



**BYLAWS**

**Adopted July 24, 2017**

**BYLAWS  
OF  
WHOLESALE & SPECIALTY INSURANCE ASSOCIATION**

**ARTICLE I – NAME**

The name of this Association is Wholesale & Specialty Insurance Association (hereinafter called the “Association”).

**ARTICLE II – PURPOSE**

The purposes of the Association shall be those nonprofit purposes stated in the articles of incorporation. The Association is a non-profit association of insurance professionals and specialty market leaders dedicated to the wholesale distribution system and is a mutual benefit corporation for purposes of the Missouri Nonprofit Corporation Act. The Association represents the interests of its members and the valuable role they play in the insurance market through networking, education, talent recruitment and development, regulatory and legislative advocacy for surplus lines, and by promoting the value of the wholesale distribution channel.

**ARTICLE III – MEMBERSHIP**

A. There shall be two categories of membership, as follows:

1. Voting Membership

The voting members of the Association shall consist of those members who are from time to time within the following categories:

a. U.S. Wholesale Member

A U.S. Wholesale Member is a sole proprietorship, partnership, or corporation licensed in at least one jurisdiction within the United States as a broker, agent, managing general agent, program administrator, or entity with delegated underwriting authority that is engaged in the insurance business principally as a wholesaler. U.S. Wholesale Members must transact a substantial portion of their insurance business with unaffiliated firms.

b. U.S. Insurance Market Member

A U.S. Insurance Market Member is a risk-bearing entity incorporated or organized in any jurisdiction within the United States and engaged in the underwriting of insurance or having delegated underwriting authority and selling principally through wholesalers. U.S. Insurance Market Members must transact a substantial portion of their insurance business with unaffiliated firms. Managing general agents and underwriting managers may be accepted if they have delegated underwriting authority with at least one market that is an existing U.S. Insurance Market Member or Associate Member. This category shall include, but is not limited to, insurance companies and managing general agents or underwriting managers selling to U.S. wholesalers.

c. Associate Member

An Associate Member is an individual, firm, or organization that does not qualify for membership as defined in (a) or (b) above but who represents a valid insurance provider to U.S. Wholesale Members or U.S. Insurance Market Members and is principally committed to supporting the U.S. wholesale insurance distribution system. This category shall include, but

is not limited to, non-U.S. brokers, agents, managing general agents or program administrators, non-U.S. risk bearers, syndicates or managing agencies, reinsurers, reinsurance intermediaries, or other similar wholesalers or insurance market entities.

2. Nonvoting Membership

The nonvoting members of the Association shall consist of those members who are from time to time within the following categories:

a. Service Provider Member

A Service Provider Member is an individual, firm, or organization that does not qualify for voting membership but supplies services to voting members and supports the U.S. wholesale insurance distribution system. This category shall include, but is not limited to, non-U.S. wholesalers and risk bearers that do not meet the criteria for Associate membership, consultants, inspection firms, law firms, media, other professional associations, software vendors, Stamping Offices, Surplus Lines Associations and third-party administrators.

b. Life Member

Life membership is granted to each Past President of the Association, including Past Presidents of the American Association of Managing General Agents (AAMGA) and the National Association of Professional Surplus Lines Offices (NAPSLO) as predecessor organizations. A life member shall not be required to pay dues or assessments; however, the waiver of dues or assessments for a life member does not waive the dues or assessments of any member firm or firm within which the life member is affiliated. Fully retired life members are exempt from Annual Leadership Meeting or Annual Convention registration fees for the Association.

c. Honorary Member

An Honorary member is an individual nominated and elected by the Board of Directors. Honorary members shall not be required to pay dues or assessments and membership shall be subject to reconfirmation annually.

B. The procedure for gaining membership shall require completion of the appropriate application, which shall be reviewed by the Membership Committee and submitted with recommendation for action to the Board of Directors.

C. The Membership Committee shall maintain and periodically review rules of eligibility of membership, which requirements shall include, but not be limited to:

1. A good reputation in the industry;
2. Dedication to the wholesale distribution system;
3. A minimum period of time in the specialty insurance business;
4. Minimum standards for business volume;
5. Minimum standards for capitalization; and
6. A knowledge of and willingness to abide by the code of ethics.

D. The Board of Directors may establish committees and procedures to review the eligibility of members, to discipline members and to receive and investigate complaints against any member.

