

**BYLAWS  
OF  
INTERNATIONAL ASSOCIATION OF INSURANCE RECEIVERS**

**ARTICLE I  
NAME AND OFFICES**

**Section 1.1. Name.** This non-stock, nonprofit corporation incorporated under the laws of the State of Delaware shall be known as “International Association of Insurance Receivers,” hereinafter called the “Association.” The official abbreviation of the name of the Association shall be “IAIR.”

**Section 1.2. Offices.** The principal office of the Association shall be at such place within or without the State of Delaware as the Board of Directors may from time to time designate. The Association shall maintain a registered office, which need not be the Association’s principal office, in the State of Delaware and a registered agent in accordance with law. The Association may have offices at such other places within and without the State of Delaware as the Board of Directors may from time to time determine.

**ARTICLE II  
PURPOSES AND POWERS**

**Section 2.1. Non-Stock, Nonprofit Operation.** The Association shall not have or issue shares of stock. The Association does not afford pecuniary gain, incidentally or otherwise, to its Members. No Member of the Association has any vested right, interest, or privilege in or to the assets, property, functions, or activities of the Association, and there is no personal liability of Members, Directors, or Officers of the Association for corporate debts or obligations. The Association may contract in due course with its Members, Directors, and Officers without violating this Section, and the Association may pay reasonable compensation for services rendered or property transferred and make payments and distributions in furtherance of the purposes and objectives set forth in this Article.

**Section 2.2. Powers, Purposes and Mission.** The Association shall have and may exercise all of the powers and privileges granted by law or by the Certificate of Incorporation, together with any powers incidental thereto, so far as are necessary or convenient to the conduct, promotion or attainment of its activities or purposes. The purposes for which the Association is organized are set forth in the Certificate of Incorporation. The mission of the Association is:

- (a) To establish a professional organization comprised of individuals who provide services associated with the affairs of insurers that are in receivership or otherwise financially troubled and in need of restructuring;
- (b) To develop educational and training programs to enhance the qualifications of professionals working in the field of insurance company receiverships and restructurings and to provide a forum for discussion of ideas, experiences and subjects of common

interest to them;

(c) To establish ethical and professional standards for professionals retained to conduct or advise in the affairs of insurers that are in receivership or otherwise financially troubled and in need of restructuring; and

(d) To recognize, through accreditation, the attainment by its members of expertise and proficiency in such pursuits.

**Section 2.3. Power to Acquire, Hold and Dispose of Property.** The Association shall have power and authority to purchase, receive, take by grant, gift, devise, bequest or otherwise, lease or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, mortgage or pledge all or any part of its property and assets, or any interest therein, wherever situated, provided, however, that in so doing the Association shall maintain its nonprofit status.

**Section 2.4. Limitations.** The Association shall not at any time take or fail to take any action by which it acts or appears to act as the actual or implied representative of its Members with respect to any aspect of its Members' individual or collective employment or contractual relationships. The Association shall not attempt to influence the selection, nomination, election, or appointment of any person to any federal, state, or local public office or to an office in a political organization. No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation. The Association shall not act or carry on any activities not permitted to a corporation exempt from federal income tax under Section 501(c)(6), or corresponding provisions, of the Internal Revenue Code of the United States of America in effect at the time.

### **ARTICLE III MEMBERS**

**Section 3.1. Manner of Admission.** Membership in the Association shall be open to all honorable persons of good moral character who support the purposes and objectives of the Association and who have submitted a properly completed application for membership in form from time to time prescribed and have paid any prescribed application fee and dues. Each application must be accepted by the Member Services Committee and approved by the Board of Directors in order for the applicant to become a Member of the Association. In addition to and notwithstanding any other provision of these Bylaws, the Board may approve new Members by a vote of its simple majority obtained telephonically or by electronic mail.

**Section 3.2. Members.** Except as may otherwise be provided by the Certificate of Incorporation or these Bylaws, all Members shall have all the rights and privileges of Members of the Association.

**Section 3.3. Honorary Members.** Any person who has rendered distinguished service to the Association or has contributed substantially to the field of receiverships or financially troubled

insurers or to the general interests of the Members shall be eligible to become an Honorary Member of the Association without application. The Board of Directors only may from time to time propose candidates for election by the Members entitled to vote, and any candidate receiving the affirmative vote of a majority of the Members entitle to vote shall become an Honorary Member. Honorary Members shall not be entitled to vote on any matter.

**Section 3.4. Dues.** The Board of Directors shall set the amount of the annual dues to be paid by Members, and may set dues of different amounts for specified categories of membership, provided, however, that Honorary Members shall not be required to pay any dues. Annual dues may be apportioned for new Members. Dues shall be payable according to schedules established by the Board of Directors. Non-payment of dues shall result in loss of membership rights and privileges, including loss of permission to use the Association's designations. However, a lapse in membership due to a Member's failure to pay dues when due and payable may be cured and membership reinstated, by the payment of \$200.00 or such other sums as may be established by the Board of Directors, within such period of time, not less than one year of the date on which payment by the Member was due and payable, as may be established by the Board of Directors. Membership, including any permission to use the Association's designations that may have been granted, will then be reinstated without the need for submission of a membership application.

