



AE PRONET

ARTICLE I Members of the Association

1.1. Classes of Members

1.1.1. The Association shall have three (3) classes of Membership: Agency Member, Individual Member and Associate Member.

1.1.2. Definitions

Agency Member shall be defined as the primary place of business of each a/e ProNet member. The primary place of business shall include any remote location within fifty (50) miles of the agency's primary place of business with fewer than two (2) producers at a remote location. Subject to Board of Directors approval, membership may extend to additional locations as described below:

Branch Office of an agency member shall be defined as any location more than fifty (50) miles away from the agency member's primary place of business provided that such location has two (2) or more producers. Branch offices shall be afforded a separate geographical listing on the a/e ProNet website. An additional agency member fee shall be required for each branch office.

Limited Branch Office of an agency member shall be defined as any location more than fifty (50) miles away from the agency member's primary place of business provided that such location has no more than one (1) producer. The location of a limited branch office shall be associated with the agency member and not be afforded their own geographical listing on the a/e ProNet website. An individual member fee and not a branch office fee shall apply to each limited branch office. A limited branch office can apply for membership as a branch office, subject to an additional agency member fee.

Individual Member shall be defined as any producer working at the primary place of business of the agency member or at any remote location. Individual members will have no voting rights. **A producer** is defined as employee or independent contractor of any agency member whose primary role is to produce and manage the business of the agency member's customers. Producer does not include customer service representatives or others whose primary function is to support the producer.

Associate Member shall be defined as any member meeting the qualifications as described in Article 1.3 herein.

1.2. **Qualifications for Agent/Broker Membership**

1.2.1. Each applicant for membership in this Association, in order to be eligible for membership in this Association:

- a. Must be a firm (corporation, partnership, or proprietorship) which has been continuously and actively engaged on a commission or fee basis as agent-producer or broker of Architects/Engineers Professional Liability Insurance for a minimum of twelve consecutive months prior to submission of an application for membership in this Association. The geographic location of the Agent/Broker will not have a bearing on whether or not the Agent/Broker will be admitted to the Association.
- b. The applicant shall not, during the term of membership, have an exclusive agency agreement or arrangement with an A/E insurance market for Architects/Engineers Professional Liability insurance.
- c. The applicant shall not, during the term of membership, be an Executive Director or employee of any Professional Society or Professional Association for Architects or Engineers at any level (national, state, regional, or other.)
- d. The applicant must exhibit a high degree of professionalism and ethics.
- e. The applicant must demonstrate a commitment to the delivery of insurance risk management and loss prevention services to Architects and Engineers.
- f. The applicant must show evidence of a meaningful and ongoing participation in and contribution to A/E professional society activities.
- g. Classes of States:
 - i. Class I States:
 1. States with population over 5,000,000 and/or minimum of 10,000 licensed professionals:
 2. Standard Requirements: \$1,000,000 a/e professional liability premium volume and 25 accounts.
 - ii. Class II States:
 1. States with population between 2,500,000 and 5,000,000 and/or minimum of 5,000 licensed professionals:
 2. 75% of Standard Requirements: \$750,000 a/e professional liability premium volume and 19 accounts.
 - iii. Class III States:

1. States with population less than 2,500,000 and/or less than 5,000 licensed professionals:
 2. 50% of Standard Requirements: \$500,000 a/e professional liability premium volume and 13 accounts.
- iv. The definition of licensed professionals shall include architects, engineers, land surveyors and related professionals.
 - h. If the applicant is a broker in a multi-office agency, only that particular branch office in which the applicant's revenue production is credited to will be considered a member. Furthermore, that member will not be allowed to share Association resources with other branch offices that are not qualified members of the Association.
 - i. The applicant of the Association will be the broker's agency or specific branch of an agency but the A/E specialist in the agency must be the designated agency a/e ProNet Representative for the Association.
 - j. The applicant's firm must demonstrate that it delivers a unique level of service to its clients and that those services (i.e., newsletter, contract review or negotiation assistance, in-house seminars, etc.) are valued by its clients.
 - k. The applicant must submit an application for membership and be accepted by the Board of Directors of the Association.
 - l. The applicant shall submit such proof of conditions above as may reasonably be requested by the Chairman of the Membership Committee of this Association.
- 1.2.2. The Association members by 2/3 majority vote in favor of may waive any of the forgoing conditions if such waiver is deemed to be in the best interests of this Association and its overall purposes. Each member firm may cast one (1) vote in favor of or against waiving conditions of membership when any applicant shall not otherwise meet qualification standards as set forth in section 1.2. in its entirety.
- 1.2.3. The Board of Directors of this Association is hereby empowered to prescribe such further requirements and qualifications for membership, not inconsistent with the foregoing, as the Board of Directors may, from time to time, deem appropriate.

