

Legend:
<u>Insertion</u>
Deletion
Moved from
<u>Moved to</u>
Style change
Format change
Moved deletion

Redline Summary:		
No.	Change	Text
1	Format change	BY-LAWS
2	Insertion	
3	Format change	OF
4	Format change	THE NON PROFIT INSURANCE PROGRAM
5	Deletion	TABLE OF CONTENTS
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7	Deletion	BY-LAWS OF
8	Deletion	THE NON PROFIT INSURANCE PROGRAM
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14	Deletion	Section 2.2 Member Representative 4
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16	Deletion	Section 2.4 Voting Rights and Procedures 5
17	Deletion	Section 2.5 Cancellation of Membership 5

18	Deletion	Section 2.6 Resignation 5
19	Deletion	Section 2.7 Transfer of Membership 5
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23	Deletion	Section 3.3 Place of Meeting 6
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34	Deletion	Section 4.7 Regular Meetings 7
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36	Deletion	Section 4.9 Notice 7
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38	Deletion	Section 4.11 Manner of Acting 8
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51	Deletion	Section 5.8 Third Party Administrator	10
52	Deletion	ARTICLE 6 Committees	10
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61	Deletion	Section 7.3 Compensation	12
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65	Deletion	Section 9.2 Appeal	15
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75	Deletion	BY-LAWS
76	Deletion	OF
77	Deletion	THE NON PROFIT INSURANCE PROGRAM
78	Deletion	ARTICLE 1
79	Deletion	Offices
80	Format change	The principal office of...Party Administrator. The
81-82	Change	"corporation" changed to "Corporation"
83	Format change	may have such other offices, either within or
84-85	Change	"without" changed to "outside of"
86	Format change	the state of Washington,...or as the affairs of the
87-88	Change	"corporation" changed to "Corporation"
89	Format change	may require from time to time.
90	Format change	The
91-92	Change	"corporation" changed to "Corporation"
93	Format change	shall have and...principal office of the
94-95	Change	"corporation" changed to "Corporation"
96	Format change	, and the address of the...the Board of Directors.
97	Format change	ARTICLE 2
98	Format change	Members
99	Format change	Section 2.1.
100	Format change	Members and Qualifications for Membership.
101	Insertion	The Corporation shall have Members.
102	Format change	Eligibility for Membership in the
103-104	Change	"corporation" changed to "Corporation"
105	Format change	shall be limited to
106-107	Change	"non profit entities...Non profit entites" changed to "nonprofit entities. Nonprofit entities"
108	Format change	wishing to become Members of the
109-110	Change	"corporation" changed to "Corporation"
111	Format change	shall submit an application to the
112-113	Change	"corporation" changed to "Corporation"
114	Format change	on a form prescribed by the
115-116	Change	"corporation." changed to "Corporation."
117	Format change	Members elected to membership pursuant to Section
118-119	Change	"2. below shall be...Agreement creating"

		changed to "2.3 must sign"
120	Format change	the Non Profit Insurance Program
121	Insertion	Membership Agreement
122	Format change	(the "Agreement")
123	Deletion	before such membership shall become effective
124	Format change	.
125	Format change	Section 2.2. Member...voting rights in the
126-127	Change	"corporation" changed to "Corporation"
128	Format change	, if any, and to act on...pertaining to the
129-130	Change	"corporation." changed to "Corporation."
131	Format change	Only directors, officers...of a Member.
132	Format change	The name of the person...shall be submitted
133-134	Change	"in writing to the corporation" changed to "to the Corporation...email, or application"
135	Format change	. A change in a Member's...effective until the
136-137	Change	"corporation" changed to "Corporation"
138	Format change	has received
139	Deletion	written
140	Format change	notice of such change.
141-142	Change	"Each Member may also select an" changed to "The"
143	Format change	alternate Member representative
144	Insertion	indicated on the renewal...be used, if necessary,
145	Format change	to serve and act in the...Member's representative.
146	Format change	Section 2.3. Selection of...required for admission.
147	Format change	Section
148-149	Change	"2.4" changed to "2.4."
150	Format change	Voting Rights and...to vote at such meeting
151	Insertion	, per applicable state law
152	Format change	. The vote may be taken...electronic transmission
153	Insertion	(
154	Format change	if the name of each...in the notice of meeting
155	Insertion)
156	Format change	. An election may be...transmission if the

157-158	Change	"corporation" changed to "Corporation"
159	Format change	has designated an...for all purposes.
160	Format change	Section 2.5. Cancellation...of any Member of the
161-162	Change	"corporation" changed to "Corporation"
163	Format change	may be canceled
164	Insertion	,
165	Format change	pursuant to the...3.14 of the Agreement.
166	Format change	Section 2.6. Resignation....may resign from the
167-168	Change	"corporation" changed to "Corporation,"
169	Format change	pursuant to the...3.15 of the Agreement.
170	Format change	Section 2.7. Transfer of Membership.
171	Format change	Membership in this
172-173	Change	"corporation" changed to "Corporation"
174	Format change	is not transferable or assignable.
175	Format change	ARTICLE 3
176	Format change	Meetings of Members
177	Format change	Section 3.1.
178	Format change	Annual Meeting.
179	Format change	At the discretion of the Board of Directors
180	Insertion	,
181	Format change	an annual meeting of the...shall be held each year,
182	Deletion	if needed,
183	Format change	with a date designated
184-185	Change	"in writing by the Chair...of Directors thirty" changed to "on the Corporation's website, ten"
186	Format change	days before the meeting,
187-188	Change	"at such time and place...in writing by the Chair" changed to "per applicable state law"
189	Format change	, for the purpose of
190	Insertion	delivering the Annual...of the Program and/or
191	Format change	transacting such business...come before the meeting.
192	Insertion	The Annual Report of the...or regular mail
193	Format change	Section 3.2. Special Meetings.
194	Format change	Special meetings of the...having voting rights.

195	Insertion	Notice to the Members of...advance of the meeting.
196	Format change	Section 3.3.
197	Format change	Place of Meeting.
198	Format change	The Board of Directors...place as the place of
199	Insertion	the
200	Format change	meeting for any
201	Deletion	annual meeting or for any special
202	Format change	meeting called by the Board of Directors.
203	Format change	If no designation is made...the state of Washington.
204	Deletion	If all of the Members...taken at such meeting.
205	Format change	Section
206-207	Change	"3.4" changed to "3.4."
208	Format change	Notice of Meetings. ...stating the place, day
209	Insertion	,
210	Format change	and hour of any meeting...to vote at such meeting
211	Insertion	and the State Risk Manager
212	Format change	, not less than ten days...calling the meeting.
213	Insertion	Notice to the Members of...to Washington law.
214	Format change	Section
215-216	Change	"3.5" changed to "3.5."
217	Format change	Manner of Acting. For...by law, the Agreement
218	Insertion	,
219	Format change	or by these By-Laws.
220	Format change	Section 3.6. Rule of Procedure for Meetings.
221	Format change	All meetings of the...in accordance with
222-223	Change	"Roberts' Rules of Order" changed to "meeting operating...from time to time"
224	Format change	, except where such rules...the Agreement, or these
225-226	Change	"By-Laws" changed to "Bylaws"
227	Format change	.
228	Format change	ARTICLE 4
229	Format change	Board of Directors
230	Format change	Section 4.1. General Powers.
231	Format change	The affairs of the

232-233	Change	"corporation" changed to "Corporation"
234	Format change	shall be managed by its Board of Directors.
235	Format change	Section 4.2. Composition.
236	Format change	The Board will be...be known as Directors.
237	Format change	One
238	Insertion	(1)
239	Format change	Regional Director will be...of the state (See 4.3).
240	Format change	Three
241	Insertion	(3)
242	Format change	At-Large Directors will also be elected.
243	Format change	Section 4.3. Regions.
244	Format change	There will be four...comprised of a balanced,
245-246	Change	"contiguous" changed to "contiguous"
247	Format change	set of Washington counties.
248-249	Change	"The regional location of...address of the Register" changed to "A Member wishing to serve...on address of Registered"
250	Format change	Agent listed on the
251-252	Change	"corporation" changed to "Corporation"
253	Format change	s Annual Report to the...Secretary of State
254-255	Change	". " changed to "or an area of service...Member's annual report."
256	Format change	Section 4.4. Term of Office.
257	Format change	The term of office
258-259	Change	"will be" changed to "is"
260	Format change	four years.
261	Format change	Terms
262-263	Change	"will" changed to "shall"
264	Format change	be staggered by two years...4 and At-Large Director
265-266	Change	"3" changed to "2"
267	Format change	will
268	Deletion	be
269	Format change	form the second group.
270	Format change	Section 4.5.
271	Format change	Elections and Voting.
272	Format change	At-Large Directors and...elected by the Members.

273	Format change	A Director must receive a...cast for the position.
274	Format change	Elections will be conducted by
275	Deletion	mail-in
276	Format change	ballot
277	Insertion	,
278	Format change	in accordance with procedures detailed in WAC
279-280	Change	"82-60-02023." changed to "200-150, or applicable state law."
281	Format change	Section 4.6. Voluntary Resignation and Vacancies.
282	Format change	A Director who is absent...meetings during the
283-284	Change	"year" changed to "prior twelve months,"
285	Format change	without acceptable excuse
286	Insertion	,
287	Format change	shall be deemed to have...the Board of Directors.
288	Format change	At any meeting of the...if they are excused.
289	Format change	Any vacancy on the Board...the remaining Directors
290	Insertion	and will remain in the...remainder of the term
291	Format change	.
292	Format change	Section 4.7. Regular Meetings.
293	Format change	Members of the Program...prior to the meeting
294-295	Change	". " changed to ", per applicable state law."
296	Format change	The notice, including the...electronic or paper form
297-298	Change	". In addition to...regular meetings will be" changed to "and"
299	Format change	posted on the
300	Deletion	electronic website accessible to the public.
301	Insertion	Corporation's public...pursuant to state law.
302	Format change	Meetings of the Board of...meeting by telephone.
303	Format change	Section 4.8. Special Meetings.
304	Format change	Special meetings of the...or any three Directors.
305	Format change	Special meetings of any...may be called by
306	Insertion	,
307	Format change	or at the request of

308	Insertion	,
309	Format change	the Chair of the Board of...or any two Directors.
310	Format change	The person or persons...called by them.
311	Format change	Special meetings may be...meetings by telephone.
312	Deletion	Special meetings may be...the state of Washington.
313	Format change	Section 4.9 Notice. ...of any special meeting
314	Deletion	of the Board of Directors or any committee
315	Format change	of the Board of Directors...be given at least twenty
316	Insertion	-
317	Format change	four hours in advance.
318	Format change	Notice will be sent by...or paper form to each
319-320	Change	"member of the Program" changed to "Member and posted on the...s public website"
321	Format change	. Any Director may waive notice of any meeting.
322	Format change	The attendance of a...called or convened.
323	Format change	Neither the business to...by law or by these
324-325	Change	"By-Laws" changed to "Bylaws"
326	Format change	.
327	Format change	Directors or any member...in person at a meeting.
328	Change	"" changed to "Notice to the Members of...pursuant to state law."
329	Format change	Section 4.10. Quorum. A majority of the
330	Insertion	currently-serving
331	Format change	Board of Directors shall...the Board of Directors
332-333	Change	"for" changed to ". For"
334	Format change	the purpose of a quorum a...into the meeting.
335	Format change	However, if less than a majority of the
336	Insertion	currently-serving
337	Format change	Board of Directors...may adjourn the meeting
338	Deletion	from time to time
339	Format change	without further notice.
340	Format change	Section 4.11. Manner of...by law, by Agreement
341	Insertion	,

