

# Texas Association of Life & Health Insurers

## BYLAWS

### AS AMENDED AND RESTATED

~~AUGUST 2014~~ NOVEMBER 2016 & JUNE 2017

The Texas Association of Life & Health Insurers (herein referred to as “TALHI” or “Association”) is a nonprofit corporation organized under the Texas Nonprofit Corporation Act. It is the successor of the Texas Life Insurance Association, and the Texas Legal Reserve Officials Association, referred to collectively as the “Predecessor Organizations.”

#### ARTICLE 1

##### PURPOSE

**1.01 – Purpose.** The purpose of TALHI shall be: To preserve and foster an equitable and competitive insurance climate in the state of Texas through communication, education and advocacy; to serve the public with integrity on behalf of our member companies.

#### ARTICLE 2

##### PRINCIPAL OFFICE

**2.01 – Principal Office.** The principal office of the Association shall be located at a place in Texas which the Board of Directors (also known as “Board”) may select and designate from time to time.

#### ARTICLE 3

##### MEMBERSHIP

**3.01 – Membership.** All references to insurance companies in this Article shall be deemed to include domestic and foreign life and/or health insurance companies organized or admitted and licensed to transact business in the state of Texas (“Eligible Insurance Company”). Notwithstanding anything in these bylaws to the contrary, any Regular or Associate Member in good standing as of December 31, 1996, in any of the Predecessor Organizations shall be an original member of this Association in the respective appropriate membership category, unless such member of a Predecessor Organization elects to decline such membership.

The Board of Directors, in considering and passing upon the application of any independent Eligible Insurance Company~~insurance company~~, consolidated group, fleet or insurance holding company system of Eligible Insurance Company ~~insurance company~~ affiliates for regular membership or any individual or business for associate membership in the Association, shall prescribe procedures for consideration and approval of applications for members. The Board may refer such application to appropriate committee for consideration and recommendations to the Board. Applications shall be approved by a favorable resolution by a majority of Directors voting on an application. ~~shall give due consideration and weight to the character, principles, reputation, integrity, standing, ability and experience of the executive officers of the applicant.~~

When an application for regular membership is accepted and approved for membership, applicant shall furnish to the Association the names, addresses and official status of the officers or employees otherwise authorized to act on behalf of the member insurance company (“Qualified Person/s”) which it designates to represent it in the Association.

~~executive officers of the member insurance company it desires to represent the member(s) in the Association.~~

**3.02 – Regular Members.** Regular Members of TALHI shall consist of (i) those insurance companies that were the Regular Members of the Predecessor Organizations, (ii) such additional independent Eligible Insurance Companies ~~eligible insurance companies~~ that subsequently apply for membership and are accepted by the Board of Directors, and (iii) each of the affiliated Eligible Insurance Companies ~~insurance companies licensed to do business in Texas~~ within a consolidated group, fleet or insurance holding system that applies for membership and is accepted by the Board of Directors.

Each independent Regular Member and each consolidated group, fleet or insurance holding company system composed of affiliated Regular Members shall have one vote on all issues presented to the membership at regular or special meetings thereof or any issue presented via mail or electronic means. The consolidated group, fleet or insurance holding company system shall designate which of its Regular Members shall cast its vote ~~at such meetings~~.

**3.03 – Associate Members.** Associate Members of the Association shall consist of those Associate Members of the Predecessor Organizations and such additional Associate Members that subsequently apply for membership and are accepted by the Board of Directors. The term “Associate Members” or “associate membership,” wherever it appears in these ~~bylaws~~ Bylaws shall mean any other member not eligible for regular membership under 3.02 of this Article III and shall be limited to and consist of individuals or businesses which are not Eligible Insurance Companies but are actively associated with any portion of the life or health insurance business in the state of Texas. An Associate Member shall not be entitled to any vote in the Association’s business, and the ~~officers or employees executive officers~~ of such Associate Member shall not be eligible to serve as an officer or ~~director~~ Director of the Association. Associate Members shall be subject to any and all regulations and rules with respect thereto as may be adopted from time to time by the Board of Directors.

#### ARTICLE 4 ASSOCIATION POLICIES

**4.01 – Association Policies.** The general policies of the Association regarding legislative or regulatory matters before the Texas Department of Insurance, the Commissioner of Insurance, the Texas Legislature, the United States Congress and other groups which affect the life or health insurance business or the members of the Association, shall be determined at the annual meeting or at any special meeting of the Association membership. In the interim between meetings of the membership, the Board of Directors shall determine such policies of the Association.