1.3 **Qualifications for Associate Membership**

- 1.3.1 Associate Members shall be limited to licensed Professionals who meet the requirements set forth below.
- a. Each Associate Member shall only be considered for membership based on a nomination by Agent/Broker Members in good standing. The candidate shall complete an application for membership which will include a statement from the recommending Agent/Broker providing reasons justifying this candidate for membership as an Associate Member.
 - b. The Associate Member shall pay an annual membership fee to be determined by

the Board. Associate Members shall be entitled to attend regularly scheduled membership meetings, publicize their membership, receive communications from the Association and shall agree to be bound by the Bylaws of the Association of a/e ProNet. However, the board may choose to seat an Associate Member on the board as a Director of a/e ProNet.

- c. Criteria for Associate Membership shall include:
- i. Each candidate for Associate Membership (hereinafter the "Candidate") shall evidence a high standard of professionalism and practice with the highest ethical standards.
 - ii. The candidate must devote a significant amount of his or her practice to the representation of design professionals and/or companies which underwrite professional liability insurance. On a 3-year rolling basis, the Candidate must be able to aver by Affidavit that he or she devotes a minimum of 25% of his/her practice to the representation of design professionals and/or companies that underwrite professional liability insurance.
 - iii. The Candidate must participate in ongoing efforts to promote risk management amongst design professionals either by teaching, speaking, writing, or otherwise educating design professionals about legal liabilities and risk management practices. This requirement shall be established by the Affidavit of the Candidate and the nominating Agent/Broker member.
 - iv. The application for membership shall be reviewed and approved by the Membership Committee; the Committee's recommendation shall be sent to the Board of Directors for final approval and invitation to become an Associate Member.

1.3. **Nomination and Election of Members**

1.4.1. Membership in this Association shall be by invitation only, and such nomination for membership shall be made by a member of the Association. Every such nomination for membership shall be submitted to the Membership Committee, in writing or e-mail, in such form and shall contain such information as the Board of Directors, from time to time by resolution, shall require. Every application shall contain a statement signed by the designated agency representative of the applicant firm that the applicant agrees, if elected to membership to comply with and be bound by the Articles of Association and Bylaws of this Association and any amendments thereto.

1.4.2. Nominations for membership which are made as provided in these Bylaws, shall be submitted by the Membership Committee to the Board of Directors, which is hereby vested with the authority to elect or reject nominees for membership.

1.4.3. The election of members may take place at any meeting of the Board of Directors or by mail, e-mail or any other electronic or digital format by the members of the Board of Directors so long as records of such elections are properly maintained. Election to membership shall require the affirmative vote of five (5) members of the Board of Directors.

1.5 **Membership Votes**

1.5.1. Each member firm and/or particular branch office of a firm holding membership shall

be entitled to one (1) vote on each matter submitted to a vote of the membership, provided however, said member firm is not in default of its annual dues, at the time of any such meeting, or under suspension, as permitted by section 1.5.

1.6 Termination of Membership

- 1.6.1. The Board of Directors, by an affirmative vote of five (5) of the members of the Board may:
- a. Suspend or expel a member for any reason whatsoever deemed by the Board of Directors to be in the best interests of the Association after an appropriate hearing, and may,
 - b. Terminate the membership of any member which becomes ineligible for membership.
 - i. In the event any designated Agency Representative (as described in section 1.2.1.i.) leaves the employment of a member firm, the member firm shall designate a replacement person(s) who meets the qualifications for membership as outlined in Article 1.2 as an Agency Representative(s), within 90 days of the termination of employment of the original designated Agency Representative. Failure to designate a qualified replacement Agency Representative(s) within 90 days shall result in termination of the member firm, unless otherwise accepted by a 2/3 majority vote of the Board of Directors.
 - ii. In the event a designated Agency Representative leaves the employment of a member firm, the individual may apply for ProNet membership as a new member firm without meeting the premium volume and number of accounts standards.
 - c. Suspend or expel any member who shall be in default in the payment of dues for a period of time as may be fixed in Article XI of these Bylaws.
 - d. Prior to such action however, the member must be given at least fifteen (15) days prior notice of termination or suspension, and that the member be provided with an opportunity to be heard, at least five (5) days before the effective date of termination or suspension.
- 1.6.2. Resignation. Any member may resign by filing a written resignation with the Secretary.
- 1.6.3. Reinstatement. Upon written request signed by a principal or officer of a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of five (5) of its members, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.
- 1.6.4. Membership in this Association is not assignable or transferable without the approval of the Board of Directors, and any attempt to transfer or assign any membership without the approval of the Board of Directors shall be cause for termination of membership.