342	Format change	or by these
343-344	Change	"By-Laws" changed to "Bylaws"
345	Format change	.
346	Format change	Section 4.12. Termination...whether that Director's
347-348	Change	"non profit" changed to "nonprofit"
349	Format change	entity member employer...or dissolution.
350	Format change	Section 4.13. Rule of Procedures for Meetings.
351	Format change	All meetings of the Board...in accordance with
352-353	Change	"Roberts' Rules of Order" changed to "meeting operating...from time to time"
354	Format change	, except where such rules...and Agreement, or these
355-356	Change	"By-Laws" changed to "Bylaws"
357	Format change	.
358	Format change	Section 4.14. Compensation.
359	Format change	Board of Directors...any of its committees.
360	Format change	Section 4.15. Action by...Without a Meeting.
361	Format change	Any action required by...or committee members.
362	Format change	ARTICLE 5
363	Format change	Officers
364	Format change	Section 5.1. Officers.
365	Format change	The officers of the
366-367	Change	"corporation" changed to "Corporation"
368	Format change	shall be a Chair, a Vice Chair, a Fiscal Officer
369	Insertion	,
370	Format change	and such other officers...of this Article.
371	Format change	The Board of Directors...the Board of Directors.
372	Format change	No more than one office...person simultaneously.
373	Format change	Section 5.2. Election and Term of Office.
374	Format change	The officers of the
375-376	Change	"corporation" changed to "Corporation"
377	Format change	shall be elected every...Directors from among its
378-379	Change	"members prior to" changed to "Members at"
380	Format change	the

381-382	Change	"beginning of the calendar" changed to "first meeting of each fiscal"
383	Format change	year. If the election of...as convenient.
384	Format change	New offices may be...the Board of Directors.
385	Format change	Each officer shall hold office until
386	Insertion	resignation or until such time as
387	Format change	a successor shall have...elected and qualified.
388	Format change	Section 5.3. Removal.
389	Format change	Any officer elected or...the Board of Directors
390-391	Change	", whenever, in its...would be served thereby" changed to "at its sole discretion"
392	Format change	.
393	Format change	Section 5.4. Vacancies.
394	Format change	A vacancy in any office...disqualification
395	Insertion	,
396	Format change	or otherwise, may be...portion of the term.
397	Format change	Section 5.5. Chair.
398	Format change	The Chair of the Board of...executive officer of the
399-400	Change	"corporation" changed to "Corporation"
401	Format change	and shall, in general,...and affairs of the
402-403	Change	"corporation. He or she" changed to "Corporation. The Chair"
404	Format change	shall preside at all...the Board of Directors.
405-406	Change	"He or she" changed to "The Chair"
407	Format change	may sign, with any other proper officer of the
408-409	Change	"corporation" changed to "Corporation"
410	Format change	authorized by the Board...Directors, or by these
411-412	Change	"By-Laws" changed to "Bylaws"
413	Format change	, or by statute, to some...officer or agent of the
414-415	Change	"corporation; and in general, he or she" changed to "Corporation. Subject to...these Bylaws, the Chair"
416	Format change	shall perform all duties...to the office of
417-418	Change	"Chairman" changed to "Chair"
419	Format change	and such other duties as...from time to time.
420	Format change	Section 5.6. Vice Chair.
421	Format change	In the absence of the...upon the Chair.

422	Format change	The Vice Chair shall...the Board of Directors.
423	Format change	Section 5.7. Fiscal Officer.
424	Format change	The Fiscal Officer shall...policies and procedures.
425	Deletion	Section 5.8. Third Party...The Third Party
426	Moved from	Administrator shall have...and securities of the
427	Deletion	corporation; receive
428	Moved from	and give receipts for...due and payable to the
429	Deletion	corporation
430	Moved from	from any source...in the name of the
431	Deletion	corporation
432-433	Moved from	in such banks, trust...with the provisions of
434	Deletion	Article 7 of these By-Laws; and in general
435	Moved from	perform such other duties...the Board of Directors.
436	Deletion	The Third Party
437	Moved from	Administrator shall keep...the Board of Directors,
438	Deletion	in one or more books provided for that purpose;
439	Moved from	see that all notices are...the provisions of these
440	Deletion	By-Laws
441	Moved from	, or as required by law;...and of the seal of the
442	Deletion	corporation
443	Moved from	and see that the seal of the
444	Deletion	corporation
445	Moved from	is affixed to all...which on behalf of the
446	Deletion	corporation
447	Moved from	under its seal is duly...the provisions of these
448	Deletion	By-Laws
449	Moved from	; keep a register of the...be furnished to the
450	Deletion	Third Party
451	Moved from	Administrator by each Member. The
452	Deletion	Third Party
453	Moved from	Administrator shall be...the Board of Directors.
454	Format change	ARTICLE 6
455	Format change	Committees
456	Format change	Section 6.1. Committees...the Board of Directors.

457	Format change	The Board of Directors...one or more committees
458-459	Change	", each of which" changed to "as desired. Each"
460	Format change	shall consist of two or...of Directors members
461-462	Change	", which committees, to...said resolution, shall" changed to "."
463	Insertion	As resolved by the Board...a specific committee can
464	Format change	have and exercise the...in the management of the
465-466	Change	"corporation" changed to "Corporation"
467	Format change	, except that no such...to amending, altering
468	Insertion	,
469	Format change	or repealing the
470-471	Change	"By-Laws" changed to "Bylaws"
472	Format change	; electing, appointing
473	Insertion	,
474	Format change	or removing any member of...with another
475-476	Change	"corporation" changed to "Corporation"
477	Format change	; authorizing the sale, lease, exchange
478	Insertion	,
479	Format change	or mortgage of
480	Deletion	all or substantially
481	Format change	all of the property and assets of the
482-483	Change	"corporation" changed to "Corporation"
484	Format change	; authorizing the voluntary dissolution of the
485-486	Change	"corporation" changed to "Corporation"
487	Format change	or revoking proceedings,...of the assets of the
488-489	Change	"corporation" changed to "Corporation"
490	Format change	; or amending, altering
491	Insertion	,
492	Format change	or repealing any...not be amended, altered
493	Insertion	,
494	Format change	or repealed by such...forth in the Agreement.
495	Format change	The designation and...it or him or her by law.
496	Insertion	Standing Committees of...is based solely on need.
497	Insertion	1. Executive Committee. ...Chair, Fiscal Officer

498	Insertion	Function: Discuss legal...and associations.
499	Insertion	2. Fiscal Committee. ...additional directors.
500	Insertion	Function: Monthly...to the full Board.
501	Format change	Section 6.2. Other...in the management of the
502-503	Change	"corporation" changed to "Corporation"
504	Format change	may be appointed in such...may be designated by a
505	Deletion	resolution adopted by a
506	Format change	majority of the Board of...a quorum is present.
507-508	Change	"Except as otherwise...such resolution, members" changed to "Members"
509	Format change	of each such committee...of Members of the
510-511	Change	"corporation" changed to "Corporation"
512	Format change	, and the Chair of the
513-514	Change	"corporation" changed to "Corporation"
515	Format change	shall appoint the
516-517	Change	"members" changed to "Members"
518	Format change	thereof.
519	Format change	Any
520-521	Change	"member" changed to "Member"
522	Format change	thereof may be removed by...to appoint such
523-524	Change	"member" changed to "Member"
525	Format change	whenever, in their...best interests of the
526-527	Change	"corporation" changed to "Corporation"
528	Format change	shall be served by such removal.
529	Insertion	Ad Hoc Committees:
530	Insertion	For specific purposes, as...are not termed.
531	Format change	Section 6.3. Term of Office.
532	Format change	Each member of a committee shall continue as such
533	Deletion	until the next annual...of the corporation and
534	Format change	until a successor is...be sooner terminated,
535-536	Change	"or unless such" changed to "the"
537	Format change	member
538-539	Change	"be" changed to "is"
540	Format change	removed from such committee, or
541	Deletion	unless

542	Format change	such member shall cease...as a member thereof.
543	Format change	Section 6.4.
544-545	Change	"Chairman" changed to "Chair"
546	Format change	.
547	Format change	One member of each committee shall be appointed
548-549	Change	"chair" changed to "Chair"
550	Format change	by the person or persons...the members thereof.
551	Format change	Section 6.5. Vacancies.
552	Format change	Vacancies in the...made in the same manner
553	Insertion	,
554	Format change	as provided in the case...original appointments.
555	Format change	ARTICLE 7
556	Format change	Administrator
557	Insertion	& Program Brokerage Services
558	Format change	Section
559-560	Change	"7.1." changed to "7.1.1. Administrator"
561	Format change	Appointment and Removal. ...Board of Directors shall
562-563	Change	"appoint and employ" changed to "engage"
564	Format change	a Third Party Administrator of the
565-566	Change	"corporation" changed to "Corporation"
567	Format change	(the "Administrator"), who shall be
568-569	Change	"appointed and removable" changed to "selected by and subject to termination"
570	Format change	by the Board of Directors pursuant to
571-572	Change	"whatever employment...in writing." changed to "a written contract...in WAC 200-150-038."
573	Format change	Section
574-575	Change	"7.2." changed to "7.1.2."
576	Format change	Powers and Duties.
577	Format change	The Administrator shall...administrator of the
578-579	Change	"corporation" changed to "Corporation"
580	Format change	and shall have control of...functions of the
581-582	Change	"corporation. He or she" changed to "Corporation. The Administrator"

583	Format change	shall carry out the...of the affairs of the
584-585	Change	"corporation" changed to "Corporation"
586	Format change	. The Administrator shall...and needs of the
587-588	Change	"corporation." changed to "Corporation."
589	Deletion	Section 7.3....contract or resolution.
590	Insertion	Section 7.1.3. Administrator. The
591	Moved to	Administrator shall have...and securities of the
592	Insertion	Corporation; receive,
593	Moved to	and give receipts for...due and payable to the
594	Insertion	Corporation
595	Moved to	from any source...in the name of the
596	Insertion	Corporation
597	Moved to	in such banks, trust companies
598	Insertion	,
599	Moved to	or other depositories as...with the provisions of
600	Insertion	these Bylaws; and in general,
601	Moved to	perform such other duties...the Board of Directors.
602	Insertion	The
603-604	Moved to	Administrator shall keep...the provisions of these
605	Insertion	Bylaws
606	Moved to	, or as required by law;...and of the seal of the
607	Insertion	Corporation
608	Moved to	and see that the seal of the
609	Insertion	Corporation
610	Moved to	is affixed to all...which on behalf of the
611	Insertion	Corporation
612	Moved to	under its seal is duly...the provisions of these
613	Insertion	Bylaws
614-616	Moved to	; keep a register of the...the Board of Directors.
617	Insertion	Section 7.1.4....by budget acceptance.
618	Insertion	Section 7.2.1. Program...as the Administrator.
619	Insertion	Section 7.2.2. Powers and...for the Program.
620	Insertion	Section 7.2.3....by budget acceptance.

