

**Alaska Municipal League
Joint Insurance Association, Inc.**

BYLAWS

As Amended April 25, 2017



..... TABLE OF CONTENTS

BYLAWS

ARTICLE 1 - NAME	1
ARTICLE 2 - DEFINITIONS.....	1
ARTICLE 3 - PURPOSE AND OBJECTIVES	2
ARTICLE 4 - NATURE OF THE ORGANIZATION.....	4
ARTICLE 5 - PARTICIPATION	4
ARTICLE 6 - BOARD OF TRUSTEES	6
ARTICLE 7 - POWERS AND DUTIES OF THE BOARD OF TRUSTEES	10
ARTICLE 8 - CONTRIBUTION OF MEMBERS,	13
ARTICLE 9 - ADMINISTRATION	15
ARTICLE 10 - COMMITTEES	15
ARTICLE 11 - INDEMNIFICATION OF	16
ARTICLE 12 - FISCAL YEAR.....	17
ARTICLE 13 - ENROLLMENT	17
ARTICLE 14 - WITHDRAWAL FROM PARTICIPATION.....	17
ARTICLE 15 - DISSOLUTION	18
ARTICLE 16 - AMENDMENTS	18
ARTICLE 17 - OFFICE	19
ARTICLE 18 - OFFICIAL SEAL.....	19

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.

BYLAWS

ARTICLE 1 - NAME

The name of this association shall be ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.

ARTICLE 2 - DEFINITIONS

The following terms have the following meanings for the purpose of these bylaws:

- (a) "AML" means Alaska Municipal League.
- (b) "Annual Deposit Contribution" means the amount of contribution payable by a member of the Association for a particular type of risk coverage for a one-year period as determined by the Trustees of the Association, exclusive of entry fee and supplemental contributions, if any.
- (c) "Association" or "JIA" means the Alaska Municipal League Joint Insurance Association, Inc., an Alaska non-profit corporation established pursuant to AS 10.20.
- (d) "Cooperative Participation Agreement" or "CPA" means a written agreement entered into by two or more local public agencies for the purpose of establishing, operating, or participating in a joint insurance arrangement. For the purpose of these bylaws, the phrase does not refer to any specific agreement but is a reference to whichever agreement applies for a particular program or Participant.
- (e) "Director of Insurance" shall mean the Director of the Division of Insurance of the State of Alaska.
- (f) "Joint Insurance Arrangement" means a joint insurance arrangement authorized under AS 21.76.010 to enable the participants to pool contributions of public monies, grants, loans, and income from investment of the same in joint insurance funds as are authorized by AS 21.76.010, in order to either assume such risks from losses to the participants as it may determine shall be assumed, or purchase any and all insurance coverage for the participants on a group basis, as authorized by statute.

- (g) "Local public agency" means any political subdivision of the state, including any municipality, school district or regional educational attendance area as defined in AS 21.76.010 or such other public entity as may be permitted under AS 21.76, and which is a member in good standing of the Alaska Municipal League ("AML").
- (h) "Municipality" means a political subdivision incorporated under the laws of the State of Alaska as a home rule or general law city, a home rule or general law borough, or a unified municipality, and for purposes of the joint insurance arrangement, shall include pursuant to AS 21.76.010 school districts and regional educational attendance areas and all agencies or political subdivisions thereof, including without limitation, municipally-owned hospitals, utilities, service areas, port authorities or facilities, airports, and similar entities, agencies or services.
- (i) "Participant" or "participating member" means a local public agency which has joined the Association and is in good standing with the AML and the JIA, as set forth in Article 5, Section 1, below.
- (j) "Public liability" means any liability to which a political subdivision may be subject pursuant to the agreement.
- (k) "Trustees" means the Board of Trustees of the Association, as provided in the Cooperative Participation Agreement, and as defined in AS 21.76.900(3) as the board of directors.
- (l) The terms "administrator" and "fund" or "joint insurance fund" shall have the meanings ascribed in AS 21.76.900.

ARTICLE 3 - PURPOSE AND OBJECTIVES

Section 1 - General Purpose

These bylaws are promulgated to create a joint insurance arrangement which may establish and operate such joint insurance funds under the Association as permitted by Alaska statutes, as an essential governmental service to members of the AML and Participants in the Association.

Section 2 - General Objectives

The general objectives of the Association are to formulate, develop and administer a joint insurance arrangement for the Participants, to facilitate the availability of adequate coverage for, without limitation, property, liability, automobile and workers' compensation, and such lines as are authorized by statute and the Trustees, to lower costs and assure availability of such coverage, to provide a program of loss prevention and control services, and to provide claims administration and covered insurance claim defense services. Risks which may be pooled include, but are not limited to, public liability; automobile liability, including liability to pay basic reparation benefits; automobile collision losses and losses customarily covered by the comprehensive coverage provisions of automobile insurance policies; property loss or damage; and workers' compensation. The joint insurance arrangement to be established pursuant hereto shall not be for disability insurance, health insurance, life insurance or title insurance, so long as such insurance is prohibited by AS 21.76.010(b).