ARTICLE II Meetings of Members

2.1. Annual Meetings

- 2.1.1. There shall be an annual meeting of this Association held in the first quarter of each year at a time and place to be designated by the Board of Directors for the purpose of electing Officers and Directors and for the transaction of such other business as may come before the meeting. The annual meeting may be held at a time after the first quarter, but no later than June 30th of the year. A delayed annual meeting shall be agreed to by a simple majority of the members in attendance and voting in favor of the action at a regularly scheduled meeting preceding the delayed annual meeting.

2.2. Special Meetings

- 2.2.1. Special Meetings of the members of the Association may be called by the President, by a majority of the Board of Directors, the Executive Director or not less than one-third of all members.
- 2.2.2. The Board of Directors and the Executive Director may participate in meetings by means of a conference call, video or similar communication type event. All members participating in the meeting must be able to communicate with each other at the same time. Participation by such means shall constitute presence in person at a meeting.

2.3. Notice of Meetings

- 2.3.1. Written, printed or e-mail notices stating the place, day, and hours of any meetings of members shall be delivered either personally, by mail or by e-mail to each member entitled to vote at such meeting, not less than ten (10) nor more than ninety (90) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In the event of a Special Meeting, or when required by these Bylaws, the purpose for which the meeting is called shall be stated in the notice, and no other business may be transacted. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at the address which appears on the records of the Association, with postage thereon prepaid. If e-mailed, the notice of a meeting shall be deemed to be delivered if a Mail Failure Notice is not received for the member whose e-mail address appears on the records of the Association.
- 2.3.2. Adjournment of said meetings, and notice thereof, may be declared by a majority of members present, if not in conflict with section 2.5. of these by-laws. Notice of any such meetings may be waived by the members, before or after the meeting. Such waiver, however, must be in writing to the Secretary.

2.4. Informal Action by Members

2.4.1. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of the members entitled to vote with respect to the subject matter thereof.

2.5 **Quorum**

2.5.1. The members holding thirty-three and one-third percent (33 1/3%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting without further notice.

2.6 **Proxies**

2.6.1. At any meeting of members, other than a Board of Directors meeting, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact, who must be a Director. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy.

2.7 **Voting by Mail and/or E-mail**

2.7.1. Where Directors or Officers are to be elected by members, such election may be conducted by mail or e-mail ballot so long as records of such mail or e-mail ballots are properly maintained, in such manner as the Board of Directors shall determine.

ARTICLE III Board of Directors

3.1 **General Powers**

3.1.1. The affairs of the Association shall be managed by its Board of Directors, which shall consist of nine (9) members. Directors must qualify under section 1.2.

3.2 **Appointment of Executive Director and Other Officers**

3.2.1. The Board of Directors shall appoint an Executive Director or engage a management company which shall appoint an Executive Director acceptable to the Board of Directors. The Board of Directors shall have the authority to appoint such assistant officers as may be necessary to conduct the business of the Association.

3.3 **Number, Tenure and Qualifications**

3.3.1. The number of Directors shall be three (3) Member Directors, in addition to the President, President Elect and Vice President, Secretary and Treasurer, and the immediate Past President of the Association, who will serve as Directors by reason of their office. Directors shall be members in good standing of this Association. As the term of each present member of the Board of Directors (other than Officers) expires, the term of his successors so elected shall be for a period of three (3) years so as to

provide over-lapping terms of office for the Board of Directors. No member firm shall be represented on the Board of Directors by more than two persons at any one time.

- 3.3.2. In addition, regarding the three (3) Member Directors positions pursuant to 1.3.1(b) herein the board in its discretion may appoint one of such Directors as a position to be held by an Associate Member. The term shall be for a period of three (3) years and the Associate Member may not serve for more than two (2) terms.

3.4 **Nomination of Directors**

- 3.4.1. Each year the President shall appoint a nominating committee on or before the first day of September consisting of not fewer than three (3) or more than five (5) persons from among members for the purpose of nominating Directors for the ensuing term. In the appointment of such committee, the President shall give due consideration to geographical representation. The nominating committee, so appointed, shall confer with and nominate a number of candidates equal to the number of Directors whose three (3) year terms are expiring. On or before the first day of December the nominating committee shall report its nominations to the President and Secretary of the Association.