#### ARTICLE 5 MEETINGS OF MEMBERS

**5.01 – Annual Meeting.** The annual meeting of the ~~members of the~~ Association shall be held at such a time and place as may be determined by the Board of Directors at least sixty days in advance thereof. ~~Written notice of the annual meeting shall be sent to all members not less than thirty days prior to the date of the meeting.~~

**5.02 – Special Meetings.** Special meetings of the members of the Association shall be held at any time and place upon the call of the Chair or a majority of the Board of Directors. ~~Written notice of~~

~~any special meeting shall be sent to all members not less than ten days prior to the date of the meeting.~~

**5.03 – Notice.** ~~Notice of an annual meeting or any special meeting of Association members shall be sent through the mail or electronic means to each member not less than ten (10) nor more than thirty (30) days before the meeting date. The notice of each meeting shall specify the purpose thereof.~~

**5.04 – Voting.** ~~Voting on matters that are required to be brought before the membership may be held at the annual meeting, at a special meeting, via mail, or via electronic means. Each Regular Member company is entitled to one vote. Proposals to be presented to the members by mail, electronic means, or at a meeting, shall first be approved by the Board of Directors. A majority of the voting Regular Members in attendance or responding to the mail or electronic missive shall determine all matters coming before the membership for a vote. A lack of a vote, outside a formal abstention, shall imply agreement. Sections 3.02 and 3.03 cover voting eligibility by member companies.~~

~~A majority of the voting Regular Members in attendance shall determine all matters coming before such meetings.~~

## ARTICLE 6 OFFICERS

**6.01 – Officers.** The officers of this Association shall be an Immediate Past Chair, Chair, Vice–Chair, Secretary and Treasurer. Persons shall be eligible to serve as an officer of the Association if that person ~~is a Qualified Person of a Regular Member company performs the functions of an officer of a regular member company.~~ However, at all times, there must be one officer of the Association that is a ~~Qualified Person of a Regular Member~~ qualified person from a regular member company that is domiciled in Texas or that has its principal or executive office in the state of Texas. The officers shall have the authority and perform the functions usually exercised by such officers, as well as such additional duties as may be delegated to them from time to time by the Board of Directors.

**6.02 – Election and Succession.** The officers shall be elected by a majority of the voting Regular Members of the Association in attendance ~~or responding to a mail or electronic missive at the annual meeting.~~ The previous year’s Chair shall automatically succeed to the office of Past Chair. The previous year’s Vice–Chair shall automatically be nominated to the office of Chair; the previous year’s Secretary shall automatically be nominated to the office of Vice–Chair; the previous year’s Treasurer shall automatically be nominated to the office of Secretary; and the Nominating Committee shall recommend and nominate a person for the office of Treasurer. Additional nominations of other qualified persons for any of such offices may be received if such nomination is made by at least five voting Regular Members.

**6.03 – Term of Office.** Each officer shall serve a period of one year from ~~annual meeting to annual meeting~~ June 1 to May 31, or until their successors are duly elected.

**6.04 – Vacancies.** A vacancy in the office of Past Chair shall not be filled. A vacancy in any other office shall be filled by the next officer in line of succession succeeding to that position. The Board

of Directors may then elect a successor Treasurer from one of the ~~directors~~ Directors. In the event an officer dies, resigns, or becomes incapacitated or ineligible for any reason to serve in such office, the Board of Directors shall have the authority to elect a successor to fill the unexpired term of such officer.

## **ARTICLE 7 DIRECTORS**

**7.01 – Board of Directors.** The Board shall consist of the officers of the Association and not more than twelve Directors ~~twelve directors~~ composed of three groups of four ~~directors~~ Directors, each group serving staggered three year terms, with one group of four directors to be elected ~~at each annual meeting~~ annually by the voting Regular Members. ~~Of the total members of the Board, at least five directors shall be officers of the smaller insurance companies comprising one-half of the Regular Members, based on the Regular Members' assets as of December 31 of the preceding calendar~~ year.

~~The Nominating Committee shall recommend and nominate the persons for the position of director. Additional nominations of qualified persons for director may be received if such nomination is made by at least five Regular Members.~~

(a) Annually, Regular Members shall elect "Qualified Persons" to serve as Directors of the Board of Directors, with the knowledge that their "Regular Member Company" has the right to replace the individual in certain circumstances. The number to be elected annually depends upon the number of Board members whose three-year terms are expiring.

