

Ohio Association of Professional Specialty Lines Offices

Revision – 18 May 2010

BY-LAWS

ARTICLE I – PURPOSE

Section 1.1 The name of this organization shall be “Ohio Association of Professional Specialty Lines Offices” “OAPSLO”.

Section 1.2 The purposes for which the Association is formed are as follows:

1. To encourage an exchange of information among members, and to disseminate educational information for the benefit of members and the betterment of the specialty excess / surplus lines insurance industry.
2. To promote professionalism among members.
3. To maintain liaison with other segments of the insurance industry, particularly insurance commissioners, regulatory bodies, insurers and insurance producer groups.
4. To promote and support the independent insurance agency system.

Section 1.3 In order to achieve these purposes the Ohio Association of Specialty Lines Offices shall:

1. Advance fellowship and mutual cooperation through personal contact of member firms at all levels.
2. Discuss and work for collective solutions to problems and issues relative to the specialty insurance industry.
3. Coordinate and promote educational activities.
4. Foster good public relations within the insurance industry and with the general public.
5. Maintain concern for regulatory and legislative changes affecting the insurance industry and communicate those changes and all related issues to member firms.

ARTICLE II – General Convention

The government of this Association shall be vested in a Board of Trustees of the members of this Association which shall convene one time each year at such time and place as the Board of Trustees shall determine, or as many other times as deemed necessary.

ARTICLE III - MEMBERSHIP

Membership shall consist of four (4) types of members.

Section 3.1 Specialty Broker (here-in-after to include Specialty Broker, Wholesale Broker and Excess and Surplus Lines Broker) – To become

eligible as voting Specialty Broker member in this organization the individual or corporation or other professional entity must meet the following qualifications:

1. Any person, firm or corporation engaged in an insurance agency business, the organization of which includes at least one individual licensed as a surplus lines agent Pursuant to the Ohio Surplus Lines Law and has a permanent office located within the State of Ohio.
2. Must principally derive their income from insurance coverage's placed on behalf of other licensed insurance agents.
3. Must represent at least one approved non-admitted insurance company.
4. Must deal principally through retail agents/producers.
5. Each applicant must be reviewed by the Membership Committee and a recommendation must be made to the Board of Trustees for approval or rejection for membership.

Section 3.2 Retail Agent (Limited Voting)

1. A retail agent who is also licensed as a surplus lines agent Pursuant to the Ohio Surplus Lines Law and has a permanent office located within the State of Ohio.

2. Services the insurance needs of insured's or consumers on a direct basis
3. Membership shall be open to all qualified applicants who are interested in the purposes of the Association.
4. Retail Agent members may attend all general meetings and functions with the exception of the Officers or Trustees Meetings.
5. Retail Agent members may serve and advise the organization at its request.
6. Retail Agent members may only vote upon matters as previously directed by the Board of Trustees.

Section 3.3 Associate Member (Non Voting)

1. Membership shall be open to all qualified applicants who are interested in the purposes of the Association.
2. Associate members may attend all general meetings and functions with the exception of the Officers or Trustees Meetings.
3. Associate members may serve and advise the organization at its request.

Section 3.4 Honorary Member

Persons connected with the insurance business and who are interested in the Purposes for which this Association was organized, and upon whom honorary membership is bestowed at any Board meeting.

- a.** Honorary members shall not be required to pay dues or assessments.
- b.** Honorary membership shall be subject to reconfirmation by the Board of Trustees annually.
- c.** Under no circumstances shall an Honorary Member be granted the privilege of voting.

Section 3.5 Conformity with the above definitions does not constitute automatic acceptance for membership.

Section 3.6 Application

All individuals, corporations or organizations desiring membership in the Association shall:

- a.** Complete an application formulated by the Membership Committee.
- b.** The application shall be submitted to the Membership Committee for their review and recommendation.

- c. Their recommendation will be submitted to the Board of Trustees.

- d. Final approval is subject to a majority vote of the Board of Trustees. Such approval shall not be unreasonably withheld and the decision of the Board of Trustees will always be made within 60 days of receipt of the application approval.

Section 3.7 There shall be three (3) standing committees within OAPSLO.

Those committees shall be:

1. Membership Committee (Section 3.8)
2. Nominating Committee (Section 7.4)
3. Executive Committee (Section 8.5)

Section 3.8 The Membership Committee shall maintain and periodically review rules of eligibility for membership, which requirements shall include, but not be limited to:

- a. A good reputation in the industry

- b. Minimum period of 3 years in the Specialty Lines Insurance Business. This requirement can be waived by a majority vote of the Membership Committee, in cases where special consideration is warranted (eg. previous employees of a member changes jobs and starts a new Specialty Brokerage operation).

c. Knowledge of and willingness to abide by the code of ethics, Article XI.