3.5 **Election of Directors**

- 3.5.1. The report of the nominating committee shall be read at the annual meeting of the Association. Additional nominations will be permitted only if such nomination(s) is/are submitted in writing or via e-mail to the Secretary at least thirty (30) days prior to the annual meeting and if such nomination(s) is/are endorsed in writing by not less than four (4) members in good standing. Each member may cast vote(s) in accordance with section 1.4.1. of these Bylaws at the annual meeting, or before the annual meeting by mail, e-mail or any other electronic or digital format so long as records of such vote(s) are properly maintained and approved by the Board. A member may cast only one (1) vote for any one (1) candidate and may not cast more votes than the number of vacancies to be filled on the Board.
- 3.5.2. The person(s) receiving the greatest number of votes shall be declared by the President to be Directors and shall take their office(s) immediately on the close of the annual meeting.

3.6 **Executive Committee**

- 3.6.1. The Executive Committee of the Board of Directors of this Association, except as provided below, shall be vested with the authority to conduct the business of this Association and to exercise all corporate powers in the interim between meetings of the membership of the Association and between meetings of the Board of Directors of this Association. The Executive Committee shall consist of five (5) members; (i) The newly elected President of the Association, (ii) the immediate Past President of the Association if continuing as an active member of the Association in good standing, (iii) the President Elect of the Association, (iv) the Vice President of the Association and (v) the Treasurer of the Association. In the absence of an immediate Past-President, the President shall select a Director to serve. The President of this Association shall preside at all meetings of the said Executive Committee, and at least three (3) votes

shall be required for action by said Committee.

- 3.6.2. The Executive Committee shall not have the authority of the Board of Directors in reference to electing, appointing or removing any member of any committee or any Director or Officer of the Association; amending the Bylaws and/or Articles of Association; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board of Directors. The designation and appointment of the Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility therein imposed by these Bylaws or by the Articles of Association.

3.7 **Regular Meetings**

- 3.7.1. A regular meeting of the Board of Directors shall be held without notice, other than this Bylaw, immediately before, and at the same place as the annual meeting in the spring and also at the fall meeting of the members of the Association. The Board of Directors may provide, by resolution, the time and place, for the holding of additional regular meetings of the Board without other notice than by such resolution.

3.8 **Special Meetings**

- 3.8.1. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) members of the Board of Directors. The person or persons authorized to call special meetings of the Board may fix any place, or arrange for conference call, video or similar communication type event for any special meeting of the Board called by them. All members participating in the meeting must be able to communicate with each other at the same time. Participation by such means shall constitute presence in person at a meeting.

3.9 **Notice**

- 3.9.1. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally, or by email provided that confirmation of a read receipt is secured, or sent by registered mail, return receipt requested at the address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive, in writing, notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

3.10 **Quorum**

- 3.10.1. A majority of the Board of Directors shall constitute a quorum for the transaction of the business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting a majority of the Directors present may adjourn the meeting from time to time without further notice.

3.11 **Manner of Acting**

- 3.11.1. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

3.12 **Vacancies**

- 3.12.1. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

3.13 **Compensation**

- 3.13.1. Directors and Officers as such shall not receive any compensation, salaries, or fees for their services, but may be reimbursed for justifiable expenses if approved by the Board of Directors. Directors and Officers may not serve the Association as an employee or receive compensation as such.

3.14 **Informal Action by Directors**

- 3.14.1. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, including by e-mail or any other digital format, setting forth the action so taken, shall be signed by all of the Directors.

3.15 **Re-Election**

- 3.15.1. No member of the Board of Directors having served two consecutive full three (3) year terms as a Director may be re-elected to again serve as Director prior to the first annual meeting of the Association following the annual meeting in which the full three (3) year term as Director expired.

ARTICLE IV Officers

4.1 **Officers**

- 4.1.1. The officers of the Association shall be a President, President Elect, Vice President, Secretary, Treasurer, and the immediate Past President. The Board of Directors may appoint one or more Assistant Secretaries and one or more Assistant Treasurers, as it

shall deem desirable, such Officers to have the authority to perform the duties prescribed from time to time by the Board of Directors. All Officers of the Association (except those appointed by the Board of Directors) shall automatically become members of the Board of Directors at the time they assume office.

4.2 Nominating Committee for Officers

- 4.2.1. The Nominating Committee for Directors, specified in section 3.3.1 of these Bylaws, shall also act as the Nominating Committee for Officers.
- 4.2.2. The Nominating Committee, so appointed, shall confer and nominate a number of candidates for the offices as are to be filled for the ensuing term. The current President shall automatically take office as Immediate Past President. On or before the first day of December of the year preceding the Annual Meeting in which the full two (2) year term as Officers expires, the Nominating Committee shall report its nominations to the President and Secretary of the Association.

