



Florida Surplus Lines Association, Inc.

By-Laws

Amended August 2, 2018

BY-LAWS

FLORIDA SURPLUS LINES ASSOCIATION, INC.

ARTICLE I – PURPOSE

A. The purposes for which the Association is formed are as follows:

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

B. In order to achieve these purposes the Association will:

1. Advance fellowship and mutual cooperation through personal contact of member firms at all levels.
2. Discuss and work for collective solutions to the problems peculiar to the excess and surplus lines insurance industry.
3. Coordinate and promote educational activities.
4. Foster positive public relations with the insurance industry and the general public.
5. Maintain concern for regulatory and legislative changes affecting the insurance industry and participate in governmental activities, including legislative affairs, both state and national, which impact excess and surplus lines in Florida and to communicate such changes and all related issues to member firms.

ARTICLE II – MEMBERSHIP

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

1. Voting Membership

- a Regular Member - Any person, firm or corporation engaged in an insurance agency business, the organization of which includes at least one individual licensed as a surplus lines agent pursuant to the Florida Surplus Lines Law, Section 626.913-626.937, F.S., and has a permanent

office located within the State of Florida

2. Non-voting Membership

- a Non-Resident Member – Any person, firm or corporation engaged in an insurance agency business, the organization of which includes at least one individual licensed as a non-resident surplus lines agent pursuant to the Florida Surplus Lines Law, Section 626.913-626.937, F.S., and does not maintain either residency or an office in the state of Florida.
- b Insurance Company - Any risk-bearing insurer engaged in the writing of insurance in the state of Florida on a surplus lines basis. For the purpose of qualifying for this class of membership, an underwriting management firm may be accepted if it has specific underwriting authority or is part of a corporate group which includes an insurance company writing in the state of Florida on a surplus lines basis.
- c Industry Associate - Any individual, firm, or organization that is not an insurance agency or company, but who supplies services to Regular Members and supports the excess and surplus lines insurance industry.
- d Life Members - Life membership is granted to each Past President of the Association who is no longer active in the insurance business and not affiliated with a Voting, Non-Resident, Insurance Company or Industry Associate Member. Life Members shall not be required to pay dues or assessments so long as they remain inactive in the insurance business and not affiliated with another class of member, other than an Honorary Member.
- e An Honorary Member is an individual nominated and elected by the Board of Directors. Honorary members shall not be required to pay dues or assessments and membership shall be subject to reconfirmation annually.

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

C. Application:

All applicants desiring membership in the Association shall complete an application formulated by the Membership Committee, which shall be submitted to the Membership Committee for their review and recommendation. Their recommendation will be submitted to the Board of Directors. Final approval is subject to a majority vote of the Board of Directors. Such approval shall not be unreasonably withheld.

D. Membership Committee:

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

1. A good reputation in the industry.
2. Minimum period of time in excess and surplus lines insurance business.
3. Knowledge of and willingness to abide by the code of ethics.

E. Removal:

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

1. The Membership Committee and the Board of Directors are empowered to request a new application at any time from any member for review and reaffirmation of eligibility.
2. Any membership in the Association may be terminated upon recommendation of the Membership Committee and by vote of the Board of Directors or Regular Members. Termination shall only become effective upon:
 - a. A two-thirds vote of the Board of Directors or by
 - b. A majority of eligible Regular Members present and voting in accordance with Article V, at any meeting scheduled in accordance with Article IV.
3. Any member whose eligibility is being reviewed or where termination has been recommended shall be given due notice and an opportunity to discuss and challenge the action.
4. Cause for termination of membership may include, but not be limited to: suspension, revocation or termination of any insurance license held by a member firm or a principal member thereof by any state regulatory body for cause; violation of these By-Laws; violation of the code of ethics; conduct prejudicial to the interest of the industry or the Association.

- F. The name "Florida Surplus Lines Association, Inc." and/or "FSLA", the Association's logo and other registered trademarks or service marks of the Association are the exclusive property of the Florida Surplus Lines Association, Inc. and may be used by members in good standing under standards that may be set by the Board of Directors.