Section 3 - Activities of Association/Ownership of Assets

It is intended that the Association shall perform those risk management activities with the assistance and cooperation of its Participants, including pooling of risks, self-insurance management, joint purchase of insurance, claims administration, insurance defense, loss prevention and control, and all other related activities which are essential governmental functions of the Participants. All income and assets of the Association shall be dedicated to the benefit of the Participants as provided by the Cooperative Participation Agreement. Former Participants shall have no ownership interest in the assets of the Association.

Section 4 - Use of Funds

The Trustees shall use Association funds to fulfill the duties set forth in Article 7. In addition, the Trustees may in their discretion establish such catastrophic loss reserve funds, rate stabilization funds, or excess loss funds as they may deem necessary. The Trustees may elect, but are not required, to allocate Participant retained earnings among policy years. Any additional funds in excess of expenses and costs of loss control activities and reasonable reserves required by law or greater, as established by the Trustees, may be used to reduce the cost of insurance or increase risk

protection for the Participants. Finally, retained earnings may, at the determination of the Trustees, be distributed to the Participants as provided by the Cooperative Participation Agreement.

ARTICLE 4 - NATURE OF THE ORGANIZATION

The Association is a nonprofit corporation whose members are local public agencies of the State of Alaska, as defined in Article 2 hereof. Any local public agency in the state may become a member of the Association provided it is a member in good standing of the AML and agrees to comply with these bylaws and the rules, regulations and contractual commitments of the Association. Any local public agency that becomes a Participant of the Association may continue to be a Participant so long as it complies with these bylaws and the rules, regulations and contractual commitments of the Association including payment of annual deposit contributions, unless membership is canceled or otherwise terminated in accordance with these bylaws and the Cooperative Participation Agreement. Participation in the Association commences upon the effective date of any risk coverage provided by the Association, and as provided in the Cooperative Participation Agreement.

ARTICLE 5 - PARTICIPATION

Section 1 - Composition

The Participants of the Association shall be the local public agencies which are members in good standing of the AML, which complete the form of application which the Trustees shall specify, which upon approval of said application by the Trustees or their designee shall execute the Cooperative Participation Agreement (provided the JIA shall have received written notice of the execution of said agreement), and which thereafter comply with all of the requirements of the Association.

Section 2 - Representation

Each Participant shall be represented by a permanent representative who shall be the chief executive officer of each local public agency or his or her designee.

Section 3 - Annual Meeting

Annual meetings of the Participants shall be held each year, in conjunction with the AML Annual Conference. The purpose of these annual meetings is for the Trustees to present an annual report to

the Participants concerning the fiscal year just ended. This meeting will include discussion and review of the program, and will be open to all Participating Members.

Section 4 - Special Meetings

Special meetings of the Participants may be called at any time by the Trustees or by the chairman and shall be called by the chairman or secretary at the written request of at least one-third of the Participants or four Trustees.

Section 5 - Place of Meetings

All meetings of the Participants shall be held at such place in the State of Alaska as shall be designated in the notices or waivers of notice of such meetings, as determined by the Trustees.

Section 6 - Notice

Written notice of each meeting of Participants, whether annual or special, stating the time when, and the place where it is to be held shall be served either personally or by mail, telegraph or other form of electronic written communication, not less than 10 nor more than 50 days before the meeting. Notice of a special meeting that is called shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Each notice shall be directed to the representative of each Participant at his or her address as it appears on the application to participate in the Association, unless he or she shall have previously filed with the Administrator a written request that notices intended for him or her be sent to some other address, in which case it shall be sent to the address designated in such request.

Section 7 - Quorum and Proxy

A quorum shall consist of a majority of the designated representatives of the Participants in good standing, attending the meeting in person or by proxy, for purposes of conducting matters upon which a vote of members is required or permitted, provided that a proxy shall be counted only for purposes of establishing a quorum and voting on issues specifically set forth in the proxy. As to matters not specifically set forth in a proxy, the majority vote of the Participants in attendance shall be required for passage. No quorum shall be required to conduct a meeting of Participant members at which no vote is taken.

ARTICLE 6 - BOARD OF TRUSTEES

Section 1 - Function

The Association shall be governed by a Board of Trustees. The Trustees shall operate the Association and administer the joint insurance arrangement on behalf of the Participants pursuant to these bylaws and the CPA and shall be composed of the number of trustees appointed in the manner hereinafter set out, and shall have the functions, powers, and duties hereinafter set forth.