(b) Of the total members of the Board, at least five Director positions shall be held by Qualified Persons of the smaller insurance companies comprising one-half of the Regular Members, based on the Regular Members' assets as of December 31 of the most recent calendar year for which asset data is available.

(c) The Nominating Committee shall recommend and nominate the Qualified Persons for the position of Director. Additional nominations of Qualified Persons for Director may be received if such nomination is made by at least five Regular Members. If the number of Qualified Persons currently serving is fewer than seventeen (17), and an appropriate Regular Member Company has not appointed as replacement as outlined in section 7.06, the Board of Directors may elect other Qualified Person(s) to serve the remainder of the unexpired term.

**7.02 – Meetings.** The Board of Directors shall meet at the annual meeting, and otherwise upon the call of the Chair or of five members of the Board of Directors.

**7.03 – Telephone or Electronic Meetings.** Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Association's Articles of Incorporation, as amended, ("Articles") or these Bylaws, members of the Board of Directors and members of any committee may participate in and hold a meeting of the Board of Directors by means of a conference telephone or some other communications equipment, or another suitable electronic communications system, including video conferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, the Corporation must (a) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and (b) keep a record of any vote or other action taken.

**7.04 – Action Without a Meeting by Directors.** Any action that is required by law, the Articles, or these Bylaws to be taken at a meeting of the Board of Directors or any action that may be taken at a meeting of the Board of Directors or of any committee thereof, may be taken without such a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the members of the Board of Directors, or all of the members of the committee, as the case may be.

**7.05 – Quorum.** At all meetings of the Board of Directors, the presence of nine members of the Board shall constitute a quorum.

**7.06 – Vacancies.** Director vacancies will be filled by the Regular Member Company entitled to do so or by the Board of Directors as outlined below:~~The Board of Directors shall be authorized to fill any vacancy of the Board.~~

(a) Should the elected Qualified Person resign, retire, quit, or otherwise become ineligible for the Board position before their term has ended, their Regular Member Company has the right, for the remainder of the unexpired term, to designate the individual to serve as Director. The Qualified Person elected to serve as a Director serves until their term expires or until such Qualified Person is replaced by their Regular Member Company at its discretion during an unexpired term, in accordance with these Bylaws.

(b) Only one company that is part of a commonly owned or affiliated group of companies or otherwise is within the same group of companies, is eligible to have a representative serve as a Board member.

(1) If a Regular Member Company with a Board member becomes commonly owned, affiliated, or otherwise a part of another group with another Regular Member Company with a Board member, the Director for each affected company may serve his or her current term to completion. Only one vote can be cast by the Directors representing the owned, affiliated or group of companies.

(2) If a Regular Member Company with a Board member becomes commonly owned, affiliated, or otherwise part of another group with a Regular Member Company that does not have a Board member, the Director for the affected Regular Member Company may serve his or her term to completion. Only one vote can be cast by the Director representing the owned, affiliated or group of companies.

(3) If a Regular Member Company with a Board member becomes commonly owned, affiliated or otherwise part of a group with a non-member company or group, the Director for the affected company may serve his or her current term to completion if the non-member Eligible Insurance Company or group becomes a member of the Association at the next annual renewal for membership in the Association. If the non-member Eligible Insurance Company or group does not become a member of the Association, the Director may not continue to serve after the deadline for membership has expired. Only one vote can be cast by the Director representing the owned, affiliated or group of companies of the non-member group.

(c) If a Regular Member Company with a Board member resigns or is expelled, the Board of Directors has the option to elect an alternate Qualified Person to serve the remainder of the unexpired term. If a Member Company resigns or is expelled, the member of the Board representing that Member Company is automatically removed from the Board.

**7.07 – Presiding Officer.** The Chair, or in the absence of the Chair, the Vice–Chair, shall preside at all meetings of the Board of Directors.

**7.08 – Authority.** The property and affairs of the Association shall be under the direction and control of the Board of Directors, and, subject to the restrictions imposed by law, the Articles, and these Bylaws, the Directors shall exercise all of the powers of the Association.

**7.09 – Termination of Membership.** Membership of a Regular Member or Associate Member may be terminated automatically if the Member fails to pay dues or other mandatory payments on a timely basis as determined by the Board of Directors. Any such termination shall, however, not relieve a Member or former Member from its obligations to pay any dues or other assessments due and owing prior to the date membership is automatically terminated. The Board of Directors, by a three-fourths majority vote, may terminate for cause any membership in the Association after reasonable notice and opportunity for a hearing has been given. For cause shall include any circumstance where a Company’s officers or management fail to support the purposes of TALHI or act in such manner as to bring discredit on the life insurance industry. The Board may prescribe procedures for effecting such involuntary termination of membership in TALHI. If the membership of a Regular Member is terminated, the executive officers representing such company in the Association shall likewise lose all right to participate in the affairs of the Association.

