

**BYLAWS  
OF  
THE NONPROFIT INSURANCE PROGRAM  
Adopted March 13, 2023**

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## **I. MEMBERS**

### **1.1 Membership.**

The Corporation shall have members (“Members”). Only nonprofit entities may be Members of the Corporation. Members must sign the Non Profit Insurance Program Membership Agreement (the “Agreement”), which governs the rights and obligations of the Members with respect to their membership in the Corporation.

### **1.2 Member Representative.**

Each Member shall appoint one representative to act on behalf of the Member with respect to all matters pertaining to its membership in the Corporation (“Member Representative”). Members may appoint only their directors, officers, or employees to serve as Member Representative. Members must notify the Corporation in writing before changing their Member Representative, and the change is not effective until the Corporation receives that notice.

### **1.3 Selection of Members.**

Members shall be approved by a majority vote of the Corporation’s Board of Directors (the “Board” or the “Directors”) present and voting at any regular or special meeting of the Board.

### **1.4 Cancellation or Resignation.**

The membership of any Member may be canceled or suspended, or any Member may resign, as provided in the Agreement. A Member’s resignation or the cancellation or suspension of a Member’s membership in the Corporation does not relieve the Member of any obligations incurred or commitments made before the resignation, cancellation, or suspension.

## **II. MEMBER MEETINGS**

### **2.1 Annual Meeting.**

The Directors shall set the date, time, and location for an annual meeting of the Members, and shall notify the Members and the State Risk Manager in electronic form at least ten days before the meeting occurs. The purpose of the annual meeting is to deliver the Corporation’s annual report to the Members and to transact any other business as may properly come before the meeting. The Corporation’s annual report shall also be posted to the Corporation’s website or delivered to each Member by electronic mail before the annual meeting occurs.

## **2.2 Special Meetings.**

The Directors or at least one-fourth of the Members may call a special meeting of the Members for any purpose. The Members and the State Risk Manager shall be notified of the date, time, and location of any special meeting at least twenty-four hours before the meeting occurs.

## **2.3 Place of Meeting and Means of Participation.**

Any annual or special meeting of the Members may be held at the office of the Corporation's Administrator, at any other place the Directors designate, or entirely or in part through one or more means of remote communication. If a meeting is held entirely or in part through one or more means of remote communication, to the greatest extent practicable Members not physically present must be able to participate in the meeting substantially concurrently, vote on matters submitted to the Members, pose questions, and make comments. Notice of meetings at which one or more Members may or shall participate through means of remote communication must provide complete instructions for participating remotely.

## **2.4 Quorum.**

Members may take action at a meeting only if a quorum of the Members is present. The presence or participation of five percent of the Members shall constitute a quorum.

## **2.5 Manner of Acting.**

If a quorum of the Members is present, then a matter is approved if the votes cast in favor of the action exceed those cast opposing the action, unless these Bylaws, the Agreement, or applicable law require a greater number of affirmative votes.

## **2.6 Waiver of Notice.**

A Member's presence or participation in a meeting waives their right to object to lack of or defective notice of the meeting, unless the Member is present or participates only to object to holding the meeting or to the business being transacted.

# **III. BOARD OF DIRECTORS**

## **3.1 General Powers.**

The Board shall manage the affairs of the corporation, and has and may exercise all general powers

bestowed on it by the Articles of Incorporation (“Articles”) of the Corporation, these Bylaws, the Agreement, and applicable law, including Chapters 24.03A and 48.180 RCW, as the same may be amended or recodified.

### **3.2 Composition.**

The Board shall be comprised of no less than seven or more than 11 Directors. The Board may amend these Bylaws to increase or decrease the number of Directors, provided that no decrease in number shall shorten any incumbent Director’s term. The Board shall include at least one Director representing a Member from each of the regions established under Section 3.3 of these Bylaws; three or more at-large Directors; and, if the Board deems appropriate, any advisory Directors appointed by the Board (“Advisory Directors”). Advisory Directors have all of the rights and responsibilities of the Board of Directors, but cannot vote.

### **3.3 Regions.**

The Board shall establish by resolution four geographical regions in the state, each comprised of a contiguous set of Washington counties. A Member Representative wishing to serve on the Board may represent a region based on the address of the Member’s registered agent, the location of any of a Member’s physical offices, or the Member’s service delivery area.

### **3.4 Term of Office.**

Unless a Director dies, resigns, or is removed, they shall hold office for a term of four years or until their successor is elected, whichever is later. If possible, the terms of Directors shall be staggered by two years.

### **3.5 Elections and Voting.**

The Board shall set the timing and manner of elections. Regional and At-Large Directors shall be elected by a majority of the Members voting in the election. Elections may be conducted during a regular meeting of the Board or by mail-in or electronic ballot. Advisory Directors are appointed by a majority vote of the Directors.