**Section 3.5. Resignation, Suspension and Termination.** Any Member may resign at any time by submitting a written resignation to the Executive Director, the Secretary or the President. Such resignation shall be submitted to the Board of Directors at its next meeting, but acceptance of such resignation shall not be necessary to its effectiveness. Resignations shall be effective the later of the date specified in the resignation or the satisfaction of all the resigning Member's obligations to the Association. A Member may be suspended or expelled only by the Board of Directors upon a finding that the Member no longer satisfies the eligibility requirements for membership, made a false statement or material misrepresentation on or in connection with application for membership or has violated the Code of Ethics of the Association. An action for suspension or expulsion of a Member shall be presented in writing, stating the grounds, under oath to the Accreditation and Ethics Committee, which shall make its recommendation to the Board of Directors. A Member shall be automatically suspended in the event of his or her criminal indictment and shall be automatically terminated in the event of criminal conviction, otherwise, the vote of three fourths of the Directors then in office shall be required to suspend or expel a Member. Any Member that has not paid dues shall be automatically terminated from membership in the Association as of the date such dues were payable or any extension thereof approved by the Board of Directors. The Board of Directors may adopt further policies and procedures to permit and govern reinstatement of former Members.

## **ARTICLE IV DESIGNATIONS**

**Section 4.1. Manner of Designation.** A Member who has attained a sufficient degree of competence and has submitted a properly completed application for designation in the form from time to time prescribed and has paid any prescribed application fee may be granted permission to use the designation "Accredited Insurance Receiver" or "Certified Insurance Receiver," which may be further qualified by such sub-designations as may be adopted by the Board of Directors.

The standards, and any changes thereto, governing permission to use the Association's designations shall be those set forth in a resolution of the Board of Directors. Each application for designation must be accepted by the appropriately charged Standing Committee and approved by the Board of Directors in order for the applicant to be granted permission to use the designation. The Board of Directors may adopt, without further amendment of these Bylaws, such educational and testing requirements as it deems appropriate as a condition of designation, provided that no such requirement may be imposed retrospectively upon Members previously accorded such designation and remaining in good standing without interruption.

**Section 4.2. Accredited Insurance Receiver.** A Member who, after having been found to have attained the required experience, training, and education or to have satisfactorily completed a course of study approved by the Association, may be granted permission by the Association, subject to its rules, to use the junior designation "Accredited Insurance Receiver." The official abbreviation of this designation shall be "AIR."

**Section 4.3. Certified Insurance Receiver.** A Member who, after having been found to have attained the required experience, training, and education or to have satisfactorily completed a course of study approved by the Association, may be granted permission by the Association, subject to its rules, to use the senior designation "Certified Insurance Receiver." The official abbreviation of this designation shall be "CIR."

**Section 4.4. Termination.** Permission to use a designation shall cease automatically upon the designee's ceasing to be a Member of the Association, provided, however, that permission shall be automatically reinstated upon any reinstatement of the former Member to membership in the Association. A designation may be revoked only by the Board of Directors upon a finding that the designee no longer satisfies the eligibility requirements for designation, including any continuing education requirements, made a false statement or material misrepresentation on or in connection with application for designation, or has violated the Code of Ethics of the Association. An action for revocation shall be presented in writing, stating the grounds, under oath to the appropriately charged Standing Committee, which shall make its recommendation to the Board of Directors. A designation shall be automatically suspended in the event of the designee's criminal indictment of a felony involving dishonesty or breach of trust, and shall be automatically revoked in the event of criminal conviction of a felony involving dishonesty or breach of trust; otherwise, the vote of three fourths of the Directors then in office shall be required to suspend or revoke a designation.

**Section 4.5. No Liability.** The Association and its Directors, Officers, Members, employees, and agents shall have no liability whatsoever for damages arising or resulting or alleged to have arisen or resulted in any way from the granting of, failure to grant, suspension, or revocation of permission to use any designation.

**Section 4.6. Proprietary Claim.** No person or entity may in any way use, display, or purport to confer or grant permission to use the designations "Accredited Insurance Receiver" or "Certified Insurance Receiver" or the official abbreviations thereof without the express written permission of the Association. These designations and abbreviations are the sole and valuable property of the Association, which reserves the exclusive right to grant, withhold, suspend, or revoke permission for their use.

## **ARTICLE V MEETINGS OF MEMBERS**

**Section 5.1. Place of Meetings.** Meetings of Members shall be held at such place within or without the State of Delaware as the Board of Directors or, in the case of a special meeting, the President shall designate from time to time.

**Section 5.2. Annual Meeting.** There shall be an annual meeting of Members on such date and at such time as the Board of Directors shall designate, provided, however, that the annual meeting for any year shall be held no later than thirteen (13) months after the last annual meeting. The annual meeting shall be for the purpose of electing Directors and for such other lawful and proper business as may be determined by the Board of Directors or the President or as may come before the meeting. The purpose of the annual meeting need not be stated in the notice, unless an amendment of the Certificate of Incorporation or a change of the Bylaws is to be submitted for adoption at the meeting, and in that event, the procedures set out in Article XIV of these Bylaws shall apply.