621	Format change	ARTICLE 8
622	Format change	Indemnification
623	Format change	The Board of Directors and Members of the
624-625	Change	"corporation" changed to "Corporation"
626	Format change	; its directors,...and the Administrator,
627	Insertion	Broker,
628	Format change	its agents, directors, officers
629	Insertion	,
630	Format change	and employees shall:
631	Format change	1. Use reasonable and...duties as relates to the
632-633	Change	"corporation" changed to "Corporation"
634	Format change	;
635	Format change	2. Not be liable for, and...and defended by the
636-637	Change	"corporation" changed to "Corporation"
638	Format change	, for any act of...any mistake of judgment
639	Insertion	,
640	Format change	or any other action,...and on behalf of the
641-642	Change	"corporation" changed to "Corporation"
643	Format change	;
644	Format change	3. Not be liable for any...as they are invested
645	Insertion	,
646	Format change	according to the...the Board of Directors.
647	Format change	The
648-649	Change	"corporation" changed to "Corporation"
650	Format change	will purchase, subject to...and the Administrator
651	Insertion	/Broker
652	Format change	.
653	Format change	The
654-655	Change	"corporation" changed to "Corporation"
656	Format change	shall indemnify every...other committee of the
657-658	Change	"corporation" changed to "Corporation"
659	Format change	, employee, or agent of the
660-661	Change	"corporation" changed to "Corporation"
662	Format change	, or the Administrator,...directors, officers

663	Insertion	,
664	Format change	or employees in the furtherance of
665-666	Change	"corporation" changed to "Corporation"
667	Format change	business, against...with such action, suit
668	Insertion	,
669	Format change	or proceeding, to the...by applicable law.
670	Format change	Such indemnification may,...of such action, suit
671	Insertion	,
672	Format change	or proceeding, subject to...any applicable statute.
673-674	Change	"This" changed to "The"
675	Format change	indemnification provided...procedures
676	Insertion	,
677	Format change	or investigations brought...or at the request of the
678-679	Change	"corporation." changed to "Corporation."
680	Format change	No indemnification shall...proceeding
681	Insertion	,
682	Format change	or process of any type where the
683-684	Change	"corporation" changed to "Corporation"
685	Format change	and the individual are opposing each other.
686	Format change	ARTICLE 9
687	Format change	Coverage Determinations and Appeal Rights
688	Format change	Section 9.1. Coverage Determinations.
689	Format change	All coverages are limited...provided through the
690-691	Change	"corporation" changed to "Corporation"
692	Format change	as identified in Section 3.4.3 of the Agreement
693-694	Change	". " changed to ", as follows:"
695	Insertion	The insurance afforded to...of this Agreement.
696	Format change	The Administrator, acting on behalf of the
697-698	Change	"corporation" changed to "Corporation"
699	Format change	, shall make all initial...as respects the
700-701	Change	"corporation" changed to "Corporation"
702	Format change	's self retention or deductible
703	Insertion	, when applicable,
704	Format change	under the jointly...policies of insurance.
705	Format change	Such determinations shall...consultation with

		the
706-707	Change	"corporation" changed to "Corporation"
708	Format change	's insurance carrier.
709	Format change	(a) Upon receiving notice...coverage determination.
710	Format change	(b) Upon making a...in writing.
711	Format change	If the claim or complaint may exceed the
712-713	Change	"corporation" changed to "Corporation"
714	Format change	's self retention or deductible,
715	Insertion	when applicable,
716	Format change	the Administrator shall...of that determination.
717	Format change	(c) The written coverage...the following issues:
718	Format change	(1) Whether the
719-720	Change	"corporation" changed to "Corporation"
721	Format change	will provide the Covered...Summons and Complaint
722-723	Change	". " changed to " ; "
724	Format change	Whether the
725-726	Change	"corporation" changed to "Corporation"
727	Format change	is reserving any rights...coverage determinations
728-729	Change	". " changed to " ; and "
730	Format change	(3)
731	Format change	Whether the
732-733	Change	"corporation" changed to "Corporation"
734	Format change	is denying coverage for...Complaint under review.
735	Format change	In the event that...inform the Covered Party
736	Insertion	,
737	Format change	in writing
738	Insertion	,
739	Format change	of the appeal process...2 of this Article.
740	Format change	(d) In the event the...determines that the
741	Format change	Program should
742	Insertion	:
743	Format change	(1) reserve its rights to...determination, or (2)
744-745	Change	"determine that" changed to "deny"

746	Format change	coverage
747	Deletion	should be denied
748	Format change	, then the written notice...reservation or denial.
749	Format change	(e) In the event that a...to the Administrator.
750	Format change	The determination shall...9.1(c) and 9.1(d).
751	Format change	(f) All written...is only binding upon the
752-753	Change	"corporation" changed to "Corporation"
754	Format change	and relates only to the...insures the Program.
755	Format change	The determination of the...who insures the Program.
756	Format change	Covered Parties are...issued by that carrier.
757	Format change	If a claim or Complaint...of coverage.
758	Format change	In those instances, all...policy issued by the
759-760	Change	"Association" changed to "Program"
761	Format change	s carrier.
762	Format change	The Covered Party shall...Administrator's office
763	Insertion	,
764	Format change	unless otherwise instructed by the Administrator.
765	Format change	The provisions of this...and/or costs of defense.
766	Format change	In those instances, if a...of coverage issues.
767	Format change	(g) The Administrator...received notice thereof.
768	Format change	However, the...of the Covered Party.
769	Format change	If the Administrator...(b), (c), (d), (e)
770	Insertion	,
771	Format change	and (f).
772	Format change	Section 9.2. Appeal.
773	Format change	Any written determination...by the Covered Party.
774	Format change	The following appeal...and/or costs of defense.
775	Format change	There is no appeal from a...and/or costs of defense.
776	Format change	(a) Any Covered Party...the Board of Directors.
777	Format change	The appeal must be...written determination.
778	Format change	If an appeal is not...of the Administrator.
779	Format change	(b) An appeal is deemed...or upon the Chair

		of the
780-781	Change	"corporation" changed to "Corporation"
782	Format change	.
783	Format change	The written Notice of...following information:
784	Format change	The name of the Covered...initiating the appeal
785-786	Change	". " changed to ";"
787	Format change	(2) A brief statement identifying the subject of
788	Insertion	,
789	Format change	and basis for
790	Insertion	,
791	Format change	the appeal.
792	Format change	A copy of the...to the Notice of Appeal
793-794	Change	". " changed to ";" and"
795	Format change	(3) The signature of the...legal representative.
796	Format change	(c)
797-798	Change	"Within thirty (30) days" changed to "At the next scheduled Board meeting"
799	Format change	, or such time as is agreed
800	Deletion	,
801	Format change	after an appeal has been initiated,
802-803	Change	"a meeting" changed to "the Board"
804	Format change	of
805	Deletion	the Board of
806	Format change	Directors
807-808	Change	"shall be convened by the...Board of Directors to" changed to "will"
809	Format change	hear the appeal.
810	Format change	Notice of the date set for
811-812	Change	"hearing of" changed to "meeting to hear"
813	Format change	the appeal by the Board...Party not later than
814-815	Change	"fifteen" changed to "ten"
816	Format change	(
817-818	Change	"15" changed to "10"
819	Format change) days prior to the date set
820	Deletion	for the hearing
821	Format change	.

822	Format change	The Chair of the Board of...the authority to set
823	Deletion	hearing
824	Format change	dates
825-826	Change	"for" changed to "to hear"
827	Format change	the appeal and to grant...good cause is shown.
828	Format change	(d) The hearing by the...Section 4.6, is present.
829	Format change	Voting by the Board of...in Sections 4.6 and 4.7.
830	Format change	However, members of the...they are affiliated.
831	Format change	(e) The hearing of the...proceed as follows:
832	Format change	(1) The Chair of the...during the hearing
833-834	Change	". " changed to ";"
835	Format change	(2) The Covered Party or...basis for the appeal.
836	Format change	The Covered Party shall...testimony, argument
837	Insertion	,
838	Format change	and legal authority...the Administrator and/or
839-840	Change	"corporation" changed to "Corporation"
841	Format change	's legal representative...testimony, argument
842	Insertion	,
843	Format change	and legal authority...evidence and argument
844-845	Change	". " changed to ";"
846	Format change	(3) Following the...of the appeal.
847	Format change	Thereafter, the Board of...to decide the appeal.
848	Format change	The Board of Directors...of the Administrator.
849	Format change	The decision of the Board...the Board of Directors
850-851	Change	". " changed to ";" and"
852	Format change	(4) The Chair may...any hearing on an appeal
853	Insertion	,
854	Format change	as may be necessary
855	Insertion	,
856	Format change	to preserve a fair hearing.
857	Format change	A final decision of the...the Board of Directors'
858	Deletion	s
859	Format change	coverage determination.