### **3.6 Resignation and Vacancies.**

3.6.1 A Director may resign at any time by delivering written notice of their resignation to any officer of the Board or by providing verbal notice to the Board at a regular or special meeting of the Board. Notice of resignation is effective when delivered, unless the Director specifies that the notice given should be effective at a later time.

3.6.2 A Director who is absent without an acceptable excuse from three consecutive, regularly scheduled Board meetings or half of the Board meetings during the prior twelve months shall be deemed to have voluntarily resigned from the Board. At any Board meeting from which one or more Directors are absent, the Board shall determine if those absences are excused.

3.6.3 A vacancy on the Board may be filled by the affirmative vote of a majority of the remaining Directors even if they constitute less than a quorum. A Director who fills a vacancy shall serve for the unexpired term of their predecessor or until the next Board election, whichever is longer.

#### **IV. MEETINGS OF THE BOARD OF DIRECTORS**

##### **4.1 Regular Meetings.**

Members shall receive notice in electronic form of the time, place, and preliminary agenda for each regular meeting of the Board at least ten days before the meeting occurs. The Notice shall also be posted on the Corporation's website.

##### **4.2 Special Meetings.**

The Chair of the Board or three or more Directors may call a special meeting of the Board. The Chair of the Board or two or more Directors may call a special meeting of any committee of the Board. The Directors calling a special meeting may fix any time and place for the meeting. The Board, the Members, and the State Risk Manager shall receive notice in electronic or paper form of the time, place, and preliminary agenda of each special meeting of the Board at least twenty-four hours before the meeting occurs.

##### **4.3 Place of Meeting and Means of Participation.**

Any regular or special meeting of the Board may be held at any place in or out of the State of Washington or entirely or in part through one or more means of remote communication. Any means of remote communication used must allow all Directors to participate simultaneously in the meeting. Notice of meetings at which one or more Directors may or shall participate through means of remote communication must provide complete instructions for participating remotely. Participation in a meeting of the Board through means of remote communication shall constitute presence at the meeting for all purposes, including for establishing quorum.

##### **4.4 Quorum.**

The presence or participation of a majority of the Directors shall constitute a quorum for

transacting any business of the Board. If less than a majority of the Board is present or participating in a meeting, a majority of the Directors present may adjourn the meeting without further notice. The presence or participation of Advisory Directors shall not be counted in determining if a quorum is present.

#### **4.5 Manner of Acting.**

The act of a majority of the Directors present or participating in a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number of Directors is required by the Articles, the Agreement, or applicable law.

#### **4.6 Termination or Dissolution.**

Upon the adoption of a resolution terminating or dissolving the Corporation, the Board shall conduct only such affairs as may be necessary for the winding up of the Corporation. The Board shall continue to serve as constituted until articles of dissolution are filed with the Secretary of State, regardless of whether the Member a Director represents has withdrawn or cancelled its membership in the Corporation.

#### **4.7 Compensation.**

Directors and Board committee members shall not receive any compensation for their services, except by resolution the Board may authorize a fixed sum be provided for attendance at a regular or special meeting of the Board or any of its committees.

#### **4.8 Action By Written Consent.**

Any action permitted or required to be taken at a meeting of the Board or its committees may be taken without a meeting if all of the Directors or committee members entitled to vote on the action consent in writing.

#### **4.9 Waiver of Notice.**

Whenever any notice is required to be given to any Director, the Director may waive such notice in writing. A Director's presence or participation in a meeting waives their right to object to lack of or defective notice of the meeting, unless the Director is present or participating only to object to holding the meeting or the business being transacted.



## V. OFFICERS

### 5.1 Officers.

The officers of the Board shall be the President, Secretary, Treasurer, and any other officers the Board elects.

### 5.2 Election and Term of Office.

The officers of the Corporation shall be elected annually by the Board. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until they resign or a successor is duly elected and qualified.

### 5.3 Vacancies.

The Board may fill a vacancy in any office for any or no reason and at any time.

### 5.4 President.

The President of the Board is the principal executive officer of the Corporation and shall supervise and control the business and affairs of the Corporation. The President shall preside over any meetings of the Members or the Board. The President may sign, with any other Director or officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except where the Board, these Bylaws, the Agreement, or applicable law delegate that authority to someone else. The President shall perform any other duties the Board may assign.

### 5.5 Secretary.

If the President is absent or unavailable for any reason, the Secretary shall act as President. The Secretary shall perform any other duties the Board or the President may assign.

## **5.6 Treasurer.**

The Treasurer shall, with the Administrator and at the direction of the President and the Board, carry out the fiscal policies and procedures of the Corporation. If both the President and the Secretary are absent or unavailable for any reason, the Treasurer shall act as President. The Treasurer shall perform any other duties the Board or the President may assign.

