutive regular meetings shall forfeit his office and shall be ineligible for office for six months.

Section 3.2. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, Vice Chairman, President or Secretary, and shall be called by the President upon written request of any three (3)

Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state of Wisconsin, as the place for holding any such special meeting of the Board of Directors.

Section 3.3. Notice. Notice of any special meeting shall be given at least ninety-six (96) hours previously thereto by written notice delivered personally or by mail (electronic or standard delivery) to each Director at his/her home or business address. If mailed, such notice shall be deemed to be delivered when sent electronically or when deposited in the United States mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any Director of this Corporation under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 3.4. Quorum. Except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, a majority of the number of Directors authorized by the Articles of Incorporation and established by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a majority of the Directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.

Section 3.5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

Section 3.6. Presumption of Assent. A Director of this Corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of this Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.7. Informal Action Without Meeting. Any action required or permitted by the Articles of Incorporation or these Bylaws or any provision of law to be taken by the Board of Directors at a meeting may be taken without a meeting if a consent resolution in writing, setting forth the action so taken, shall be signed by all of the Directors then in office. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 3.8. Meetings by Conference Telephone. Directors may participate in a meeting of the Board of Directors or a committee thereof by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Such participation will constitute presence in person at that meeting for the purpose of constituting a quorum and for all other purposes. The place of any meeting held pursuant to this section will be deemed to be the place stated in the minutes of such meeting so long as at least one Director is present at that place at the time of that meeting.

ARTICLE IV Officers

Section 4.1. Principal Officers. The principal officers of this Corporation shall be Chairman of the Board, Vice Chairman, President, Secretary, Treasurer, and such other officers as may be appointed by the Board of Directors. All principal officers and Directors shall be policyholders of this Corporation. Multiple offices may be held by the same person as long as at least three separate individuals hold principal officer positions.

Section 4.2. Chairman of the Board. The Chairman of the Board shall preside at all meetings of members of this Corporation and the Board of Directors. He/She shall present an annual report to the members and appoint committees

which are not standing committees or other committees required to be elected or appointed by the Board of Directors. He/She shall perform such other duties as shall be assigned from time to time by the Board of Directors.

Section 4.3. Vice Chairman. The Vice Chairman shall, in the absence or disability of the Chairman of the Board, perform the duties of that office.

Section 4.4. Secretary. The Secretary shall keep, or cause to be kept, a record of the votes of all Biennial General Elections and minutes of all special meetings of members of this Corporation and all meetings of the Board of Directors. He/She, or any of the Assistant Secretaries appointed by the Board, shall have the custody of the corporate seal and affix the same to all instruments required to be sealed. He/She shall perform, or cause to be performed by an Assistant Secretary, such other duties as are required by law, the Board of Directors, and the Bylaws of this Corporation.

Section 4.5. Treasurer. The Treasurer shall be the financial officer of the Corporation. He/She shall be responsible for the custody of all funds and securities of this Corporation in accordance with the authorization and direction of the Board of Directors. He/She shall be responsible for reporting to the Board of Directors at each regular meeting with respect to the funds and securities of this Corporation. The Treasurer shall perform such other duties as are assigned by the Board of Directors. He/She shall furnish to the Directors, whenever required by them, such statements and abstracts or records as are necessary for a full exhibit of the financial condition of this Corporation.

Section 4.6. President. The President shall be the principal executive officer of this Corporation and, subject to the control of the Board of Directors, shall in general be responsible for the supervision and control of all of the business and operations of this Corporation. He/She shall be responsible for authorization of expenditures of all funds of this Corporation as have been approved by the Board of Directors in the budget or are within the general authority granted by the Board of Directors for expenditure of funds. He/She shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of this Corporation as shall be deemed necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He/She shall have authority to sign, execute and acknowledge, on behalf of this Corporation, all deeds, mortgages, bonds, contracts under seal, leases, and all other documents or instruments whether or not under seal which are authorized by or under authority of the Board of Directors provided that any such documents or instruments may, but need not, be countersigned by the Secretary or an Assistant Secretary and, except as otherwise provided by law or the Board of Directors, may authorize any administrative vice president or other officer or agent of this Corporation to sign, execute and acknowledge such documents or instruments in his/her place and stead. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. He/She shall prepare, or cause to be prepared, a report of the business and operations of this Corporation, for the period since the last regular meeting, for submission to the Board of Directors at each regular meeting. He/She shall also prepare, or cause to be prepared, an annual proposed budget for submission to the Board of Directors.

Section 4.7. Assistant Treasurer. Assistant Treasurers shall be appointed by the Board of Directors. They shall be responsible for the proper deposit and disbursement of all funds of this Corporation. They shall keep, or cause to be kept, regular books of account. They shall deposit, or cause to be deposited, all funds of this Corporation in the name of this Corporation in such banks, trust companies or other depositories as are designated for such purpose by the Board of Directors from time to time. They shall be responsible for the proper disbursement of funds of this Corporation, including responsibility that checks of this Corporation drawn on any bank account are signed by such officer or officers, agent or agents, employee or employees of this Corporation in such manner including the use of a facsimile signature where authorized as the Board of Directors has determined or authorized, and they shall perform all of the duties incident to the office of Assistant Treasurer and such other duties as from time to time may be assigned by the Treasurer.

Section 4.8. Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer or to perform the duties of such officer whenever, for any reason, it is impracticable for such officer to act personally, and such assistant or acting officer appointed by the Board of Directors

shall have the power to perform all the duties of the officer to which he/she is so appointed to be assistant or as to which he/she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

Section 4.9. Administrative Officers and Assistant Administrative Officers. The President shall appoint administrative officers and assistant administrative officers who shall be appointed as deemed appropriate for the conduct of the affairs of this Corporation for such term of office as may be designated or without designated term of office subject to removal at will or by appointment of a successor in office. The administrative officers and assistant administrative officers shall perform such duties and have such authority as may be assigned from time to time by the President.

In the absence of the President or in the event of his/her death, inability or refusal to act, the administrative vice presidents in the order designated by the President shall perform the duties of the President and, when so acting, shall have all powers of and be subject to all the restrictions upon the President.

ARTICLE V Fiscal Year

Section 5.1. The fiscal year of this Corporation shall coincide with the calendar year.

ARTICLE VI Committees

Section 6.1. Committees. The Chairman of the Board may appoint committees except standing committees or any other committee required to be elected or appointed by the Board of Directors. The Board of Directors by resolution adopted by the affirmative vote of a majority of the number of Directors may designate one or more standing committees or other committees required to be elected or appointed by the Board of Directors. Each committee is to consist of three (3) or more Directors or employees of this Corporation elected or appointed by the Board of Directors or appointed by the Chairman of the Board. Committees shall have, when the members thereof are members of the Board of Directors, and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of this Corporation, provided that this power is delegated in the initial resolution appointing such committee or as thereafter supplemented or amended by further resolution adopted by a like vote. This power does not extend to action with respect to dividends to shareholders, election of the principal officers, the filling of vacancies on the Board of Directors or committees created pursuant to this section, or as otherwise restricted by law. The Board of Directors or its Chairman may elect or appoint one (1) or more of its members or employees of this Corporation as provided in resolutions establishing the committee, as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the President or upon request by the Chairman of such meeting. Each such committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

ARTICLE VII Audits

Section 7.1. The books and accounts of this Corporation shall be audited at least annually by a certified public accountant to be selected each year by the Board of Directors. On the request in writing addressed to the President by any five (5) members of the Board at any time, a special audit shall be made of the affairs of this Corporation in the way and manner above provided by a certified public accountant to be selected by such five (5) Directors.

ARTICLE VIII Biennial General Election

Section 8.1. Biennial General Election. The Biennial General Election of this Corporation for the election of Directors and for voting on any other question submitted to members shall be held in Madison, Wisconsin, in each

even-numbered year on the third Wednesday in April between the hours of 10:00 a.m. and 4:00 p.m. The Board of Directors, by majority vote, may change such date to another date in the months of April or May. The Biennial General Election and all special meetings or special voting of members of this Corporation shall be conducted in accordance with the provisions of these Bylaws including any amendments thereto.

Section 8.2. Method of Voting.

8.2.1. All votes shall be cast by written ballot and every policyholder whose insurance shall have been in force for one (1) year is a member and shall be entitled to cast by class one (1) vote for each Director to be elected and, in case of contested election, but not otherwise, may cast all such votes by class for one (1) candidate or distribute them among the number in each class as he may elect. But if a policy of a member shall have been assigned more than six (6) months prior to the election by an assignment absolute on its face to an assignee other than the insurer, the assignee shall be deemed to be a policyholder entitled to vote as aforesaid; provided, his signature, either attested by the assignor or duly acknowledged, shall have been filed at the Home Office of this Corporation.

8.2.2. Members may vote in person or may transmit their ballots to this Corporation by messenger or by mail, but no voting by proxy shall be allowed at any election or upon any question.

8.2.3. A corporate member of this Corporation shall be permitted to vote and participate for all purposes in any Biennial General Election, or special vote or meeting of this Corporation. A corporate member's vote may be cast by the president of the member corporation, or by any other officer or representative appointed by the president of such corporation, who shall be the voting representative in the absence of written notice of the designation of some other person by the board of directors or bylaws of the member corporation. An employee of this Corporation shall be ineligible to represent any such corporate member.

8.2.4. The Board of Directors may provide for meetings of policyholder representatives and establish uniform rules for meetings of such representatives. Such uniform rules shall provide for procedures for such meetings and the business to be conducted. All uniform rules promulgated by the Board of Directors relating to meetings of policyholder representatives shall acknowledge that the Board of Directors is ultimately responsible for the exercise of the corporate powers of this Corporation and control of its business and affairs as required by law and the Articles of Incorporation and actions taken at any such policyholder representative meetings, other than questions submitted to members for voting by ballot at the Biennial General Election or by special vote or at a special meeting as provided by law, shall be advisory to the Board of Directors.

8.2.5. The Board of Directors may appoint any number of Directors at Large from foreign countries to provide representation of policyholders' interests. Such Directors shall be designated as "Director at Large from [insert country of residence]." Directors at Large shall not have the duties and responsibilities of elected Directors, but shall serve at the will of the Board to provide information and assistance, as well as representation, in order to maximize the effectiveness of services provided. Elected Directors may serve as Directors at Large. Directors at Large shall not be entitled to vote when in attendance at a meeting but may ask that their request or opinion be recorded in the minutes of this Corporation.

Section 8.3. Special Voting and Special Meetings. A special voting of members or special meetings of members of this Corporation may be called by the Chairman of the Board, Vice Chairman, President or Secretary in the way and manner hereinafter provided upon a majority vote of the Board of Directors at any meeting of the Board of Directors or upon request in writing by a majority of the Board of Directors or by one percent (1%) of the members of this Corporation. The business of the special voting of members or special meetings shall be limited to the business described in the call.

Section 8.4. Quorum. At all elections or voting or meetings of members of this Corporation, twenty (20) members present or voting shall constitute a quorum, and a majority of votes cast in any election or voting or at any meeting at which a quorum is present shall be decisive unless a greater vote is required by law or the Articles of Incorporation or

these Bylaws. Any special meeting at which no quorum is present may be adjourned to a future time consistent with the provisions relative to notice of meetings contained in the law of Wisconsin pertaining thereto and these Bylaws.

Section 8.5. Notice of Meetings.