**7.10 – Proxy Voting by Directors.** A director may vote in person or by proxy executed in writing by the director. A proxy expires three months after the date the proxy is executed unless otherwise provided by the proxy or made irrevocable by law. A director may provide a written proxy only to another member of the Board of Directors or to a Qualified Person~~an officer~~ of the same Regular Member company as that of the director providing the written proxy. A director present by proxy at a meeting may not be counted towards a quorum.

**7.11. Rules of Order and Procedures.** The rules contained in the current edition of *Roberts Rules of Order Newly Revised* shall govern meetings of the Board and Members in all cases in which they are applicable and in which they are not inconsistent with these ~~bylaws~~ Bylaws and any special rules of order the Board may adopt.

## ARTICLE 8 INDEMNIFICATION OF DIRECTORS AND OFFICERS

### **8.01 – Indemnification of Directors and Officers.**

(a) Directors and Officers. The ~~corporation~~ Association shall indemnify its ~~directors~~ Directors and officers to the fullest extent permitted and not otherwise prohibited by Chapter 8 of the Texas Business Organizations Code; provided, however, that the corporation shall not be required to indemnify any ~~director~~ Director or officer in connection with any proceeding (or part of ~~such same~~) initiated by such person ~~or any proceeding by such person or entity~~ against the ~~corporation~~ Association or its ~~other directors~~ Directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the ~~board~~ Board of ~~directors~~ Directors of the ~~corporation~~ Association or, (iii) such indemnification is provided by the ~~corporation~~ Association, in its sole discretion, pursuant to the powers vested in the ~~corporation~~ Association under either the Texas Business Organization Code, Texas Non-Profit Corporation Act or the Miscellaneous Corporation Laws of Texas.

(b) ~~Other Officers,~~ Employees and Other Agents. The ~~corporation~~ Association shall have the power to indemnify its employees, counsel and other agents as set forth in Chapter 8 of the Texas Business Organizations Code.

(c) Determination by the Corporation Association. Promptly after receipt of a request for indemnification under this Section 8.01 (and in any event within 90 days of such) a reasonable, good faith determination as to whether indemnification of the ~~director~~ Director, ~~or officer,~~ employee or agent seeking indemnification under this Bylaw ("Claimant"), is proper under the circumstances because such ~~director or officer~~ Claimant has met the applicable standard of care shall be made by:

(1) A majority vote of a quorum consisting of ~~directors~~ Directors who are not parties to such proceeding;

(2) If such quorum is not obtainable, by independent legal counsel in a written opinion;  
or

(3) Approval or ratification by the affirmative vote of a majority of the Regular Members of this ~~corporation~~ Association represented and voting at a duly held meeting at which a quorum is present; ~~where provided, however,~~ the Regular Member represented by the ~~person to be indemnified~~ Claimant shall not be considered entitled to vote on such matter.

(d) Good Faith.

(1) For purposes of any determination under this bylaw Bylaw, a ~~director or officer~~ Claimant shall be deemed to have acted in good faith and in manner he/she reasonably believed to be in the best interest of the ~~corporation~~ Association and its members, and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe that his/her conduct was unlawful, if his/her action is based on information, opinions, reports and statements, including financial statements and other financial data, in each case prepared or presented by:

(i) One or more officers or employees of the corporation whom the ~~director or officer~~ Claimant believed to be reliable and competent in the matters presented;

(ii) Counsel, independent accountants or other persons as to matters which the ~~director or officer~~ Claimant believed to be within such person's professional competence; and

(iii) With respect to a ~~director~~ Director or officer, a committee of the board upon which such ~~director~~ Director or officer does not serve, as to matters within such committee's designated authority, which committee the ~~director~~ Director believes to merit confidence; as long as, in each case, the ~~director~~ Director or officer acts without knowledge that would cause such reliance to be unwarranted.

(2) The termination of any 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~~ Claimant did not act in good faith and in a manner which he/she reasonably believed to be in the best interests of the ~~corporation~~ Association and its members or that he/she had reasonable cause to believe that his/her conduct was unlawful.

