

**BYLAWS OF
THE TENNESSEE SELF-INSURED ASSOCIATION**

ARTICLE ONE

The Association and Its Purpose

- Section 1.1 The Association. The Tennessee Self-Insured Association (the "Association") shall be a Tennessee not-for-profit entity.
- Section 1.2 Purpose. The sole purpose of the Association is to promote and improve the common business conditions of its Members to contain the costs and expenses associated with compliance with the workers' compensation laws of the State of Tennessee.

ARTICLE TWO

Registered Office and Agent

- Section 2.1 Registered Office. The registered address of the Association shall be located at One Nashville Place, Suite 2200, 150 Fourth Avenue North Nashville, Tennessee 37219, which shall be the principal office of the Association until otherwise provided by the Association's Board of Managers.
- Section 2.2 Registered Agent. Terry Hill shall be the Association's registered agent for service of legal process until otherwise provided by the Association's Board of Managers.

ARTICLE THREE

Membership

- Section 3.1 Full Members. Any corporation, political subdivision, self-funded pool, or other business organization which is legally self-insured or maintains a high deductible program for purposes of compliance with the workers' compensation laws of the State of Tennessee shall be eligible to be a Full Member (or "Member") of the Association.
- Section 3.2 Associate Members. Any business organization not meeting the qualifications for a Full Member, but interested in promoting and improving common business conditions of workers' compensation programs under the laws of the State of Tennessee, shall be eligible to be an Associate Member of the Association. Associate Members shall not be eligible to vote at meetings of the Association and shall not be eligible to serve on the Board of Managers, but may serve on any committee appointed by the Board of Managers without limitation.
- Section 3.3 Dues. Full Members and Associate Members (the "Membership") shall pay such annual dues as the Board of Managers from time to time may determine (which may or may not be the same between the two Membership classifications). Such dues shall be determined and assessed in advance on an annual basis coincident

with the fiscal year of the Association. Membership in the Association shall be contingent upon payment of dues in full and shall exist only during that period of the Association's fiscal year after, and for which, dues have been paid. No part of the Association's net earnings shall be distributed to any individual member or private individual or to the officer or directors of the Association, except that the Association shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose of the Association herein set forth. The annual dues of the Association shall be determined by the Board of Managers.

Section 3.4 Membership is Corporate. Membership as a Full Member and Associate Member is only available to business organizations, self-funded pools or political subdivisions; it is not individual. An individual on his or her own behalf cannot be a Full Member or an Associate Member, and accordingly, an individual cannot carry membership from one employer to another if his or her employment changes

Section 3.5 Removal or Withdrawal. After giving the Member an opportunity to be heard, the Board of Managers, by a two-thirds vote, may remove or suspend any member for cause. Failure of a member to pay dues shall constitute cause for suspension of membership. Any member in good standing may withdraw from this Association on written notice to the Chairperson.

ARTICLE FOUR

Meetings of Membership

Section 4.1 Place and Time of Membership Meetings. Meetings of the Membership may be held at any place within or outside the State of Tennessee, as set forth in the notice thereof, or if no place is so specified, then at the current principal office of the Association. Meetings of the Membership may be held at any reasonable time, as set forth in the notice. Membership Meetings shall be called by the Board of Managers of the Association.

Section 4.2 Annual Membership Meetings. A meeting of the Membership of the Association shall be held annually (the "Annual Meeting") in the month of September. At such Annual Meeting vacancies in the Board of Managers shall be filled by election by the Members. At the Annual Meeting Members shall also transact any and all business that properly may come before the Members at such meeting. At any Annual Meeting, upon vote by a majority of the Members present, the Associate Members may be excluded from the remainder of the meeting. The Chairperson of the Association shall preside at the Annual Meeting.

Section 4.3 Special Membership Meeting. A special meeting of the Membership other than the Annual Meeting may be held as the Board of Managers may elect (a "Special Meeting"). The Board of Managers may limit attendance at a Special Meeting to only Full Members of the Association or, if a Special Meeting is underway, exclude Associate Members from the remainder of the meeting. The Chairperson of the Association shall preside at all Special Meetings.

