

Constitution of The Independent Loss Adjusters Association (ILAA)

Name

1. The organisation shall be called the Independent Loss Adjusters Association and be known by the acronym ILAA. It shall be an unincorporated association of **Loss Adjusting Businesses**

Definitions

2. Words in this Constitution shall have the following meanings

Audit	A check of the books of account and administrative records of the Member and/or a Related Business to ensure compliance with the guarantee not to accept a Prohibited Payment and to ensure compliance with the Membership Criteria .
CILA	The Chartered Institute of Loss Adjusters
External Audit Body	A specialist standard enforcing body that has been accredited by UKAS (the United Kingdom Accreditation Service) and chosen by the Management Board to carry out a Random or Requested Audit of a Member .
Loss Adjusting Business(es)	A company, partnership or sole trader that is engaged in the provision of loss adjusting services – these being the investigation, management, quantification, validation and resolution of Property, Casualty or any other losses (whether insured or not) arising from any contingency and the reporting thereof.
Management Board	The group of Members selected or elected by the membership of ILAA to conduct its affairs.
Member(s)	A Loss Adjusting Business that meets the Membership Criteria and has been accepted as a Member of ILAA by the Management Board or such other committee as it chooses to set up for the purpose of making decisions on membership issues.
Membership Criteria	The requirements that a Member must satisfy to be allowed to join ILAA as set out in Article 5 6 & 7.

Membership Mark	The distinguishing mark of ILAA that is owned by ILAA and that is awarded to all Members . It shall comprise the logo and such other marks as the Management Board shall approve. The Membership Mark proves that the Member and their employees or a Related Business will not accept a Prohibited Payment .
Prohibited Payment	A payment, commission or benefit in kind that is made by a Service Provider to a Member. It includes any payment received by a Related Business for Services given in the settlement of an insurance claim but does not include small-scale hospitality or low value gifts.
Random Audit	An audit by an External Audit Body of a Member chosen at random that shall not take place more frequently than three yearly intervals
Requested Audit	An audit by an External Audit Body of a Member commissioned by the Management Board if it receives evidence to suggest that a Member may have breached the terms of membership contained in the Membership Criteria .
Related Business	A trading company, partnership or franchise in which the Loss Adjusting Business and/or its owners or 'close contacts' (as defined in the Glossary of Definitions of the Financial Services Authority) have a financial interest and thus stand to benefit financially from a Service provided by that Related Business .
Service(s)	Assistance in the form of goods or services given to a policyholder to help them in dealing with the consequences of a loss or to achieve settlement of their insurance claim
Service Provider	A supplier of goods or Services used to settle an insurance claim including inter alia retailers, wholesalers, letting or estate agents, builders, cleaners, specialist contractors, or professionals such as surveyors, engineers or accountants.

Defined words are shown emboldened throughout this Constitution to aid the reader in understanding the text.

Objectives

ILAA seeks

3. To advance the interests of **Members** by guaranteeing the ethical principles by which they conduct their activities and to promote these ethical principles within the insurance industry.

4. To promote the fair treatment of all parties to the insurance claims process.
5. To promote the specialist skills of experts within the loss adjusting profession
6. To encourage the co-operation of **Members** for their mutual benefit in ways that do not detract from their financial independence. ILAA does not expect or require **Members** to share any confidential financial information pertinent to their business or customer details and does not seek to influence the commercial relationships between **Members**. ILAA expects competition to exist in an open market.
7. To assist in the education and training of aspiring loss adjusters and to assist in the development of the loss adjusting profession in a practical way that does not compromise the independence or competitiveness of **Members**.

Membership

8. A **Loss Adjusting Business** shall be entitled to apply to become a **Member** of ILAA if it meets the following **Membership Criteria**.
 - 1 The business is a **Loss Adjusting Business** as herein defined
 - 2 The business is controlled and predominantly owned by the current directors, partners, employees or their families.
 - 3 The business complies with the terms of the guarantee not to accept **Prohibited Payments** as set out in Article 10 below.
 - 4 The business pays the joining fee and then pays the annual subscription as decided by the Management Board
9. The process by which a prospective new **Member** is considered for membership shall be determined by the **Management Board** or such other committee as it chooses to set up for the purpose of making decisions on membership issues but shall – after ILAA is formed - involve the proposal and seconding of the application by existing **Members**.
10. **Members** and their employees need not be members of CILA but must comply with the Charter, Bye laws and Code of Conduct of CILA and should not accept a **Prohibited Payment**– however it be described – for a **Service** from a **Service Provider**. A **Prohibited Payment** must also not be made to a **Related Business** – which for the purposes of this Article shall be considered as part of the **Member**'s business.

The Membership Mark

11. A **Member** that guarantees it will not accept a **Prohibited Payment** can carry on its promotional material, literature and stationery a **Membership Mark** to signify to its customers and potential customers that it belongs to ILAA and complies with the **Membership Criteria**.
- 12 ILAA owns the **Membership Mark** and only current members whose subscriptions are paid, are entitled to use it. If a **Loss Adjusting Business** ceases to be a **Member** of ILAA for any reason the **Membership Mark** must cease to be used by it and must be removed from all promotional literature, advertising and stationery immediately.