**Section 5.3. Special Meetings.** Special meetings of Members may be called by a majority of the Directors then in office or by the President. A special meeting may be for the purpose of any lawful and proper business, and the purpose or purposes of each special meeting shall be stated in the notice.

**Section 5.4. Notice, Adjournment and Waiver.** Written (including electronic) or printed notice stating the place, date, and time of each meeting and, if required by the Certificate of Incorporation, these Bylaws or applicable law, the purpose or purposes for which the meeting is called shall be given to each Member entitled to vote not less than fourteen (14) nor more than sixty (60) days in advance. Such notice shall be given by mail, by facsimile, e-mail or other electronic communication, by overnight delivery service, or by presenting it to each Member personally or by leaving it at the residence or usual place of business of each Member. If mailed or sent by overnight delivery service, such notice shall be deemed to be given when deposited in the United States mail or delivered to the overnight delivery service addressed to the Member's address as it appears in the records of the Association, with postage or delivery charges thereon prepaid. If sent by facsimile, e-mail or other electronic communication, such notice shall be deemed to be given when transmitted to the Member's facsimile, e-mail or other electronic address as it appears in the records of the Association. When a meeting is adjourned to another place, date, or time, notice need not be given of the adjourned meeting if the place, date, and time of the adjourned meeting are announced at the meeting at which the adjournment is taken and if the adjournment is for not more than thirty (30) days. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting and of all objections to the meeting or to the manner in which it has been called or convened, except when the Member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

**Section 5.5. Voting Members and Proxies.** All Members, except Honorary Members, who are in good standing as appears from the membership records of the Association twenty (20) days prior to a meeting shall be entitled to vote on any matter submitted to a vote at the meeting or any adjournment thereof. Each voting Member shall be entitled to one vote on any matter submitted to a vote, and any voting Member may authorize any other voting Member to act for him or her

by proxy. Every proxy shall be in the form prescribed by the Board of Directors from time to time and shall be signed by the voting Member and dated. Every proxy shall be irrevocable unless the Board of Directors determines otherwise. Proxies need not be sealed, witnessed, or acknowledged. No proxy shall be voted except at the meeting with respect to which it is given or any adjournment thereof.

**Section 5.6. Voting by Mail.** Voting on any matter to come before any meeting of Members may be by mail (including electronic mail) ballot in the form prescribed by the Board of Directors. The form of mail ballot shall specify the actions proposed to be taken, and shall be accompanied whenever possible by copies of any materials necessary for study with respect to each such action. Ballots received at the place specified by the Board of Directors by first-class mail, overnight or hand delivery, facsimile transmission, or electronic mail before 12:01 a.m. at the location of receipt, on the fifth (5<sup>th</sup>) calendar day before the date fixed for the meeting shall be deemed duly cast mail ballots and counted as such. The Board of Directors may provide that timely received mail ballots will constitute proxies for purposes of determining a quorum. Each Member may vote only once on any matter submitted to a vote and that vote may not thereafter be changed..

**Section 5.7. Quorum.** One-tenth of the Members entitled to vote, represented either in person or by proxy at any meeting, shall constitute a quorum for the transaction of any business. Except as may otherwise be provided by the Certificate of Incorporation, these Bylaws or applicable law, the affirmative vote of a majority of the Members present in person or represented by proxy at the meeting and entitled to vote shall be the act of the Association.

**Section 5.8. Attendance and Conduct.** Any Member shall be permitted to attend any meeting of Members, provided, however, that the Board of Directors or the President may at any time before or after the meeting commences restrict attendance at all or part of any meeting, during which actions of the Association are not to be taken, to some or all Members who are currently employed, appointed, or contracted by an Agency. The President or, in his or her absence, the Chair of the Board of Directors shall preside at all meetings of Members. Meetings of Members shall, to the extent consistent with these Bylaws and with the rules and policies of the Board of Directors, be conducted according to the most recent version of Robert's Rules of Order.

## **ARTICLE VI BOARD OF DIRECTORS**

**Section 6.1. General Powers.** Subject to the limitations of the Certificate of Incorporation, these Bylaws and applicable law, all corporate powers shall be exercised by or under the authority of the Board of Directors, which shall have supervision, control, and direction of the general policies, activities, and affairs of the Association, its committees and publications and shall actively promote the furtherance of the purposes and objectives of the Association. The Board of Directors shall have authority to fix the compensation of Directors for services rendered to the Association in any capacity and to allow expenses, if any, for attendance at meetings of the Board of Directors or of any committee.