The Board of Directors, within its discretion, may deem any use by a member of the name "Florida Surplus Lines Association, Inc." and/or "FSLA" or the Association's logo or of other registered trademarks or service marks to be inappropriate and may request in writing that the member modify or cease such inappropriate use. Any

member receiving such written request by the Board of Directors shall comply with it immediately.

The use of the name "Florida Surplus Lines Association, Inc." and/or "FSLA" and the Association's logo, or other registered trademarks or service marks of the Association by non-members is prohibited unless authorized in writing by the Board of Directors.

ARTICLE III – DUES, ASSESSMENTS, FISCAL YEAR

A. Annual Dues:

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

B. Assessments:

The Board of Directors shall have authority to make assessments against members as may be needed to conduct the business of the Association.

C. Fiscal Year:

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

ARTICLE IV – MEETINGS OF MEMBERS

A. Annual Meeting:

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

B. Special Meetings:

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

C. Notice of Meetings:

Written notice of any meeting of the Association shall be mailed to the last known address of each member not less than fourteen (14) nor more than ninety (90) days before the date of the meeting.

ARTICLE V – VOTING

A. Voting:

At all meetings of the Association only Regular Members may vote and each Regular Member shall have one (1) vote, and may take part and vote in person only. Unless otherwise specifically provided by these By-Laws, a majority vote of those Regular Members present and voting shall govern.

B. Voting by Mail or Electronic Communication:

Proposals to be offered to the members for a mail vote or by electronic communication, excepting election ballots, shall first be approved by the Board of Directors. On any mail or electronic communication vote to constitute a valid action, a majority vote of the membership shall be required.

C. Quorum of Members:

At an annual or special meeting of members, a quorum shall consist of twenty percent (20%) of the Regular Members.

ARTICLE VI – BOARD OF DIRECTORS

A. Authority and Responsibility:

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

The Board of Directors may employ a salaried or contracted staff head who shall have the title of Executive Director, whose term and conditions of agreement or employment shall be specified by the Board of Directors in a written agreement. The Executive Director shall be the chief executive of the Association responsible for all management functions and shall manage and direct all activities of the Association as prescribed by the Membership and the Board of Directors and shall be responsible to the Board of Directors to carry out the policies of the Association as set by the Membership and the Board of Directors. The Executive Director shall define the duties of the staff, supervise their performance, establish their titles and delegate their responsibilities of management as shall, in the Executive Director's judgment, be in the best interests of the Association.

B. Composition:

The Board of Directors shall consist of eight (8) Regular Members to include the President, President-Elect, the Secretary, the Treasurer, plus the Past President's Advisory Panel Representative; the board will endeavor to have at least two (2) Directors from Area I, two (2) Directors from Area II and one (1) Director for Area III and one (1) Director from Area IV, as specified in Paragraph D and that all Directors must be licensed Florida Surplus Lines agents; and provided that except for the Past President's Representative. It is the intent that the Board of Directors be as broadly representative of the membership as possible. In that regard, no more than two representatives of any regular member or related organization in good standing can serve on the Board of Directors simultaneously. In the event that there are two board members who are representatives of a regular member or related organization simultaneously serving on the board, and subsequently through a merger, acquisition or otherwise it occurs that there would concurrently be two other members of the board serving simultaneously who are representatives of another regular member or related organization, the most recently appointed board member who is a representative of the second regular member or related organization is deemed resigned. Such resignation shall not operate to disqualify the resigned board member from future board service if such service would not be in conflict with this section. Further, if there are two representatives of a regular member serving on the board concurrently, only one may serve as an Officer of the association.

In the event that a Director ceases to be employed in a role that makes them eligible to serve on the Board, he/she must inform the President within 10 days of the employment change. This will initiate a full board review during the next board meeting. The Director may remain on the Board for a period of one hundred eighty (180) days, or to the end of their term, whichever is less if they are actively seeking employment in a position that ensures eligibility. This time frame will begin from the date of the employment change.