860	Format change	However, no Covered Party...or complaint against the
861-862	Change	"corporation" changed to "Corporation"
863	Format change	alleging any improper or...provided herein.
864	Format change	Exhaustion of these...suit by a Covered Party.
865	Format change	ARTICLE 10
866	Format change	Conflict of Interest and...of Fairness Procedure
867	Format change	All Members of the
868-869	Change	"corporation" changed to "Corporation"
870	Format change	, the Board of Directors,...actions relating to the
871-872	Change	"corporation." changed to "Corporation."
873	Format change	Any person who has a...voting on such matter.
874	Format change	ARTICLE 11
875	Format change	Contracts, Checks, Deposits
876	Insertion	,
877	Format change	and Funds
878	Format change	Section 11.1. Contracts.
879	Format change	The Board of Directors...agent or agents
880	Insertion	,
881	Format change	of the
882-883	Change	"corporation" changed to "Corporation"
884	Format change	, in addition to the...so authorized by these
885-886	Change	"By-Laws" changed to "Bylaws"
887	Format change	, to enter into any...of and on behalf of the
888-889	Change	"corporation" changed to "Corporation"
890	Format change	, and such authority may...to specific instances.
891	Format change	Section 11.2. Checks, Drafts, etc.
892	Format change	All checks, drafts
893	Insertion	,
894	Format change	or orders for the payment of money, notes
895	Insertion	,
896	Format change	or other evidences of...in the name of the
897-898	Change	"corporation" changed to "Corporation"
899	Format change	, shall be signed by such...agent or agents
900	Insertion	,
901	Format change	of the
902-903	Change	"corporation" changed to "Corporation"

904	Format change	and in such manner as...to time be determined by
905	Deletion	resolution of
906	Format change	the Board of Directors.
907	Format change	In the absence of such...of Directors Vice Chair
908	Insertion	,
909	Format change	or Fiscal Officer of the
910-911	Change	"corporation" changed to "Corporation"
912	Format change	.
913	Format change	Section 11.3. Deposits.
914	Format change	All funds of the
915-916	Change	"corporation" changed to "Corporation"
917	Format change	shall be deposited from...to the credit of the
918-919	Change	"corporation" changed to "Corporation"
920	Format change	in such banks, trust companies
921	Insertion	,
922	Format change	or other depositories as...the state of Washington
923	Insertion	and the Program's adopted investment policy
924	Format change	.
925	Format change	ARTICLE
926-927	Change	"13" changed to "12"
928	Format change	Books and Records
929	Format change	The Administrator, at the...entitled to vote.
930	Format change	All books and records of the
931-932	Change	"corporation" changed to "Corporation"
933	Format change	may be inspected by any...at any reasonable time.
934	Format change	ARTICLE
935-936	Change	"14" changed to "13"
937	Format change	Fiscal Year
938	Format change	The fiscal year of the
939-940	Change	"corporation" changed to "Corporation"
941	Format change	shall be from June 1...year, or as set by
942	Deletion	resolution of
943	Format change	the Board of Directors.
944	Format change	ARTICLE

945-946	Change	"15" changed to "14"
947	Format change	Waiver of Notice
948	Format change	Whenever any notice is...of Incorporation or the
949-950	Change	"By-Laws" changed to "Bylaws"
951	Format change	of the
952-953	Change	"corporation" changed to "Corporation"
954	Format change	, a waiver thereof in...giving of such notice.
955	Format change	ARTICLE
956-957	Change	"16" changed to "15"
958	Format change	Amendments to
959-960	Change	"By-Laws" changed to "Bylaws"
961	Format change	These
962-963	Change	"By-Laws" changed to "Bylaws"
964	Format change	may be altered, amended or repealed and new
965-966	Change	"By-Laws" changed to "Bylaws"
967	Format change	may be adopted by an...Member of the Program
968	Insertion	and the State Risk Manager
969	Format change	notice in electronic or...advance of the Board of
970-971	Change	"Director's" changed to "Directors"
972	Format change	meeting in which a vote on the proposed change
973-974	Change	"/" changed to "("
975	Format change	s
976	Insertion)
977	Format change	will occur
978	Insertion	, or pursuant to State...notice is greater
979	Format change	. Such notice shall...of proposed changes.
980	Insertion	
981	Format change	Date
982-983	Change	"Darren R. Brugmann" changed to ""
984	Format change	, Chair
985	Change	"Lynn M. Moody" changed to ""
986	Format change	, Vice Chair
987	Insertion	4.16. <i>Services to Non-Members...Manager.</i>

BY-LAWS¹

²OF³

THE NON PROFIT INSURANCE PROGRAM⁴

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~~THE NON PROFIT INSURANCE PROGRAM⁸~~

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~~THE NON-PROFIT INSURANCE PROGRAM~~⁷⁷

~~ARTICLE 1~~⁷⁸

~~Offices~~⁷⁹

The principal office of the Non Profit Insurance Program (hereafter "the Program" or "the Corporation") shall be located within the state of Washington at the offices of the Third Party Administrator. The ~~corporation~~⁸⁰ Corporation⁸¹ may have such other offices, either within or ~~without~~⁸³ outside of⁸⁴ the state of Washington, as the Board of Directors may determine or as the affairs of the ~~corporation~~⁸⁶ Corporation⁸⁷ may require from time to time.⁸⁹

The ~~corporation~~⁹⁰ Corporation⁹¹ shall have and continuously maintain in the state of Washington a registered office, and a registered agent whose office is identical with such registered office, as required by the Washington Non Profit Corporation Act, Chapter 24.03 Revised Code of Washington. The registered office may be, but need not be, identical with the principal office of the ~~corporation~~⁹³ Corporation⁹⁴, and the address of the registered office may be changed from time to time by the Board of Directors.⁹⁶

~~ARTICLE 2~~⁹⁷

~~Members~~⁹⁸

Section 2.1. ⁹⁹ *Members and Qualifications for Membership.* ¹⁰⁰ The Corporation shall have Members. ¹⁰¹ Eligibility for Membership in the ~~corporation~~¹⁰² Corporation¹⁰³ shall be limited to ~~non-profit entities organized and existing pursuant to Washington law, or to the extent permitted by law, organized under the laws of any other state and authorized to do business in the state of Washington. Non-profit entites~~¹⁰⁶ nonprofit entities. Nonprofit entities¹⁰⁷ wishing to become Members of the ~~corporation~~¹⁰⁸ Corporation¹⁰⁹ shall submit an application to the ~~corporation~~¹¹¹ Corporation¹¹² on a form prescribed by the ~~corporation~~¹¹⁴ Corporation. ¹¹⁶ Members elected to membership pursuant to Section ~~2.~~¹¹⁷ 2.3 must sign¹¹⁹ the Non Profit Insurance Program ¹²⁰ Membership Agreement ¹²¹ (the "Agreement") ~~before such membership shall become effective~~^{123 124}.

Section 2.2. *Member Representative.* Each Member shall appoint one representative who shall be authorized to exercise the Member's voting rights in the ~~corporation~~¹²⁵ Corporation¹²⁶, if any, and to act on behalf of the Member with respect to all matters pertaining to the ~~corporation~~¹²⁸ Corporation. ¹³⁰ Only directors, officers and employees of a Member shall be eligible to be appointed as a representative of a Member.¹³¹ The name of the person appointed as a Member's representative shall be submitted ~~in writing to the corporation~~¹³² to the Corporation directly or via member's agent/broker via mail, email, or application¹³⁴. A change in a Member's appointed representative shall not become effective until the

¹³⁵ ~~corporation~~ ¹³⁶ Corporation ¹³⁷ has received ¹³⁸ ~~written~~ ¹³⁹ notice of such change. ¹⁴⁰ ~~Each Member may also select an~~ ¹⁴¹ The ¹⁴² alternate Member representative ¹⁴³ indicated on the renewal application will be used, if necessary, ¹⁴⁴ to serve and act in the absence of the Member's representative. ¹⁴⁵

Section 2.3. *Selection of Additional Members.* Additional Members shall be admitted when approved by the Board of Directors. An affirmative majority vote of the Board of Directors present at a regular or special meeting shall be required for admission. ¹⁴⁶

Section ¹⁴⁷ ~~2.4~~ ¹⁴⁸ 2.4. ¹⁴⁹ *Voting Rights and Procedures.* Each Member shall be entitled to one vote on each matter submitted to a vote of the Members on the date the vote is taken, unless a record date for voting purposes is fixed by the Board of Directors. Members present on the day of the meeting of the membership shall be entitled to vote at such meeting ¹⁵⁰ per applicable state law ¹⁵¹. The vote may be taken by mail or by electronic transmission ¹⁵² (¹⁵³ if the name of each candidate and the text of each proposal to be voted upon are set forth in a record accompanying or contained in the notice of meeting ¹⁵⁴) ¹⁵⁵. An election may be conducted by electronic transmission if the ¹⁵⁶ ~~corporation~~ ¹⁵⁷ Corporation ¹⁵⁸ has designated an address, location, or system to which the ballot may be electronically transmitted and the ballot is electronically transmitted to the designated address, location, or system, in an executed electronically transmitted record. Members voting by mail or electronic transmission are present for all purposes. ¹⁵⁹

Section 2.5. *Cancellation of Membership.* The membership of any Member of the ¹⁶⁰ ~~corporation~~ ¹⁶¹ Corporation ¹⁶² may be canceled ¹⁶³ ~~£~~ ¹⁶⁴ pursuant to the provisions of Section 3.14 of the Agreement. ¹⁶⁵

Section 2.6. *Resignation.* Any Member may resign from the ¹⁶⁶ ~~corporation~~ ¹⁶⁷ Corporation, ¹⁶⁸ pursuant to the procedures and limitations specified in Sections 3.13 and 3.15 of the Agreement. ¹⁶⁹

Section 2.7. *Transfer of Membership.* ¹⁷⁰ Membership in this ¹⁷¹ ~~corporation~~ ¹⁷² Corporation ¹⁷³ is not transferable or assignable. ¹⁷⁴

ARTICLE 3 ¹⁷⁵

Meetings of Members ¹⁷⁶

Section 3.1. ¹⁷⁷ *Annual Meeting.* ¹⁷⁸ At the discretion of the Board of Directors ¹⁷⁹ ~~£~~ ¹⁸⁰ an annual meeting of the Members shall be held each year, ¹⁸¹ ~~if needed,~~ ¹⁸² with a date designated ¹⁸³ ~~in writing by the Chair of the Board of Directors thirty~~ ¹⁸⁴ on the Corporation's website, ten ¹⁸⁵ days before the meeting, ¹⁸⁶ ~~at such time and place designated in writing by the Chair~~ ¹⁸⁷ per applicable state law ¹⁸⁸, for the purpose of ¹⁸⁹ delivering the Annual Report of the Program and/or ¹⁹⁰ transacting such business as may come before the meeting. ¹⁹¹ The Annual Report of the Program shall also be posted to the Corporation's website or delivered to each Member by electronic or regular mail ¹⁹²

Section 3.2. *Special Meetings.* ¹⁹³ Special meetings of the Members may be called by the Board of Directors or not less than one-fourth of the Members having voting rights. ¹⁹⁴ Notice to the Members of the program and the State Risk Manager will be provided by electronic mail twenty-four hours in advance of the meeting. ¹⁹⁵

Section 3.3.¹⁹⁶ *Place of Meeting.*¹⁹⁷ The Board of Directors may designate any place as the place of ¹⁹⁸the¹⁹⁹ meeting for any ²⁰⁰~~annual meeting or for any special~~²⁰¹ meeting called by the Board of Directors.²⁰² If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the office of the Third Party Administrator in the state of Washington.²⁰³ ~~If all of the Members shall meet at any time and place, either within or without the state of Washington, and consent to the holding of a meeting, such meeting shall be valid without call or notice and any corporate action may be taken at such meeting.~~²⁰⁴

Section ²⁰⁵~~3.4~~²⁰⁶ 3.4.²⁰⁷ *Notice of Meetings.* Written notice stating the place, day²⁰⁸ ~~.~~²⁰⁹ and hour of any meeting of Members shall be delivered to each Member entitled to vote at such meeting²¹⁰ and the State Risk Manager²¹¹, not less than ten days before the date of such meeting, by or at the direction of the Chair of the Board of Directors, or the Third Party Administrator or persons calling the meeting.²¹² Notice to the Members of the program will be provided pursuant to Washington law.²¹³

Section ²¹⁴~~3.5~~²¹⁵ 3.5.²¹⁶ *Manner of Acting.* For deciding all matters referred to the membership, a quorum consists of those present. A majority of the votes cast on a matter to be voted upon by the Members present at a meeting, at which a quorum is present, shall be necessary for the adoption thereof, unless a greater proportion is required by law, the Agreement²¹⁷ ~~.~~²¹⁸ or by these By-Laws.²¹⁹