**Section 6.2. Qualification.** All Directors shall at their election and at all times thereafter be Members in good standing. No Director need be a citizen or resident of the United States of

America or the State of Delaware, but if practicable, not less than one Director shall be a citizen and resident of a country other than the United States of America. Not less than one-third, as nearly as possible, of the Directors shall be Certified Insurance Receivers or Accredited Insurance Receivers. If practicable, at least one Director shall be currently employed by a life/health insurance guaranty association and at least one Director shall be currently employed by a property/casualty insurance guaranty association, or by organizations of one or more associations of similar purposes respectively. At any one time, at the time of their election, not more than two Directors may be from any one Agency or business entity. An incumbent Director who would no longer be qualified for election may continue to serve as a Director for the remainder of his or her term and until his or her successor is elected and qualified.

**Section 6.3. Number, Classification, Term and Election.** The Board of Directors shall consist of fifteen (15) elected Directors and such additional Directors as specified in these Bylaws. No amendment of these Bylaws decreasing the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director. The elected Directors shall be divided into three (3) classes: Class I, Class II, and Class III. The classes shall be as nearly equal in size as possible. The term of the initial Class I Directors shall expire at the annual election of Directors in 1992, the term of the initial Class II Directors shall expire at the annual election of Directors in 1993, and the term of the initial Class III Directors shall expire at the annual election of Directors in 1994, or in each case thereafter when their respective successors are elected and qualified. At each annual meeting of Members after the initial classification, the Directors elected to succeed those whose terms then expire shall be identified as being of the same class as the Directors they succeed and shall be elected for a term expiring at the third succeeding annual election of Directors or thereafter when their respective successors are elected and qualified. Directors shall be elected at the annual meeting of Members by the affirmative vote of a plurality of the Members present in person or represented by proxy and entitled to vote at the meeting. A ballot cast in an election for multiple open director seats shall not be disallowed because it contains votes for fewer candidates than there are open seats. The ballots shall be secret ballots and shall be tabulated by the executive director, or by such other person as the Board of Directors may designate, who shall report the outcome of the election but shall keep the tally and any other information contained in the ballots confidential.

**Section 6.4. Annual Meeting.** There shall be an annual meeting of the Board of Directors at the same place as and immediately following each annual meeting of Members. The annual meeting shall be for the purpose of electing Officers and electing or appointing Members of committees and for such other business as may come before the meeting. The purpose or purposes of the annual meeting need not be stated in the notice.

**Section 6.5. Special Meetings.** Special meetings of the Board of Directors may be called by one-third of the Directors then in office or by the President. A special meeting shall be held at such place within or without the State of Delaware on such date and at such time as shall be designated by the person or persons calling the meeting. A special meeting may be for the purpose of any business, and the purpose or purposes of a special meeting need not be stated in the notice.

**Section 6.6. Notice and Waiver.** Notice of the place, date, and time of each meeting of the Board of Directors shall be given to each Director. If mailed, such notice shall be mailed not less than fourteen (14) days in advance. If delivered, given orally or transmitted by electronic means,

such notice shall be given not less than two (2) days in advance. Such notice shall be given by mail, by facsimile, e-mail or other electronic communication, by overnight delivery service, or by presenting it to each Director personally or by leaving it at the residence or usual place of business of each Director. If mailed or sent by overnight delivery service, such notice shall be deemed to be given when deposited in the United States mail or delivered to the overnight delivery service addressed to the Director's post office address as it appears in the records of the Association, with postage or delivery charges thereon prepaid. If sent by facsimile, e-mail or other electronic communication, such notice shall be deemed to be given when transmitted to the Director's facsimile, e-mail or other electronic address as it appears in the records of the Association. Notwithstanding the foregoing provisions, a waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding of such meeting, or actual participation in the meeting in person, shall be deemed equivalent to the giving of such notice to such person or persons. Any meeting of the Board of Directors, annual, regular or special, may adjourn to reconvene at the same or some other place, and no notice need be given of such adjourned meeting other than by announcement. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and of all objections to the meeting or the manner in which it has been called or convened, except when the Director attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

**Section 6.7. Quorum and Conduct.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of any business, except when one or more vacancies prevent and, in that event, a majority of the Directors then in office shall constitute a quorum. The affirmative vote of a majority of the Directors present at the meeting shall be the act of the Board of Directors. The Chair of the Board of Directors or, in his or her absence, any Director chosen by the Board of Directors shall preside at all meetings of the Board of Directors.

**Section 6.8. Resignation and Removal.** Any Director may resign at any time by submitting a written resignation to the executive director, the President, or the Board of Directors. Such resignation shall be effective the date specified therein, and acceptance of such resignation shall not be necessary to its effectiveness. Any Director who is absent from more than twenty-five percent (25%) of the meetings of the Board of Directors, whether regular or special, during any twelve-month period, shall be deemed to have resigned as a Director, provided, however, that the Board of Directors may in its discretion waive attendance in a particular instance for compelling reason shown upon written or oral request of the absent Director. Such request shall state the compelling reason or reasons for the absence and shall be delivered or made to the executive director, the President, or the Board of Directors at any time prior to commencement of the meeting or within a reasonable time thereafter. Any or all of the Directors may be removed with cause at any time by vote of a majority of the Members entitled to vote. The Board of Directors shall be the sole judge of all matters coming within this Section.