4.3 Election of Officers

- 4.3.1. The report of the Nominating Committee shall be read at the annual meeting of the year in which the full two (2) year term as Officers of the Association expires. Additional nominations will be permitted only if such nomination(s) is/are submitted in writing to the Secretary at least thirty (30) days prior to such annual meeting and if such nomination(s) is/are endorsed in writing by not less than four (4) members in good standing. Each member may cast vote(s) in accordance with 1.4.1 of these Bylaws at the annual meeting, or before the annual meeting by mail, e-mail or any other electronic or digital format so long as records of such vote(s) are properly maintained. A member may cast only one (1) vote for any one (1) candidate and may not cast more votes than the number of vacancies to be filled. The persons receiving the greatest number of votes shall be declared to be Officers and shall take their offices immediately following close of such annual meeting.

4.4 Removal

- 4.4.1. Any Officer elected or appointed may be removed by an affirmative vote of six (6) members of the Board of Directors whenever in its judgment the best interests of the Association would be served. However, such removal shall be without prejudice to the membership rights, if any, of the Officer so removed.

4.5 Vacancies

- 4.5.1. If a vacancy occurs in the office of President, the President Elect shall assume the Presidency. Upon completion of President Elect's term as President due to such vacancy, the President Elect, subject to board approval, will complete the term of office as President as if no vacancy occurred. If any other vacancy occurs, the President shall appoint a substitute Officer for the unexpired term, with the approval of the Board of Directors.

4.6 **Tenure and Term of Office**

- 4.6.1. Officers will serve for a period of two (2) consecutive years and may serve no more than two (2) consecutive terms in that specific officer capacity. Officers may be re-elected to prior positions after a period of at least two (2) years during which no Officer positions were held by the member.

4.7 **President**

- 4.7.1. The President shall be the principal executive officer of the Association and shall in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board of Directors, and may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other Officer or the Executive Director of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

4.8 **President Elect**

- 4.8.1. In the absence of the President or in event of any inability or refusal to act, the President Elect shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The President Elect shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors. The President Elect will automatically assume the office of President at the conclusion of the then President's term of office.

4.9 **Vice President**

- 4.9.1. In the absence of the President or the President Elect, or in event of their inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

4.10 **Treasurer**

- 4.10.1. The Treasurer shall oversee but not manage the financial records of the Association and ensure that the board regularly receives good reports of the financial condition of the Association. The Treasurer will also assist the board to understand the annual budget before approval; chair the Finance Committee and ensure that the Board arranges an annual review of the Association's financial records.

4.11 **Secretary**

4.11.1. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; be certain that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Association records and of the seal of the Association and affix the seal of the Association to all documents, the execution of which, on behalf of the Association, under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address and e-mail address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

4.12 **Assistant Treasurers and Assistant Secretaries**

4.12.1. The Assistant Treasurers shall qualify to be covered by the fidelity bond on their positions which is provided by the Association. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE V Executive Director

5.1 **Executive Director**

5.1.1. Executive Director Role:

- a. The Board of Directors shall appoint an Executive Director or engage a management company which shall appoint an Executive Director acceptable to the Board of Directors. The Board of Directors shall have the authority to appoint such assistant officers as may be necessary to conduct the business of the Association.
- b. In the conduct of the ongoing business of the Association, the Executive Director is responsible for all business operations, including management of the assets of the Association; hiring, training, promotion, discipline and termination of employees; for establishing and maintaining the business organization and structure to efficiently conduct the management functions of the Association; and procure and manage the insurance needs of the Association that includes, as a minimum, property, general liability, workers compensation, professional liability, directors and officers liability and fidelity coverage at limits approved by the board.
- c. The Executive Director plans for and administers a program providing service in accordance with the Association's stated purpose and in such a manner that optimum results are achieved in relation to the resources of the Association and operates under the general direction of the Association Board of Directors.

5.2 **Executive Director Communication and Counsel to the Board**

5.2.1. The Executive Director will provide information and counsel to the Board, including, but not limited to:

- a. Make the Board aware of special events, relevant trends, material external and internal changes and the assumptions upon which any board policy has previously been established.
- b. Submit required monitoring data in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored.
- c. Keep the Treasurer and the Board of Directors apprised of any inconsistencies with respect to the financial health of the Association and assist Treasurer in compiling financials prior to the Annual and Spring Meetings.
- d. Marshall as many staff and external points of view, issues and options as needed for fully informed board choices.
- e. Present information in a form that is understandable and of reasonable length.

5.3 **Executive Director Succession Policy**

5.3.1. A policy for Executive Director succession must include two parts - the process the board will follow to replace a retiring Executive Director, and a process to continue uninterrupted service in the event of sudden loss of the Executive Director.