- 8.5.1. The notice of date and location for Biennial General Elections shall be in each insurance policy issued by this Corporation. In the event of a change in date, notice will be provided to each policyholder in the same manner as for a special meeting or special vote.
- 8.5.2. At least twenty (20) days before any special vote of members or any special meeting of members, the Secretary shall cause a written or printed notice thereof to be sent to every person entitled to vote at said meeting. Every person entitled to vote shall be notified in similar fashion of the date of any adjourned meeting at least five (5) days prior to said adjourned meeting. Such other notice shall be given as may be required by the laws of Wisconsin pertaining to notice of meetings.

Section 8.6. Inspectors. Not more than one hundred twenty (120) nor less than sixty (60) days prior to any Biennial General Election or special vote of members, the Directors shall appoint three (3) members or persons, who are not Directors, as inspectors of election or inspectors for special vote of members, who shall be paid by this Corporation.

Section 8.7. Nominating Directors.

- 8.7.1. Not more than one hundred twenty (120) days nor less than sixty (60) days prior to any Biennial General Election, the Directors shall suggest a candidate for every office to be filled at the ensuing election.
- 8.7.2. Members may make nominations to the Board of Directors in the manner provided in Article V, Section 5(b) of the Articles of Incorporation.
- 8.7.3. Any officer, Director, agent or employee of this Corporation, who shall directly or indirectly nominate or assist or encourage the nomination of any candidate for the office of Director other than those on the administration ticket, or who shall use or expend any of the property or funds of this Corporation in promoting the election of any person, except as authorized in this Article, shall be subject to dismissal or removal from office.
- 8.7.4. In case of the death or resignation or incapacity of any candidate, a majority of the Board of Directors, or a majority of the persons suggesting the name of such nominee may suggest a candidate in his/her place by filing prior to the day set for the election a certificate like that required for the original nomination. If such certificate be filed more than fifty (50) days prior to the election, the name of such substituted candidate shall be on the ballot.
- 8.7.5. On each certificate of nomination there shall be placed after the name of each candidate the words "for a full term" or "for unexpired term of (specific number) years".

Section 8.8. Additional Rules and Procedures for Voting. Appendix A, which is attached to these Bylaws and incorporated herein, contains additional rules and procedures for voting.

ARTICLE IX Bonds

Section 9.1. All officers and employees of this Corporation handling cash or securities of this Corporation shall give a surety bond or be bonded under a blanket bond in such sums as the Board of Directors may from time to time determine and require and as shall be approved by the Insurance Commissioner of the state of Wisconsin.

ARTICLE X
Inspection

Section 10.1. Any person who is a member of this Corporation shall be allowed at any reasonable time during the business hours of this Corporation to examine such records of this Corporation as are reasonably necessary for a proper purpose as established by the Board of Directors in order to prevent improper use of information or abuse of the privilege of inspection herein set forth.

ARTICLE XI
Dissolution

Section 11.1. This Corporation may be dissolved in the way and manner provided in the laws of the state of Wisconsin pertaining thereto. If at any time this Corporation shall be dissolved or shall cease to do the business of insurance, in that case whatever shall remain of its reserve fund and surplus resources after payment of all losses sustained and all losses which may be sustained after such dissolution and prior to the distribution hereinafter referred to on policies then in force and after payment of all debts and liabilities of this Corporation, shall be divided and distributed to the policyholders of this Corporation at the time of such dissolution or ceasing to transact the business of insurance in the way and manner outlined in the insurance laws of the state of Wisconsin pertaining thereto. All interests of policyholders in reserve and surplus funds shall cease upon termination of all policies of insurance with this Corporation, except as otherwise provided by law.

ARTICLE XII
Amendments

Section 12.1. These Bylaws may be amended as provided in Sections 3 and 4 of Article V of the Articles of Incorporation.

ARTICLE XIII
Liability and Indemnification of Directors and Officers

(This Article of the Bylaws is subject to amendment
or repeal only by action of the members.)

Section 13.1. Liability and Mandatory Indemnification. This Corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of this Corporation) by reason of the fact that he/she is or was a Director or officer of this Corporation, or is or was serving at the request of this Corporation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by him/her in connection with such action, suit or proceeding; provided, that there is a determination that such person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of this Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. If such determination is not made by final adjudication in such action, suit or proceeding, it shall be made by arbitration in Madison, Wisconsin, in accordance with the rules then prevailing of the American Arbitration Association by a panel of three (3) arbitrators. One of the arbitrators will be selected by a committee of at least three (3) policyholders appointed especially for such purposes by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding (or, if such a quorum is not obtainable, by the Insurance Commissioner for the state of Wisconsin), the second by the officers and Directors who may be entitled to indemnification, and the third by the two arbitrators selected by the parties. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of this Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

No Director or officer shall be liable to this Corporation for any loss or damage by it on account of any action taken or omitted to be taken by him/her as a Director or officer of this Corporation in good faith and in a manner he/she reasonably believed to be in and not opposed to the best interests of this Corporation and had no reasonable cause to believe was unlawful, and a Director or officer shall be entitled to rely on advice of legal counsel for this Corporation if in good faith and upon financial statements of this Corporation represented to be correct by the President or other officer having charge of the corporate books of account or stated in a written report by a certified public accountant or upon statements made or information furnished by other officers or employees of this Corporation which he/she had reasonable grounds to believe were true.

Section 13.2. Controlled Subsidiaries. All officers and Directors of controlled subsidiaries of this Corporation shall be deemed for the purposes of this Article to be serving as such officers and Directors at the request of this Corporation. The right to indemnification granted to such officers and Directors by this Article shall not be subject to any limitation or restriction imposed by any provision of the Articles of Incorporation or Bylaws of a controlled subsidiary. For purposes hereof, a "controlled subsidiary" means any corporation in which at least fifty-one percent (51%) of the outstanding voting stock is owned by this Corporation or another controlled subsidiary of this Corporation.

Section 13.3. Advance Payment. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding, may be paid by this Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by this Corporation in accordance with this Article.

Section 13.4. Other Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any officer, Director, employee or agent may be otherwise entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 13.5. Insurance. This Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of this Corporation, or is or was serving at the request of this Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not this Corporation would be obligated to indemnify him/her against such liability under the provisions of this Article. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

ARTICLE XIV

Special Bylaw Provisions During Emergencies

Section 14.1. Special Bylaw Provisions During Emergencies. If as a result of a declared, national or state, emergency resulting from actual or threatened enemy action, or, as a result of a natural or man-made catastrophe, or other unusual or emergency conditions, it is impossible to convene readily a quorum of the Board of Directors Executive Committee or any other Committee of the Board, for action within their respective jurisdictions, thus making it impossible, or impractical, for this Corporation to conduct its business in strict accord with the normal provisions of law, or of these Bylaws or of the Articles of Incorporation, then, and in any of said events, to provide for continuity of operations, these emergency Bylaws shall supervene and take effect if necessary over all other Bylaws for the duration of the emergency period, and all the powers and duties vested in any committee or committees or the Board of Directors, so lacking a quorum shall vest automatically in the Emergency Management Committee which shall consist of all readily available members of the Board of Directors. Three (3) members of the Emergency Management Committee shall constitute a quorum provided, however, that:

If there are only two (2) available Directors, they and the first one of the following listed officials of this Corporation who is readily available and accepts the responsibility (even though he/she is not a Director) shall serve as the Emergency Management Committee or if there is only one available Director, he/she and the first

two of the following listed officials of this Corporation who are readily available and accept the responsibility (even though not Directors) shall serve as the Emergency Management Committee:

- (a) The President, if any, or
- (b) The Executive Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (c) The Senior Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (d) The administrative Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (e) The Comptroller, if any, or
- (f) The Department Managers in the order of seniority based on length of their period of service in such position, if any, or

If there is no readily available Director the first three (3) of those just previously listed in the above order (even though not Directors), who are readily available and accept the responsibility, shall serve as the Emergency Management Committee, provided, however, that an Emergency Management Committee composed solely of officials who are not Directors, shall not have the power to fill vacancies on the Board of Directors but shall as soon as circumstances permit conduct an election of Directors.

If there are no Directors, President, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Comptroller or Department Managers readily available to form an Emergency Management Committee, then the Commissioner of Insurance of the state of Wisconsin or the duly designated person exercising the powers of the Commissioner of Insurance of the state of Wisconsin shall appoint three (3) persons to act as the Emergency Management Committee who shall be empowered to act in the manner and with the powers hereinabove provided when the Emergency Management Committee is composed solely of officials who are not Directors.

If the Emergency Management Committee takes an action in good faith, such action shall be valid and binding as if taken by the Board of Directors, or as the case may be, the Committee it represents, although it may subsequently develop that at the time of such action conditions requisite for action by the Emergency Management Committee did not in fact exist.

If the Emergency Management Committee in good faith elects someone to an office which it believes to be vacant, the acts of such newly elected officer shall be valid and binding although it may subsequently develop that such office was not in fact vacant.

ARTICLE XV **Name of Corporation in Canada**

Section 15.1. The name of this Corporation for the purpose of doing business in Canada shall also be the following French translation of its name:

La Societe d'Assurance CUNA Mutuelle

RESTATED BYLAWS: The foregoing shall constitute Restated Bylaws of this Corporation which shall supersede and take the place of the heretofore existing Bylaws and amendments thereto.

Appendix A

Additional Rules and Procedures for Voting

A. Validity of Votes.

(1) No vote shall be counted if cast for any person other than one who was nominated as provided in the Articles of Incorporation or these Bylaws.

(2) All votes shall be by ballot and no ballot shall be counted unless signed by a policyholder qualified to vote and sealed in an envelope addressed to this Corporation, marked "Ballot for Directors." Opposite the name of each candidate on the ballot shall be stated the term for which such candidate has been nominated.

(3) Any question submitted to the policyholders shall be voted upon at the Biennial General Election or at a special voting of members, and a separate ballot or document of explanation shall be furnished the policyholders by mail or otherwise, with the ballots containing the names of candidates for Directors or other question to be voted upon. Such separate ballot shall state the question concisely and contain space for voting, thus:

FOR AGAINST

Ballots for voting on any such question and envelopes for enclosing the same shall be supplied by this Corporation and furnished to policyholders by mail or otherwise. Voted ballots may be sent to this Corporation at its Home Office by messenger or by mail or may be delivered to the inspectors personally at any time before the closing of the polls and shall be canvassed and preserved and the result certified and reported by the inspectors in the same manner as votes for Directors.

B. Elections, Ticket, Instructions, Voting.

(1) In case no nomination other than by the Directors shall have been made, the ballot for Directors may be in such form as the Directors or a committee thereof shall prescribe, and shall be ready for delivery to policyholders not less than ten (10) days prior to the election.

(2) In case any independent nomination shall have been made or any question submitted to policyholders, this Corporation shall, not less than twenty (20) nor more than fifty (50) days prior to the vote, mail in a sealed envelope, to each policyholder entitled to vote at his last known post-office address, a return envelope addressed to the Home Office and marked "Ballot for Directors," together with a ballot which shall be substantially in the following form:

BALLOT FOR ELECTION OF DIRECTORS
FOR

CUNA Mutual Insurance Society, P. O. Box 391, Madison, WI 53701-0391

To succeed the Directors whose terms expire as follows:

Instructions to Policyholders

The member (a policyholder whose insurance has been in force for at least one year) is entitled irrespective of the number of policies and amount of insurance held by him/her to cast by class one vote for each Director to be elected, and where there is a contest may cast all such votes by class for one candidate or distribute them among the number in each class as he/she may elect. Votes shall be indicated by a numeral placed after the name of the person voted for, thus "John Doe, farmer, Madison, Wisconsin, for a full term (1)." No fractional vote shall be recognized. On any ballot

recording a greater number of votes than authorized only the first __ votes will be counted. The ballot shall specify the number of a policy held by the voter, shall be signed by him/her, and shall be enclosed in a sealed envelope marked on the address side, "Ballots for Directors," addressed to this Corporation at its Home Office and delivered before 4:00 P. M., _____, 19__, at the Home Office of this Corporation by mail or messenger or in person.