**Section 6.9. Vacancies.** Vacancies occurring in directorships for any reason whatsoever shall be filled by vote of a majority of the Directors then in office, although less than a quorum exists, for the unexpired terms of such directorships. Newly created directorships resulting from an increase in the number of Directors constituting the Board of Directors shall be filled only by election at the next annual meeting of Members.

## **ARTICLE VII OFFICERS**

**Section 7.1. Officers.** The Officers of the Association shall be a President, a First Vice President, a Secretary, a Treasurer, and the Immediate Past President, and may include one or more additional Vice Presidents. No one person may hold more than one office simultaneously, except that the President shall also serve as the Chair of the Board of Directors. Each Officer shall at all times be a Director. Such other officers and assistant officers as may be deemed appropriate may be elected or appointed from time to time by the Board of Directors for such terms and to have such power, authority, functions, and duties as the Board of Directors shall prescribe. At any one time, at the time of their appointment or election, not more than one Officer may be from any one Agency.

**Section 7.2. Election, Term, Resignation, Removal and Vacancies.** The Officers of the Association shall be elected annually by the Board of Directors at its annual meeting or a special meeting from among those Directors who have informed the executive director or, if none, the Chair of the appropriately charged Standing Committee, at or before the annual meeting of their respective intentions to stand for election, if otherwise qualified under these Bylaws, to a specific Office. An individual shall not be qualified for election to more than two (2) consecutive full terms as President. Each Officer shall hold office for a term commencing on January 1 following the election of such Officer and expiring the following January 1 or until his or her successor is elected and qualified, whichever occurs later in time. Any Officer may resign at any time by submitting a written resignation to the executive director, the President, or the Board of Directors. Such resignation shall be effective the date specified therein, and acceptance of such resignation shall not be necessary to its effectiveness. Any Officer may be removed with or without cause at any time by the Board of Directors. Vacancies occurring in offices for any reason whatsoever may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

**Section 7.3. President.** The President or, in his or her absence, the First Vice President shall preside at all meetings of Members. The President shall be the chief executive officer of the Association. Subject to the direction and control of the Board of Directors, the President shall be in general charge of the management and affairs of the Association and shall be the official spokesperson for the Association.

**Section 7.4. Vice Presidents.** The Vice President or Vice Presidents shall perform such duties as the Board of Directors or the President may from time to time prescribe. If there is only one Vice President, that Vice President shall be the First Vice President. If there is more than one Vice President, one shall be elected by the Board of Directors to the office of First Vice President. Except as otherwise provided in these Bylaws, in the event of the President's temporary absence, disability, or inability to act, the First Vice President or, in his or her absence, disability, or inability to act, the Vice President or other incumbent Officer designated by the Board of Directors shall perform the duties and exercise the powers of the President.

**Section 7.5. Secretary.** The Secretary shall:

- (a) attend all meetings of Members and the Board of Directors;

- (b) record all votes and minutes of all proceedings in a book to be kept for that purpose;
- (c) give or cause to be given notice of all meetings of which notice is required to be given;
- (d) keep in safe custody the seal, if any, of the Association and affix it to any instrument when authorized by the Board of Directors;
- (e) keep the membership records of the Association and, when required, prepare and make available at any meeting of Members a list of the Members entitled to vote thereat;
- (f) keep all documents and records of the Association, other than those that are the responsibility of the Treasurer, as required by law or otherwise in a proper and safe manner; and
- (g) perform such other duties as the Board of Directors or the President may from time to time prescribe.

Any of the duties of the Secretary may be delegated by the Board of Directors to the executive director, if any.

**Section 7.6. Treasurer.** The Treasurer shall be the chief financial officer of the Association. Subject to the direction and control of the Board of Directors, the Treasurer shall be in general charge of the finances of the Association. The Treasurer shall:

- (a) have the custody of the Association's funds;
- (b) keep full and accurate accounts of receipts and disbursements;
- (c) timely bill, collect, and provide receipt for dues from Members and report to the person having charge of the Association's membership records concerning the payment and non-payment of dues;
- (d) deposit all money and other valuables in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors;
- (e) disburse the funds of the Association as may be authorized by the Board of Directors and preserve proper vouchers for such disbursements;
- (f) render to the President and to the Board of Directors at its annual and regular meetings, or whenever required, an account of all transactions and a report of the financial condition of the Association;
- (g) render a full financial report to the appropriately charged Standing Committee in advance of each annual meeting of Members;

(h) be furnished by all Officers and agents of the Association upon request with such reports and statements as he or she may require as to all financial transactions of the Association;

(i) prepare and file all forms required by any federal, state, or local tax authority; and

(j) perform such other duties as the Board of Directors or the President may from time to time prescribe.

Any of duties of the Treasurer may be delegated by the Board of Directors to the executive director, if any.

**Section 7.7. Immediate Past President.** Immediately following conclusion of his or her last term in such office, the President shall serve as Immediate Past President and in that capacity shall also serve as a voting member of the Board of Directors and the Executive Committee. In all cases the term of the Immediate Past President shall be concurrent with that of his or her successor as President.