- a. Process for Replacing a Resigning or Retiring Executive Director:
 - i. The Board will determine the exact retirement date of the current Executive Director.
 - ii. The Board will determine a specific target date to bring on a new Executive Director. This target date will be flexible to allow the selected candidate some latitude in the start date.
 - iii. The Board will designate an interim Executive Director to serve for the time between the ending date of the current Executive Director and the beginning date of the new Executive Director. Board members are not eligible to serve as the interim Executive Director.
 - iv. The Board President will nominate a Search Committee of not less than three Board members and not more than five Board members. If possible, the current Executive Director will be an ex-officio member of the Search Committee. The Board President may appoint up to two additional Search Committee members from outside the Board such as former Board members, community leaders or other persons who would be valuable resources to the committee. The Board President will seek board approval of the nominees.
 - v. The Board will consider the need for any changes to the management structure before the search for a new Executive Director.
 - vi. The Search Committee will begin as soon as possible to:
 - 1. Update the job description for the Executive Director.
 - 2. Develop a profile of the preferred candidate.

3. Determine the feasibility of utilizing a search firm to assist the board in the search.
 4. Determine salary range and terms of the contract to be offered.
 5. Identify appropriate advertising media to be used.
 6. Establish a schedule to complete interviews, reference checks and final selection.
 7. Determine who will conduct the interviews and what questions will be asked.
 8. Determine the extent of staff and community involvement in the search process.
 9. Establish a process for communicating search progress to the Board and staff.
- vii. The Search Committee will seek approval of the full Board for all of the above.
- viii. The Search Committee will recommend no more than three nor less than two candidates for review.
- ix. The Board will review the recommendations of the Search Committee and select the new Executive Director.
- b. Process to continue uninterrupted service in the event of sudden loss of the Executive Director:
- i. The current Executive Director will compile a list of vital instructions for an interim Executive Director and update that list annually.
 - ii. If it becomes necessary to implement these emergency procedures, the Board of Directors will meet as soon as possible with the designated interim Executive Director to:
 1. Establish a plan for continued operation.
 2. Officially designate the person to be the interim Executive Director.
 3. Establish a schedule of board meetings to provide adequate support for the interim Executive Director.
 - iii. As soon as possible after the designation of the interim Executive Director, the Board will implement the applicable procedures from the first half of this policy.

ARTICLE VI Committees

6.1 Standing Committees

6.1.1. The standing committees will be:

a. Finance:

- i. Description: Association financial concerns, disbursements, and receipts.

b. Membership:

- i. Description: Responsible for securing qualified applicants for Association membership.

6.2 Other Committees

- 6.2.1. Other committees may be appointed by the President as need to further the business of the Association. Except as otherwise provided in such resolution, members of such committees shall be members in good standing in the Association, and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal

6.3 Term of Office

- 6.3.1. Each member of a committee shall continue as such until the next annual meeting of the members of the Association and until the successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.4 Chairman

- 6.4.1. The President or his/her designate shall appoint one (1) member of each committee as the Chairperson; the person designated as Chairperson shall serve until the term of office of the President ends. The Chairperson can be reappointed by the incoming President.

6.5 Vacancies

- 6.5.1. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.6 Quorum

- 6.6.1. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**ARTICLE VII
Contracts, Checks, Deposits and Funds**

7.1 Contracts

- 7.1.1. The Board of Directors may authorize any Officer or Officers, or the Executive Director of the Association, in addition to the Officers so authorized by these Bylaws, to enter any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. The Executive Director may approve service agreements and contracts that cost less than

\$10,000 annually or over the contract life. The Executive Director may also approve agreements which continue the same service level and cost from a prior contract. These agreements must be made within the approved budget line item spending limits. All other contracts must be approved by the Board of Directors. New contracts which cost more than \$10,000 annually or over the contract life shall require an attorney review and opinion to assure the agreement is legally sound and that the Association's interests are protected.

7.2 **Checks, Drafts, Etc.**

7.2.1. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association in amounts of \$10,000 or less, may be signed by the President, the Secretary, the Treasurer, Assistant Treasurer, or the Executive Director of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association in amounts in excess of \$10,000 must be signed by two of the following: the President of the Board, the Treasurer of the Board, members designated as signatories by the Board, the Executive Director. It is the responsibility of all check signers to ensure that there is adequate documentation, consistent with good internal controls, for valid payment of checks they sign.

7.2.2. It is the responsibility of the Executive Director to ensure that signatures can be gained from appropriate signatories so that payment can be made on obligations of the Association. It is also the responsibility of the Executive Director to ensure that adequate controls and safeguards have been established to ensure disbursement of funds only for proper purposes.

7.3 **Use of Credit Cards**

7.3.1. The Executive Director will recommend to the Board those members of the Association authorized to use the Association's credit card(s). The Board will approve and maintain a list of authorized individuals.

7.3.2. Association credit cards will only be used for appropriate Association business, and all uses will be properly documented. The Association credit card(s) will not be used for personal expenditures.

