

**California Insurance Wholesaler's Association**  
**Bylaws**  
**TABLE OF CONTENTS**

|            |   |         |
|------------|---|---------|
| Article 1  | Name                                      | Page 2  |
| Article 2  | Purpose                                   | Page 2  |
| Article 3  | Membership                                | Page 3  |
| Article 4  | Maintenance of Membership and Termination | Page 3  |
| Article 5  | Dues and Assessments                      | Page 4  |
| Article 6  | Meeting                                   | Page 4  |
| Article 7  | Voting                                    | Page 5  |
| Article 8  | Officers                                  | Page 5  |
| Article 9  | Board of Directors                        | Page 6  |
| Article 10 | Nomination of Officers and Directors      | Page 7  |
| Article 11 | Duties of Officers                        | Page 7  |
| Article 12 | Committees                                | Page 8  |
| Article 13 | Bylaws                                    | Page 8  |
| Article 14 | Indemnification                           | Page 9  |
| Article 15 | Code of Ethics                            | Page 9  |
| Article 16 | Enforcement of CIWA Code of Ethics        | Page 10 |
| Article 17 | Dissolution                               | Page 11 |

# California Insurance Wholesaler's Association

## BYLAWS

### **Article One**      **Name**

The name of this organization is the California Insurance Wholesaler's Association, a 501 (c) 6 not-for-profit corporation under the California Mutual Benefits Incorporation. Its headquarters shall be located within the state of California as determined by the Board of Directors.

### **Article Two**      **Purpose**

The purposes for which this Association is formed are to serve and promote the welfare of the members, create a collective voice for the membership, exchange information of concern to members and communicate educational and legislative data which will make its members more effective and efficient in all forms of insurance with emphasis on areas of special interest to our members. To achieve these purposes, the objectives are:

- A. To advance fellowship and mutual cooperation by contact with individuals sharing the same interests.
- B. To promote recognition of our position in the insurance industry.
- C. To discuss and mutually solve problems particular to the business of our members.
- D. To promote ethical practices in the production, writing and servicing of insurance.
- E. To foster good public relations between members and all those involved or concerned with the insurance industry.
- F. To promote education and provide educational data regarding our industry.
- G. To provide members with information on all pertinent legislation, orders, regulations and directives relative to our business.
- H. To communicate and cooperate with the California Department of Insurance.
- I. To support and promote the Independent Agency System of providing insurance.

### **Article Three**      **Membership**

- I. The Regular or Wholesale Members of the association shall consist of any sole proprietor, corporation or partnership licensed to do business in the State of California as an agent, broker, surplus lines broker or special surplus lines broker whose majority of business is as a wholesaler of insurance and the majority of such business is obtained from non-affiliated sources. Such members shall be known as Regular Members.

- II. Associate Members are any Insurance Company, Lloyds Broker, Underwriting Manager, Surplus Lines Broker, Agent, Broker or Syndicate of an Exchange authorized to do business or accept business within the State of California who provides a market for wholesale members.
- III. Supporting Members shall be individuals, partnerships or corporations who supply services to Regular Members or Associate Members and who are not qualified as Regular or Associate Members.
- IV. All applicants desiring membership in the association must complete an Application, approved by the Board of Directors which shall be submitted to the membership committee, who will submit qualified applications to the Board of Directors for their majority approval.
- V. The membership shall consist of Regular, Associate and Supporting Members, but only Regular Members shall be entitled to vote. The Board will consist of Regular and a limited number of Associate members (see restrictions of Associate Members to the Board in these bylaws).. The Board of Directors may, by unanimous vote, elect individuals as Honorary Members if deemed beneficial, or necessary to conduct or further the aims of the association.
- VI. Past Presidents no longer active as an individual or a member of a firm that is eligible for membership in CIWA as a Regular, Associate, or Supporting member shall become Honorary Lifetime Members. Honorary Life Members shall pay no membership fee.

**Article Four                      Maintenance of Membership and Termination**

- I. The membership of any person, corporation or partnership may be terminated for cause by:
  - A. Either a unanimous vote of the Board of Directors; or
  - B. By a majority vote of the Regular association members. A 30 days due notice and opportunity to be heard before the Board of Directors shall be given to any member whose termination of membership is to be considered. Notice may be personal or by first class or regular mail sent to the last address of the member shown on the association's records. Such hearing shall be held not less than five days before the Effective date of the termination.
- II. Cause shall be terminated by:
  - A. Suspension, revocation or termination of a member's license to transact the business of insurance within the State of California.

- B. Failure to pay association dues within 60 days of billing.
- C. Violating the Conflict of Interest/Code of Ethics of the association.

**Article Five            Dues and Assessments**

- I. Annual dues shall be set by the Board of Directors and shall be payable 60 days prior to the annual meeting. The annual dues for Regular, Associate and Supporting members shall be set by the Board of Directors.
- II. The Board of Directors shall have the authority to alter the annual dues. In addition the Board of Directors shall have the authority to levy assessments, as may be necessary, to conduct the business of the Association. Such assessment shall not exceed 50% of the current annual dues.
- III. Honorary members shall not be responsible for any dues or assessments.
- IV. A member on learning of the amount of dues determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues by promptly resigning from membership, except where the member is, by contract or otherwise, liable for the dues.