**Section 7.8. Executive Director.** An executive director may be appointed or retained by the Board of Directors for such period, upon such terms and conditions and for such compensation as the Board of Directors may deem appropriate. The executive director need not be a Member of the Association. The executive director shall not be an Officer, but shall have such duties and responsibilities as may be agreed. The executive director shall have general knowledge and ability and the administrative and managerial skills and capabilities considered necessary for the position by the Board of Directors.

## **ARTICLE VIII COMMITTEES**

**Section 8.1. Executive Committee.** There shall be an Executive Committee, which shall be composed of all the Officers. The Executive Committee shall have and, in the interim between meetings of the Board of Directors or in an emergency, may exercise all of the powers and authority of the Board of Directors in the management of the activities and affairs of the Association, its committees, working groups and task forces, except with respect to granting, withholding, or revoking permission to use the Association's designations. The President shall be the Chair of the Executive Committee. A majority of the entire Executive Committee shall constitute a quorum for the transaction of business, except when prevented by one or more vacancies and, in that event, a majority of the Members then in office shall constitute a quorum; provided always, however, that the presence of the immediate past President shall not be counted for the purpose of determining a quorum. The affirmative vote of a majority of the Members present at a meeting shall be the act of the Executive Committee. The Executive Committee shall record all its votes and all minutes of all its proceedings, and shall make a full report thereof to the Board of Directors at its next meeting.

**Section 8.2. Standing Committees.** The Standing Committees of the Association shall be those set forth in Sections 8.2.1. through 8.2.9. below. Except as otherwise provided in this Article, the President shall appoint the members of each Standing Committee from among the Members and Honorary Members in good standing of the Association, and shall appoint a committee chair from among the committee members. If practicable, the President shall appoint two Directors to each Standing Committee (other than the Executive Committee) who shall serve as liaison between the committee and the Board and in that capacity assure that the Board is apprised of the committee's needs and activities. Vacancies occurring in memberships for any reason whatsoever shall be filled by appointment by the President. In addition to the members set forth in this Article, the President shall be an ex officio member of each Standing Committee. In appointing the chair and other members to each committee, the President shall give due regard to the needs and functions of the committee and strive to select individuals possessed of appropriate background and skills.

**Section 8.2.1. Governance Committee.** There shall be a Governance Committee, which shall develop, implement and monitor the corporate governance process for all Association activities. The Governance Committee Chair serving as inspector and parliamentarian of membership meetings, if requested by the meeting's presiding officer. The charges for the Committee include, but are not limited to, the following:

- (a) Developing an annual budget for Committee activities to be submitted for Board of Directors approval;
- (b) Supervising matters relating to the Association's legal structure and governance;
- (c) Developing procedural checklists and providing support for all in-person meetings and conference calls of the Board of Directors and committees in coordination with the Administrator, including all scheduling, facilities arrangements, notifications, handouts, and minutes;
- (d) Periodically reviewing and proposing revisions, when deemed necessary, to the Association's governing documents;
- (e) Soliciting nominations with biographies annually from the Association membership for candidates' vacancies on the Board of Directors;
- (f) Prescribing the form of proxies and ballots, preparing/distributing all official proxies and ballots, appointing persons to conduct balloting at membership meetings, subject to the Board of Directors' direction and control; and
- (g) Identifying and evaluating potential candidates for Honorary Member, if requested by the President.

**Section 8.2.2. Audit Committee.** There shall be an Audit Committee, which shall serve as an

independent and objective body to monitor the Association's financial reporting processes, external audit activities and internal audit functions and periodically report to the Board of Directors. The charges for the Committee include, but are not limited to, the following:

- (a) Coordinating the process to solicit and evaluate proposals from prospective audit firms;
- (b) Recommending an audit firm to the Board of Directors to be engaged to perform financial audits;
- (c) Overseeing the independent audit of the Association's financial affairs;
- (d) Reporting of audit findings directly to the Board of Directors;
- (e) Reviewing all required tax filings and recommending action on such filings to the Board of Directors; and
- (f) Developing and implementing an internal audit program.

**Section 8.2.3. Finance Committee.** There shall be a Finance Committee, which shall independently and objectively monitor the Association's financial activities, including oversight of all accounting, banking, and budgeting functions. The Finance Committee will submit a report on these activities to the Board of Directors at each regular meeting. The charges for the Committee include, but are not limited to, the following:

- (a) Compiling the Association's overall annual proposed budget for presentation to the Board of Directors, with input from each committee and the Administrator;
- (b) Preparing quarterly budget variance report for all Association activities with assistance from the Administrator for report to the Board of Directors;
- (c) Prescribing rules, procedures and guidelines to safely maximize the Association's investment income, maintaining its financial condition, and facilitating its financial operations, subject to the Board of Directors' direction and control;
- (d) Reviewing monthly financial statements and bank statements and all disbursements with assistance from the Administrator for quarterly report to the Board of Directors; and
- (e) Providing a summary of the Association's financial activities and current condition to the Members during the annual business meeting.