Section 3.6. *Rule of Procedure for Meetings.*²²⁰ All meetings of the membership shall be conducted in accordance with ²²¹~~Roberts' Rules of Order~~²²² meeting operating procedures established by the Board of Directors from time to time²²³, except where such rules are in conflict with applicable law, the Agreement, or these ²²⁴~~By-Laws~~²²⁵ Bylaws²²⁶ ~~.~~²²⁷

ARTICLE 4²²⁸

*Board of Directors*²²⁹

Section 4.1. *General Powers.*²³⁰ The affairs of the ²³¹~~corporation~~²³² Corporation²³³ shall be managed by its Board of Directors.²³⁴

Section 4.2. *Composition.*²³⁵ The Board will be comprised of seven (7) elected member representatives to be known as Directors.²³⁶ One ²³⁷(1)²³⁸ Regional Director will be elected from each of the four Regions of the state (See 4.3).²³⁹ Three ²⁴⁰(3)²⁴¹ At-Large Directors will also be elected.²⁴²

Section 4.3. *Regions.*²⁴³ There will be four geographical regions in the state, each comprised of a balanced, ²⁴⁴~~contiguous~~²⁴⁵ contiguous²⁴⁶ set of Washington counties.²⁴⁷ ~~The regional location of a member will be determined by the address of the Register~~²⁴⁸ A Member wishing to serve on the Board of Directors may represent a region based either on address of Registered²⁴⁹ Agent listed on the ²⁵⁰~~corporation~~²⁵¹ Corporation²⁵²'s Annual Report to the Washington Secretary of State²⁵³ ~~.~~²⁵⁴ or an area of service listed in the Member's annual report.²⁵⁵

Section 4.4. *Term of Office.*²⁵⁶ The term of office ²⁵⁷~~will be~~²⁵⁸ is²⁵⁹ four years.²⁶⁰ Terms ²⁶¹~~will~~²⁶² shall²⁶³ be staggered by two years to create a rotation in Board Membership. Regional Directors 1 and 3 and At-Large Director 1 and 3 will form one group. Regional Directors 2 and 4 and At-Large Director ²⁶⁴~~3~~²⁶⁵ 2²⁶⁶ will ²⁶⁷~~be~~²⁶⁸ form the second group.²⁶⁹

Section 4.5.²⁷⁰ *Elections and Voting.*²⁷¹ At-Large Directors and Regional Directors will be elected by the Members.²⁷² A Director must receive a majority of the votes cast for the position.²⁷³ Elections will be conducted by ~~274 mail-in~~²⁷⁵ ballot²⁷⁶ ~~277~~ in accordance with procedures detailed in WAC ~~278 82-60-0203.~~²⁷⁹ 200-150, or applicable state law.²⁸⁰

Section 4.6. *Voluntary Resignation and Vacancies.*²⁸¹ A Director who is absent from three consecutive, regularly scheduled Board of Directors meetings or one-half of the Board of Directors meetings during the ~~282 year~~²⁸³ prior twelve months,²⁸⁴ without acceptable excuse²⁸⁵ ~~286~~ shall be deemed to have voluntarily resigned from the Board of Directors.²⁸⁷ At any meeting of the Board of Directors at which there are absences, the Board of Directors shall determine if they are excused.²⁸⁸ Any vacancy on the Board of Directors shall be filled by the nomination and election by a majority vote of the remaining Directors²⁸⁹ and will remain in the position for the remainder of the term²⁹⁰ ~~291~~.

Section 4.7. *Regular Meetings.*²⁹² Members of the Program shall be provided with a notice of the time and place of each regular meeting of the Board of Directors. This notice will be made at least ten days prior to the meeting²⁹³ ~~294~~ per applicable state law.²⁹⁵ The notice, including the time and location of each meeting, shall be delivered in electronic or paper form²⁹⁶ ~~In addition to electronic or regular mail, notification of regular meetings will be~~²⁹⁷ and²⁹⁸ posted on the ~~299 electronic website accessible to the public.~~³⁰⁰ Corporation's public website. Notice to the Members of the Corporation will be provided, pursuant to state law.³⁰¹ Meetings of the Board of Directors may be held by conference telephone or individual Directors may attend any regular Directors meeting by telephone.³⁰²

Section 4.8. *Special Meetings.*³⁰³ Special meetings of the Board of Directors may be called by, or at the request of, the Chair or any three Directors.³⁰⁴ Special meetings of any committee of the Board of Directors may be called by³⁰⁵ ~~306~~ or at the request of³⁰⁷ ~~308~~ the Chair of the Board of Directors or any two Directors.³⁰⁹ The person or persons authorized to call special meetings of the Board of Directors or of any committee of the Board of Directors may fix any place, either within or out of the state of Washington, as the place for holding any special meeting of the Board of Directors or committee called by them.³¹⁰ Special meetings may be held by conference telephone or individual Directors may attend special meetings by telephone.³¹¹ ~~Special meetings may be held outside the state of Washington.~~³¹²

Section 4.9 *Notice.* Notice of any special meeting³¹³ ~~of the Board of Directors or any committee~~³¹⁴ of the Board of Directors shall be given at least twenty³¹⁵ ~~316~~ four hours in advance.³¹⁷ Notice will be sent by electronic or paper form to each³¹⁸ ~~member of the Program~~³¹⁹ Member and posted on the Corporation's public website³²⁰. Any Director may waive notice of any meeting.³²¹ 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.³²² Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or any committee of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these ~~323 By-Laws~~³²⁴ Bylaws³²⁵ ~~326~~. Directors or any member of any Committee of the Board of Directors may participate in a special meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the

meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.³²⁷ Notice to the Members of the program will be provided, pursuant to state law.³²⁸

Section 4.10. *Quorum.* A majority of the ³²⁹currently-serving³³⁰ Board of Directors shall constitute a quorum for the transacting of any business of the Board of Directors³³¹ ~~for~~³³² . For³³³ the purpose of a quorum a Director, upon approval of the board, may telephone conference into the meeting.³³⁴ However, if less than a majority of the ³³⁵currently-serving³³⁶ Board of Directors members are present at said meeting, a majority of the Board of Directors members present may adjourn the meeting³³⁷ ~~from time to time~~³³⁸ without further notice.³³⁹

Section 4.11. *Manner of Acting.* The act of a majority of the Board of Directors members, or a majority of the members of any committee of the Board of Directors, present at a meeting at which a quorum is present shall be the act of the Board of Directors or its committee, unless the act of a greater number is required by law, by Agreement^{340 341} . or by these ³⁴²~~By-Laws~~³⁴³ Bylaws^{344 345}.

Section 4.12. *Termination or Dissolution.* Upon the adoption of a resolution of termination or dissolution of the program, the Board of Directors shall conduct only such affairs as may be necessary for the winding up thereof. Except for Directors who voluntarily resign, the Board will continue as constituted until articles of dissolution are filed with the Secretary of State regardless of whether that Director's ³⁴⁶~~non~~³⁴⁷ nonprofit³⁴⁸ entity member employer has withdrawn or cancelled its membership, provided, however, that the Member did not withdraw prior to the adoption date of the resolution of termination or dissolution.³⁴⁹

Section 4.13. *Rule of Procedures for Meetings.*³⁵⁰ All meetings of the Board of Directors or a committee of the Board of Directors shall be conducted in accordance with ³⁵¹~~Roberts' Rules of Order~~³⁵² meeting operating procedures adopted by the Board of Directors from time to time³⁵³, except where such rules are in conflict with applicable law, and Agreement, or these ³⁵⁴~~By-Laws~~³⁵⁵ Bylaws^{356 357}.

Section 4.14. *Compensation.*³⁵⁸ Board of Directors members or its committee members, as such, shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors or any of its committees.³⁵⁹

Section 4.15. *Action by Board of Directors Members Without a Meeting.*³⁶⁰ Any action required by law to be taken at a meeting of the Board of Directors or any of its committees, or any action which may be taken at a meeting of the Board of Directors or any of its committees, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or committee members.³⁶¹

Section 4.16. *Services to Non-Members* The Board of Directors may authorize the provision of services to non-members of the Corporation subject to the prior approval of the Washington State Risk Manager.

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Section 5.1. *Officers.*³⁶⁴ The officers of the ~~corporation~~³⁶⁵ Corporation³⁶⁶³⁶⁷ shall be a Chair, a Vice Chair, a Fiscal Officer³⁶⁸ ~~£~~³⁶⁹ and such other officers as may be elected in accordance with the provisions of this Article.³⁷⁰ The Board of Directors may elect or appoint such other officers, 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.³⁷¹ No more than one office may be held by the same person simultaneously.³⁷²

Section 5.2. *Election and Term of Office.*³⁷³ The officers of the ~~corporation~~³⁷⁴ Corporation³⁷⁵³⁷⁶ shall be elected every year by the Board of Directors from among its ~~members~~³⁷⁷ ~~prior to~~³⁷⁸ Members at³⁷⁹ the ~~beginning of the calendar~~³⁸⁰ first meeting of each fiscal³⁸¹³⁸² year. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient.³⁸³ New offices may be created and filled at any meeting of the Board of Directors.³⁸⁴ Each officer shall hold office until ~~resignation or until such time as~~³⁸⁵ resignation or until such time as³⁸⁶ a successor shall have been duly elected and qualified.³⁸⁷

Section 5.3. *Removal.*³⁸⁸ Any officer elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors³⁸⁹ ~~, whenever, in its judgment, the best interests of the corporation would be served thereby~~³⁹⁰ at its sole discretion³⁹¹ ~~.~~³⁹²

Section 5.4. *Vacancies.*³⁹³ A vacancy in any office because of death, resignation, removal, disqualification³⁹⁴ ~~£~~³⁹⁵ or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.³⁹⁶

Section 5.5. *Chair.*³⁹⁷ The Chair of the Board of Directors shall be the principal executive officer of the ~~corporation~~³⁹⁸ Corporation³⁹⁹⁴⁰⁰ and shall, in general, supervise and control all of the business and affairs of the ~~corporation. He or she~~⁴⁰¹ Corporation. The Chair⁴⁰²⁴⁰³ shall preside at all meetings of the Members and the Board of Directors.⁴⁰⁴ ~~He or she~~⁴⁰⁵ The Chair⁴⁰⁶ may sign, with any other proper officer of the ~~corporation~~⁴⁰⁷ Corporation⁴⁰⁸⁴⁰⁹ 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 when the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these ~~By-Laws~~⁴¹⁰ Bylaws⁴¹¹⁴¹², or by statute, to some other officer or agent of the ~~corporation; and in general, he or she~~⁴¹³ Corporation.⁴¹⁴ Subject to limitation by the Board of Directors, statute, or these Bylaws, the Chair⁴¹⁵ shall perform all duties incident to the office of ~~Chairman~~⁴¹⁶ Chair⁴¹⁷⁴¹⁸ and such other duties as may be prescribed by the Board of Directors from time to time.⁴¹⁹