7.4 **Deposits**

7.4.1. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select. Such banks, trust companies or other depositories will have national presence so as not to impede Association business or cause its members to incur unreasonable travel expense. The Treasurer is authorized to establish and transfer funds into and from a mutual fund money market account or oversee the Executive Director in performing such duties as approved by the Board of Directors.

7.5 **Gifts**

- 7.5.1. The Board of Directors or the Executive Director may accept on behalf of the Association any contribution, gift, bequest or device for the general purposes or for any special purpose of the Association.

7.6 **Accounting**

The accounting system used by the Association will utilize generally accepted accounting practices that are required and/or recommended by regulatory or lending agencies and the Association's CPA.

The accounting practices and procedures used by the Association will allow for adequate management of the Association's revenues and expenses and will provide adequate systems of monitoring by the Board of Directors as well as the Association's CPA.

- 7.6.1 Reports reflecting the financial condition of the Association will be presented to the Board at each regularly scheduled meeting. These financial reports will include at least revenue and expense statements for the year to date and year-to-date with comparison to the budget.

An internal audit process will be established and maintained. The Executive Director will report, at least semi-annually, any significant findings to the Board. Gross violations or breach of trust will be reported to the Board immediately upon discovery.

ARTICLE VIII Certificate of Membership

8.1 **Certificates of Membership**

- 8.1.1. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the Secretary or an Assistant Secretary and shall be sealed with the seal of the Association. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

8.2 **Issuance of Certificates**

- 8.2.1. When a member has been elected to membership and has paid the initiation fee and dues that may then be required, a certificate of membership shall be issued by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of section 8.1.1. of this Article.

ARTICLE IX

Books and Records

- 9.1.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office, a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or attorney for any proper purpose at any reasonable time.

ARTICLE X Fiscal Year

- 10.1.** The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XI Dues and Initiation Fees

11.1 Annual Dues

- 11.1.1.** The Board of Directors, by an affirmative vote of five (5) of its members, may determine from time to time the amount of the initiation fee, and annual dues payable to the Association.

11.2 Initiation Fees

- 11.2.1.** All new members of the Association, whose membership in the Association commences after April 1, 1988, shall pay a uniform initiation fee as established by the Board of Directors.

11.3 Payment of Dues

- 11.3.1.** Dues shall be payable on the first day of January in each fiscal year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the Association.
- 11.3.2.** The Executive Director shall have the authority to permit a member, who is experiencing financial hardship, to pay their annual dues in installments, so long as the member's full annual dues are paid by the first day of November of the same business year. The Executive Director shall be required to notify the President and the Treasurer, on a confidential basis, when such an installment plan is set up.

11.4 Default and Termination of Membership

- 11.4.1.** When any member shall be in default in the payment of dues for a period of one (1) month from the beginning of the fiscal year or period for which dues became payable,

its membership may thereupon be terminated by the Board of Directors in the manner provided in Article I of these Bylaws.

11.5 Waiver of Dues

- 11.5.1. The President, with the agreement of the Vice President, is vested with the authority to waive dues for a given member. The President and Vice President shall have discretion as to whether or not such waiver is to be granted. Factors to be considered in granting a waiver of dues shall include, but not be limited to: The member's tenure in the Association; contributions of the member to the Association; and financial hardship.
- 11.5.2. Any member seeking a waiver of annual dues shall make such request directly to the President. The President must advise the Board at the next regularly scheduled meeting of any waivers that have been granted. The identity of the member(s) receiving a waiver of dues is limited to the President, Vice President, Executive Director and others who in the opinion of the President have a need to know. Discretion to grant or deny such a waiver rests with the President subject to the concurrence of the Vice President, however, the Board may limit the number of waivers the President is allowed to grant in any given fiscal year.

ARTICLE XII Seal

- 12.1. The Board of Directors shall provide for an Association Seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association, a/e ProNet, and the words "Association Seal."

ARTICLE XIII Waiver of Notice

- 13.1. Whenever any notice is required to be given under the provisions of a state statute, under the provisions of the Articles of Association or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV Code of Professional Standards

14.1 Preamble

- 14.1.1. The reliance of the public and the A/E professional community on sound practices in the insurance industry imposes on the professional A/E licensed insurance producer an obligation to maintain high standards of technical competence, morality and integrity. To this end, a licensed A/E insurance producer shall at all times strive to improve professional skills, uphold the dignity and honor of the A/E insurance profession, maintain high standards of personal conduct and hold the affairs of said clients in strict confidence. In further recognition of the public interest and the obligation to the profession, an A/E licensed insurance producer agrees to comply with

the following rules of ethical conduct, the enumeration of which should not be construed as denial of the existence of other standards of conduct not specifically mentioned.