- Section 4.4 Notice of Membership Meetings. Written notice of any Membership meeting stating the place, day and hour of the meeting shall be delivered not less than 7 days before the date thereof, either by e-mail or by United States mail.
- Section 4.5 Quorum. At all meetings of the Members or of the Membership in general, the presence, in person or by proxy, of at least ten (10) percent of the Full Members shall constitute a quorum. If a quorum is present, a majority of the Full Members present or represented at the meeting and entitled to vote on the subject matter shall determine any matter coming before the meeting. The Full Members at a meeting at which a quorum is once present may continue to transact business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough Full Members to leave less than a quorum.
- Section 4.6 Voting by Members. Each Full Member shall be entitled to one vote on each matter submitted to a vote at a Membership meeting. Voting on all matters shall be by voice vote or by show of hands unless any Full Member present or represented at the meeting, prior to the voting on any matter, demands a vote by ballot, in which case each ballot shall state the identity of the Member voting and the name of the person casting the vote, and if such ballot be cast by proxy, in addition to the identity of the Member it also shall state the name of such proxy casting the vote.
- Section 4.7 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or by the Member's attorney-in-fact. A proxy shall not be valid after eleven months from the date of its execution, unless a longer period is expressly stated therein. If the validity of any proxy is questioned by any Member, it must be submitted to the Secretary of the Association for examination or, alternatively, to a proxy officer or committee appointed by the person presiding at the meeting. The Secretary of the Association or, if appointed, the proxy officer or committee, shall determine the validity or invalidity of any proxy submitted. References by the Secretary in the minutes of the meeting to the regularity of a proxy shall be received as prima facie evidence of the facts stated for the purpose of establishing the presence of a quorum at such meeting and for all other purposes.
- Section 4.8 Adjournments. Any meeting of the Membership, whether or not a quorum is present, may be adjourned by a majority of the Full Members present or represented at the meeting to reconvene in the future at a specific date, time and place, and if the date, time and place of the reconvened meeting are announced at the meeting that was adjourned, no further notice of such reconvened meeting need be given. At any such reconvened meeting, any business may be transacted that could have been transacted at the meeting that was adjourned.
- Section 4.9 Action of Members Without Meeting. Any action required or permitted by these Bylaws may be approved without a meeting of the Membership if the action is approved by Full Members holding at least a majority of the then Members of the Association and recorded by the Secretary of the Association in the Association's minutes or filing with the Association's records.

ARTICLE FIVE

The Board of Managers

- Section 5.1** **General Powers.** The business and affairs of the Association shall be managed by a Board of Managers composed of not less than 5 Members, but not more than 20 Members, in good standing. In addition to the powers and authority expressly conferred upon it by these Bylaws, the Board of Managers may exercise all lawful powers of the Association, except for any action as may be required by law, by any legal agreement among Members or by these Bylaws to be taken or done by the Members themselves.
- Section 5.2** **Board of Managers Members.** The organizers of the Association who would be eligible for Full Membership in the Association under these Bylaws if the Association were incorporated shall constitute the initial Board of Managers.
- Section 5.3** **Committees of the Association.** The Board of Managers, by resolution adopted by a majority of the full Board of Managers, shall designate from among the Membership a Membership Committee, and may designate one or more other committees, each consisting of at least one member of the Board of Managers. The Membership Committee shall meet no less than quarterly to review applications for Membership; provided, however, that such meeting may be held electronically. All committees shall report to the Board of Managers at least once annually before the Membership's Annual Meeting, or more often if directed by the Board of Managers.
- Section 5.4** **Removal.** Any Manager may be removed from the Board of Managers, with or without cause, by a majority vote of the Board of Managers.

ARTICLE SIX

Meetings of the Board of Managers

- Section 6.1** **Annual Meeting.** An annual meeting of the Board of Managers shall be held in conjunction with the Annual Meeting of the Membership of the Association. Regular meetings of the Board of Managers shall be held at such times as the Board of Managers from time to time may determine.
- Section 6.2** **Special Meetings.** Special meetings of the Board of Managers may be called by or at the request of the Chairperson of the Board of Managers or a majority of the members of the Board of Managers in office at that time.
- Section 6.3** **Time and Place of Meetings.** The Board of Managers may hold their meetings at such times and at such places within or outside the State of Tennessee as the Board of Managers from time to time may establish for its annual meeting, or as set forth in the notice of a special meeting, or in the event of a meeting held by waiver of notice, as set forth in written consent to such meeting.
- Section 6.4** **Notice of Meetings.** No notice to the Membership shall be required for any meeting of the Board of Managers.

Section 6.5 Quorum. At meetings of the Board of Managers, a majority of the Members of the Board of Managers then in office shall be necessary to constitute a quorum for the transaction of business.

Section 6.6 Vote Required for Action. Except as otherwise provided in these Bylaws or by law, the act of a majority of the Board of Managers present at a meeting at which a quorum is present at the time shall be the act of the Board of Managers.