Section 5.6. *Vice Chair.*⁴²⁰ In the absence of the Chair or in the event of the Chair's inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair.⁴²¹ The Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors.⁴²²

Section 5.7. *Fiscal Officer.*⁴²³ The Fiscal Officer shall be responsible to act with the Third Party Administrator as directed by the Chair of the Board to carry out Board of Directors fiscal policies and procedures.⁴²⁴

~~Section 5.8. *Third Party Administrator.* The Third Party⁴²⁵ Administrator shall have charge and custody of and be responsible for all funds and securities of the ~~corporation; receive~~⁴²⁶ ~~and give receipts for moneys due and payable to the~~⁴²⁷ ~~corporation~~⁴²⁸ ~~from any source whatsoever, and deposit all such moneys in the name of the~~⁴²⁹ ~~corporation~~⁴³⁰ ~~in such banks, trust companies~~⁴³¹ ~~or other~~⁴³²~~

depositories as shall be selected, in accordance with the provisions of ~~Article 7 of these By-Laws;~~ and in general⁴³⁴ perform such other duties as from time to time may be assigned to him by the Chair or by the Board of Directors. ~~The Third Party⁴³⁶ Administrator shall keep the minutes of the meetings of the Members, the Board of Directors, and any committees of the Board of Directors,⁴³⁷ in one or more books provided for that purpose;⁴³⁸ see that all notices are duly given, in accordance with the provisions of these⁴³⁹ By-Laws⁴⁴⁰, or as required by law; be custodian of the corporate records and of the seal of the⁴⁴¹ corporation⁴⁴² and see that the seal of the⁴⁴³ corporation⁴⁴⁴ is affixed to all documents, the execution of which on behalf of the⁴⁴⁵ corporation⁴⁴⁶ under its seal is duly authorized, in accordance with the provisions of these⁴⁴⁷ By-Laws⁴⁴⁸; keep a register of the post office address of each Member and each representative of each Member which shall be furnished to the⁴⁴⁹ Third Party⁴⁵⁰ Administrator by each Member. The⁴⁵¹ Third Party⁴⁵² Administrator shall be bonded in an amount determined by the Board of Directors.⁴⁵³~~

ARTICLE 6⁴⁵⁴ Committees⁴⁵⁵

Section 6.1. *Committees of the Board of Directors.*⁴⁵⁶ The Board of Directors may designate and appoint one or more committees⁴⁵⁷, ~~each of which⁴⁵⁸ as desired. Each⁴⁵⁹ shall consist of two or more Board of Directors members⁴⁶⁰, which committees, to the extent provided in said resolution, shall⁴⁶¹ ⁴⁶²~~

As resolved by the Board of Directors, a specific committee can⁴⁶³ have and exercise the authority of the Board of Directors in the management of the⁴⁶⁴ corporation⁴⁶⁵ Corporation⁴⁶⁶, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering⁴⁶⁷ ⁴⁶⁸ or repealing the⁴⁶⁹ By-Laws⁴⁷⁰ Bylaws⁴⁷¹; electing, appointing⁴⁷² ⁴⁷³ or removing any member of any such committee; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another⁴⁷⁴ corporation⁴⁷⁵ Corporation⁴⁷⁶; authorizing the sale, lease, exchange⁴⁷⁷ ⁴⁷⁸ or mortgage of⁴⁷⁹ ~~all or substantially⁴⁸⁰~~ all of the property and assets of the⁴⁸¹ corporation⁴⁸² Corporation⁴⁸³; authorizing the voluntary dissolution of the⁴⁸⁴ corporation⁴⁸⁵ Corporation⁴⁸⁶ or revoking proceedings, therefore, adopting a plan for the distribution of the assets of the⁴⁸⁷ corporation⁴⁸⁸ Corporation⁴⁸⁹; or amending, altering⁴⁹⁰ ⁴⁹¹ or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered⁴⁹² ⁴⁹³ or repealed by such committee or doing any act in conflict with the duties of the Board of Directors as set forth in the Agreement.⁴⁹⁴

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Board of Directors member, of any responsibility imposed upon it or him or her by law.⁴⁹⁵

Standing Committees of the Board are as follows. No other committee established is considered a standing committee of the board and is based solely on need.⁴⁹⁶

1. Executive Committee. Comprised of: Chair, Vice Chair, Fiscal Officer⁴⁹⁷

Function: Discuss legal issues and possible time-sensitive Board issues, initiate and conduct regular reviews for TPA and Brokerage services, per contracts. Work with and evaluate governmental relations professionals, per Board guidelines. Handle advocacy: recommendations on state, regional, and national

issues for nonprofits, recommend action on these issues when asked for support from other nonprofit stakeholders and associations.⁴⁹⁸

2. Fiscal Committee. Comprised of: Fiscal Officer and two additional directors.⁴⁹⁹

Function: Monthly meetings to approve vouchers, review receivable reports, write-offs. Review budget and provide Board recommendation upon budget renewal. Work on renewal terms with staff, when needed, outside of full Board meetings. Other tasks are delegated to the committee such as review of tax and/or dividend issues, if applicable. When this occurs, the ideas should be discussed in committee with a goal of recommendation to the full Board.⁵⁰⁰

Section 6.2. *Other Committees.* Other Committees not having and exercising the authority of the Board of Directors in the management of the ⁵⁰¹corporation⁵⁰² Corporation⁵⁰³ may be appointed in such manner as may be designated by a ⁵⁰⁴resolution adopted by a⁵⁰⁵ majority of the Board of Directors members present at a meeting at which a quorum is present. ~~Except as otherwise provided in such resolution, members~~⁵⁰⁷ Members⁵⁰⁸ of each such committee shall be representatives of Members of the ⁵⁰⁹corporation⁵¹⁰ Corporation⁵¹¹, and the Chair of the ⁵¹²corporation⁵¹³ Corporation⁵¹⁴ shall appoint the ⁵¹⁵members⁵¹⁶ Members⁵¹⁷ thereof. ⁵¹⁸Any ⁵¹⁹member⁵²⁰ Member⁵²¹ thereof may be removed by the person or persons authorized to appoint such ⁵²²member⁵²³ Member⁵²⁴ whenever, in their judgment, the best interests of the ⁵²⁵corporation⁵²⁶ Corporation⁵²⁷ shall be served by such removal.⁵²⁸

Ad Hoc Committees:⁵²⁹

For specific purposes, as determined by the Chair of the Corporation. Ad Hoc committee member(s) will not have authority to act on behalf of the Corporation nor voting privileges for matters subject to board vote. Positions are not termed.⁵³⁰

Section 6.3. *Term of Office.*⁵³¹ Each member of a committee shall continue as such⁵³² ~~until the next annual meeting of the Members of the corporation and~~⁵³³ until a successor is appointed, unless the committee shall be sooner terminated,⁵³⁴ ~~or unless such~~⁵³⁵ the⁵³⁶ member⁵³⁷ ~~be~~⁵³⁸ is⁵³⁹ removed from such committee, or ⁵⁴⁰unless⁵⁴¹ such member shall cease to qualify as a member thereof.⁵⁴²

Section 6.4. ⁵⁴³~~Chairman~~⁵⁴⁴ Chair⁵⁴⁵ ⁵⁴⁶. One member of each committee shall be appointed ⁵⁴⁷chair⁵⁴⁸ Chair⁵⁴⁹ by the person or persons authorized to appoint the members thereof.⁵⁵⁰

Section 6.5. *Vacancies.*⁵⁵¹ Vacancies in the membership of any committee may be filled by appointments made in the same manner⁵⁵² ~~as~~⁵⁵³ as provided in the case of the original appointments.⁵⁵⁴

ARTICLE 7⁵⁵⁵

*Administrator*⁵⁵⁶ & Program Brokerage Services⁵⁵⁷

Section ~~7.1.~~⁵⁵⁸ 7.1.1.⁵⁵⁹ Administrator⁵⁶⁰ *Appointment and Removal.* The Board of Directors shall ⁵⁶¹appoint and employ⁵⁶² engage⁵⁶³ a Third Party Administrator of the ⁵⁶⁴corporation⁵⁶⁵ Corporation⁵⁶⁶ (the "Administrator"), who shall be ⁵⁶⁷appointed and removable⁵⁶⁸ selected by and subject to termination⁵⁶⁹ by the Board of Directors pursuant to ⁵⁷⁰whatever employment arrangement the Board of Directors shall have

~~agreed to with the Administrator in writing.~~⁵⁷¹ a written contract procured and consistent with the requirements set forth in WAC 200-150-038.⁵⁷²

Section ~~573 7.2.~~⁵⁷⁴ 7.1.2.⁵⁷⁵ *Powers and Duties.*⁵⁷⁶ The Administrator shall be the chief administrator of the ~~577 corporation.~~⁵⁷⁸ Corporation⁵⁷⁹ and shall have control of the administrative functions of the ~~580 corporation. He or she~~⁵⁸¹ Corporation. The Administrator⁵⁸² shall carry out the orders of the Board of Directors and shall be responsible to the Board of Directors for the efficient administration of the affairs of the ~~583 corporation~~⁵⁸⁴ Corporation⁵⁸⁵. The Administrator shall keep the Board of Directors fully advised of the financial condition and needs of the ~~586 corporation.~~⁵⁸⁷ Corporation.⁵⁸⁸

~~Section 7.3. Compensation. The Administrator shall receive such compensation as the Board of Directors shall fix by contract or resolution.~~⁵⁸⁹

Section 7.1.3. Administrator. The⁵⁹⁰ Administrator shall have charge and custody of and be responsible for all funds and securities of the⁵⁹¹ Corporation; receive,⁵⁹² and give receipts for moneys due and payable to the⁵⁹³ Corporation⁵⁹⁴ from any source whatsoever, and deposit all such moneys in the name of the⁵⁹⁵ Corporation⁵⁹⁶ in such banks, trust companies⁵⁹⁷ or other depositories as shall be selected, in accordance with the provisions of⁵⁹⁹ these Bylaws; and in general,⁶⁰⁰ perform such other duties as from time to time may be assigned to him by the Chair or by the Board of Directors.⁶⁰¹

The⁶⁰² Administrator shall keep the minutes of the meetings of the Members, the Board of Directors, and any committees of the Board of Directors,⁶⁰³ see that all notices are duly given, in accordance with the provisions of these⁶⁰⁴ Bylaws⁶⁰⁵ , or as required by law; be custodian of the corporate records and of the seal of the⁶⁰⁶ Corporation⁶⁰⁷ and see that the seal of the⁶⁰⁸ Corporation⁶⁰⁹ is affixed to all documents, the execution of which on behalf of the⁶¹⁰ Corporation⁶¹¹ under its seal is duly authorized, in accordance with the provisions of these⁶¹² Bylaws⁶¹³ ; keep a register of the post office address of each Member and each representative of each Member which shall be furnished to the⁶¹⁴ Administrator by each Member. The⁶¹⁵ Administrator shall be bonded in an amount determined by the Board of Directors.⁶¹⁶