If the Director's employment circumstances are unchanged at the end of the one hundred eighty (180) day period, and in the case of extenuating circumstances, the Board may, at its discretion, extend the Director's position for up to one hundred eighty (180) additional days, or to the end of his/her term whichever is less.

C. Past President's Advisory Panel

All Past Presidents that are not elected to the Board will serve in a group known as the Advisory Panel. The Advisory Panel members shall meet annually during the Annual Meeting of the Association. The President shall select one member of the Advisory Panel to act as Chairman of the Advisory Panel for a term of one (1) year. The Chairman will act as the Past President's Advisory Panel Representative and be entitled to all rights and privileges of the Board with the exception of voting rights. The Chairman will be entitled to cast a vote only in the event of a tie vote by the Board.

D. Area of Directors:

Area I:

Southwest – this area shall consist of the counties of Monroe, Collier, Lee, DeSoto, Hendry, Charlotte, Glades, Sarasota, Manatee, Hillsborough, Pinellas, Pasco, Hernando, and Citrus.

Area II:

Southeast – this area shall consist of the counties of Dade, Broward, Palm Beach, Martin, Saint Lucie, and Indian River.

Area III:

Central – This area shall consist of the counties of Highlands, Hardee, Okeechobee, Polk, Osceola, Brevard, Orange, Lake, Seminole, Sumter, Hernando, Marion and Volusia.

Area IV:

North – This area shall consist of the remaining counties of Florida.

E. Term:

Directors shall be elected for terms of two (2) years each.

F. Nominating Committee:

1. The Board of Directors shall request the President to select not later than ninety (90) days before the annual meeting, a Nominating Committee of at least three (3) members, each a Regular Member, the President will endeavor to have no more than one (1) from any single area as defined in Paragraph D.
2. The Nominating Committee shall be charged with proposing a slate of directors to be elected at the annual meeting. The slate of directors so nominated shall be presented to the Regular Members in writing at least thirty (30) days prior to the date of election. Any member of the Association may propose another member for nomination as a director by doing so in writing to the Nominating Committee at least sixty (60) days prior to the date of election.
3. The President shall charge the Nominating Committee with the selection of a slate of officers from the proposed slate of directors to be presented at the annual meeting. The slate of officers shall be presented to the Regular Members in writing at least thirty (30) days prior to the date of election. If the slate of officers includes a nomination for the office of President and that nomination is due to the office of President-Elect becoming vacant and being filled by appointment of the President within thirty (30) days of election, the thirty (30) days prior written notice to the membership requirement is waived. Any member of the Association may propose a current member of the Board of Directors, or a past member of the Board of Directors for nomination as an officer by so doing in writing to the Nominating Committee at least sixty (60) days prior to the date of election.

4. The Nominating Committee will ensure that adequate notice is given to qualified candidates to submit their names for consideration or be nominated by a member in good standing. The Nominating Committee shall work to ensure that the Board of Directors is made up of a diverse set of qualified individuals with respect to age, gender, ethnicity, business models, and geographic representation.
5. The Nominating Committee shall at the annual meeting propose the names of the officers and directors to be elected for the ensuing two years, provided it shall have obtained the consent of all nominees before their names are placed in nomination. Nominations may also be made from the floor during the annual meeting and shall also be voted upon along with those nominees proposed by the Committee, provided the nominees from the floor consent to their nomination. Election of officers and directors shall be by majority vote of members present in person at the annual meeting.

G. Quorum of the Board:

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

H. Meetings of the Board:

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

I. Voting:

Voting rights of a director shall not be delegated to another, nor exercised by proxy.

J. Voting by Mail:

Action taken by a mail ballot of the members of the Board of Directors, in which ~~at all~~ directors, in writing, sign and indicate themselves in agreement, shall constitute a valid action of the Board if reported at the next regular meeting of the Board.