**Section 8.2.4. Website Committee.** There shall be a Website Committee, which shall coordinate the material presented by the Board of Directors, committees, working groups, task forces and Members through the Association's website. The charges for the Committee include, but are not

limited to, the following:

- (a) Reviewing and recommending adjustments to the Association's website content and/or structure to the Administrator with input and/or suggestions for revisions from the Board of Directors and the Standing Committees; and
- (b) Overseeing website redesign as necessary, including searching for and selecting a web master or web design firm, subject to the Board of Directors' direction and control.

**Section 8.2.5. Newsletter Committee.** There shall be a Newsletter Committee, which shall supervise the Association's publications, including publishing/editing the Association's newsletter, and publication of material developed by the Association or by one or more of its Members on behalf of the Association for presentation in other organizations' publications.

**Section 8.2.6. Receivers and Guaranty Funds Relations Committee.** There shall be a Receivers and Guaranty Funds Relations Committee, which shall facilitate the identification, discussion and development of possible resolution of issues affecting receivers and guaranty funds. The charges for the Committee include, but are not limited to, the following:

- (a) Conducting open meetings for the discussion of issues of interest to receivers and guaranty funds and the exploring the resolution of disputes between receivers and guaranty associations on widespread receivership issues;
- (b) Monitoring receiverships for issues/statutory interpretations that impact protocols and/or practices that implement existing receivership laws, which may necessitate the filing of amicus briefs by the Association; and
- (c) Monitoring receivership activities for newly surfacing areas of contention between receivers and guaranty funds.

**Section 8.2.7. Education Committee.** There shall be an Education Committee, which shall develop and implement the Association's educational programs.

**Section 8.2.8. Ethics Committee.** There shall be an Ethics Committee, which shall develop and implement standards for Association Members to achieve and maintain professional designations and monitoring the adherence to the Association's Code of Ethics. The charges for the Committee include, but are not limited to, the following:

- (a) Supervising the Association's professional designations, including the courses of study that must be completed for Association designations and related continuing education requirements;
- (b) Adopting new courses or texts specific to insurers that are stressed, financially troubled, in receivership or in need of restructuring, and examining Members'

qualifications for attaining and maintaining such designations; and

(c) Developing and maintaining the Association's Code of Ethics, including overseeing the reporting and investigation of possible violations to avoid actual or perceived improprieties.

**Section 8.2.9. Membership and Promotion Committee.** There shall be a Membership and Promotion Committee, which shall administer new and existing Membership, promote the Association and coordinate the Association's activities with other entities. The charges for the Committee include, but are not limited to, the following:

(a) Supervising all Association Membership issues in coordination with the Administrator and subject to Board of Directors direction, control and reversal, including maintaining complete, accurate and current membership records;

(b) Ensuring the integration of accurate Membership financial records with accounting and financial reporting systems;

(c) Developing and implementing programs to retain existing Members and recruit new Members inside and outside of the United States;

(d) Developing policies and procedures to permit and govern reinstatement of former Members;

(e) Reviewing and reaching decision on all Membership applications and reinstatements;

(f) Recommending the amount of the annual Membership dues and payment schedules;

(g) Developing an annual budget for Committee activities to be submitted for Board of Directors approval;

(h) Developing and implementing methods to market, promote and publicize the Association and its activities/events;

(i) Obtaining corporate and programmatic sponsorships for the Association's educational programs and other Association events; and

(j) Identifying other entities with which the Association might cooperatively offer programs and/or Member promotions and benefits and negotiating memoranda of understanding with such entities, subject to Board of Directors' approval.

**Section 8.3. Additional Committees, Working Groups and Task Forces.** The Board of Directors may by resolution create and appoint such additional committees, working groups or task forces as it shall deem appropriate. Any such committee, working group or task force shall have the powers and duties designated by the Board and shall have the authority to make non-binding recommendations to the Board until dissolved by the board

## **ARTICLE IX INDEMNIFICATION**

**Section 9.1. Indemnification.** The Association shall indemnify any Director or Officer, and may indemnify any employee or agent of the Association, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, organization, or association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on 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 he or she reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. In lieu of indemnifying the person against expenses (including attorneys' fees), the Association may, but shall not be required to, undertake and assume at its own cost and expense the defense of the person in the action, suit, or proceeding, provided however that the Association shall not consent to any settlement, final judgment, or final order without the consent of the person.

**Section 9.2. Insurance.** The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, organization, or association, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under this Article.

## **ARTICLE X MEETINGS OF DIRECTORS AND COMMITTEES**

**Section 10.1. Telephone Participation.** Members of the Board of Directors, the Executive Committee, each Standing Committee, and any additional committee, working group or task force

may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another, and participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

**Section 10.2. Written Consent in Lieu of Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors, the Executive Committee, each Standing Committee, and any additional committee may be taken without a meeting, without notice and without a vote, if all Members consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the appropriate minutes or records of proceedings.

## **ARTICLE XI DISSOLUTION**

**Section 11.1. Disposition at Dissolution.** Upon dissolution of the Association, and after paying or adequately providing for all debts and obligations in accordance with law, any remaining property and assets shall be distributed to any charitable or civic institution or organization at the sole discretion of the Board of Directors.