Directors' Nominations	Vote here	Independent Nominations	Vote here
James Doe, farmer, Madison, WI, for a full term of __ years		Janet Doe, banker, Milwaukee, WI, for a full term of __ years	
Rosemarie Doe, merchant, Chicago, IL, for an unexpired term of __ years		Richard Doe, lawyer, New York, NY, for an unexpired term of __ years	

Corporate Member
 Name of Corp. _____
 P. O. Address _____
 Policy No. _____
 Corp. Representative _____
 Signature of Rep. _____

Individual Member
 Signed by _____
 P. O. Address _____
 Policy No. _____

(3) If any question is to be submitted to the policyholders at such election, a ballot or document of explanation for voting thereon shall also be enclosed, but no other paper or matter shall be enclosed.

C. Elections, Canvass, Preservation of Ballots, Penalties.

(1) All ballot envelopes received at the Home Office before the polls are closed and marked substantially as "Ballot for Directors" shall be delivered to the inspectors of election and the ballots therein canvassed.

(2) Any employee, officer or Director concealing or withholding, or participating in the concealment or withholding from the inspectors, or opening or being privy to the opening of any such envelope containing such ballot, except as authorized by law, shall be subject to dismissal or removal from office.

(3) All ballots voted shall be received by the inspectors subject to verification and ascertainment of the validity thereof, and of the qualification of the voters, and immediately upon the closing of the polls the inspectors shall proceed to canvass the votes. The canvass shall proceed from day to day until completed. Any nominee may be present during the casting and canvass of the votes. All ballots and envelopes received by said inspectors shall immediately upon completion of the canvass be placed in sealed packages and preserved by them for four (4) months from the date of the election.

(4) The person receiving the highest number of votes for a full term shall be elected for a full term, and the person receiving the highest number of votes for each unexpired term shall be elected for such unexpired term. In case two (2) or more persons shall receive the same number of votes, for the same office, the inspectors shall decide the election by lot.

(5) The results of a Biennial General Election shall be effective, and the Directors-elect shall take office, immediately prior to the election of officers at the next regular annual meeting of the Board of Directors of this Corporation following such election.

D. Election Reported to Secretary and Wisconsin Insurance Commissioner.

The inspectors shall at the conclusion of the canvass sign and file with the Secretary of this Corporation and the Wisconsin Insurance Commissioner certificates of the result of the election, stating the names of all persons from whom votes have been cast for a full term and the number cast for each, and also the names of the persons for whom votes have been cast for each unexpired term and the number of votes cast for each person; and their decision in case of a tie vote.

**CUNA Mutual Life Insurance Company
Waverly, Iowa**

ARTICLES OF INCORPORATION

**ARTICLE I
Name and Principal Office**

Section 1. The name of this Corporation is CUNA Mutual Life Insurance Company (hereinafter sometimes called the Company).

Section 2. The home office and principal place of business of the Company shall be located in Bremer County, Iowa.

**ARTICLE II
Nature of Business, Objects and Powers**

Section 1. The general nature and purpose of the business of this Corporation shall be that of engaging in, pursuing, maintaining and transacting on the mutual plan as a legal reserve or level premium company,

- (a) a general life and health and accident insurance business and an annuity business, including all forms of life insurance, endowments, annuities, accident insurance, disability and health insurance, all relating to the life and health of persons, and,
- (b) any other type of insurance business which the Company may be authorized and duly qualified to underwrite and transact under and by virtue of Iowa Insurance Laws,

and in addition, engaging in, pursuing, maintaining and transacting any other related or unrelated business which any corporation now or hereafter authorized and empowered to do an insurance business in this State may now or hereafter lawfully do, whether or not it be complementary, necessary, or incidental to the business of writing insurance and otherwise transacting the business of an insurer.

Section 2. More specifically, and without limitation as to any other right, power, privilege, franchise, or authority which the corporation may be permitted under the law of the state of Iowa, and in pursuance of the aforesaid corporate purposes, the Company in its corporate or assumed name is empowered:

to sue, complain and defend; to have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof to be impressed or affixed or in any other manner reproduced; to design, create, develop, offer, solicit, sell, write, underwrite, insure, coinsure, reinsure, administer, settle and otherwise deal in and with insurance policies and annuity contracts of all types whether on a participating or nonparticipating basis, and on an individual or group or blanket basis, providing for benefits on either a fixed or variable basis; to enter into any lawful contract for the purpose of ceding or accepting insurance risks, directly or indirectly, either entirely in its own right or in a shared or multiple capacity with other insurers; to enter into collateral or supplementary contracts and otherwise deal contractually with respect to insurance policies or annuity contracts or the proceeds of same; to act as trustee or advisor in any capacity, and to offer all services, including those of a financial, accounting, or data processing nature, directly or indirectly, incidental to its business, and to form or otherwise acquire other insurance or business corporations as subsidiaries, and to invest in, and to establish or manage, one or more investment companies; to purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with real or personal property of any kind and description, or any interest therein, wherever situated; to sell, convey,

mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets; to compensate, or lend money to and otherwise to assist its employees, agents, officers, and Directors; to purchase, take, receive, subscribe for, or otherwise acquire, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships, joint ventures or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality, public or quasi-public corporation, or of any instrumentality thereof; to make contracts and guarantees and incur liabilities; to lend and borrow money and incur debts for its corporate purposes; to invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested; to acquire or organize subsidiaries; to conduct its business, carry on its operations, and have offices and exercise its powers under authority granted in any state, territory, district, or possession of the United States or in any foreign country; to make donations for religious, charitable, scientific or educational purposes; to pay pensions and establish pension plans, pension trusts, profit-sharing plans and other incentive, insurance and welfare plans for any or all of its Directors, officers, agents and employees, policyowners, insurance policy or contract beneficiaries, or clients; to enter into general partnerships, limited partnerships, whether the company be a limited or general partner, joint ventures, syndicates, pools, associations and other arrangements in pursuance of any or all of the purposes for which the Company is organized; to indemnify officers, Directors, employees and agents, possessing all the rights and powers with respect thereto permitted to Iowa business corporations as specified in Subsection 19 of Section 496A.4 of the Iowa Business Corporation Act and all acts amendatory thereof or additional thereto; and to engage in and carry on any other type of business which any corporation now or hereafter authorized and empowered to do an insurance business in the state of Iowa may now or hereafter lawfully do,

and it shall have and exercise all powers, rights and privileges necessary or convenient to effect any or all of the purposes for which the Company is organized, and generally such additional powers not herein specified as are now or may hereafter be conferred upon corporations similar to this Company by the laws of the state of Iowa.

ARTICLE III

Continuation of Corporate Entity

This Corporation shall have no capital stock and is a continuation of the original corporation doing business on the mutual plan, retaining all of its original rights, powers, privileges, immunities, and franchises. All of the contract rights of policyowners of the Company now holding contracts of insurance or of annuity issued or assumed by the Company are and shall be retained. Subject to the foregoing, these Articles shall be construed as a substitute for all prior articles and amendments thereto.

ARTICLE IV

Period of Existence

This Corporation, as renewed, shall have perpetual existence.

ARTICLE V

Exemption from Corporate Debts

The private property of the Members of the Company shall in no case be liable for corporate debts, but shall be exempt therefrom.

ARTICLE VI
Members

Section 1. Each person who owns one or more life insurance policies, health and accident insurance policies, or annuity contracts issued by the Company shall be a Member of the Company, but only so long as at least one of said policies or contracts remains in full force and effect and has not been surrendered or has not expired or has not matured by death of the insured or annuitant, or attainment of maturity date. In the case of multiple ownership of any insurance policy or annuity contract, the persons owning such policy or contract shall be deemed collectively to be the Member and the Bylaws may establish procedures for the exercise of the voting right of such Member.

Section 2. Only those Members who meet such eligibility requirements, as may be established by law, by these Articles, and the Bylaws as may be amended from time to time, shall be Voting Members, provided however, that nothing herein contained, and no Bylaws establishing additional eligibility requirements for Voting Members shall have the effect of terminating a person's then existing membership or voting right.

ARTICLE VII
Members Meetings

Section 1. Voting Members shall be entitled to vote in person or by proxy at any meeting of the Members in accordance with procedures prescribed in the Bylaws.

Section 2. Unless the Board directs otherwise, the annual meeting of the Company shall be held at the Company's home office and principal place of business on the second Wednesday of May of each year for the election of Directors, and for the transaction of any other business properly coming before such annual meeting.

Section 3. Annual and all special meetings of the Members shall be called or held as provided in the Bylaws. The Company may make reasonable expenditures in support of a position or issue at any meeting, or in support of any or all candidates to be nominated for election to the Board.

ARTICLE VIII
Board of Directors and Officers

Section 1. The corporate powers and business of the Company shall be directed and controlled by a Board of Directors and by such officers and agents as the Board of Directors may authorize, elect or appoint.

Section 2. The Board of Directors shall consist of not less than nine (9) nor more than twenty (20) Members as prescribed from time to time in the Bylaws, and shall be divided into classes, as nearly equal numerically as possible, so that the terms of one class expire each year. Each Director shall serve a term of approximately three (3) years except as otherwise provided in the Bylaws, or except where it is necessary to fix a shorter term in order to preserve classification. The Board of Directors shall have the power to fill any vacancy in its number occurring for any reason at any time except where such vacancy occurs due to the expiration of a Director's term of office as provided herein or in the Bylaws.

Section 3. The Board of Directors shall have the power to adopt such bylaws, rules and regulations for the transaction of business of the Company as are not inconsistent with these Articles, or the laws of the state of Iowa, and to amend or repeal such bylaws, rules and regulations. The Bylaws shall provide for the election of Directors and establish procedures to accomplish the same.

Section 4. A Director of this Company shall not be personally liable to the Company or its Members for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Company or its Members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Director derived an improper personal benefit.