(3) The provisions of this ~~paragraph~~ Section 8.01 (d) shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by Chapter 8 of the Texas Business Organizations Code.

(e) Expenses. The ~~corporation~~ Association shall advance, prior to the final disposition of any proceeding, promptly following request for ~~such~~ same, all expenses incurred by any ~~director or officer~~ Claimant in connection with such proceeding upon receipt of an undertaking by or on behalf of ~~such person~~ Claimant to repay the amounts if it shall be determined ultimately that ~~such person~~ Claimant is ~~not~~ entitled to be indemnified under this ~~bylaw~~ Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (f) of this ~~bylaw~~ Bylaw, no advance shall be made by the ~~corporation~~ Association if a determination is reasonably and promptly made by the ~~board~~ Board of ~~directors~~ Directors by a majority vote of a quorum consisting of ~~directors~~ Directors who were not parties to the proceeding (or, if no such quorum exists, by independent legal counsel in a written opinion) that the facts ~~known to the decision made~~ demonstrate clearly and convincingly that ~~such person~~ Claimant acted in bad faith or in a manner that such person did not believe to be in the best interests of the corporation and its members.

(f) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to ~~directors and officers under this bylaw~~ Claimant shall be deemed to be contractual rights and be effective to the same extent ~~and as~~ if provided for in a contract between the ~~corporation~~ Association and the ~~director or officer~~ Claimant. Any right to indemnification or advances granted by this ~~bylaw~~ Bylaw to a ~~director or officer~~ Claimant shall be enforceable by or on behalf of the person holding such right in the forum in which the proceedings ~~is are~~ or was pending or, if such forum is not available or a determination is made that such forum is not convenient, in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of request for ~~such~~ same. The ~~claimant~~ Claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his/her claim. The ~~corporation~~ Association shall be entitled to raise as a defense to any such action that the ~~claimant~~ Claimant has not met the standards of conduct that make it permissible under Chapter 8 of the Texas Business Organizations Code for the ~~corporation~~ Association to indemnify the ~~claimant~~ Claimant for the amount claimed. Neither the failure of the ~~corporation~~ Association (including its Board of Directors, independent legal counsel or its Regular Members) to have made a determination prior to the commencement of such action that indemnification of the ~~claimant~~ Claimant is proper in the circumstances because he/she has met the applicable standard of conduct set forth in Chapter 8 of the Texas Business Organizations Code, nor an actual determination by the ~~corporation~~ Association (including its Board of Directors, independent legal counsel or its Regular Members) that the ~~claimant~~ Claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that ~~claimant~~ Claimant has not met the applicable standard of conduct.

(g) Nonexclusivity of Rights. To the fullest extent permitted by the ~~corporation's~~ Association's ~~Articles of incorporation~~ and Chapter 8 of the Texas Business Organizations Code, the rights conferred on any person by this ~~bylaw~~ Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the ~~articles~~ Articles of incorporation, ~~bylaws~~ Bylaws, agreement, vote of Regular Members or disinterested ~~directors~~ Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its ~~directors~~ Directors, officers, employees or agents respecting



indemnification and advances, to the fullest extent permitted by Chapter 8 of the Texas Business Organizations Code and the corporation's ~~articles~~ Articles of incorporation.

(h) Survival of Rights. The rights conferred on any person by this ~~bylaw~~ Bylaw shall continue as to a similarly situated person who has ceased to ~~be a director or officer~~ serve the Association and shall inure to the benefit of the heirs, executors and administrators of such a person.

(i) Insurance. The ~~corporation~~ Association, upon approval by the ~~board~~ Board of ~~directors~~ Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this ~~bylaw~~ Bylaw.

(j) Amendments. Any repeal or modification of this ~~bylaw~~ Bylaw shall only be prospective and shall not affect the rights under this ~~bylaw~~ Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any ~~agent of the corporation~~ Claimant.

(k) Saving Clause. If this ~~bylaw~~ Bylaw or any portion of it shall be invalidated on any ground by any court of competent jurisdiction, then the ~~corporation~~ Association shall nevertheless indemnify each ~~director and officer~~ Claimant to the fullest extent permitted by any applicable portion of this ~~bylaw~~ Bylaw that shall not have been invalidated, or by any other applicable law.

(l) Certain Definitions. For the purposes of this ~~bylaw~~ Bylaw, the following definitions shall apply:

(1) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement and appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrate or investigative.