Each member must continually maintain eligibility for membership. Each member is subject to termination in accordance with the following:

1. Upon request made at any time by the Membership Committee or the Board of Directors to any member, such member shall prepare and deliver a new application for the purpose of facilitating the review and reaffirmation of such member's eligibility.
  2. Any membership in this Association may be terminated or a member may be disciplined upon recommendation of the Membership Committee or any other committee designated by the Board of Directors and by vote of the Board of Directors or voting members. Termination shall only become effective upon:
    - a. a two-thirds vote of the Board of Directors; or
    - b. a majority vote of eligible participating voting members.
  3. Any member whose eligibility is being reviewed or where termination or discipline has been recommended shall be given due notice and an opportunity to discuss and challenge the action.
  4. Cause for termination of membership or discipline shall include, but not be limited to: suspension, revocation or termination of any insurance license held by a member firm or principal member thereof; violation of these bylaws; violation of the code of ethics; and/or conduct prejudicial to the interest of the industry or the Association.
- E. Except as set forth in or authorized by the articles of incorporation or these bylaws, no member may transfer a membership in the Association or any right derived therefrom.
- F. Any member may resign as a member. Such resignation shall be in writing addressed to the secretary of the Association and shall be effective immediately or upon the time specified, as such resignation may provide. The resignation of a member does not relieve the member from any obligations the member may have to the Association as a result of obligations incurred or commitments made prior to resignation.
- G. The Board of Directors of the Association may expel or suspend a member or terminate or suspend a membership in accordance with the following procedures:
1. The Association shall give at least 15 days' prior written notice to the affected member of the expulsion, suspension or termination and the reasons therefor;
  2. The Board of Directors shall provide an opportunity for the affected member to be heard, orally or in writing, by the Board of Directors not less than five days before the effective date of the expulsion, suspension or termination; and
  3. Any written notice given to the member by mail shall be given by first class or certified mail sent to the last address of the member shown on the Association's records.  
Notwithstanding the foregoing, if a member fails to pay any dues, assessments, or other monetary amounts due to the Association within 45 days after the date on which such amounts

become due, such member may be expelled or suspended, and such member's membership may be terminated or suspended in accordance with the following procedures:

- a. The Association shall give at least 15 days' prior written notice to the affected member of the expulsion, suspension or termination and the reasons therefor;
  - b. Any written notice given to the member by mail shall be given by first class or certified mail sent to the last address of the member shown on the Association's records; and
  - c. If payment of the amount due is not received by the Association within the period specified in such notice, the Association may expel or suspend such member, and may terminate or suspend such member's membership, without providing an opportunity for the affected member to be heard.
- H. The Association shall not be obligated to purchase the membership of any member who resigns or whose membership is terminated.
- I. The name "Wholesale & Specialty Insurance Association," the Association's logo, and other registered trademarks or service marks of the Association are the exclusive property of the Association and may be used by members in good standing under standards set by the Board of Directors.

The Board of Directors, within its discretion, may deem any use by a member of the name "Wholesale & Specialty Insurance Association," the Association's logo or any other registered trademarks or service marks of the Association to be inappropriate and may request in writing that the member modify or cease such inappropriate use. Any member receiving such a written request from the Board of Directors shall comply with it immediately.

The use of the name "Wholesale & Specialty Insurance Association", the Association's logo, or other registered trademarks or, service marks of the Association by nonmembers is prohibited except to the extent authorized in writing by the Board of Directors.

#### **ARTICLE IV – DUES, ASSESSMENTS, FISCAL YEAR**

- A. Annual dues shall be set by the Board of Directors and shall be payable annually. Dues for new members shall be prorated on a quarterly basis. Failure to render payment of dues within 45 days of the due date shall constitute cause for termination of membership in accordance with paragraph G of Article III.
- B. The Board of Directors shall have authority to make assessments against voting members as may be needed to conduct the business of the Association.
- C. The fiscal year of the Association shall be from January 1 to December 31 both inclusive.