ARTICLE IX

Change of Articles

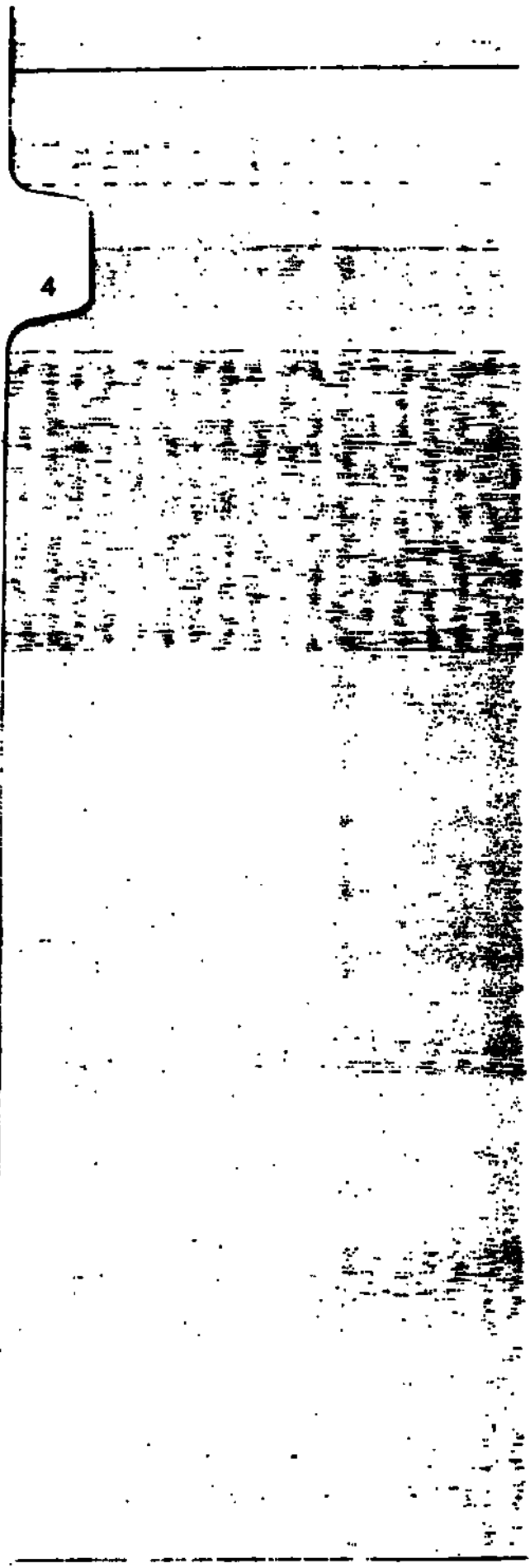
These Articles of Incorporation may be amended, substituted or changed at any annual meeting of the Members, or at any special meeting called for that purpose as hereinafter provided. The proposed substitution or amendment must be offered in writing, and either signed by not less than one (1) percent of the Voting Members, or offered by the Board of Directors.

Such proposed substitution or amendment when offered by a Member

- (a) must contain the actual signatures as well as the printed names and addresses of those Members subscribing to the proposal,
- (b) must have the notarized certification of the offering Member authenticating the signatures of the other subscribing Members, and
- (c) must be filed with the Secretary of the Company at least ninety (90) days prior to said annual or special meeting.

Such proposed substitution or amendment when offered by the Board of Directors must be first adopted by two-thirds (2/3) of the total Board membership at a regular meeting or at a special meeting called for such purpose, or it must be approved by the unanimous written consent of all of the Directors, certified by the Secretary, and filed at least thirty (30) days prior to said annual or special meeting of the Members.

The Secretary shall furnish to each Voting Member a copy of such substitution or amendment whether proposed by the Board or by Members together with a ballot containing a suitable space wherein a Voting Member may vote for or against the same, and a space for the Voting Member's signature and the date of the meeting. Such material shall be mailed in the United States mail, addressed to the Voting Members of the Company, or substantially all of them, at their last known post office addresses, as the same then appear on the records of the Company, not less than twenty (20) nor more than ninety (90) days prior to the date of the meeting. The Board of Directors or persons designated by it may make such statements or recommendations as it sees fit on all matters to be presented to the Members. All substitutions or amendments when adopted by a majority of Members voting thereon in person or by duly signed ballot shall be binding upon all Members and they shall be governed thereby.



CUNA Mutual Life Insurance Company
Waverly, Iowa

Restated
BYLAWS

ARTICLE I
Definitions

Section 1.1. Terms. When used in these Bylaws, the terms hereinafter provided shall have the meanings assigned to them unless another meaning is explicitly indicated.

- (a) **Member:** shall mean a Member of this Company as defined and described in the Company's Articles.
- (b) **Policy:** shall mean a life insurance policy, accident and health policy, or annuity contract on an individual or group basis and shall not include group insurance certificates, settlement contracts, depository contracts, or certificates of any kind issued for the purpose of managing or holding insurance or annuity contract proceeds when a life policy, accident and health policy, or annuity contract terminates, expires or otherwise matures by reason of death, surrender or maturity in its ordinary course or otherwise.
- (c) **Record Date:** shall mean the date determined by the Board of Directors to establish the identity of persons who are Members or Voting Members from data contained in the Company's records.
- (d) **Voting Member:** shall mean a Member who meets all of the eligibility requirements for voting as provided in Section 2.1.

ARTICLE II
Voting Rights of Members

Section 2.1. Eligibility to Vote. Only those Members who have attained age sixteen (16) on or prior to the Record Date for any meeting shall be eligible to vote at Members' Meetings. In the case of multiple ownership of any Policy, the persons designated owners or co-owners on the Company's records as of such Record Date shall be deemed collectively to be the Voting Member and shall designate one of their number to cast their vote. In the case where ownership is claimed by right of assignment, the assignee, if shown on the Company's records to be the owner as of such Record Date, shall be deemed the Voting Member. In the case of group policies, the holder of the master policy, and not those persons holding certificates under the master policy, shall be deemed the Voting Member.

Section 2.2. Exercise of Voting Rights. Each Voting Member shall be entitled to cast one (1) vote on each matter to come before a meeting of the Members, either in person or through an attorney in fact designated in a written proxy which meets the requirements of Section 2.4, regardless of the number of policies or the amount of insurance or the number of lives insured under any Policy or Policies owned or controlled by the Voting Member. Except when electing Directors, voting by Members at any regular or special meeting of the Members may be by voice vote unless the vote is not all "yea" or "nay" in which case the vote shall be by written ballot. Each ballot may contain more than one question or proposition. Any attorney in fact holding the voting power of more than one Member may cast all such votes on one ballot, provided that the ballot shows on its face the number of votes being cast and provided it is verified by the Voting Inspectors as having been cast in accordance with the voting rights acquired by proxy from the persons whose votes are being cast by proxy.

Section 2.3. Electing Directors. The vote for a Director or Directors at a meeting of Members shall be by written ballot. Each Voting Member shall be entitled to cast one (1) vote for each Director's office to be filled. Those eligible candidates receiving the highest number of votes cast at such meeting shall be declared elected.

Section 2.4. Proxy Requirements. No proxy shall be valid unless it is evidenced by a written form (either paper or electronic) executed by a Voting Member or his or her legal representative within two (2) months prior to the meeting for which such proxy was given. Whether or not the duration of such proxy is specified on the proxy form, all such proxy authority shall be limited to thirty (30) days subsequent to the date of such meeting or any adjournment thereof, and no proxy shall be valid beyond the date of such limitation. Unless a Voting Member's proxy shall be received by the Secretary at least one (1) day prior to the meeting or election at which it is to be used, it shall not qualify to be voted on behalf of the Voting Member. Any proxy may, by its terms, be limited as to its use, purpose, or manner in which it is to be used at the meeting or election for which it is given. Any such proxy authority shall be revocable by the Voting Member or his or her legal representative at any time prior to such meeting and shall be deemed to have been revoked when the person executing the proxy is present at the meeting and elects to vote in person.

Section 2.5. Proxy Solicitation by this Company. This Company may solicit proxies from Voting Members and provide such information as this Company deems pertinent with respect to the candidates for election as Directors of this Company or matters being voted upon at the meeting. The fact that this Company, by mail or otherwise, solicits a proxy from any person shall not constitute nor be construed as an admission of the validity of any Policy or that such person is a Member entitled to vote at the meeting, and such fact shall not be competent evidence in any action or proceeding in which the validity of any Policy or any claim under it is at issue.

ARTICLE III Members' Meetings

Section 3.1. Annual Meeting. There shall be an annual meeting of Members for the purpose of electing Directors and conducting such business as may properly come before the meeting. Such annual meeting of Members shall be held on the second Friday in May in the principal office of this Company on Heritage Way, Waverly, Iowa, at the hour of 9:00 a.m. unless the Board otherwise directs. No notice of such annual meeting need be given except as required by law, unless the Board designates another date or time or place for the meeting.

Section 3.2. Special Voting and Special Meetings. A special voting of Members or special meeting(s) of Members may be called at any time pursuant to a duly adopted Board resolution or upon a petition filed with the Secretary containing a complete description of the proposition or propositions to be voted on, the signatures, the printed names and addresses and the policy numbers of at least one percent (1%) of the Voting Members. A written notice summarizing the purpose shall be given.

Section 3.3. Presiding Officer. The Chairman of the Board, or in the absence of the Chairman, the Vice Chairman, or in the absence of both, the President shall preside over meetings of the Members. The Secretary or any Assistant Secretary of this Company shall act as secretary for the meetings.

Section 3.4. Place of Meetings. The place of all meetings of Members shall be the principal office of this Company in Waverly, Iowa, unless another place is designated by the Board, either within or without the state of Iowa, and is specified in the notice of the meeting.

Section 3.5. Manner of Giving Notice. Whenever written notice is required, it shall state the time, date and place of the meeting and, if for a special vote or a special meeting, a summary of the purpose. Notice shall be given by mailing a copy of the notice to Voting Members not more than ninety (90) nor less than thirty (30) days prior to the day of the meeting. Notice shall be deemed to have been given to a Voting Member when a copy of such notice has been deposited in the mail (by electronic or standard delivery), addressed to the owner or the legal representative of the owner of any policy used to identify a Member as a Voting Member, at his or her post office address as the same appears on this Company's records as of the Record Date for the notice, with postage prepaid. Failure to provide notice to all Voting Members, when notice is required, shall not invalidate a meeting unless such failure was intended and such intentional failure can be shown to have been caused by a willful or deliberate act. If the date or place of an annual meeting of Members is changed by the Board after this Company has sent or commenced to send notices or if prior to the date of any meeting of Members or any adjournment thereof the notice of such meeting shall be deficient, the Board may order a notice by publication in at least two (2) newspapers of general circulation, one of which shall be

located in Des Moines, Iowa, and one in Waterloo, Iowa, at least ten (10) days prior to the meeting, and no other notice shall be required. Such other notice shall be given as may be required by the laws of Iowa pertaining to notice of meetings.

Section 3.6. Quorum. Either twenty-five (25) Voting Members present in person or one thousand (1000) Voting Members present by proxy shall constitute a quorum at any meeting of Members. If a quorum is not present, a majority of the Voting Members present in person or by proxy may only adjourn the meeting from time to time without further notice.

Section 3.7. Required Majority. Except as otherwise expressly provided in the Articles of Incorporation, Bylaws, or by law, a majority of the votes cast by Voting Members present in person and by proxy at any meeting of the Members with a quorum present shall be sufficient for the adoption of any matter to properly come before the meeting.

Section 3.8. Appointment of Voting Inspectors. Prior to each meeting of Members, the Board or its Executive Committee, if any, shall appoint, from among Members who are not Directors, candidates for the office of Director, or Officers of this Company, three (3) or more voting inspectors and one (1) or more alternate inspectors and shall fix their fees, if any. If an inspector so appointed is unable or unwilling to act and no alternate is able or willing or if the Board or Executive Committee has failed to appoint voting inspectors prior to the meeting, the President may appoint voting inspectors or alternates as required from among Members eligible as aforesaid.

Section 3.9. Administration of Proxies and Ballots. All unexpired proxies intended for use at a meeting of Members shall be delivered to the voting inspectors prior to the meeting. The voting inspectors shall verify their validity and tabulate them, certifying their findings and tabulation to the Secretary. At all meetings of the Members, the voting inspectors shall distribute, collect, and tabulate ballots and certify under oath the results of any ballot vote cast by Members. All questions concerning the eligibility of Members to vote and the validity of the vote cast shall be resolved by voting inspectors on the basis of this Company's records. In the absence of challenge before the tabulation of a ballot vote is completed, the inspectors may assume that the signature appearing on a proxy or a ballot is the valid signature of a person entitled to vote, that any person signing in a representative capacity is duly authorized to do so, and that a proxy, if it meets the requirements of Section 2.4, and otherwise appears to be regular on its face, is valid.