Section 3.8 Removal

All members must continuously maintain eligibility for membership or be subject to termination in accordance with the following:

- a. The Membership Committee and Board of Trustees are empowered to request a new application at any time from any member for review and reaffirmation of eligibility.
- b. Any membership in the Association may be terminated upon recommendation of the Membership Committee and by vote of the Board of Trustees. Termination shall only become effective upon a two thirds (2/3) vote of the Board of Trustees.
- c. Any member whose eligibility is being reviewed or where termination has been recommended shall be given due notice and an opportunity to discuss and challenge the action.
- d. Cause for termination may include, but not be limited to:
 - 1. Suspension, revocation or termination of any insurance license, held by a member firm or a principal member thereof by a state regulatory body for cause;
 - 2. Violation of these Bylaws;

3. Violation of the code of ethics;

4. Conduct prejudicial to the interest of the industry or the Association.

Section 3.9 The name "Ohio Association of Specialty Lines Offices" and/or "OAPSLO".

1. The Association's logo and other registered trademarks or service marks of the Association are the exclusive property of the Ohio Association of Specialty Lines Offices and may be used by members in good standing under standards that may be set by the Board of Trustees. The Board of Trustees, within its discretion, may deem any use by a member of the name " Ohio Association of Specialty Lines Offices." and/or "OAPSLO" or the Association's logo or of other registered trademarks or service marks to be inappropriate and may request in writing that the member modify or cease such inappropriate use.

2. Any member receiving such written request by the Board of Trustees shall comply with it immediately. The use of the name "Ohio Association of Specialty Lines Offices " and/or "OAPSLO" and the Association's logo, or other registered trademarks or service marks of the Association by nonmembers is prohibited unless authorized in writing by the Board of Trustees.

ARTICLE IV - DUES, ASSESSMENTS, FISCAL YEAR

Section 4.1 Annual Dues - Annual Dues for all classes of membership shall be set by the Board of Trustees and shall be payable annually for each fiscal year. Failure to render payment of dues within forty-five (45) days from the due date shall constitute cause for termination of membership.

Section 4.2 Assessments - The Board of Trustees shall have authority to make assessments against regular members as may be needed to conduct the business of the Association.

Section 4.3 Fiscal Year - The Fiscal Year of the Association shall be from January 1st to December 31st, both inclusive.

ARTICLE V - MEETINGS OF MEMBERS

Section 5.1 Annual Meeting - The Annual Meeting of the Association shall be held at a time and place to be designated by the Board of Trustees and announced to the membership at least thirty days (30) prior to the date of the meeting.

Section 5.2 Special Meetings - Special meetings of the Association may be called by the President or the Board of Trustees at any time; and shall be called by the President upon receipt of a written request by ten (10) regular members within thirty (30) days after the filing of such request with the President. The business to be transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at that time.

Section 5.3 Notice of Meetings - Written notice of any meeting of the Association shall be mailed to the last known address of each member not less than fifteen (15) nor more than ninety (90) days before the date of the meeting.

ARTICLE VI - VOTING

Section 6.1 Voting - At all meetings of the Association only Specialty Broker members and Retail Agent members when so authorized by the Board of Trustees, may vote and voting is limited to one (1) vote per member's organization. Voting must be conducted in person only unless otherwise specifically provided by these By-Laws, a majority vote of those voting members present and voting shall govern.

Section 6.2 Voting by Mail and E-Mail Proposals to be offered to the members for a mail vote, excepting election ballots, shall first be approved by the Board of Trustees. On any mail vote, no less than twenty-five percent (25%) of all regular members shall cast a ballot to constitute a valid action and a majority of those voting shall determine the action.

Section 6.3 Quorum of Members - At an annual or special meeting of Members, a quorum shall consist of no less than fifty-one (51%) percent of the regular members and proxies.

ARTICLE VII – OFFICERS AND BOARD OF TRUSTEES

Section 7.1 Authority and Responsibility

1. The governing body of this Association shall be the Board of Trustees.
2. The Board of Trustees shall have supervision, control and direction of the affairs of the Association, its committees and publications;
3. The Board of Trustees shall determine its policies or changes therein;
4. The Board of Trustees shall actively prosecute its objectives and supervise the disbursement of its funds.
5. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable.