## ARTICLE V – MEETINGS, QUORUMS AND VOTING

### A. Meetings

1. The annual meeting of the Association shall be held at a time and place to be designated by the Board of Directors and announced to the membership not less than thirty (30) days nor more than sixty (60) days prior to the date of the meeting.
2. The Executive Committee or Board of Directors may call a special meeting of the Association, giving written notice of the purpose, time and place of such meeting to the voting members not less than thirty (30) days nor more than sixty (60) days prior to the date of the meeting.
3. A member may waive any notice required to be given under the provisions of these bylaws, the articles of incorporation or any law by signing and delivering to the Association a written waiver thereof, before or after the date and time stated in the notice of meeting. A member's attendance at a meeting (1) waives objection to lack of notice or defective notice of such meeting, unless at the beginning of the meeting the member objects to holding the meeting or transacting business at the meeting, and (ii) waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.
4. At each annual meeting of the members, the members (i) shall elect directors (specifically excluding the director serving to serve in such capacity by virtue of being the immediate Past President) to hold office until the third succeeding annual meeting and until their successors shall have been elected and commenced their terms of office, (ii) shall elect officers to hold office until the first succeeding annual meeting and until their successors shall have been elected and commenced their terms of office, and (iii) may transact such other business as may be desired, whether or not the same was specified in the notice of the meeting; provided, however, that (A) if a matter or matters required by the Missouri Nonprofit Corporation Act to be approved by the members pursuant to Section 355.416 (relating to a conflict of interest transaction), Section 355.476 (relating to indemnification), Section 355.561 (relating to an amendment to the Association's articles of incorporation), Section 355.596 (relating to an amendment to the Association's bylaws), Section 355.631 (relating to a plan of merger), Section 355.656 (relating to a disposition of all or substantially all of the Association's property), or Section 355.666 or 355.671 (relating to dissolution) will be voted upon at an annual meeting, the notice of the meeting must include a description of such matter or matters and (B) unless one-third or more of the voting power (as defined in Section 355.066 of the Missouri Nonprofit Corporation Act) of eligible participating voting members is present in person or by proxy, the only matters that may be voted upon at an annual meeting of the members are those matters that are described in the meeting notice. At each annual meeting of the members, the president and the treasurer shall report on the activities and financial condition of the Association.
5. Business transacted at all special meetings shall be confined to the purposes stated in the notice of such meeting, unless the transaction of other business is consented to by all members entitled to vote on such matter.

B. Quorum

1. Except as otherwise may be provided by law or by the articles of incorporation, ten percent (10%) of the members entitled to vote, present in person or by proxy, shall constitute a quorum.

C. Voting

1. Each voting member shall have one vote on each matter voted on by the members at the meeting. The voting member firm or organization shall designate one individual to vote on its behalf.
2. Except in those specific instances in which a larger vote is required by law, by the articles of incorporation or by these bylaws, action on any matter necessitating a vote of the members shall require a simple majority of the voting members comprising a quorum.
3. Any action required to be taken or which may be taken at a meeting of the members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter, setting forth the proposed action, and providing an opportunity to vote for or against such proposal. Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of votes approving the matter equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall:
  - a. indicate the number of responses needed to meet the quorum requirements;
  - b. state the percentage of approvals necessary to approve each matter other than election of directors and officers; and
  - c. specify the time by which a ballot must be received by the Association in order to be counted.

Except as otherwise provided in the solicitation, a written ballot may not be revoked. To the extent permitted by the Missouri Uniform Electronic Transactions Act, ballots may be created, generated, sent, communicated, received, signed or stored in any electronic form authorized by the Board of Directors in its discretion.

**ARTICLE VI – BOARD OF DIRECTORS, OFFICERS AND EXECUTIVE COMMITTEE**

- A. The management of the Association shall be controlled by the Board of Directors. The Board of Directors shall have and is vested with all and unlimited powers and authorities, except as it may be expressly limited by law, the articles of incorporation or these bylaws, to supervise, control, direct and manage the property, affairs and activities of the Association, to determine the policies of the Association, to do or cause to be done any and all lawful things for and on behalf of the Association, to exercise or cause to be exercised any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes; provided, however, that the Board of Directors shall not authorize or permit the Association to engage in any activity not permitted to be transacted by the

articles of incorporation or by a corporation organized under the Missouri Nonprofit Corporation Act.