**Article Six            Meetings**

- I. The Annual meeting of the Association is to be held at a time and place to be designated by the Board of Directors.
- II. Regular meetings of the Association are to be held at a time and place to be designated by the Board of Directors.
- III. Special meetings of the Association may be called by the President or by five percent or more of the Regular members, upon 30 days notification, either written (first class mail) or electronic, of such meetings to all members,.

**Article Seven        Voting**

- I. Each Regular member shall be entitled to one (1) vote at any meeting or election, either by proxy, in writing or electronic communication to the Secretary prior to the meeting or election.
- II. A quorum shall consist of a majority of the Regular membership.
- III. Action on any matter shall require a majority vote of the Regular Members

present at each meeting, unless otherwise specifically indicated herein. A vote may be taken by mail, phone, facsimile, or electronically, at the discretion of the President and shall require a majority vote of all Regular Members.

**Article Eight          Officers**

- I.      The Officers of the Association shall consist of:
  - A.     President
  - B.     Vice President
  - C.     Secretary
  - D.     Treasurer
  
- II.     Each officer shall be elected at the annual meeting for a period of one (1) year or until the next annual meeting of the association, or a successor is chosen. No member shall hold more than one office concurrently.
  
- III.    Each Officer shall be a member of the Board of Directors.
  
- IV.    No member firm shall have more than one representative serve as an officer.
  
- V.     In the event a vacancy occurs in the office of President, the Vice President shall succeed to the office of President. Any other vacancy shall be filled by a majority vote of the Board of Directors. The Officer so chosen shall serve until the next regular membership meeting when there shall be a vote of the membership present and, if approved, shall continue to serve until the next regularly scheduled election of Officers.

**Article Nine          Board of Directors**

- I.      The Association shall be managed by a Board of Directors, consisting of not less than seven total directors or more than eleven directors – made up of Regular Members and up to, but not exceeding, two (2) Associate Members, inclusive of the offices to be elected or appointed at large and the immediate past president. The immediate past president of the Association shall occupy the Ex Officio position on the Board with full voting powers
  
- II.     The number of Directors may be increased as desired or needed by amendment of the Bylaws and a majority vote of the Regular membership.
  
- III.    The Board of Directors shall exercise all powers to promote the purposes of the Association and shall have supervision of the policies and affairs of the Association.

- IV. The Board of Directors shall meet four times per year; at least two of those meetings shall be in person with the other meetings held via the telephone or electronically.
- V. All Board meetings, whether via conference call or in-person, shall be publicized to the Board of Directors at least 15 days prior to the meeting.
- VI. All Board of Directors meetings are closed meetings for the Board members and staff only. A special guest, who has been invited by a Board member to make a presentation or attend a Board meeting, may participate if a majority of Board members, present at this meeting, approve.
- VII. Any vacancy within the officers or Board, which may occur in the middle of a term, shall be filled by appointment by the Board of Directors for the duration of that term.
- VIII. Action by the Board:
  - A. Any action required or permitted may be taken without a meeting, if all members of the board consent in writing, by proxy or electronically to the adoption of a resolution authorising the action.
  - B. If a quorum is present at any time during a meeting of the Board of Directors any action that is approved by a majority of the quorum, shall be the act of the Board. A quorum shall consist of a majority (50% + 1) of the members of the Board.
  - C. Should a quorum not be present, any actions taken by the Board shall be distributed to those Board members not present. The Board members not present shall have 30 days to vote to approve or not approve of these actions. No comment from these absent members shall be deemed approval. These actions shall then become final upon majority of both Board members present and not present.
- IX. The Board shall fill any vacancies on the Board or the Executive Committee by a majority vote of the Board of Directors within 45 days of the vacancy.
- X. Any elected Director who has a minimum of two (2) unexcused absences from regular meetings of the Board of Directors during a single administrative year may be asked to step down as a member of the board of Directors and the vacancy filled as provided by these Bylaws. However, the Board of Directors shall consider each absence of an

elected director as a separate circumstance and may expressly waive such absence by affirmative vote of a majority of its members.

**Article Ten            Nomination of Officers and Directors**

The President shall select a nominating committee consisting of at least three (3) Wholesale Members who will select a slate of Directors and Officers, to be proposed to the membership in writing at least sixty (60) days prior to the election meeting, which shall be the annual meeting. Any Wholesale member may propose any of the Directors by written notice to the Board of Directors and the proposed nominee, at least forty-five (45) days prior to the election meeting.