Section 7.2 Composition

1. The Board shall consist of Ten (10) regular members to include:
 - a. President
 - b. Vice President (President Elect)
 - c. Secretary/Treasurer
 - d. Immediate Past President of the Association
 - e. Six (6) Trustees at Large
 1. Three (3) elected to a two (2) year term each, and
 2. Three (3) elected to a two (2) year term each, but staggered one year, such that only three Trustees will have terms expiring in any one year.

f. Two special company advisors – Non Voting

Section 7.3 The Officers and Trustees

1. Must be licensed Ohio surplus lines agents, not agency;
2. No more than one (1) member of the Board shall be from the same or affiliated voting member firms. Any member of the Board whose affiliation changes during the term of office shall be required to submit a resignation as a member of the Board of Trustees at the time of such change. In the absence of a board member because of a resignation, a Quorum shall be a meeting where fifty percent (50%) of the remaining members who have voting rights are in attendance.

Section 7.4 Nominating Committee

1. The Board of Trustees shall request the President to select not later than ninety (90) days before the annual meeting, a Nominating Committee of at least three (3) members, at least one from each different area as defined in Article III, Section 3.1 and Section 3.2.
2. The Nominating Committee shall be charged with proposing a slate of trustees to be elected at the annual meeting. The slate of trustees 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 trustee by so doing in writing to the Nominating Committee at least sixty (60) days prior to the date of election.

3. The President shall charge the Nominating Committee with the selection of a slate of officers from the proposed slate of trustees to be presented at the annual meeting. The slate of officers shall be presented to the voting members in writing at least thirty (30) day's prior to the date of election. If the slate of trustees includes a nomination for the office of President and that nomination is due to the office of President-Elect becoming vacant and being filled by appointment of the President within thirty (30) days of election, the thirty (30) days prior written notice to the membership requirement is waived. Any member of the Association may propose a current member of the Board of Trustee's, or a past member of the Board of Trustees for nomination as an officer by so doing in writing to the Nominating Committee at least sixty (60) days prior to the date of election.
4. The Nominating Committee shall consider the size of firms represented and the geographic distribution of voting membership, for the purpose of populating the Board of Trustees with a representative group of individuals.
5. The Nominating Committee shall at the annual business meeting propose the names of the officers and trustees to be elected for the ensuing terms as stipulated in Article VII, Section 7.2, provided it shall have obtained the consent of all nominees before their names are placed in nomination. Nominations may also be made from the floor during the annual meeting and shall also be voted upon along

with those nominees proposed by the Committee, provided the nominees from the floor consent to their nomination. Election of officers and trustees shall be by Quorum of voting members present in person at the annual meeting or voting by mail.

6. Special company advisors names shall be submitted to the Board of Trustees and the Board of Trustees shall approve their appointment with a 2/3's vote of said Board of Trustees.

Section 7.5 Quorum of the Board

At any meeting of the Board of Trustees, no less than five (5) members of the Board Shall constitute a quorum for the transaction of the business of the Association and any such business thus transacted shall be valid providing it is affirmatively passed upon by a majority of those present.

Section 7.6 Meetings of the Board

A regular meeting of the Board of Trustees shall be held no less than three (3) times during each administrative year at such time and at such place as the Board may prescribe. Notice of all such meetings shall be given to the trustees not less than thirty (30) days before the meeting is held. Special meetings of the Board may be called by the President or at the request of any three (3) trustees, by notice mailed, delivered, telephoned or e-mailed to each member of the Board of Trustees not less than seventy-two (72) hours before the meeting is held.

Section 7.7 Voting

Voting rights of an Officer or Trustee shall not be delegated to another; however this right may be exercised by a proxy.

Section 7.8 Voting by Mail or Email

Action taken by a mail or email ballot of the members of the Board of Trustees, in which at least a majority of such trustees, in writing, indicate themselves in agreement, shall constitute a valid action of the Board if reported at the next regular meeting of the Board. Meetings in which part of the Trustees attend telephonically are acceptable provided actions taken are documented during each meeting and entered into the minutes.

Section 7.9 Vacancies and Removal

Any vacancy occurring on the Board of Trustees between annual meetings shall be filled by the Board of Trustees. A trustee so elected to fill a vacancy shall serve the unexpired term of his predecessor. The Board of Trustees may in its discretion, by affirmative vote of two-thirds of its members, remove any Trustee for cause.

Section 7.10 Compensation

Trustees and elected officers shall not receive any compensation for their services.