B. Membership of the Board of Directors shall be as follows:

1. The Board of Directors shall consist of at least 15 individuals. Until the annual meeting of the members held in 2018, the Board of Directors shall be comprised of those individuals named as directors in the articles of incorporation (and, as applicable, any individual elected to fill a vacancy on the Board of Directors in accordance with paragraph B(4) of this Article), which individuals shall include the immediate Past President of each of American Association of Managing General Agents (AAMGA) and National Association of Professional Surplus Lines Offices (NAPSLO) as of the effective time of the merger of those predecessor organizations who shall jointly serve on the Board of Directors in the seat reserved for the immediate Past President until such annual meeting. Commencing with the annual meeting of the members held in 2018, approximately two-thirds of the members of the Board of Directors shall be comprised of individuals who are employed by U.S. Wholesale voting members and approximately one-third of the members of the Board of Directors shall be comprised of individuals who are employed by U.S. Insurance Market voting members, as nearly as reasonably practicable, and the immediate Past President shall also be a member of the Board of Directors. Any member of the Board of Directors whose affiliation with U.S. Wholesale voting members or U.S. Insurance Market voting members changes during the term of office shall notify the Board of Directors at the time of such change. The Executive Committee shall consider the Director's new affiliation to determine if continued service on the Board is in accordance and compliance with these bylaws. If the Executive Committee determines the Director's change in affiliation conflicts with these bylaws, they may ask for the Director's resignation and such Director thereupon shall resign.
2. Each director named in the articles of incorporation shall hold office until the annual meeting of the members held in the year set forth opposite such director's name in the articles of incorporation and until the term of office of such director's successor has commenced, or until such director's earlier death, incapacity, disqualification, resignation or removal. At the annual meetings of the members held in 2018, 2019 and 2020, respectively, new directors shall be elected by the members to succeed the directors named in the articles of incorporation whose terms expire with such annual meeting (specifically excluding one individual serving as a director by virtue of being an immediate Past President whose successor will be the then-immediate Past President) except that new directors shall not be elected by the members to succeed (i) nine of the directors named in the articles of incorporation whose terms expire with such annual meeting in 2018, (ii) three of the directors named in the articles of incorporation whose terms expire with such annual meeting in 2019, and (iii) one of the directors named in the articles of incorporation whose term expires with such annual meeting in 2020, in each case, with the intent and result being that size of the Board of Directors shall be correspondingly reduced at each such annual meeting. At every annual meeting of the members after the annual meeting held in 2020, new directors shall be elected by the members to succeed those directors whose terms expire with such annual meeting (specifically excluding the director serving in such capacity by virtue of being the immediate Past President, whose successor will be the then- immediate Past President). The term of office for each director elected by the members shall be three years, with the intent being that, commencing with the annual meeting of the members held in 2020, approximately one-third of such directors shall be elected each year.

3. There shall be no more than two members of the Board of Directors from the same or affiliated voting member firms.
4. Any vacancy occurring during the term of any directorship may be filled by a majority vote of the remaining members of the Board of Directors (even though the directors remaining in office constitute fewer than a quorum) at any annual meeting or at a special meeting called for that purpose. A director elected to fill a vacancy shall meet any qualifications set forth in these bylaws, including the requirements of paragraph B(1) of this Article and shall serve for the unexpired term of such director's predecessor and until the term of office of such director's successor has commenced.
5. The Board of Directors shall have the authority to appoint ex officio members to participate on the Board on a nonvoting basis, for one year terms, as appropriate.

C. Actions of the Board of Directors shall be as follows:

1. The Board of Directors shall meet as needed at locations designated by the President. The Board of Directors may meet at other times upon request by a majority of the Board members.
2. Actions of the Board of Directors may be taken without a formal meeting, provided such action complies with quorum requirements specified in paragraph C(4) of this Article. Actions so taken shall be recorded in the official minutes of the Association and reported to Board members not in attendance.
3. Actions taken by the Board of Directors shall be subject to a majority vote of members of the Board present at the time of such vote.
4. Two-thirds of the Board of Directors shall constitute a quorum.

D. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer.

1. With the exception of the office of President, each officer shall be elected at the annual meeting for a term of one year. The current elected Vice President shall automatically succeed to the office of President of the Association upon the election of officers at the annual meeting. If the office of Vice President is vacant or currently filled on an acting basis by an appointment of the President, the office of President is to be elected from the slate of officers presented to the voting members at the annual meeting.
2. The President shall fill on an acting basis, by appointment from the Board of Directors, any vacancy occurring during the term of any officer. Such appointment shall be for the unexpired term of the vacant office.
3. If the President is unable to fulfill the duties of the office of President, the Vice President shall assume those duties. However, when the office of Vice President is filled by appointment, the most immediate Past President willing to assume the responsibilities of the office of President shall assume those duties.

4. Any officer whose affiliation changes during the term of office shall notify the Board of Directors at the time of such change. The Executive Committee, excluding the officer in question, shall consider the officer's new affiliation to determine if continued service on the Board is in accordance and compliance with these bylaws. If the Executive Committee determines the officer's change in affiliation conflicts with these bylaws, they may ask for the officer's resignation.