Section 7.1.4. Compensation. The Administrator shall receive such compensation as the Board of Directors shall fix by budget acceptance.⁶¹⁷

Section 7.2.1. Program Brokerage Services Appointment and Removal. The Board of Directors shall appoint and employ a Program Broker for the Corporation (the "Broker"), who shall be selected by and subject to termination by the Board of Directors pursuant to a written contract. The Broker can also serve as the Administrator.⁶¹⁸

Section 7.2.2. Powers and Duties. The Broker shall carry out the orders of the Board of Directors and shall be responsible to the Board of Directors. The Broker shall keep the Board of Directors fully advised of the market conditions and insurance needs of the Corporation. The Broker shall provide the duties agreed upon in writing, including but not limited to placement of insurance coverage for the Program.⁶¹⁹

Section 7.2.3. Compensation. The Broker shall receive such compensation as the Board of Directors shall fix by budget acceptance.⁶²⁰

ARTICLE 8⁶²¹
*Indemnification*⁶²²

The Board of Directors and Members of the ⁶²³corporation⁶²⁴ Corporation⁶²⁵; its directors, officers, employees and the Administrator, ⁶²⁶Broker,⁶²⁷ its agents, directors, officers^{628 629} and employees shall:⁶³⁰

1. Use reasonable and ordinary care in the exercise of their duties as relates to the ⁶³¹corporation⁶³² Corporation^{633,634};
2. Not be liable for, and be held harmless and defended by the ⁶³⁵corporation⁶³⁶ Corporation⁶³⁷, for any act of negligence, any mistake of judgment^{638 639} or any other action, made, taken or omitted in good faith and on behalf of the ⁶⁴⁰corporation⁶⁴¹ Corporation^{642, 643};
3. Not be liable for any loss incurred through investment of funds or failure to invest such funds so long as they are invested^{644 645} according to the direction of the Board of Directors.⁶⁴⁶

The ⁶⁴⁷corporation⁶⁴⁸ Corporation⁶⁴⁹ will purchase, subject to availability and cost, insurance providing coverage for Board of Directors members and the Administrator ⁶⁵⁰/Broker^{651 652}.

The ⁶⁵³corporation⁶⁵⁴ Corporation⁶⁵⁵ shall indemnify every person who was or is a party or is or was threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a member of the Board of Directors, any other committee of the ⁶⁵⁶corporation⁶⁵⁷ Corporation⁶⁵⁸, employee, or agent of the ⁶⁵⁹corporation⁶⁶⁰ Corporation⁶⁶¹, or the Administrator, its agents, directors, officers^{662 663} or employees in the furtherance of ⁶⁶⁴corporation⁶⁶⁵ Corporation⁶⁶⁶ business, against expenses (including counsel fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her, in connection with such action, suit^{667 668} or proceeding, to the full extent permitted by applicable law.⁶⁶⁹ Such indemnification may, in the discretion of the Board of Directors, include advances of his or her expenses, in advance of final disposition of such action, suit^{670 671} or proceeding, subject to the provisions of any applicable statute.⁶⁷² ~~This~~⁶⁷³ The⁶⁷⁴ indemnification provided in this Article shall not extend to suits, claims, actions, administrative procedures^{675 676} or investigations brought by or at the request of the ⁶⁷⁷corporation⁶⁷⁸ Corporation⁶⁷⁹. No indemnification shall extend to any person named above in any litigation, administrative proceeding^{680 681} or process of any type where the ⁶⁸²corporation⁶⁸³ Corporation⁶⁸⁴ and the individual are opposing each other.⁶⁸⁵

ARTICLE 9⁶⁸⁶
*Coverage Determinations and Appeal Rights*⁶⁸⁷

Section 9.1. *Coverage Determinations.*⁶⁸⁸ All coverages are limited to those coverages provided through the ⁶⁸⁹corporation⁶⁹⁰ Corporation⁶⁹¹ as identified in Section 3.4.3 of the Agreement^{692 - 693}, as follows:⁶⁹⁴

The insurance afforded to each Member, pursuant to this Agreement, is limited to the insurance provided by any insurer of the Program and the coverages defined in the policies of insurance issued by any insurer of the Program. No coverage, benefit or insurance, in excess or different from that afforded by any insurer of the Program, is offered or afforded to any Member by execution of this Agreement.⁶⁹⁵

The Administrator, acting on behalf of the ⁶⁹⁶corporation ⁶⁹⁷Corporation ⁶⁹⁸, shall make all initial coverage determinations as respects the ⁶⁹⁹corporation ⁷⁰⁰Corporation ⁷⁰¹'s self retention or deductible ⁷⁰², when applicable.⁷⁰³ under the jointly purchased policy or policies of insurance.⁷⁰⁴ Such determinations shall be made according to the procedures set forth in this Article and subject to the right of appeal set forth in Section 9.2. Such determination shall be made after appropriate consultation with the ⁷⁰⁵corporation ⁷⁰⁶Corporation ⁷⁰⁷'s insurance carrier.⁷⁰⁸

- (a) Upon receiving notice of a claim or a Summons and Complaint against a Member and/or persons requesting coverage (the "Covered Party"), the Administrator shall, within forty-five (45) days or such other reasonable time as agreed after receipt of said notice, make an initial coverage determination.⁷⁰⁹
- (b) Upon making a coverage determination, the Administrator shall notify the Covered Party of the determination in writing.⁷¹⁰ If the claim or complaint may exceed the ⁷¹¹corporation ⁷¹²Corporation ⁷¹³'s self retention or deductible, ⁷¹⁴when applicable,⁷¹⁵ the Administrator shall inform the Member or Covered Party of that determination.⁷¹⁶
- (c) The written coverage determination shall address the following issues:⁷¹⁷
 - (1) Whether the ⁷¹⁸corporation ⁷¹⁹Corporation ⁷²⁰ will provide the Covered Party legal counsel for defense of the Summons and Complaint⁷²¹ ~~;~~ ^{722, 723} and
 - (2) Whether the ⁷²⁴corporation ⁷²⁵Corporation ⁷²⁶ is reserving any rights to make subsequent coverage determinations⁷²⁷ ~~;~~ ⁷²⁸ and⁷²⁹
 - (3)⁷³⁰ Whether the ⁷³¹corporation ⁷³²Corporation ⁷³³ is denying coverage for the claims made in the claim or Summons and Complaint under review.⁷³⁴ In the event that coverage is denied, the Administrator shall inform the Covered Party⁷³⁵ ~~;~~ ⁷³⁶ in writing⁷³⁷ ~~;~~ ⁷³⁸ of the appeal process contained in Section 2 of this Article.⁷³⁹
- (d) In the event the Administrator determines that the⁷⁴⁰ Program should⁷⁴¹ ~~;~~ ⁷⁴² (1) reserve its rights to make subsequent coverage determination, or (2) ⁷⁴³~~determine that~~ ⁷⁴⁴deny⁷⁴⁵ coverage⁷⁴⁶ ~~should be denied~~⁷⁴⁷, then the written notice shall also state the reasons for any such reservation or denial.⁷⁴⁸
- (e) In the event that a final coverage determination cannot be made by the Administrator until after the facts of the claim or Complaint are determined in a legal proceeding, the Administrator shall make a final coverage determination within sixty (60) days or such reasonable time, as agreed, after the final disposition of the legal proceeding is provided to the Administrator.⁷⁴⁹ The determination shall be provided in writing to the Covered Party and shall contain the information required by Sections 9.1(c) and 9.1(d).⁷⁵⁰

- (f) All written determinations by the Administrator shall be deemed final and binding upon all parties, unless the Covered Party files a timely notice of appeal with the Board of Directors in the manner specified in Section 9.2. The determination of the Administrator is only binding upon the ⁷⁵¹corporation ⁷⁵²Corporation ⁷⁵³ and relates only to the self retention or deductible in place at that time under the policy of insurance which insures the Program. ⁷⁵⁴ The determination of the Administrator is not binding upon the carrier who insures the Program. ⁷⁵⁵ Covered Parties are required to resolve coverage disputes with the insurance carrier pursuant to the terms of the policy issued by that carrier. ⁷⁵⁶

If a claim or Complaint is of such an amount or magnitude that in the opinion of the Administrator that claim or Complaint may exceed the amount of the self retention or deductible in terms of exposure and/or costs of defense, then the Administrator shall not be entitled to make a determination of coverage. ⁷⁵⁷ In those instances, all determinations of coverage shall be made in accordance with the terms of the insurance policy issued by the ⁷⁵⁸Association' ⁷⁵⁹Program ⁷⁶⁰s carrier. ⁷⁶¹ The Covered Party shall deal with that carrier through the Administrator's office ⁷⁶² ⁷⁶³ unless otherwise instructed by the Administrator. ⁷⁶⁴ The provisions of this Article shall not apply in those instances where the claim or Complaint is of such an amount or magnitude that in the opinion of the Administrator that claim or Complaint may exceed the amount of the self retention or deductible in terms of exposure and/or costs of defense. ⁷⁶⁵ In those instances, if a Covered Party or Member has requested a coverage determination, the Administrator shall notify the Covered Party or Member in writing that the Administrator has determined he or she may not issue a determination of coverage and refer the requesting party to the terms of the policy of insurance for resolution of coverage issues. ⁷⁶⁶

- (g) The Administrator shall not be obligated to make any coverage determinations until a claim or a Summons and Complaint has been served upon the Covered Party and until the Administrator has received notice thereof. ⁷⁶⁷ However, the Administrator shall issue tentative written coverage determinations before a Summons and Complaint has been filed upon the written request of the Covered Party. ⁷⁶⁸ If the Administrator makes a tentative coverage determination, he or she shall remain obligated to provide a subsequent final written coverage determination after a Summons and Complaint has been served and the Administrator has received notice thereof, as provided in Sections 9.1(a), (b), (c), (d), (e) ⁷⁶⁹ ⁷⁷⁰ and (f). ⁷⁷¹

Section 9.2. *Appeal.* ⁷⁷² Any written determination made by the Administrator pursuant to Section 9.1(c) and (d) denying coverage to a Covered Party shall be final, as provided in Section 9.1(f), unless the procedures for appeal, provided hereafter, are followed by the Covered Party. ⁷⁷³ The following appeal procedures shall apply in those cases where the Administrator has not determined the claim or Complaint is of such an amount or magnitude that in the opinion of the Administrator that claim or Complaint may exceed the amount of the self retention or deductible, in terms of exposure and/or costs of defense. ⁷⁷⁴ There is no appeal from a determination of the Administrator that the claim or Complaint is of such an amount or magnitude that the claim or Complaint may exceed the amount of the self retention or deductible, in terms of exposure and/or costs of defense. ⁷⁷⁵

- (a) Any Covered Party aggrieved by the Administrator's written coverage determination may appeal the decision to the Board of Directors. ⁷⁷⁶ The appeal must be initiated by the Covered Party within

thirty (30) days following receipt of the Administrator's written determination.⁷⁷⁷ If an appeal is not initiated within thirty (30) days, as provided herein, the Covered Party shall be deemed to have waived any further right to appeal the decision of the Administrator.⁷⁷⁸