ARTICLE VIII - DUTIES OF OFFICERS

Section 8.1 Officers

The officers of the Association shall consist of a President, a President- Elect, a Secretary and a Treasurer. The term of each officer shall be for two (2) years.

Section 8.2 President

The President shall preside at all meetings of the Association and its Board of Trustees. The President shall be the administrative head of the Association and shall direct its affairs under the general direction and control of the Board of Trustees. The President shall be a member ex-officio of all committees, except the Nominating Committee.

Section 8.3 Vice President (President-Elect)

The Vice President (President-Elect) shall assist the President and shall perform the duties of President in his absence or inability to serve. The Vice President (President-Elect) shall automatically succeed to the office of President upon the next election of officers. If the office of President-Elect is vacant or currently filled on an "acting basis" by an appointment of the Board of Trustees, the office of President is to be elected from the slate of officers presented to the voting members at the next election of officers.

Section 8.4 Secretary/Treasurer

The Secretary/Treasurer shall handle all correspondence relating to the Association's business, receive and record memberships, transmit monies, issue notices of election and receive and record ballots, and perform such other duties as may be required of him by the Board of Trustees. Shall receive and, account for all moneys of the Association and make such disbursements as may be directed by the President or the Board of Trustees. He or She shall submit a verified account of receipts and disbursements to the Association quarterly and have a CPA compiled financial report presented at its annual business meeting and such current account as the Board of Trustees may require from time to time. He or she shall insure that all state and federal reports are filed on a timely basis. The Treasurer shall give bond, if required, in such amount as shall be fixed and approved by the Board of Trustees.

Section 8.5 Executive Committee

The Executive Committee shall consist of the officers and, at the option of the President, any other member of the Board of Trustees.

ARTICLE IX - INDEMNIFICATION

Section 9.1 It is expressly provided that any and every person made a party to any action, suit, or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a director or officer of this Association which he served

as such at the request of this Association, may be indemnified by the Association to full extent permitted by law, against any and all reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action or in connection with appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such director or officer has breached his duty to the Association.

Section 9.2 It is further expressly provided that any and every person made a party to any action, suit or proceeding other than one by or in the right of the Association to procure in its favor, whether civil or criminal, including an action by or in the right of any other association of any type or kind, domestic or foreign, which any director or officer of the Association serviced in any capacity at the request of the Association, by reason of the fact that he, his testator or intestate, was a director or officer of the Association, or served such other association in any capacity, may be indemnified by the Association to the full extent permitted by law, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of such action, suit or proceeding, or any appeal therein, if such person acted in good faith for a purpose which he reasonably believed to be in the best interest of the Association and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

ARTICLE X - AMENDMENTS

Section 10.1 By-Laws

1. By-Laws may be made, altered, amended or rescinded by majority vote of members present at any meeting of the Association, provided that a notice of intent to consider such action has been mailed to all members of the Association not less than thirty (30) days prior to the meeting.
2. A proposal to make, alter, amend or rescind By-Laws may be submitted by the Board or by written request of any ten (10) regular members of the Association.

ARTICLE XI - CODE OF ETHICS

Section 11.1 MEMBERS PLEDGE

Every member of the Association, upon acceptance of membership, does pledge to Support the Association and to faithfully observe and abide by the provisions of the charter, bylaws, rules, regulations and code of ethics.

Section 11.2 Members of the Association agree

1. To maintain high professional standards of efficiency, conduct, integrity, responsibility and service.
2. To exercise the good faith and fair dealing with their principals, underwriters, producers and assureds.
3. To refrain from maintaining or using the status of their profession or their relationship with this Association to attract business for personal financial gain in other endeavor.

4. To refrain from maintaining or using their membership within this Association as a means of taking unfair advantage of competitors, or for any other purpose than for which this Association is intended.
5. To regard the business of insurance as an unusual opportunity for essential services to the public, and to conduct themselves with dignity, courtesy and the highest degree of fairness in their relations with members of the industry and the public at large.
6. To be governed by a spirit of cooperation, helpfulness and frankness in their relationships with fellow members to the end that each shall be better equipped through such cooperative measures and exchange of ideas, to better perform and function and to foster the advancement and prestige of their profession.

ARTICLE XII - AWARDS

The Association may recognize, by suitable award, persons or organizations who or which have made great contributions to the field of Specialty Lines Insurance and the distribution of insurance of Specialty Lines products and services.

ARTICLE XII - SEAL

The Corporate Seal of the Association shall be in the form of a circle, and shall bear the name of the Association and year of its incorporation, and shall indicate its formation under the laws of the State of Ohio.