E. The duties of the officers shall be as follows:

1. The President shall be in charge of the affairs of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall appoint the chairs of all committees.
2. The Vice President shall assist the President and shall, as necessary and as directed by the President, act on the President's behalf.
3. The Secretary shall be responsible for the records of the Association. The Secretary shall assist in the preparation and maintenance of minutes of all meetings of the Association and of the Board of Directors.
4. The Treasurer shall be responsible for the financial transactions of the Association and the care and safekeeping of its funds. All accounts shall be audited annually by an independent certified public accountant. A financial report shall be submitted to the membership at each annual meeting and copies shall be available upon request.
5. Each officer, in addition to the specific duties aforementioned, shall perform such additional duties as may be required of the office or requested by the President or Board of Directors.

F. Until the annual meeting of the members held in 2018, the Executive Committee shall consist of the three voting members of the executive committee of the American Association of Managing General Agents (AAMGA), the Secretary-treasurer of AAMGA and the four voting members of the executive committee of the National Association of Professional Surplus Lines Offices (NAPSLO), in each case, as of the effective time of the merger of those predecessor organizations. From and after the annual meeting of the members held in 2018, the Executive Committee shall consist of the officers and, at the option of the President, any other member of the Board of Directors. The duties of the Executive Committee shall be:

1. To assist the President in the management of the affairs and business activities of the Association;
2. To advise the President on matters that require immediate action; and
3. To report to the Board of Directors on all actions taken.

## **ARTICLE VII – NOMINATION OF OFFICERS AND DIRECTORS**

- A. The President shall charge the Nominating Committee with the selection of a slate of officers to be presented at the annual meeting. The slate of officers shall be presented to the voting members in writing at least thirty (30) days prior to the date of election. If, however, the slate of officers includes a nomination for the office of President and that nomination is due to the office of Vice President becoming vacant or being filled by appointment of the President within thirty (30) days of the election, the thirty (30) days prior written notice to the membership requirement is waived. Any member of the Association may propose another member of the Board of Directors for nomination as an officer by so doing in writing to the Nominating Committee at least forty-five (45) days prior to the date of election. The officer proposed by the membership shall be selected from individuals serving as director or officer of the Association.
- B. The Nominating Committee shall further be charged with proposing a slate of directors to be elected at each annual meeting. The slate of directors so nominated shall be presented to the voting members in writing at least thirty (30) days prior to the date of election. Any member of the Association may propose another member for nomination as a director by so doing in writing to the Nominating Committee at least forty-five (45) days prior to the date of election.
- C. The Board of Directors shall establish criteria for qualification for those nominated for the office of director. The Nominating Committee shall consider the size of firms represented, firms' distribution model, and the geographic distribution of voting membership, for the purpose of populating the officers and directors with a representative group of individuals. The Nominating Committee's proposed slate shall be consistent with Article VI.

#### **ARTICLE VIII – COMMITTEES**

- A. The Nominating Committee, appointed by the President, shall be comprised of five individuals. Three shall be members of the Board of Directors, of which one shall be a U.S. Insurance Market member director. Two shall be voting members who are not members of the Board of Directors, of which one shall be a U.S. Wholesale member, and one shall be a U.S. Insurance Market member.
- B. The President may designate working committees as needed. Working committees shall have powers as may be assigned by the President. The Board of Directors shall have power to create and dissolve standing committees as needed. All committees shall have powers as may be assigned by the Board of Directors.
- C. By giving notice to the President, committees are empowered to appoint or divide into necessary subcommittees.
- D. All committees and subcommittees shall report their proceedings and activities to the President and Board of Directors.
- E. No committee of the Association may:
  - 1. authorize distributions to members, directors, officers, agents or employees except in exchange for value received;
  - 2. approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets;

3. unless otherwise stated in these bylaws or the articles of incorporation, elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees; or
4. adopt, amend or repeal the articles of incorporation or these bylaws.

#### **ARTICLE IX – AMENDMENTS**

These Bylaws may be amended by a vote of two-thirds of eligible participating voting members with written notice of the proposed amendment provided to all members not less than forty-five (45) days nor more than sixty (60) days prior to such vote. Amendments to the bylaws shall become effective upon approval, or a later date if specified, in accordance with these procedures. Notwithstanding the foregoing, any amendment required to be approved by any regulatory authority shall take effect if and when approval of such authority is granted.

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