- (b) An appeal is deemed initiated for purposes of this Article when the Covered Party, or his, her, or its legal representative, serves a written Notice of Appeal upon the Administrator or upon the Chair of the ~~779 corporation~~⁷⁸⁰ Corporation⁷⁸¹.⁷⁸² The written Notice of Appeal shall include the following information:⁷⁸³
- (1) The name of the Covered Party initiating the appeal⁷⁸⁴ ~~;~~⁷⁸⁵ £⁷⁸⁶
 - (2) A brief statement identifying the subject of ~~£~~⁷⁸⁷ £⁷⁸⁸ and basis for ~~£~~⁷⁸⁹ £⁷⁹⁰ the appeal.⁷⁹¹ A copy of the Administrator's written determination should be attached to the Notice of Appeal⁷⁹² ~~;~~⁷⁹³ and⁷⁹⁴
 - (3) The signature of the Covered Party initiating the appeal or the signature of the Covered Party's legal representative.⁷⁹⁵
- (c) ~~796 Within thirty (30) days~~⁷⁹⁷ At the next scheduled Board meeting⁷⁹⁸, or such time as is agreed⁷⁹⁹ ~~;~~⁸⁰⁰ after an appeal has been initiated, ~~801 a meeting~~⁸⁰² the Board⁸⁰³ of ~~804 the Board of~~⁸⁰⁵ Directors ~~806 shall be convened by the Chair of the Board of Directors to~~⁸⁰⁷ will⁸⁰⁸ hear the appeal.⁸⁰⁹ Notice of the date set for ~~810 hearing of~~⁸¹¹ meeting to hear⁸¹² the appeal by the Board of Directors shall be sent to the Covered Party not later than ~~813 fifteen~~⁸¹⁴ ten⁸¹⁵ (~~816 15~~⁸¹⁷ 10⁸¹⁸) days prior to the date set ~~819 for the hearing~~⁸²⁰.⁸²¹ The Chair of the Board of Directors shall have the authority to set ~~822 hearing~~⁸²³ dates ~~824 for~~⁸²⁵ to hear⁸²⁶ the appeal and to grant continuances where good cause is shown.⁸²⁷
- (d) The hearing by the Board of Directors may occur when a quorum of the Board, pursuant to Section 4.6, is present.⁸²⁸ Voting by the Board of Directors and the procedures for the meeting of the Board of Directors on the appeal hearing shall be as provided in Sections 4.6 and 4.7.⁸²⁹ However, members of the Board of Directors shall abstain from participating or voting in any appeals involving a Member with which they are affiliated.⁸³⁰
- (e) The hearing of the Board of Directors on the appeal shall proceed as follows:⁸³¹
- (1) The Chair of the Board of Directors shall administer the hearing and make all necessary procedural rulings during the hearing⁸³² ~~;~~⁸³³ £⁸³⁴
 - (2) The Covered Party or his, her, or its legal representative, if any, shall begin the proceeding with an explanation of the basis for the appeal.⁸³⁵ The Covered Party shall present to the Board of Directors all evidence, testimony, argument⁸³⁶ ~~£~~⁸³⁷ and legal authority relevant to and in support of the appeal. Thereafter, the Administrator and/or ~~838 corporation~~⁸³⁹ Corporation⁸⁴⁰'s legal representative may present all evidence, testimony, argument⁸⁴¹ ~~£~~⁸⁴² and legal authority relevant and in opposition to the Covered

Party's position. Each side shall be provided an opportunity to present rebuttal evidence and argument^{843, 844, 845}.

- (3) Following the presentation of evidence, testimony, argument and legal authority, the Board of Directors may retire into executive session to discuss consideration of the appeal.⁸⁴⁶ Thereafter, the Board of Directors shall reconvene in public session to consider and vote on any motion made to decide the appeal.⁸⁴⁷ The Board of Directors may vote to uphold the decision of the Administrator or to modify or reverse the decision of the Administrator.⁸⁴⁸ The decision of the Board of Directors shall be reduced to writing and signed by the Chair of the Board of Directors and a copy thereof sent to the Covered Party within seven (7) days following the final decision of the Board of Directors^{849, 850, and}⁸⁵¹.
- (4) The Chair may adjourn and reconvene any hearing on an appeal^{852, 853} as may be necessary^{854, 855} to preserve a fair hearing.⁸⁵⁶
- (f) A final decision of the Board of Directors denying the Covered Party the full relief sought shall not preclude the appealing party from seeking judicial review of the Administrator's and/or the Board of Directors^{857, 858} coverage determination.⁸⁵⁹ However, no Covered Party may maintain any lawsuit or complaint against the⁸⁶⁰ **corporation**⁸⁶¹ Corporation⁸⁶² alleging any improper or incorrect coverage denial unless the Covered Party has first exhausted the appeal procedures provided herein.⁸⁶³ Exhaustion of these appeal procedures shall be a condition precedent to any subsequent legal action or suit by a Covered Party.⁸⁶⁴

ARTICLE 10⁸⁶⁵

*Conflict of Interest and Appearance of Fairness Procedure*⁸⁶⁶

All Members of the⁸⁶⁷ **corporation**⁸⁶⁸ Corporation⁸⁶⁹, the Board of Directors, and its committees, shall exercise every effort to avoid conflicts of interest, or the appearance thereof, in their actions relating to the⁸⁷⁰ **corporation**⁸⁷¹ Corporation⁸⁷². Any person who has a personal interest in any matter before the Board of Directors or one of its committees, which would tend to prejudice his or her action, shall so indicate publicly and may abstain from the deliberations and voting on such matter.⁸⁷³

ARTICLE 11⁸⁷⁴

Contracts, Checks, Deposits^{875, 876} *and Funds*⁸⁷⁷

Section 11.1. *Contracts*.⁸⁷⁸ The Board of Directors may authorize any officer or officers, agent or agents^{879, 880} of the⁸⁸¹ **corporation**⁸⁸² Corporation⁸⁸³, in addition to the officers so authorized by these⁸⁸⁴ **By-Laws**⁸⁸⁵ Bylaws⁸⁸⁶, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the⁸⁸⁷ **corporation**⁸⁸⁸ Corporation⁸⁸⁹, and such authority may be general or confined to specific instances.⁸⁹⁰

Section 11.2. *Checks, Drafts, etc.*⁸⁹¹ All checks, drafts^{892, 893} or orders for the payment of money, notes^{894, 895} or other evidences of indebtedness issued in the name of the⁸⁹⁶ **corporation**⁸⁹⁷ Corporation⁸⁹⁸, shall be signed by such officer or officers, agent or agents^{899, 900} of the⁹⁰¹ **corporation**⁹⁰² Corporation⁹⁰³ and in such manner as shall from time to time be determined by⁹⁰⁴ **resolution of**

⁹⁰⁵the Board of Directors. ⁹⁰⁶In the absence of such determination by the Board of Directors, such instruments shall be signed by the Administrator and countersigned by the Board of Directors Chair, Board of Directors Vice Chair ⁹⁰⁷ ~~£~~ ⁹⁰⁸ or Fiscal Officer of the ⁹⁰⁹ ~~corporation~~ ⁹¹⁰ Corporation ⁹¹¹ ⁹¹².

Section 11.3. *Deposits.*⁹¹³ All funds of the ⁹¹⁴ ~~corporation~~ ⁹¹⁵ Corporation ⁹¹⁶ shall be deposited from time to time to the credit of the ⁹¹⁷ ~~corporation~~ ⁹¹⁸ Corporation ⁹¹⁹ in such banks, trust companies ⁹²⁰ ~~£~~ ⁹²¹ or other depositories as the Board of Directors may select and as are allowed by the laws of the state of Washington ⁹²² and the Program's adopted investment policy ⁹²³ ⁹²⁴.

ARTICLE ⁹²⁵ ~~13~~ ⁹²⁶ 12 ⁹²⁷
*Books and Records*⁹²⁸

The Administrator, at the direction of the Board of Directors, shall keep complete books and records of account and shall also keep minutes of the proceedings of its Members and Board of Directors and shall keep, at its registered or principal office, a record giving the names and addresses of the Members entitled to vote. ⁹²⁹ All books and records of the ⁹³⁰ ~~corporation~~ ⁹³¹ Corporation ⁹³² may be inspected by any Member, or its attorney, for any proper purpose at any reasonable time. ⁹³³

ARTICLE ⁹³⁴ ~~14~~ ⁹³⁵ 13 ⁹³⁶
*Fiscal Year*⁹³⁷

The fiscal year of the ⁹³⁸ ~~corporation~~ ⁹³⁹ Corporation ⁹⁴⁰ shall be from June 1 through May 31 of the next calendar year, or as set by ⁹⁴¹ ~~resolution of~~ ⁹⁴² the Board of Directors. ⁹⁴³

ARTICLE ⁹⁴⁴ ~~15~~ ⁹⁴⁵ 14 ⁹⁴⁶
*Waiver of Notice*⁹⁴⁷

Whenever any notice is required to be given under the provisions of the Washington Non Profit Corporation Act or under the provisions of the Articles of Incorporation or the ⁹⁴⁸ ~~By-Laws~~ ⁹⁴⁹ Bylaws ⁹⁵⁰ of the ⁹⁵¹ ~~corporation~~ ⁹⁵² Corporation ⁹⁵³, 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. ⁹⁵⁴

ARTICLE ⁹⁵⁵ ~~16~~ ⁹⁵⁶ 15 ⁹⁵⁷
Amendments to ⁹⁵⁸ ~~By-Laws~~ ⁹⁵⁹ Bylaws ⁹⁶⁰

These ⁹⁶¹ ~~By-Laws~~ ⁹⁶² Bylaws ⁹⁶³ may be altered, amended or repealed and new ⁹⁶⁴ ~~By-Laws~~ ⁹⁶⁵ Bylaws ⁹⁶⁶ may be adopted by an affirmative vote of at least five (5) members of the Board of Directors at any regular meeting or at any special meeting. The Board of Directors will give each Member of the Program ⁹⁶⁷ and the State Risk Manager ⁹⁶⁸ notice in electronic or paper form at least thirty days in advance of the Board of ⁹⁶⁹ ~~Director's~~ ⁹⁷⁰ Directors ⁹⁷¹ meeting in which a vote on the proposed change ⁹⁷² ~~f~~ ⁹⁷³ ~~(~~ ⁹⁷⁴ ~~s~~ ⁹⁷⁵ ~~)~~ ⁹⁷⁶ will occur ⁹⁷⁷ ~~,~~ ⁹⁷⁸ or pursuant to State law, whichever notice is greater ⁹⁷⁹. Such notice shall include a copy of proposed changes. ⁹⁷⁹

~~Brugmann~~⁹⁸²

~~983~~, Chair

~~984~~ ~~Lynn M. Moody~~⁹⁸⁵

~~986~~, Vice Chair

~~Darren R.~~