ARTICLE IV **Communications Between Members**

Section 4.1. Procedure for Facilitating Communication. No Member who is not an officer, Director, or employee of this Company acting in the ordinary course of business shall have access to any of this Company's policyholder records, except such information pertaining to his or her own Policy or Policies as this Company may be reasonably required by law to provide. However, any Member desiring to communicate with other Members in connection with a Members' meeting shall no less than sixty (60) days prior to the date of such meeting furnish a written request addressed to the Secretary containing the following information:

- (a) such Member's full name and address and the policy number of any policy owned by the Member
- (b) such Member's reasons for desiring to communicate with other Members
- (c) a copy of the proposed communication
- (d) the date of the meeting at which such Member desires to present the matter for consideration

Within fifteen (15) days of receipt of such request, this Company shall furnish the requesting Member with information indicating the number of Voting Members this Company has as of the last day of the month immediately preceding and provide an estimate of all costs and expenses for processing and mailing the proposed communication to the membership, or this Company shall advise the Member that this Company refuses to mail the proposed communication. This Company shall not refuse to mail the proposed communication unless it has first made a determination that the

communication is "improper" in accordance with standards provided in Section 4.3, and has followed the procedures provided in Section 4.2. Within thirty (30) days (or upon a later date if specified by the requesting Member) of receiving an amount equal to all of this Company's estimated costs and expenses and a sufficient number of copies of the proposed communication, this Company shall process and mail the communication to all of the Voting Members by a class of mail specified by the requesting Member, unless the communication has been determined to be improper.

Section 4.2. Determining Whether Communications are Proper. Each request to communicate with other Members shall be reviewed by the Board. If the Board determines that the communication is a proper one, it shall be processed as provided in Section 4.1. If the Board determines the communication to be improper, it shall instruct an appropriate officer to communicate a written refusal specifying the reasons for the refusal.

Section 4.3. Improper Communication Defined. As used in this section, an "improper communication" is one which contains material that

- (a) at the time and in the light of the circumstances under which it is made
 - (1) is false or misleading with respect to any material fact or
 - (2) omits any material fact necessary to make the statements therein not false or misleading or necessary to correct any statement in an earlier communication on the same subject matter which has become false or misleading or
- (b) relates to a personal claim or a personal grievance against this Company, its management or any other party, or apparently seeks personal gain or business advantage by or on behalf of any party or
- (c) relates to any matter of a general, economic, political, racial, religious, social or other nature that is not significantly related to the business of this Company or is not within the control of this Company; that is, not within the power of this Company to deal with, alter, or effectuate or
- (d) directly or indirectly and without express factual foundation
 - (1) impugns character, integrity or personal reputation or
 - (2) makes charges concerning improper, illegal or immoral conduct

ARTICLE V Board of Directors

Section 5.1. General Powers. The business and affairs of this Company shall be directed by the Board of Directors which from time to time shall delegate authority and establish guidelines as it deems necessary or appropriate for the exercise of corporate powers by officers and employees in the course of business.

Section 5.2. Number, Eligibility, and Tenure. The Board of Directors shall consist of at least nine (9) and not more than twenty (20) persons as set by the Board from time to time. Directors must be policyholders of this Company. The regular term of office for a Director shall commence when a Director is elected by Members and end at the third (3rd) succeeding annual meeting of the Members, except where a shorter term is provided in order to preserve the Class of Directors. The vacancies on the Board to be filled at each annual meeting of Members shall be the offices of those Directors whose regular terms are scheduled to expire. Unless a Director's regular term of office is sooner terminated by resignation, retirement, legal incapacity, death or removal, each Director elected at an annual meeting of Members shall hold office for the term for which elected and until a successor has been elected or appointed and qualified.

Section 5.3. Classification. Directors shall be divided into three (3) classes, which shall be as nearly equal as possible, according to the expiration date of the regular terms of office. The regular term of office of one of the classes of Directors shall expire at each annual meeting of Members.

Section 5.4. Nomination by Members. Any Member may nominate one or more candidates for the Directors' offices to be filled by election at any annual meeting of Members by filing with the Secretary on behalf of each such candidate, on or before January 31 preceding such annual meeting, a Certificate of Nomination which has been signed by at least one percent (1%) of the Voting Members and which gives the names, occupations and addresses of their candidate or candidates together with a statement signed by said candidates that they will accept office if elected. No signature on any such Certificate shall be counted unless it is also accompanied by the printed name and address and the policy number of a Policy owned by the signator.

Section 5.5. Board Sponsored Nominations. The Board may nominate one or more candidates for the Directors' offices to be filled by election at any annual meeting of Members by nominating a candidate or a slate of candidates in a resolution duly adopted at a regular or special meeting of the Board of Directors and causing a Certificate of Nomination to be filed with the Secretary on behalf of each such candidate at least thirty (30) days prior to the date of the annual meeting of Members. Such Certificate of Nomination shall give the names, occupations, and addresses of their candidate or candidates together with a statement signed by said candidates that they will accept office if elected.

Section 5.6. Removal. A Director may be removed from office for cause by an affirmative vote of three-fourths (3/4) of the Board membership.

Section 5.7. Vacancies. Vacancies on the Board which occur prior to the expiration of a Director's regular term of office by reason of resignation, retirement, legal incapacity, or death, or other vacancies which may occur for any reason in between annual meetings of Members may be filled by appointment made in a duly adopted resolution concurred in by a majority of the Board membership when voting at any meeting of the Board or by appointment made in a unanimous consent action taken in lieu of meeting. A Director appointed to fill a vacancy shall hold office for the unexpired portion of the term to which appointed. Unless a Director's service is otherwise terminated by resignation, retirement, removal, legal incapacity, death or reclassification, a Director, whether appointed or elected, shall serve until a successor is elected or appointed and qualified.

Section 5.8. Nonattendance. Any Director absent from three consecutive regular meetings shall forfeit his office and shall be ineligible for office for six months.

Section 5.9. Compensation. Directors shall be compensated as established by the Board and shall be reimbursed for reasonable expenses incurred in connection with the discharge of their duties and responsibilities.

ARTICLE VI

Board Meetings

Section 6.1. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately following and at the same place as the annual meeting of Members in the month of May unless the Board of Directors shall direct otherwise. No notice of such annual meeting need be given except as required by law, unless the Board of Directors designates another date or time or place for the meeting. At such meetings, the Directors shall elect the principal officers of this Company as required or permitted by these Bylaws and transact such business as pertains to the annual meetings of the Board. The Board of Directors may provide by resolution, or the Chairman of the Board, Vice Chairman or President may designate, the time, date and place, either within or without the state of Iowa, for the holding of additional regular meetings by giving notice at a regular or special meeting of Directors or by written notice as provided in this Article for special meetings.

Section 6.2. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, Vice Chairman, President or Secretary, and shall be called by the President upon written request of any three (3)

Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state of Iowa, as the place for holding any such special meeting of the Board of Directors.

Section 6.3. Notice. Notice of any special meeting shall be given at least ninety-six (96) hours previously thereto by written notice delivered personally or by U.S. mail or electronic mail transmission to each Director at his or her home or business address. If mailed, such notice shall be deemed to be delivered when sent electronically or when deposited in the United States mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any Director of this Company under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at any time whether before or after the time of meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6.4. Quorum. Except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, a majority of the number of Directors authorized and established in accordance with these Bylaws, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a majority of the Directors present, though less than such quorum, may adjourn the meeting from time to time without further notice.

Section 6.5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

Section 6.6. Presumption of Assent. A Director of this Company who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of this Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 6.7. Informal Action Without Meeting. Any action required or permitted by the Articles of Incorporation or these Bylaws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent resolution in writing, setting forth the action so taken shall be signed by all of the Directors then in office. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 6.8. Meetings by Telephone Conference. Directors may participate in a meeting of the Board of Directors or a committee thereof by means of telephone conference or similar communications equipment through which all persons participating in the meeting can communicate with each other. Such participation will constitute presence in person at that meeting for the purpose of constituting a quorum and for all other purposes. The place of any meeting held pursuant to this section will be deemed to be the place stated in the minutes of such meeting so long as at least one Director is present at that place at the time of that meeting.

ARTICLE VII

Committees

Section 7.1. Committees. The Chairman of the Board may appoint committees except standing committees or any other committee required to be elected or appointed by the Board of Directors. The Board of Directors by resolution adopted by the affirmative vote of a majority of the number of Directors in attendance at a meeting at which a quorum is present may designate one or more standing committees or other committees required to be elected or appointed by the Board of Directors. Each committee shall consist of three (3) or more Directors or employees of this Company elected or appointed by the Board of Directors or appointed by the Chairman of the Board, in the case of ad hoc

committees. Committees shall have, when the members thereof are exclusively members of the Board of Directors, and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of this Company, provided that this power is delegated in the initial resolution appointing such committee or as thereafter supplemented or amended by further resolution adopted by a like vote, except action with respect to dividends to policyholders, election of the principal officers or the filling of vacancies on the Board of Directors or committees created pursuant to this Section or as otherwise restricted by law. The Board of Directors or its Chairman, in the case of ad hoc committees, may elect or appoint one (1) or more of its members or employees of this Company as provided in said resolution, as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the President or upon request by the Chairman of such meeting. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

ARTICLE VIII

Officers

Section 8.1. Principal Officers. The principal officers of this Company shall be Chairman of the Board, Vice Chairman, Secretary, Treasurer, and President. All principal officers and Directors shall be policyholders of this Company.

Section 8.2. Chairman of the Board. The Chairman of the Board shall preside at all meetings of members of this Company and the Board of Directors. The Chairman shall present an annual report to the members and appoint committees which are not standing committees or other committees required to be elected or appointed by the Board of Directors. The Chairman shall perform such other duties as shall be assigned from time to time by the Board of Directors.

Section 8.3. Vice Chairman. The Vice Chairman shall, in the absence or disability of the Chairman of the Board, perform the duties of that office.

Section 8.4. Secretary. The Secretary shall keep or cause to be kept a record of the votes of all elections, minutes of all annual meetings and special meetings of Members of this Company, and all meetings of the Board of Directors. He/She or any of the Assistant Secretaries appointed by the Board shall have the custody of the corporate seal and affix the same to all instruments required to be sealed. He/She shall perform or cause to be performed by an Assistant Secretary, such other duties as are required by law, the Board of Directors, and the Bylaws of this Company.

Section 8.5. Treasurer. The Treasurer shall be the financial officer of the Company. He/She shall be responsible for the custody of all funds and securities of this Company in accordance with the authorization and direction of the Board of Directors. He/She shall be responsible for reporting to the Board of Directors at each regular meeting with respect to the funds and securities of this Company. The Treasurer shall perform such other duties as are assigned by the Board of Directors. He/She shall furnish to the Directors, whenever required by them, such statements and abstracts or records as are necessary for a full exhibit of the financial condition of this Company.

Section 8.6. President. The President shall be the chief executive officer of this Company and, subject to the control of the Board of Directors, shall in general be responsible for the supervision and control of all of the business and operations of this Company. He/She shall be responsible for authorization of expenditure of all funds of this Company as have been approved by the Board of Directors in the budget or that are within the general authority granted by the Board of Directors for expenditure of funds. He/She shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of this Company as shall deemed necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He/She shall have authority to sign, execute and acknowledge, on behalf of this Company, all deeds, mortgages, bonds, contracts under seal, leases, and all other documents or instruments whether or not under seal which are authorized by or under authority of the Board of Directors provided that any such documents or instruments may, but need not, be countersigned by the Secretary or an Assistant Secretary. Except as otherwise provided by law or the Board of Directors, he/she may authorize any administrative vice president or other officer or

agent of this Company to sign, execute and acknowledge such documents or instruments in his/her place and stead. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. He/She shall prepare or cause to be prepared a report of the business and operations of this Company for the period since the last regular meeting for submission to the Board of Directors at each regular meeting. He/She shall also prepare, or cause to be prepared, an annual proposed budget for submission to the Board of Directors.