**Article Eleven        Duties of Officers**

- I.        The President shall be in charge of the affairs of the Association. He/she shall ensure that all meetings are properly publicized, prepare an agenda for each meeting, shall act as Chair of the Board and shall preside at all meetings of the Association.
- II.       The Vice President shall act in the absence of the President and on any other occasion as the President may request. In addition, he/she shall perform such specific duties as shall be designated by the Board of Directors.
- III.      The Secretary shall be the custodian of the records of the Association. He/she shall take, or delegate to staff to take, minutes of all meetings; shall review minutes and officially sign as a permanent document of the association.
- IV.      The treasurer shall be responsible for the funds of the Association. He/she shall oversee the collection of dues and assessments and the payment of bills. The association finances may be subject to annual audit by the Board of Directors.
- V.        Each office, in addition to the specific duties aforementioned, shall perform such duties and have such powers as are usual and incidental to his office.

**Article Twelve       Committees**

- I.        All committees and sub-committees shall keep regular minutes of their proceedings, and these shall be open to inspection by the members at all times.
- II.       Each committee shall meet at such times as it shall determine, and at any time on the call if its chairman. Each committee may act on the vote of a

majority of those present at any meeting thereof. Each committee or sub-committee shall make a report of its activities to the Board of Directors at the next regular Board meeting unless it is a topic deemed urgent where a special meeting may be called.

### **Article Thirteen    Bylaws**

- I. The Bylaws shall be effective immediately upon approval by a majority (50% + 1) vote of the Regular members present at the first regular meeting of the Association or via electronic vote.
- II. These Bylaws may be amended at any membership or special meeting of the association by a majority vote (50% +1) of the Regular Members present at such meeting or via electronic vote. Each such proposed amendment shall be submitted in writing by mail or electronically to each member at least thirty (30) days prior to said meeting and shall be presented for consideration of the membership, only if approved by a majority of the Board of Directors.

### **Article Fourteen    Indemnification**

To the full extent authorised or permitted by law, the Association shall indemnify and hold harmless each person who has served, or shall hereafter serve, the Association as a Director or Officer from and against any and all claims and liabilities of every kind or nature arising out of, or in connection with, his holding of office as a Director and/or Officer, or by reason of any act or omission to act, charged against such person (except acts of fraud and wilful malfeasance) and, in addition, shall reimburse each person for all expenses, including legal expenses, reasonably incurred by him in connection with any such claim or liability.

The rights created by this Article shall be in addition to all other rights which the Director and Officer may have in equity or by law.

### **Article Fifteen    Code of Ethics**

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 Constitution, its Rules, Regulations, Bylaws and Code of Ethics. The CIWA Code of Ethics is:

- I. To maintain high professional standards of efficiency, conduct, integrity, responsibility and service;
- II. To exercise the utmost good faith in dealing with their principals, underwriters, retail producers and assureds;

- III. To refrain from maintaining or using the status of their profession or their affiliation with this association, to attract business for personal financial gain in other lines of endeavour;
- IV. 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 those for which the association is intended;
- V. To regard the business of insurance as an unusual opportunity for essential service to the public, and to conduct themselves with dignity, courtesy and the highest degree of fairness in their relations with members for the industry and public at large;
- VI. 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.
- VII. To comply with all insurance and other applicable state and federal laws and regulations, maintain necessary licenses, and immediately notify the Association of any suspensions, revocations, or terminations of such licenses.

#### **Article Sixteen      Enforcement of CIWA Code of Ethics**

- I. If a CIWA member violates this Code of Ethics or is convicted of violating state or federal laws, he or she, or the respective violating corporate entity, can be expelled from the organization. All such matters will be referred to the CIWA Ethics Committee for full investigation and further action as warranted.
- II. A pattern of violation of state and/or federal insurance laws will lead to investigation of the member in question by the Ethics Committee of CIWA.
- III. Evidence of unfair trade practice or maligning other CIWA members will be brought to the attention of the Ethics Committee for further investigation and action as warranted.
- IV. The Committee will be comprised of the President, Immediate Past President, Vice President and the Executive Director of CIWA with the Immediate Past President serving as Chair of the Committee.
- V. Complaints pertaining to purported ethics violations must be sent, in writing, to the Committee Chair, who will notify the member(s) in question as to the nature of charges which have been received. The Chair will also

- forward a copy of the complaint to the other members of the Committee, which will then initiate an investigation and obtain evidence in respect of the charges made. All aspects of the investigation shall remain confidential.
- VI. The Committee will meet and confer either telephonically, electronically or in person as deemed necessary, to review the charges and status of the investigation. As soon as practicable, the Committee will hold a meeting with the member(s) against whom the charges(s) have been asserted, in order to allow a due process rebuttal by the member(s). The member(s) who have brought the charge(s) must also be present at the meeting.
- VII. The Ethics Committee will review the evidence gathered, hear the respective positions of the parties and, after deliberation, provide a recommendation of action to the Board of Directors which will act thereon promptly.
- VIII. Penalties may range from full expulsion from CIWA to a 1 to 2 year probation, suspension or censure.

#### **Article Seventeen Dissolution**

Upon dissolution of this organization its assets shall be divided among its dues paying members. Should the assets of the organization be less than \$12,000 and the organization dissolves, CIWA will donate these funds to single or multiple organizations or charities as determined by a majority vote of the Board of Directors.