K. Voting by Email Ballot.

Any issue that requires action of the Board of Directors between meetings may be presented to the Board of Directors by email ballot. The Board may act by email ballot when all Directors approve the proposed action.

L. Vacancies and Removal:

Any vacancy occurring on the Board of Directors between annual meetings shall be filled by the Board of Directors. A director so elected to fill a vacancy shall serve the unexpired term of his predecessor.

Any individual who serves as a Director may be removed by two-thirds vote of the Board of Directors, at any duly held Board of Directors' meeting, for misconduct, neglect, refusal to perform duties, prejudice to good order, or exerting more authority than is delegated to that office. The vote of the Board of Directors shall be by written ballot. The individual in question shall be afforded an opportunity to present a statement on their own behalf and be afforded due process.

M. Compensation

Directors and elected officers shall not receive any compensation for their services, however, Directors and elected officers may be reimbursed for extraordinary expenses incurred on behalf of the Association provided that such expense was specifically authorized by the Board prior to their being incurred. Ordinary expenses such as travel and hotel expenses incurred for attendance at board meetings are not extraordinary expenses and are not reimbursable.

ARTICLE VII – DUTIES OF OFFICERS

A. Officers:

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

If there are two representatives of a regular member or related organization serving on the board concurrently, only one may serve as an Officer of the association.

B. The Duties of the officers shall be as follows:

1. The President shall be in charge of the affairs of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall appoint the chairmen of all committees.

2. The President-Elect shall assist the President and shall, as necessary and as

directed by the President, act on the President's behalf. The President-Elect shall automatically succeed to the office of President upon the next election of officers. If the office of President-Elect is vacant or currently filled on the "acting basis" by an appointment of the Board of Directors, the office of President is to be elected from the slate of officers presented to the voting members at the next election of officers.

3. The Secretary shall be responsible for the records of the Association. The Secretary shall assist in the preparation and maintenance of minutes of all meetings of the Association and of the Board of Directors. The Secretary shall assist the President in the preparation of the agenda for all meetings and is responsible for mailing notices of meetings called in accordance with Article IV.

4. The Treasurer shall be responsible for the financial transactions of the Association and the care and safekeeping of its funds. All accounts shall be compiled by an independent certified public accountant who shall prepare a financial statement. On a bi-annual basis, the financial statements shall undergo an Accounting Review by an independent Certified Public Accountant (CPA). Financial statements shall be submitted to the membership at each annual meeting and copies shall be available upon request. The position of Secretary and Treasurer may, at the discretion of the Board of Directors, be held by the same person.

5. Each officer, in addition to the specific duties aforementioned, shall perform such additional duties as may be required of the office or requested by the President or Board of Directors.

C. Executive Committee

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

The duties of the Executive Committee shall be:

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

D. Other Committees

The President may designate working committees as needed. All committees shall have powers as may be assigned by the President. By giving notice to the President, committees are empowered to appoint or divide into necessary subcommittees.

All committees and subcommittees shall report their proceedings and activities to the President and Board of Directors.

ARTICLE VIII – INDEMNIFICATION

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

ARTICLE IX – AMENDMENTS

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

ARTICLE X – CODE OF ETHICS

- A. Members' Pledge:

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

- B. Members of the Association agree:

1. To maintain high professional standards of efficiency, conduct, integrity,

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

ARTICLE XI – AWARDS

The Association may recognize by suitable award, persons or organizations who or which have made great contributions to the field of surplus and excess lines of insurance.

ARTICLE XII - SEAL

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

ARTICLE XIII - DISSOLUTION

In the event of dissolution of the Association and the corporation under which it operates, a complete audit shall be made immediately under the supervision and direction of the Treasurer by an independent Certified Public Accountant and any monies remaining after payment of all debts and liabilities shall be distributed to an organization or organizations with purposes similar to the Association and consistent with the Association's taxable exempt status, selected by the Board of Directors.