Audit

- 13 To ensure compliance with the **Membership Criteria** as described in Articles 8 - 10, **Members** undertake that they will make an annual declaration to ILAA that they continue to abide by the **Membership Criteria** and also permit **Audit** by the **External Audit Body**. The co-operation of the member is needed so that the **Audit** can take place. The purpose of the **Audit** is to ensure that the **Member** has not received a **Prohibited Payment** and that the loss adjusting business satisfies the **Membership Criteria**.
 1. An **Audit** can either be a **Random Audit** on a **Member** as chosen by the **External Audit Body** or a **Requested Audit** of a **Member** chosen by the **Management Board**.
 2. A **Requested Audit** may be instructed by the **Management Board** if it is given evidence that a **Member** has received a **Prohibited Payment** or is in some other way in breach of the **Membership Criteria**.
 3. The **External Audit Body** shall give one month's notice to a **Member** that they wish to carry out an **Audit**. The **Management Board** can suspend membership if the **Audit** is not carried out within the stipulated period due to the non co-operation of the Member.
 4. If the **External Audit Body** discovers evidence that shows **Prohibited Payments** have been received or there is any other breach of the **Membership Criteria** then the **Management Board** will be advised and the **Member** can be suspended.
 5. Once membership had been suspended the **Management Board** has the power to expel the **Member** after reviewing the events and the **Member's** conduct.

6. The **Member** has the right of appeal against suspension or expulsion. The **Member** or its representatives if it chooses to be represented are entitled to address the **Management Board** in writing and verbally to explain the **Member's** conduct with a view to avoiding suspension or expulsion.

The Management Board

14 At the inaugural meeting and the meeting held annually to be known as the Annual General Meeting (AGM) the **Members** shall elect a Chief Executive and up to nine other persons, who are all employed by a **Member**, that shall form the Management Board.

1. The **Management Board** must comprise at least five persons elected or appointed in addition to the Chief Executive for it to be properly constituted.
2. No more than two such members of the **Management Board** shall come from the same **Member** business.
3. If there are insufficient persons willing to sit on the **Management Board** ILAA will not be able to function and should be wound up. Under these circumstances any funds held by ILAA should be used firstly to repay current **Member's** subscriptions and then, if there are any further funds still available, they should be distributed equally amongst the **Members** regardless of the size of the **Member** business.
4. At the AGM each **Member** shall have one vote for the election of the Chief Executive and five votes for other **Management Board** members - to be used as they wish from a list of those persons prepared to stand. Voting will be required if more than nine persons are proposed and seconded by **Members** to sit on the Management Board
5. The persons elected to the **Management Board** must be members of CILA but do not need to be qualified members.
6. When formed the **Management Board** shall appoint from its number persons to undertake such specific functions that the board considers appropriate but this should always include a Treasurer and Secretary.

15 The **Management Board** shall

1. Seek to advance the objectives of ILAA as set out in Articles 3 – 7.
2. Raise funds via entrance fees, subscription, sponsorship, advertising or whatever means it feels are appropriate within the ethical constraints of the association
3. Control the ILAA bank account and report on the accounts to the **Members** at the AGM.

4. Administer the ILAA website that will provide information about the objectives of the organisation, the identity of those on the **Management Board** and give links to the websites of **Members**
 5. Appoint an **External Audit Body** to carry out **Random** and **Requested Audit** of **Members**. The cost of the **Audit** is to be met from ILAA funds.
 6. Consider the reports of the **External Audit Body** and take such action as it considers appropriate
 7. Have the power to suspend and then expel a **Member** who is in breach of the **Membership Criteria** or has in the opinion of the **Management Board** through its actions or those of its employees brought ILAA into disrepute. Before taking this step the **Member** is entitled to appeal as set out in Article 13 (6)
 8. Use the bulk purchasing power of ILAA to make available for **Members** preferential rates for the supply of goods or services to meet their business needs.
 9. Meet as often as it thinks fit but not less frequently than twice per annum. For a meeting of the **Management Board** to be valid a quorum of five **Management Board** members requires to be present inclusive of the Chief Executive.
 10. Have the power to decide the length of the terms of office of the Chief Executive and other office holders at the inaugural meeting and at subsequent AGM's.
 11. Co-opt employees from **Members** to become members of the **Management Board** should the board feel that this is appropriate. These co-opted board members shall only be able to stay as members of the board until the next planned AGM when they must stand for election to remain as members of the board.
- 16 Persons who are elected or co-opted to be members of the **Management Board** shall cease to be members of the Board:
1. If they cease to be an employee, director or partner of a **Member** of ILAA;
 2. If they resign from the Board and the resignation is accepted.
- 17 ILAA **Members** may by a resolution passed by a simple majority of **Members** at a meeting specially convened for the purpose (Extraordinary General Meeting - EGM), remove any member of the **Management Board** from office. Notice of the proposal to remove a Board member must be sent to the Chief Executive supported in writing by at least 50% of the Board members.

The Chief Executive shall convene a meeting on a suitable date, giving at least one month's notice, proposing the removal of the **Management Board** member. Voting will be on the basis of a simple majority with one vote per

Member. Proxy votes will be permitted if supplied in advance of the meeting to the ILAA Secretary

The Annual General Meeting

- 18 Notice of all matters for discussion at the Annual General Meeting (AGM) shall be distributed to Members by email and posted on the ILAA website at least 21 days in advance of the advertised date for the meeting.

Amendment of the Constitution

- 19 The **Management Board** may propose amendments to this Constitution for the consideration of ILAA **Members** at the AGM giving notice of the proposed amendments when the meeting is called – as per Article 18. Any ILAA **Member**, with the support in writing of at least five other **Members** may submit a motion to the Secretary at least 14 days before the AGM seeking a change to this Constitution at the AGM. This will allow the **Management Board** time to consider such changes and to represent its views to the **Members** before the changes are discussed. Approval of proposed alterations to the Constitution is by a simple majority of the Members voting at the AGM – being those present and those voting by proxy in advance of the meeting via the ILAA Secretary