# **VI. COMMITTEES**

## **6.1 Board Committees.**

The Board may by resolution designate and appoint one or more committees of the Board. Each committee shall consist of two or more Directors, and each committee shall appoint a committee chairperson. As resolved by the Board, a committee may have and exercise the authority of the Board in the management of the Corporation, except no committee shall the authority to amend or repeal the Articles, these Bylaws, or the Agreement; elect, appoint, or remove any member of any committee or any Director or Officer of the Board; adopt a plan of merger with another corporation; authorize the voluntary dissolution of the Corporation; authorize or adopt a plan for the distribution of the Corporation's assets; or amend, alter, or repeal any resolution of the Board, unless the resolution provides by its terms that it may be amended, altered, or repealed by a committee. The designation and appointment of a committee and the delegation of authority to it does not relieve the Board or any Director of any responsibility imposed upon it or them by law.

## **6.2 Executive Committee.**

The Board may by resolution designate and appoint an Executive Committee. The Executive Committee shall include the President, the Secretary, and the Treasurer of the Board, as well as any other Directors the Board may appoint. The Executive Committee shall have the function, authority, and responsibilities designated by the Board by resolution.

## **6.3 Other Committees.**

The Directors may designate and appoint any other committees through resolution. The resolution shall be adopted by a majority of the Directors present or participating in a meeting at which a quorum is present.

## **6.4 Term.**

Committee members serve in that role until a successor is appointed, or sooner if the committee is terminated, the committee member is removed from the committee, or the Member the committee member represents is no longer a Member of the Corporation.

### **6.5 Manner of Acting.**

The act of a majority of the members of any Board committee present or participating in a meeting at which a quorum is present shall be the act of that committee, unless the act of a greater number of committee members is required by the Articles, these Bylaws, or applicable law.

### **6.6 Vacancies.**

The Board by majority vote may appoint any Director to fill a vacancy on a Board committee at any time.

### **6.7 Removal.**

The Board by majority vote may remove any committee member if it decides in its discretion that removing the committee member is in the best interests of the Corporation.

## **VII. ADMINISTRATION OF THE CORPORATION**

### **7.1 The Role and Responsibilities of the Administrator.**

The Board shall procure and select an Administrator for the Corporation, consistent with Chapter 200-150 of the Washington Administrative Code (“WAC”), as it may be amended or recodified. The Administrator shall have the authority and responsibilities agreed upon in writing, including serving as chief administrator of the Corporation and controlling the administrative functions of the Corporation, subject to oversight by the Board. The Board shall fix the amount of the Administrator’s compensation and bond.

### **7.2 The Role and Responsibilities of the Broker.**

The Board of Directors shall procure and select a Program Broker for the Corporation (the “Broker”), consistent with Chapter 200-150 WAC, as it may be amended or recodified. The Broker shall have the authority and responsibilities agreed upon in writing, including obtaining and placing insurance coverage for the Corporation. The Board shall fix the Broker’s compensation. The Board may select the same person or entity to serve as both Broker and Administrator.

## **VIII. CONFLICT OF INTEREST AND APPEARANCE OF FAIRNESS**

All Members, the Board, and any Board committee members shall exercise every effort to avoid conflicts of interest or the appearance of such conflicts in their actions relating to the Corporation, including complying with WAC 200-150-080, as it may be amended or recodified, and any conflict

of interest policies or procedures adopted by the Board.

## **IX. OTHER PROVISIONS**

### **9.1 Contracts.**

The Board may authorize any officer or agent of the Corporation, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

### **9.2 Checks, Drafts, etc.**

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation may be signed by any officer or agent authorized by the Board or by the Administrator, if countersigned by the President, Secretary, or Treasurer of the Board.

### **9.3 Deposits.**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in the banks, trust companies, or other depositories the Board selects and applicable law and the Corporation's adopted investment policy allow.

### **9.4 Books and Records.**

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

### **9.5 Fiscal Year.**


The fiscal year of the Corporation shall be from June 1 through May 31 of the next calendar year, or as set by the Board.


## **X. AMENDMENTS**

These Bylaws may be altered, amended, or repealed by a majority vote of the Directors present at or participating in any meeting of the Board at which a quorum is present. The Board shall give each Member and the State Risk Manager notice in electronic form at least thirty days before the

meeting at which the proposed change(s) will be voted on, unless state law requires more notice. The notice shall include a copy of any proposed changes.

ADOPTED BY THE BOARD OF DIRECTORS OF THE NON PROFIT INSURANCE PROGRAM THIS 13<sup>TH</sup> DAY OF MARCH, 2023.

  
Karl Johanson, President

  
Rebekkah Semmler, Secretary