- 14.1.2. Within the meaning of these rules, the words "A/E insurance producer" shall mean any member organization of the Association and all employees, subagents and brokers of said member organization, dealing in the A/E insurance arena.

- 14.1.3. **Conflicts of Interest**

The term "conflict of interest" refers to situations in which financial or other personal considerations may adversely affect or have the appearance of adversely affecting the judgment of an Officer, Director or staff member in exercising any duty or responsibility in the administration, management or other activity on behalf of the Association. The purpose of this policy is to make certain that Officers, Directors or staff members are guided by the interests of the Association rather than personal considerations.

No member of the Association Board shall derive any personal profit or gain, directly or indirectly, by reason of his participation on the Board. However, the Board has the authority to approve arrangements wherein a Board member or members, directly or indirectly, benefit by providing goods or services to the Association. Approval by 2/3 of voting members present at a regularly scheduled Board meeting or special meeting is required. Directors and management staff shall disclose any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.

Any Officer, Director or staff member must disclose any arrangement, agreement, investment or other activity with any vendor, supplier, or other party doing business with the Association which has resulted or could result in personal benefit.

Any Officer, Director or staff member must disclose any personal payments, loans, gifts or fees from or on behalf of any person of an organization engaged in business with the Association.

- 14.2 **Relations with Clients and the Public**

- 14.2.1. An A/E insurance producer shall not commit an act discreditable to the profession.
- 14.2.2. An A/E licensed insurance producer shall not violate the confidential relationship established with the client and shall make every effort to determine that the same rule of conduct be maintained by the insurers represented.

- 14.3 **Technical Standards**

- 14.3.1. An A/E insurance producer shall diligently seek to keep informed and educated regarding the needs of the A/E professionals, the A/E industry and the services which should be rendered.
- 14.3.2. An A/E insurance producer shall aid and assist in the passing of local laws and ordinances which pertain and benefit the A/E professionals, consistent with public interest.

14.3.3. An A/E insurance producer shall take an active interest in the affairs of the Association and is encouraged to serve actively on committees and at all times furnish information to the Association or its officers that would be of significance or interest to the A/E industry as a whole.

14.4 **Promotional Practices**

14.4.1. An A/E insurance producer shall not advertise, in writing or by word of mouth, any professional attainments or services in a manner which would discredit the profession.

14.5 **Relations with Fellow Members**

14.5.1. An A/E insurance producer, in order to develop and maintain a national network of mutual assistance, is encouraged to cooperate with, and assist fellow members in servicing their clients' requirements while operating beyond the area normally serviced by the fellow member. The fellow member shall compensate the producer commensurate to the extent of the services rendered or as mutually agreed. This Association, however, does not prohibit a member from soliciting A/E clients in any part of the United States.

14.5.2. An A/E insurance producer who received an engagement for services based on a referral from a fellow member shall not discuss or accept an extension of services beyond the specific engagement without first consulting with the referring fellow member.

14.5.3. An A/E insurance producer shall not violate the confidential relationship established with a fellow member with whom consultation has been sought or rendered.

14.6 **Morals Clause**

14.6.1 Membership in a/e ProNet is a privilege and Members, its representatives and/or associates are expected to refrain from engaging in actions that may shock, insult, or offend a reasonable person or otherwise tarnish the public image of the Association. When in the sole opinion of a majority of the a/e ProNet Directors, a Member, its representatives and/or associates has engaged in actions described in this paragraph above, that person's participation in membership in a/e ProNet will end immediately and that person will be terminated from a/e ProNet with no recourse or other right of appeal.

ARTICLE XV Hold Harmless

15.1. The Association shall indemnify its Officers, Directors, and Committee Members against liability and expenses incurred in or by reason of their being or having been an Officer, Director or Committee Member to the extent permissible by law and which are a result of the Association's negligence but limited to the extent that such liability or expenses are not covered by other available and collectable insurance.

ARTICLE XVI

Audit

- 16.1. At the discretion of the Board of Directors, an audit of the financial records of the Association may be made. If an audit is requested, it shall be made by a Certified Public Accountant to be appointed by the Board of Directors.

ARTICLE XVII

Amendments to the Bylaws

- 17.1. These Bylaws may be altered, amended, or repealed in whole or in part by a two-thirds (2/3) vote of those with voting rights present at any duly authorized meeting of the Association.

ARTICLE XVIII

Incorporation

- 18.1. The Association may elect to incorporate upon approval by a two-thirds (2/3) vote of those with voting rights present at any duly authorized meeting of the Association, provided however, that the intent of the Articles of Association and the Bylaws are preserved to the fullest extent of the laws of the jurisdiction of incorporation.