Section 8.7. Assistant Treasurer. One or more Assistant Treasurers shall be appointed by the Board of Directors. They shall be responsible for the proper deposit and disbursement of all funds of this Company. They shall keep or cause to be kept regular books of account. They shall deposit or cause to be deposited all funds of this Company in the name of this Company in such financial institutions as are designated for such purpose by the Board of Directors from time to time. They shall be responsible for the proper disbursement of funds of this Company, including responsibility that checks of this Company drawn on any account are signed by such officer or officers, agent or agents, employee or employees of this Company in such manner, including the use of a facsimile signature where authorized, as the Board of Directors has determined or authorized, and they shall perform all of the duties incident to the office of Assistant Treasurer and such other duties as from time to time may be assigned by the Treasurer.

Section 8.8. Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally. Such assistant or acting officer appointed by the Board of Directors shall have the power to perform all the duties of the officer to which he/she is so appointed to be assistant, or as to which he is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

Section 8.9. Administrative Officers and Assistant Administrative Officers. The President shall appoint administrative officers and assistant administrative officers who shall be appointed as deemed appropriate for the conduct of the affairs of this Company for such term of office as may be designated or without designated term of office subject to removal at will or by appointment of a successor in office. The administrative officers and assistant administrative officers shall perform such duties and have such authority as may be assigned from time to time by the President.

In the absence of the President or in the event of his/her death, inability or refusal to act, the administrative officers in the order designated by the President shall perform the duties of the President and, when so acting, shall have all powers of and be subject to all the restrictions upon the President.

ARTICLE IX Miscellaneous

Section 9.1. Principal Office. The location of the principal office of this Company shall be in the CUNA Mutual Life Insurance Company Building on Heritage Way, in the city of Waverly, county of Bremer, and state of Iowa. This Company may have other offices at such locations as may be necessary or convenient for the conduct of its business.

Section 9.2. Certification and Inspection of Articles and Bylaws. This Company shall keep in its principal office the original or a certified copy of its Articles of Incorporation and its Bylaws as amended or otherwise altered to date, both of which shall be open for inspection by any Member or Members at all reasonable times during office hours.

Section 9.3. Corporate Seal. The Board may adopt, use, and, at will, alter a corporate seal. Failure to affix a seal does not affect the validity of any instrument. This corporate seal may be used in facsimile form.

Section 9.4. Execution of Instruments and Policies. The President, Chief Officers, Senior Vice Presidents, Vice Presidents, and such other persons as may be designated pursuant to duly adopted Board resolutions, shall each have authority to execute and acknowledge or attest on behalf of this Company all instruments executed in the name of this

Company. The Secretary and Assistant Secretaries shall each have authority to attest and acknowledge all such instruments.

Policies and endorsements thereon shall be executed by the President and, if required or desired, by the Secretary or an Assistant Secretary or in any other manner prescribed by applicable law or regulation or directed by the Board. Such policies and endorsements may bear facsimile signatures of the President and, if signing, the Secretary or an Assistant Secretary. Facsimile signatures of the President, the Secretary, and the Treasurer may be used on other instruments to the extent permitted by law and by any Board approved internal control directives.

Section 9.5. Official Bonds. In addition to the bonds which law or regulation require this Company to maintain on its officers, employees, and agents, the Board may purchase insurance or other indemnification or require a special bond or bonds from any Director, officer, employee or agent of this Company in such sum and with such sureties or insurance carriers as it may deem proper.

Section 9.6. Voting Stock in Other Corporations. Stock held by this Company in another corporation shall be voted by the President unless the Board of Directors shall by resolution designate another officer to vote such stock, and, unless the Board of Directors shall by resolution direct how such stock shall be voted, the President or other designated officer shall vote the same in his or her discretion for the best interests of this Company.

ARTICLE X

Indemnification of Company Officials

Section 10.1. Liability and Mandatory Indemnification. This Company shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (excluding an action by or in the right of this Company) by reason of the fact that he/she is or was a Director or officer of this Company, or is or was serving at the request of this Company as a Director or officer of another company, corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by him/her in connection with such action, suit or proceeding; provided, that there is a determination that such person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of this Company, did not improperly receive personal benefit and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. If such determination is not made by final adjudication in such action, suit or proceeding, it shall be made by arbitration in Waverly, Iowa, in accordance with the rules then prevailing of the American Arbitration Association by a panel of three (3) arbitrators. One of the arbitrators will be selected by a committee of at least three (3) policyholders appointed especially for such purposes by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding (or, if such a quorum is not obtainable, by the Insurance Commissioner for the state of Iowa), the second by the officers and Directors who may be entitled to indemnification, and the third by the two arbitrators selected by the parties. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of this Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

No Director or officer shall be liable to this Company for any loss or damage by it on account of any action taken or omitted to be taken by him/her as a Director or officer of this Company in good faith and in a manner he/she reasonably believed to be in and not opposed to the best interests of this Company and had no reasonable cause to believe was unlawful, and a Director or officer shall be entitled to rely on advice of legal counsel for this Company if in good faith and upon financial statements of this Company represented to be correct by the President or other officer having charge of the corporate books of account or stated in a written report by a certified public accountant or upon statements made or information furnished by other officers or employees of this Company which he/she had reasonable grounds to believe were true.

Section 10.2. Controlled Subsidiaries. All officers and Directors of controlled subsidiaries of this Company shall be deemed for the purposes of this Article to be serving as such officers and Directors at the request of this Company. The right to indemnification granted to such officers and Directors by this Article shall not be subject to any limitation or restriction imposed by any provision of the Articles of Incorporation or Bylaws of a controlled subsidiary. For purposes hereof, a "controlled subsidiary" means any corporation in which at least fifty-one percent (51%) of the outstanding voting stock is owned by this Company or another controlled subsidiary of this Company.

Section 10.3. Advance Payment. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding, may be paid by this Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by this Company in accordance with this Article.

Section 10.4. Other Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any officer, Director, employee or agent may be otherwise entitled and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 10.5. Insurance. This Company may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of this Company, or is or was serving at the request of this Company as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not this Company would be obligated to indemnify him/her against such liability under the provisions of this Article. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

ARTICLE XI

Audit

Section 11.1 Audit. The books and accounts of this Company shall be audited at least annually by a certified public accountant to be selected by the Board of Directors. On the request in writing addressed to the Chairman of the Board by any seven (5) members of the Board at any time, a special audit shall be made of the affairs of this Company by a certified public accountant to be selected by such seven (5) Directors.

ARTICLE XII

Emergency Provisions

Section 12.1. Special Bylaw Provisions During Emergencies. If, as a result of a declared, national or state emergency resulting from actual or threatened enemy action or as a result of a natural or man-made catastrophe or other unusual or emergency conditions it is impossible to convene readily a quorum of the Board of Directors Executive Committee or any other Committee of the Board, for action within their respective jurisdictions, thus making it impossible or impractical for this Company to conduct its business in strict accord with the normal provisions of law or of these Bylaws or of the Articles of Incorporation, then, and in any of said events, to provide for continuity of operations, these emergency Bylaws shall supervene and take effect if necessary over all other Bylaws for the duration of the emergency period, and all the powers and duties vested in any committee or committees or the Board of Directors so lacking a quorum shall vest automatically in the Emergency Management Committee which shall consist of all readily available members of the Board of Directors. Three (3) members of the Emergency Management Committee shall constitute a quorum provided, however, that

If there are only two (2) available Directors, they and the first one of the following listed officials of this Company who is readily available and accepts the responsibility (even though he/she is not a Director) shall serve as the Emergency Management Committee; or, if there is only one available Director, he/she and the

first two of the following listed officials of this Company who are readily available and accept the responsibility (even though not Directors) shall serve as the Emergency Management Committee:

- (a) The President, if any, or
- (b) The Executive Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (c) The Chief Officers in order of seniority based on their period of service in such office, if any, or
- (d) The Senior Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (e) The administrative Vice Presidents in order of seniority based on their period of service in such office, if any, or
- (f) The Comptroller, if any, or
- (g) The Department Managers in the order of seniority based on length of their period of service in such position, if any, or

If there is no readily available Director, the first three (3) of those just previously listed in the above order (even though not Directors) who are readily available and accept the responsibility shall serve as the Emergency Management Committee, provided, however, that an Emergency Management Committee composed solely of officials who are not Directors shall not have the power to fill vacancies on the Board of Directors but shall as soon as circumstances permit conduct an election of Directors.

If there are no Directors, President, Executive Vice Presidents, Chief Officers, Senior Vice Presidents, Vice Presidents, Comptroller or Department Managers readily available to form an Emergency Management Committee, then the Commissioner of Insurance of the state of Iowa or the duly designated person exercising the powers of the Commissioner of Insurance of the state of Iowa shall appoint three (3) persons to act as the Emergency Management Committee who shall be empowered to act in the manner and with the powers hereinabove provided when the Emergency Management Committee is composed solely of officials who are not Directors.

If the Emergency Management Committee takes an action in good faith, such action shall be valid and binding as if taken by the Board of Directors or, as the case may be, the Committee it represents, although it may subsequently develop that at the time of such action conditions requisite for action by the Emergency Management Committee did not in fact exist.

If the Emergency Management Committee in good faith elects someone to an office which it believes to be vacant, the acts of such newly elected officer shall be valid and binding although it may subsequently develop that such office was not in fact vacant.

ARTICLE XIII

Adoption, Amendment or Repeal of Bylaws

Section 13.1. Bylaw Amendment by Board of Directors. The Bylaws of this Company may be amended by a two-thirds (2/3) vote of the Board of Directors at any meeting of the Board of Directors in any manner not inconsistent with the insurance laws of the state of Iowa and this Company's Articles of Incorporation, subject to the power of the Members to alter or repeal any amendment made by the Board of Directors. Any particular article or section of these Bylaws may provide for amendment only upon vote of the Members. The Bylaws of this Company may also be amended, altered, or repealed in any manner not inconsistent with the insurance laws of the state of Iowa by a vote of

two-thirds (2/3) of the Members voting at an annual meeting or special vote or meeting of the Members of this Company.

Section 13.2. Initiation of Bylaw Amendment by Members. An amendment to the Bylaws may be initiated by the direct action of the Members as follows:

One percent (1%) or more of this Company's Members shall sign and file with the Secretary, not later than ninety (90) days prior to the date of the annual meeting of this Company, a copy of the proposed amendment or amendments together with a brief statement of the purpose thereof and a statement from this Company's General Counsel that the proposed amendment is acceptable under Iowa law. Such a copy of the proposed amendment and statement of purpose shall be on a form to be furnished by the Secretary and shall be signed by the Member, if a natural person, and by the president or treasurer or other authorized officer, if a corporate member, such officer having been so authorized by resolution duly adopted by the board of directors of such corporation.

Upon timely receipt of a proposed amendment to the Bylaws accompanied by the two required statements properly prepared and signed and arising by action of the Members as herein provided, the Secretary shall send or cause to be sent a copy of such proposed amendment to all Members not less than twenty (20) days prior to the date of the next annual meeting. The Board of Directors may make a recommendation to Members as to any such amendment as proposed.