Section 6.7 Action by Board of Managers Without a Meeting. Any action that may be taken at any meeting of the Board of Managers may be taken without a meeting if a written consent thereto shall be signed by all Members of the Board of Managers, and if such written consent is filed with the minutes of the proceedings of the Board of Managers or the committee. Such consent shall have the same force and effect as a unanimous vote of the Board of Managers taken at the time the last member of the Board of Managers signs such consent.

ARTICLE SEVEN

Indemnification

Section 7.1 Indemnification. The Association shall indemnify and hold harmless each Manager now or hereafter serving the Association from and against any and all claims and liabilities to which he or she may be or become subject by reason of his now or hereafter being or having heretofore been a Manager of the Association or by reason of his alleged acts or omissions as such Manager, whether or not he continues to be such Manager at the time when any such claim or liability is asserted, and shall reimburse each such Manager for all legal and other expenses reasonably incurred by him in connection with defending against any such claims or liabilities, including amounts paid or agreed to be paid in connection with reasonable settlements made before final adjudication with the approval of the Board of Managers, whether or not he continues to be a Manager at the time such expenses are incurred; provided, however, that no Manager shall be indemnified against any claim or liability arising out of his own negligence or willful misconduct or shall be indemnified against or reimbursed for any expenses incurred in defending against any such claim or liability, or in settling the same, unless in the judgment of the Managers of the Association the Manager against whom such claim or liability is asserted has not been guilty of negligence or willful misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which any Manger may be entitled as a matter of law.

Section 7.2 Insurance. The Association may purchase and maintain insurance on behalf of an individual who is or was a member of the Board of Managers of the Association or any other individual who, while serving in such capacity, is or was serving at the request of the Association as an agent of the Association, against liability asserted against or incurred by such individual in that capacity or arising from such individual's status, whether or not the Association would have power to indemnify such individual against the same liability under this Article Seven or applicable law.

ARTICLE EIGHT

Financial Matters

- Section 8.1** **Inspection of Books and Records.** The Board of Managers shall have power to determine which accounts, books, and records of the Association shall be open to the inspection of the Members except those accounts, books, and records that are specifically open to inspection by law, and the Board of Managers shall have power to fix reasonable rules and regulations not in conflict with applicable law for the inspection of accounts, books, and records that by law or by determination of the Board of Managers are open to inspection by Members.
- Section 8.2** **Fiscal Year.** The fiscal year of the Association shall be the calendar year.
- Section 8.3** **Annual Statements.** The Association shall prepare such financial statements showing the results of its operations during its fiscal year as shall be required by applicable laws, rules, and regulations. Upon receipt of written request, the Association promptly shall mail to any Member of record for that fiscal year a copy of that fiscal year's most recent such financial statement.
- Section 8.4** **Contracts, Checks, Drafts, Reports, etc.** Such agents of the Association as from time to time may be designated by the Board of Managers shall have power and authority to sign contracts, checks, drafts, and like instruments and to endorse checks, bills of exchange, orders, drafts, and vouchers made payable or endorsed to the Association, whether in its own right or in any fiduciary capacity. No agent, however, may execute or deliver any check, draft, or other like instrument on behalf of the Association in favor of such agent.

ARTICLE NINE

Amendments

- Section 9.1** **Power to Amend Bylaws.** Only by vote of the Full Members of the Association may these Bylaws be amended.
- Section 9.2** **Condition.** Action taken by the Full Members with respect to Bylaws shall be taken by an affirmative vote of a majority of all the then Full Members of the Association.
- Section 9.3** **Inspection.** A copy of the Bylaws, with all amendments thereto, shall be kept at all times on the Association's web site.

ARTICLE TEN

Advertisement

- Section 10.1** **No Advertisement.** No Member or Associate Member shall use its membership in, or affiliation with, the Association in any form of advertisement or solicitation of business, and each Member and Association Member, by applying for Membership with the Association, implicitly thereby agrees to abide by and conform its conduct to the letter and spirit of this Article.

Section 10.2 Revocation of Membership. Any Member or Associate Member who shall in any manner not comply with the letter and spirit of this Article may have its name referred to the Membership Committee by any of the Membership for an alleged violation hereof. Such referral must include a written, detailed charge of the violation alleged, and the Membership Committee shall notify the Member or Associate Member of the alleged violation so that the Member or Associate Member may respond thereto. Based on such allegation and response, and such other proof as the Membership Committee may gather, the Membership Committee shall notify the Board of Managers if the judgment of the Membership Committee is that the Member or Associate Member's Membership with the Association should be revoked because of a violation of this Article of the Bylaws. The Board of Managers, in its sole discretion, shall determine if the Member or Associate Member's Membership with the Association shall be revoked because of a violation of this Article. If the Board of Managers determines to revoke Membership, the Member or Associate Member's dues of that year shall not be returned.