## **ARTICLE XII MISCELLANEOUS**

**Section 12.1. Fiscal Year.** The fiscal year of the Association shall be the calendar year or such other fiscal year as may be fixed by the Board of Directors from time to time.

**Section 12.2. Contracts, Checks and Deposits.** The Board of Directors may authorize any one or more Officers or agents of the Association, in addition to any Officer authorized by these Bylaws, to negotiate and enter into any contract or to execute and deliver any instrument in the name and on behalf of the Association. Such authorization may be general or specific. All checks, drafts, orders for payment of money, and notes or other evidence of indebtedness issued in the name of the Association shall be signed by such Officer or Officers or agent or agents of the Association and in such manner as may be determined by the Board of Directors from time to time. Absent such determination, such instruments shall be signed by the Treasurer or the President. All funds of the Association shall be deposited from time to time in the name and to the credit of the Association in such one or more banks, trust companies, or other depositories as the Board of Directors shall designate.

**Section 12.3. Inspection of Records.** Any Member, in person or by duly authorized attorney or representative, shall, upon written demand under oath stating the purpose thereof, have the right during normal business hours to inspect for any proper purpose the Association's books and records and to make copies or extracts therefrom. As used in this Section, the phrase "proper purpose" means a purpose reasonably related to such person's interest as a Member, but this shall not prevent the Board of Directors from determining to permit access to all or any part of the Association's books and records to any person for another purpose not adverse to the best interests of the Association and its Members. Recognizing that the books and records of the Association are likely to contain confidential information relating to third parties and private information relating to

Members, access to certain books and records of the Association may be denied to any person other than a person claiming to be aggrieved by any action taken or not taken by or in the name of the Association on the basis of the information contained therein.

### **ARTICLE XIII DEFINITIONS**

**Section 13.1. Agency.** As used in these Bylaws, the word “Agency” means any unit or agency of government, by whatever name designated, and any other public or private person or entity (not including a debtor in possession) within or without the United States of America having responsibility under applicable law for the resolution (whether by rehabilitation, liquidation, scheme of arrangement, or otherwise) of an insolvent or impaired insurance company, and includes the National Association of Insurance Commissioners.

**Section 13.2. Certificate of Incorporation.** As used in these Bylaws, the phrase “Certificate of Incorporation” means the instrument, by whatever name designated, filed to create the Association, and includes all subsequently filed instruments that have the effect of amending or supplementing in some respect the original Certificate of Incorporation.

**Section 13.3. Person.** As used in these Bylaws, the word “person” means a natural person only.

**Section 13.4. Receiver.** As used in these Bylaws, except as the context may otherwise require, the word “Receiver” means a person, by whatever title designated, who has at any time, for not less than six (6) consecutive months, had principal operational management authority over the entire estate and affairs of an insolvent or impaired insurance company (not including a debtor in possession) within or without the United States of America and in that capacity had powers and duties under applicable law of a special deputy receiver, a provisional liquidator, or equivalent appointee.

### **ARTICLE XIV AMENDMENTS**

**Section 14.1. Amending Certificate of Incorporation.** The Board of Directors shall adopt a resolution setting forth any proposed amendment of the Certificate of Incorporation, declaring its advisability and either calling a special meeting of Members for the purpose of adopting such proposed amendment or directing that the proposed amendment be submitted for adoption at the next annual meeting of Members. The notice of the special or annual meeting shall set forth the proposed amendment in full or a brief summary of the changes to be effected thereby, as the Board of Directors shall deem advisable. At the meeting, a vote of the Members entitled to vote shall be taken for and against the proposed amendment. If at least two-thirds of all of the Members entitled to vote, in person or by proxy, vote in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with law shall be executed, acknowledged, filed, and recorded by the proper Officers of the Association in order that the amendment shall become effective in accordance with law. Any number of proposed amendments may be voted upon at any one meeting.

**Section 14.2. Amending Bylaws.** The Board of Directors shall have the power to adopt, alter, amend, or repeal bylaws, provided, however, that the Board of Directors shall not have the power to alter, amend, or repeal Articles I, II, III, XI, or XIV of these Bylaws. The Members entitled to vote shall have the power to adopt, alter, amend, or repeal bylaws, including any bylaw adopted, altered, amended, or repealed by the Board of Directors, provided, however, that the affirmative vote of at least two-thirds of all of the Members entitled to vote and present in person or represented by proxy, or in the case of a mail ballot the affirmative vote of at least one-third of all of the Members entitled to vote, shall be required to alter, amend, or repeal Articles I, II, III, XI, or XIV of these Bylaws. Unless waived by at least two-thirds of the Members entitled to vote at the meeting present in person or represented by proxy, the notice of the special or annual meeting at which the change is to be considered shall set forth the proposed alteration, amendment or bylaw proposed to be adopted or repealed or a brief summary of the changes to be effected thereby. Any number of proposed changes may be voted on at any one meeting.

**CONFORMED TO REFLECT ALL AMENDMENTS  
THROUGH THE OCTOBER 28, 2013 MEETING OF THE BOARD**

23004-1762  
CH2\13399585.1