RESTATED BYLAWS: The foregoing shall constitute Restated Bylaws of this Company which shall supersede and take the place of the heretofore existing Bylaws and amendments thereto.

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MUTUAL COOPERATION AGREEMENT

THIS MUTUAL COOPERATION AGREEMENT ("Agreement") is made as of the first day of February, 2004, by and between CUNA Mutual Insurance Society, a Wisconsin mutual insurance corporation ("CUNA Mutual"), and Credit Union National Association, Inc., a Wisconsin nonstock, nonprofit corporation ("CUNA").

A. WHEREAS, CUNA is the leading national trade association in the credit union movement, providing credit unions with political leadership and legislative, regulatory, education and training expertise and is committed to promoting the general growth and welfare of credit unions, organizations of credit unions and credit union members;

B. WHEREAS, CUNA Mutual and its subsidiaries and affiliates comprising the "CUNA Mutual Group," are the leading providers of insurance and financial services solutions for credit unions, organizations of credit unions, and credit union members and are also committed to promoting the growth of the credit union movement;

C. WHEREAS, both organizations have a long and distinguished history of commitment and success in the development and growth of the credit union system; and

D. WHEREAS, it is considered by both parties to be mutually beneficial for both organizations to cooperate to enhance the success of the other;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Mutual Cooperation. As set forth in greater detail in the following exhibits to this Agreement, the parties agree to expand their relationship to work together to support the growth and success of credit unions in a number of areas, including but not limited to the following:

[REDACTED]

To promote communication and dialogue, the parties will cause appropriate leadership and staff to conduct discussions not less frequently than quarterly, to review performance under the exhibits referenced above, identify new opportunities for cooperation, exchange information and seek to resolve any outstanding concerns, and address such other matters as may be mutually agreed.

2. Compensation.

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. Term. The term of this Agreement shall commence on the date hereof and end on December 31, 2004.

4. Confidential Information.

(a) Generally. Each party (the "Receiving Party") acknowledges that by reason of its relationship to the other party (the "Disclosing Party") hereunder, the Receiving Party will have access to certain proprietary, confidential and/or trade secret information and materials.

concerning the Disclosing Party's business, plans, technology, customers, products and services that are confidential and of substantial value to the Disclosing Party, which value would be impaired if such information were disclosed to third parties ("Confidential Information"). The Receiving Party agrees that it will not use in any way for its own account or the account of any third party, nor disclose to any third party, any such Confidential Information revealed to it by the Disclosing Party, except as expressly otherwise provided in this Agreement. The Receiving Party will take every reasonable precaution to protect the confidentiality of Confidential Information and will ensure that its employees, officers, directors, agents, independent contractors and affiliates are advised of the confidential nature of such information. Upon request by the Receiving Party, the Disclosing Party will advise whether or not it considers any particular information to be Confidential Information. The Receiving Party agrees to notify the Disclosing Party promptly and in writing of the circumstances surrounding any breach of this section regarding the Disclosing Party's Confidential Information. Upon the request of the Disclosing Party, the Receiving Party will return to the Disclosing Party all written Confidential Information, and will promptly destroy all copies of any analyses, summaries or extracts prepared by the Receiving Party or for its use containing or reflecting any Confidential Information.

(b) Exclusions. Confidential Information does not include any information that the Receiving Party can demonstrate by written records: (a) was known to the Receiving Party prior to its disclosure hereunder by the Disclosing Party; (b) is independently developed by the Receiving Party; (c) is or becomes publicly known through no wrongful act of the Receiving Party; (d) has been rightfully received from a third party whom the Receiving Party has reasonable grounds to believe is authorized to make such disclosure without restriction; (e) has been approved for public release by the Disclosing Party's prior written authorization; or (f) must be produced or disclosed pursuant to applicable legal requirement, provided that the Receiving Party provides prompt advance notice thereof to enable the Disclosing Party to seek a protective order or otherwise prevent such disclosure. Additionally, nothing herein will prevent the Receiving Party from disclosing all or part of the Confidential Information (a) in confidence to legal counsel of the Receiving Party; or (b) in confidence, in connection with the enforcement of this Agreement or rights under this Agreement by the Receiving Party.

(c) Survival. The provisions of this Section 4 will survive any termination of this Agreement.

5. Contractual Relationship. The relationship between the parties established in and as a result of this Agreement is exclusively a contractual relationship. This Agreement is not intended to and does not create any separate entity, any joint assets of any form or nature; give rise to any legal rights based on partnership or partnership principles, equitable or otherwise; or create any other principles, equitable or otherwise, or any other rights which are not expressly provided for in this Agreement. Neither party will have, nor represent to any person that it has, any right, power or authority to bind the other party, transact any business in the other party's name or on its behalf, or make any promises or representations on behalf of the other party, except in each case, as may be expressly authorized in writing by the other party.

6. Press Releases; Internal Communications. Neither party shall issue or permit the issuance of any press release or other public statement regarding this Agreement or the parties' relationship hereunder without prior coordination with and written approval from the other party. The parties shall consult one another and develop mutually agreeable communication plans with respect to dissemination of information within their respective organizations regarding this Agreement and the parties' relationship hereunder.

7. Miscellaneous. This Agreement embodies the entire agreement between the parties with respect to its subject matter, and there are no agreements, representations or warranties between the parties other than those set forth in this Agreement. This Agreement may not be modified, amended or supplemented except by mutual written agreement by all parties.

[The remainder of this page is intentionally left blank.
Signatures appear on the following page.]

IN WITNESS WHEREOF, each party has caused this Mutual Cooperation Agreement to be executed on its behalf by a duly authorized officer as of the date first set forth above.

CUNA:

CREDIT UNION NATIONAL ASSOCIATION, INC.,
a Wisconsin nonstock, nonprofit corporation

By: _____

Daniel A. Mica,
President and Chief Executive Officer

CUNA MUTUAL:

CUNA MUTUAL INSURANCE SOCIETY,
a Wisconsin mutual insurance corporation

By: _____

Michael B. Kitchen,
President and Chief Executive Officer

COPY

Resolution of Mutual Support and Advocacy

Whereas CUNA and CUNA Mutual Group are committed to ensuring the success and advancement of a philosophically sound, financially secure and member-responsive credit union movement, and

Whereas CUNA and CUNA Mutual Group do desire to enhance the relationship between themselves in order to individually and collectively more effectively serve America's credit unions, organizations of credit unions, and credit union members, and

Whereas We, the undersigned chairs and chief executives of CUNA and CUNA Mutual Group on behalf of our boards of directors and management do hereby

Recognize and Acknowledge that the credit union movement is best served by an efficient, orderly and cost effective system of development and delivery of high value trade association, insurance and financial services, and

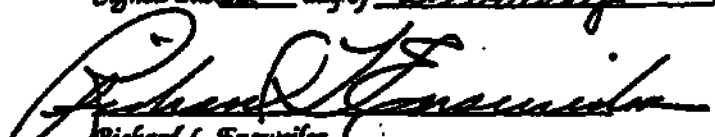
Do Hereby Pledge to reducing and where possible eliminating redundancies and inefficiencies among and between our organizations and within the credit union marketplace, and

Do Hereby Affirm our commitment to work together to ensure CUNA's success as the leading national trade association in the credit union movement, providing credit unions with political leadership and legislative, regulatory, education and training expertise, and

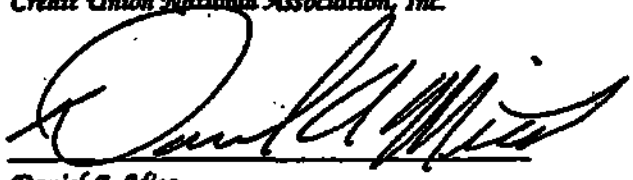
Do Hereby Affirm our commitment to work together to ensure CUNA Mutual Group's success as the leading provider of insurance and financial services solutions for credit unions, organizations of credit unions, and credit union members, and

Now Therefore Be It Resolved by our Boards of Directors that we commit both organizations to a course of mutual support and advocacy of each to the other, details of which will be developed annually, assessed quarterly and revised as mutually agreed by a cooperative effort of senior managers of each organization.

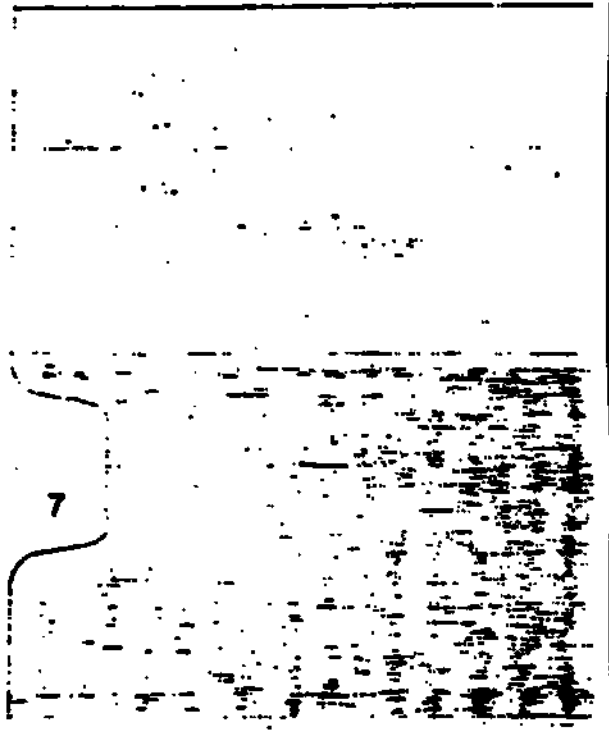
Signed this 22nd day of February, 2004.


Richard L. Enweiler
Chairman of the Board
Credit Union National Association, Inc.


Loretta Burd
Chairman of the Board
CUNA Mutual Group


Daniel A. Mica
President & Chief Executive Officer
Credit Union National Association, Inc.


Michael B. Kitchen
President & Chief Executive Officer
CUNA Mutual Group



7

MARKETING AGREEMENT

THIS AGREEMENT IS MADE AS OF THE 1ST DAY OF JANUARY, 2003, and supersedes all prior marketing agreements between CUNA Mutual Insurance Society (herein "CUNA Mutual") and [REDACTED] Services Corporation (herein "Service Corporation").

RECITALS

A. CUNA Mutual and Service Corporation wish to reaffirm and strengthen their long-term alliance by entering into this marketing agreement.

B. Credit Union Leagues, League Service Corporations and their affiliates exist to perpetuate the long-term viability of credit unions and to provide products and services for credit union growth, and CUNA Mutual and its affiliates exist to help build successful credit unions and credit union organizations and to help credit unions enhance relationships with their members and employees.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Parties.** "CUNA Mutual" as used herein will mean CUNA Mutual Insurance Society and all of its affiliates and subsidiaries. "Service Corporation" will mean the [REDACTED] Services Corporation and all organizations affiliated with it and the [REDACTED] Credit Union League.

2. **Compensation for Services.** In exchange for Service Corporation's total support and advocacy of CUNA Mutual products (aside from any exceptions listed in Exhibit A) and product-delivery systems, including product service and government relations support, CUNA Mutual will compensate a subsidiary or affiliate of Service Corporation which is a properly-licensed insurance agent, or Service Corporation if so licensed, as set forth in Exhibit A. This compensation will be based on the sale of products listed on Exhibit B and offered by CUNA Mutual on the effective date of this Agreement and will be based on total revenue, weighted where applicable as described in Exhibits A and B.

a. Compensation will be earned for activities covering the period January 1 through December 31 of each year.

b. Payments will be made within 30 days of the end of each quarter, including, if applicable, the final quarter in which this Agreement is in effect.

c. Service Corporation will not provide any services related to the solicitation or servicing of insurance business except through a properly-licensed agent.

d. All expenses incurred by either party with respect to the performance of this Agreement will remain the expense of that party.