(2) The term "expenses" shall be broadly construed and shall include, without limitation, court cost, attorney fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature of kind incurred in connection with any proceeding, including expenses of establishing a right to indemnification under this ~~bylaw~~ Bylaw or any applicable law.

(3) References to "Association" or TALHI," as a corporation subject to Chapter 8 of the Texas Business Organization Code, shall include, The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its ~~directors~~ Directors, officers, and employees or agents, so that any person who is or was ~~director~~ director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a ~~director~~ Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this ~~bylaw~~ Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a "~~director~~ Director," "officer," "employee," "counsel," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as a ~~director~~ Director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

## ARTICLE 9 DUES

**9.01– Dues.** Annual dues for members shall be determined by the Board of Directors, after review by and upon recommendation of the Executive Committee.

Any member that fails to pay its dues within three months of billing may be dropped from membership  
as outlined in section 7.09.  
~~by a majority vote of the Board of Directors until such time as the amount of the delinquent dues are received.~~

## ARTICLE 10 COMMITTEES

**10.01 – Committees.** Except as otherwise provided, the Chair shall have the authority and responsibility to appoint a Chair and members of the following committees and any other committee that the Board deems necessary. Access to meetings, materials, and minutes of these committees is limited to Regular Members. Associate Members may have access to committees at the considered discretion of the Executive Director.

**10.02 – Policy/Legislative and Regulatory Committees.** The Executive Director, with the advice and consent of the Executive Committee and the approval of a majority of the Board of Directors, may create committees and subcommittees as necessary. All meetings of these committees, subcommittees, advisory groups and task forces and documents associated with these meetings will be open to all Regular Members of the Association.

**10.03 – Executive Committee.** The Executive Committee shall consist of the officers of the Association. It shall recommend a budget and make recommendations to the Board of Directors concerning compensation of the Executive Director ~~and counsel.~~ The Executive Committee shall be authorized to act for the Association during the interim between meetings of the membership and meetings of the Board of Directors. Actions by this committee shall be promptly communicated to the Board of Directors and the Executive Director.

**10.04 – Membership Committee.** The Membership Committee shall consist of at least five members of the Association, two of such members shall represent the larger insurance companies comprising one-half of the Regular Members and two shall represent the smaller insurance companies comprising one-half of the Regular Members, with the size to be determined by the Regular Member’s assets as of the preceding December 31. The committee shall review applications for membership to the Association and make recommendations covering such application to the Board of Directors.

**10.05 – Nominating Committee.** The Nominating Committee shall consist of at least five members, three of whom shall have served as Chair of the Association. At least two Nominating Committee members ~~The Nominating Committee shall consist of at least five Regular Members of the Association, at least two of which~~ shall represent the larger insurance companies comprising one-half of the Regular Members and at least two shall represent the smaller insurance companies comprising one-half of the Regular Members, with the size to be determined by the Regular Member’s assets as of the preceding December 31. The Nominating Committee shall recommend

and nominate persons for the position of Treasurer and expiring ~~director~~ Director positions to the membership at the annual meeting.

**10.06** – The Chair shall be an ex-officio member without a vote of the Policy, ~~Legislative and Regulatory Committee(s)~~, the Membership Committee and the Nominating Committee.

**10.07** – The Executive Director shall be an ex-officio member without a vote of all committees.

**10.08** – Committees shall not act contrary to any decision or policy adopted at a regular or special membership meeting, or a regular or special meeting of the Board of Directors.

#### **ARTICLE 11 FISCAL YEAR**

**11.01 – Fiscal Year .** The fiscal year of the Association shall begin on the first day of January and end on the last day of December of each year.

#### **ARTICLE 12 BYLAWS**

**12.01 – Bylaws.** These bylaws, with the exception of Article 7, Section 7.01, may be amended at any time by the affirmative vote of at least a majority of the members of the Board of Directors. Article 7, Section 7.01, may be amended at any time with an 80% affirmative vote of the members of the Board of Directors. Such amendments shall be effective until the next regular or special meeting of the membership when such amendments shall then be ratified and approved, or rejected, or further amended by the majority vote of the members present at such regular, or special meeting of the membership.

Any three or more Regular Members are authorized to present in writing to the Board, no later than seven (7) days prior to a regular meeting of the Board, a recommendation for an amendment to the Association's ~~bylaws~~ Bylaws. Upon receipt of the proposed amendment by the Chairman, ~~he shall present~~ such recommendation shall be presented to the Board for consideration at the next regularly scheduled Board meeting. The Board shall act upon the proposed amendment in accordance with its powers as authorized by these bylaws.