3. **Term.** This Agreement is for a one-year term and will automatically renew for successive one-year terms. However, either party may terminate this Agreement at the end of a calendar year by notifying the other in writing of its intent to terminate not later than 30 days before the end of the year in which termination is desired.

4. **Miscellaneous.** In the event of a dispute related to this Agreement, the matter will be submitted to the senior management of CUNA Mutual and Service Corporation for resolution. This Agreement and any compensation or obligations may not be assigned by Service Corporation without the prior written consent of CUNA Mutual. This Agreement supersedes all prior marketing agreements between the parties; however, CUNA Mutual will continue to honor any "Contingent Value" payment obligations it has to Service Corporation according to the terms of any prior marketing agreements between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the above date.

[REDACTED] Services Corporation

CUNA Mutual Insurance Society

By: _____
Name: _____
Title: _____

By: _____
Name: David W. Cry
Title: Senior Vice President



RECEIVED
 MAIL
 OPERATIONS CENTER
 WASHINGTON, D.C. 20007-5143
 202.672.5399
 202.672.5399 FAX
 www.foley.com

October 25, 2004

WRITER'S DIRECT LINE
 202.295.4081
 cmtchell@foley.com EMAIL

CLIENT/MATTER NUMBER
 077008-0103

VIA HAND DELIVERY

Ms. Rosemary C. Smith, Esq.
 Associate General Counsel
 Federal Election Commission
 999 E Street, NW
 Washington, D.C. 20463

RECEIVED
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 COMMISSION
 OFFICE OF GENERAL
 COUNSEL

2004 OCT 25 P 3:52

Re: Supplemental Information - Advisory Opinion Request from CUNA
 Mutual Insurance Society

Dear Ms. Smith:

This is in response to additional questions from the Office of General Counsel regarding the above-referenced Advisory Opinion Request ("AOR").

1. Please reconcile the representation in the AOR that CUNA Mutual Insurance Society is a 'for profit' insurance and financial services company and the reference in the articles of incorporation and by-laws which state that CMIS was established under the laws of the State of Wisconsin as a 'not-for-profit' entity.

RESPONSE: The only reference to CUNA Mutual Insurance Society's organization as a "not-for-profit" entity is found in the Bylaws of CUNA Mutual Insurance Society (CMIS), the connected organization for CMIS PAC. Article I, "Purposes and Operating Principles," in the Restated Bylaws states:

"This Corporation is organized in accordance with the provisions of a mutual law and, therefore, not for profit."

No similar "not-for-profit" reference appears in CMIS's Articles of Incorporation or in CMLIC's organizing documents, nor is there any other reference that might be construed as inconsistent with either entity's organization as a mutual insurance company.

The language in CMIS bylaws dates to the original formation of CUNA Mutual Insurance Society in 1935. At that time, mutual insurance companies were tax exempt, no doubt under the same kind of rationale that led to a common law tax exemption for cooperatives; i.e., income earned by such organizations should be taxed only once (the "single tax principle") to either the participating member for patronage refunds or to the organization for income not distributed (retained earnings).

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 NEW YORK

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 SAN DIEGO/DEL MAR

SAN FRANCISCO
 SILICON VALLEY
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 TAMPA

TOKYO
 WASHINGTON, D.C.
 WEST PALM BEACH

002.1284177.1

Ms. Rosemary C. Smith, Esq.

October 25, 2004

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However, the federal tax exempt status for mutual insurance companies changed circa 1942. Mutual savings banks and Savings and Loans followed suit in 1951. CMIS apparently has not changed its bylaw provision thereafter to reflect that it is taxed as a for-profit entity. State law in Wisconsin may have been slower to change its laws to reflect the treatment of mutual insurance companies as 'for profit' rather than 'not for profit' as once was the case. In any event, mutual insurance companies now are fully taxable under both federal and state law and do not operate as "not for profit" entity in any ordinary, legal sense.

Both CMIS and CMLIC are taxable mutual insurance companies and do not operate as nonprofits, hence, there is no contradiction between the representation in the AOR that CMIS and CMLIC are both for-profit insurance and financial services entities. The language in Article I of the CMIS Restated Bylaws is no more than a harmless anachronism that should probably be amended but which, in any case, has no bearing on the legal structure of CUNA Mutual Insurance Society today.

2. How do CMIS and CMLIC address the issue of whether the insurance companies are/are not 'membership organizations' as defined by the Federal Election Commission?

Response: CMIS and CMLIC are both "membership" organizations by virtue of being mutual insurance companies. The policyholders are members with limited rights to elect directors and act on other matters submitted to them by the board of directors. "Members" are defined as those owning at least one current insurance policy for at least one year. The standard definition of mutual insurance companies as stated by the National Association of Mutual Insurance Companies on its website: (<http://www.namic.org/about/mutual.asp>) is as follows:

"About Mutual Insurance"

The mutual insurance concept originated in England in 1696 with the establishment of the first mutual fire insurer. The idea migrated to America with the successful founding of the Philadelphia Contributionship for the Insurance of Houses From Loss by Fire, in 1752, by Benjamin Franklin.

Unlike stock insurance companies, which are owned by investors who may have no other connection with the company, mutual insurance companies are owned by their policyholders. Policyholders are entitled to vote for members of the company's board of directors, and may receive special dividends in the form of capital distributions or reductions of policy premiums. Unlike stock companies, mutual companies exist solely to serve the insurance needs of their policyholders, and not to provide investment profits to shareholders.

Mutual insurance companies range in size from small companies operated out of managers' homes - providing insurance to America's farmers to protect the dwellings, buildings and machinery that make farming possible - to some of the largest insurers of homes, automobiles and businesses in the world."

Wisconsin statutes define "member" in Chapter 611, "Domestic Stock and Mutual Insurance Companies," as: "'Member' means a person who has membership rights in a corporation in accordance with the provisions of its articles of incorporation or bylaws." Sec. 611.01 Wis. Stat.

FEC Advisory Opinion 1999-10 finds that mutual insurance companies are membership organizations for purposes of the Federal Election Campaign Act of 1971, as amended ("the Act") and determines that the policyowners are, therefore, equivalent to a stock company's shareholders. This opinion would appear to be applicable to CMIS and its policyowners, as well as CMLIC and its policyholders.

3. How do we address the issues of 'overlapping membership' between CMIS and CMLIC policyholders and their potential membership in CUNA or other credit unions and credit union associations?

Response: First, CMIS and CMLIC policyholders are not direct members of CUNA, which is a federation of credit unions; however, the policyholders of CMIS and CMLIC may (or may not) be members of CUNA through their membership in a CUNA-member credit union.

Further, any such overlap in membership between the insurance companies and CUNA is coincidental, reflecting choices made for separate purposes. CMIS's and CMLIC's policyholders are policyowner-members of CMIS by virtue of selecting CMIS and/or CMLIC to provide some or all of their insurance needs. They may be and no doubt are also members of many other organizations, which conservatively speaking, must number at least in the tens of thousands involving all aspects of American life.

CUNA, on the other hand, is a trade association whose members consist of credit unions and leagues. Like many trade associations, CUNA's membership looks to it for political advocacy, regulatory assistance and advice, and educational support. CUNA's members obtain insurance from many sources, including CMIS, but also including competitors to CUNA Mutual Group companies.

CMIS and CUNA define their membership eligibility and composition by separate and distinct criteria. There is no automatic overlap. However, because CUNA Mutual Group's niche market is credit unions and their members, it obviously seeks to maximize its competitive influence within its marketplace. For that reason, directors of CMIS are frequently CEOs or former CEOs of credit unions that are also members of CUNA, as well as other credit union associations. And the Mutual Support Agreement signed by CMIS and CUNA reflects the desire of both organizations to work together for the betterment of each. But membership in one organization conveys no right, title or interest in the other. Membership in CUNA does not give a CMIS policyowner any more authority than any other owner of an insurance policy issued by CMIS. Nor does owning a CMIS policy convey any status whatsoever in CUNA.

Policyholder-members of CMIS and CMLIC may and normally do belong to credit unions which are, in turn, members of CUNA. However, CUNA's membership is comprised, not of individual credit union members, but of credit unions whose membership in CUNA or other credit

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union associations occurs by virtue of the credit union's membership in the particular association. Thus, CMIS / CMLIC's 'membership' will overlap with countless other membership organizations besides CUNA.

Consequently, we do not see "overlapping membership" that may be held coincidentally by one or more of our policyowners as a determining factor for purposes of the 'affiliation' definitions within FECA because such overlap confers no control or governance rights of one entity over the other.

4. Does the Partnership Committee / Council have any governing responsibilities for the respective organizations?

Response: No. A copy of the membership which contains a statement of purpose of the Partnership Committee / Council is attached.

5. What is "Century Life of America"?

Response: "Century Life of America" was the name of the Iowa mutual insurance company that agreed in 1989 to become permanently affiliated with CUNA Mutual Insurance Society. In 1997 it formally adopted the name "CUNA Mutual Life Insurance Company." Hence, Century Life of America was/is the predecessor of CUNA Mutual Life Insurance Company.

We trust that the above is fully responsive to your additional questions. Please contact me at (202) 295-4081 if you require further information.

Sincerely,



Cleta Mitchell, Esq.
Counsel for CUNA Mutual Group

Enclosures

cc: Mr. James L. Carney, Esq.

PARTNERSHIP COMMITTEE

Co-Chairmen: *Dick Ensweiler (TX) CUNA Chair
 *Richard Ghysels (CA) CSSI Chair

 *Loretta Burd (IN) CUNA Mutual Chair
 *Paul Mercer (OH) AACUL Chair

CUNA: Juri Valdov (DC) Vice Chair
 Don Larsen (WA) Secretary
 Allan McMorris (MI) Treasurer
 Tom Dorety (FL) Executive Committee Member
 *Dan Mica, President

CUNA Strategic Services: Rosie Holub (MO) Vice Chair
 Tom Dorety (FL) Secretary
 Bill Mellin (NY) Treasurer

CUNA Mutual: Eldon Arnold (VA) Vice Chair
 Jim Bryan (TX) Immediate Past Chair
 *Mike Kitchen, President

AACUL: Rick Pillow (DC/VA) 1st Vice Chair
 Rosie Holub (MO) 2nd Vice Chair
 Brett Thompson (WI) Treasurer
 Bill Mellin (NY) Secretary
 Dan Egan (MA/NH/RI) Past Chair
 *Susan Newton (CUNA) Executive Director

Others: *Arthur Arnold, World Council of Credit Unions
 *Bob Hoel, Filene Research Institute
 *Dan Kampen, U.S. Central Credit Union
 *Eric Kenealy, Association of Corporate Credit Unions
 *Mike Canning, Association of Corporate Credit Unions Executive Director

Consists of: CUNA, CSSI, CUNA Mutual and AACUL Elected Officers/Executive Committees
 ACCU Chair & Executive Director, FRI Executive Director, USC President and
 WOCCU President

Reports to: CUNA Board of Directors
 CSSI Board of Directors
 CUNA Mutual Group Board of Directors

Purpose: Consider long-range planning issues and develop improved coordination between
 the national credit union organizations.

Staff Liaison: Richard McBride

Cost Center: 1232

* Member of the CUNA Partnership Council