Section 2 - Membership

The Board of Trustees will consist of seven members appointed by the AML Board of Directors for two-year staggered terms, and two members appointed by the AMLJIA Board of Trustees for two-year staggered terms. Each Trustee shall hold office until the annual meeting at which his or her successor is appointed. The Trustees will consist of the following:

- (a) Nine (9) individuals, including appointed or elected officials from local public agencies appointed for their expertise in insurance, finance administration, risk management, law, or other areas of expertise deemed appropriate by the AML Board.
- (b) The Executive Director of the AML shall serve as an ex-officio, nonvoting member of the Board of Trustees for a term concurrent with his or her tenure as the AML Executive Director.
- (c) Not fewer than five members of the Board of Trustees, including at least one of the Trustees appointed by the AMLJIA Board of Trustees, shall be representatives of Participants. Consideration shall be given to geographic and population distribution when Trustees are appointed.
- (d) Individuals interested in serving on the Board of Trustees must submit a completed application in a form approved by the Trustees not less than ninety (90) days before the annual meeting.

Section 3 - Officers of the Association

- (a) Chairman and Vice Chairman. The Trustees shall elect a Chairman and Vice Chairman of the Association at its first meeting, each to hold office for a one-year term and until a successor is elected. Thereafter at the annual meeting of each succeeding calendar year, the Trustees shall elect or re-elect the Chairman and Vice Chairman for the ensuing year. In the event the Chairman or Vice Chairman so elected ceases to be a member of the Board of Trustees, the resulting vacancy in the office of Chairman or Vice Chairman shall be filled at the next regular or special meeting of the Trustees held after such vacancy occurs. In the absence or inability of the Chairman to act, the Vice Chairman shall act as Chairman. The Chairman, or in his or her absence, the Vice Chairman, shall preside at and conduct all meetings of the Trustees and shall be a member and the Chairman of the Executive Committee.
- (b) Administrator. The Administrator shall have the general administrative responsibility for the activities of the Joint Insurance Arrangement and shall retain all necessary employees thereof. The Administrator need not be a member of the Board of Trustees.
- (c) Treasurer. The Treasurer shall be appointed by the Trustees and shall be a person other than the Administrator and shall not be a member of the Board of Trustees. The duties of the Treasurer are set forth in the Cooperative Participation Agreement.
- (d) Secretary. The Secretary of the Board of Trustees shall be appointed by the Trustees and shall be a person other than the Chairman or Vice Chairman, and need not be a member of the Board of Trustees. The Secretary shall be responsible for keeping and maintaining minutes of the meetings of the Participants and Trustees of the Association, and other records, contracts, and documents pertaining to the Association.

Section 4 - Quorum

At all meetings of the Trustees, the presence of a simple majority of the membership of the Board of Trustees shall constitute a quorum. An affirmative vote of a simple majority of the membership of

the Board of Trustees shall be required to pass any motion, except as to those matters for which a greater majority is specified in these bylaws or by contract.

Section 5 - Meetings

The Trustees shall meet at least once per calendar quarter and at such other times as determined by the Trustees. Special meetings shall be held whenever called by the Chairman or at the request of three Trustees.

- (a) Minutes. The Trustees of the Association shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board of Trustees. Copies of the minutes shall be made available to each participant upon request.

Section 6 - Notice

Written or telephonic notice of at least five working days shall be sent to each Trustee prior to any meeting, unless waived. Notice shall be deemed given on the day notice is sent. Telephonic notice shall be confirmed by letter, telegram or other comparable electronic or written communication. Any Trustee may waive notice in writing either before or after the date of the meeting, and if such waivers are received from all Trustees not present, any action taken at the meeting shall be valid as though due notice had been given.

Section 7 - Open Meetings

Meetings of the Trustees shall be open to all participating members except the Trustees may hold closed, executive sessions for claims, personnel, litigation or any matter the immediate knowledge of which would adversely affect the finances of the JIA or any of its Participants, or subjects that tend to prejudice the reputation and character of any person, or matters which are required to be confidential pursuant to law.

Section 8 - Telephonic Meetings

Any meeting which has been duly noticed and which could properly be held by Trustees attending in person, may, at the discretion of the Chairman, or at the request of at least three Trustees, be conducted via conference telephone or similar means of simultaneous electronic communication.

Section 9 - Vacancy

Any vacancy on the Board of Trustees occurring by reason of an increase in the number of Trustees or the death, resignation, removal, the inability to act of any Trustee or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the body (either the AML Board of Directors or the AMLJIA Board of Trustees) that appointed the Trustee whose vacancy is to be filled or that is otherwise charged by these Bylaws with appointing the Trustee, at any regular or special meeting of the appointing body.

Section 10 - Resignation

Any Trustee may resign at any time by giving written notice to the Board of Trustees, to the chairman or secretary of the Association, and to the Executive Director of the AML. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Trustees or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 11 - Removal

Any Trustee appointed by the AML Board of Directors may be removed with or without cause at any time by an affirmative vote of three-quarters (3/4) of the AML Board of Directors at a regular or special meeting called for that purpose. Any Trustee appointed by the AMLJIA Board of Trustees may be removed with or without cause at any time by an affirmative vote of three-quarters (3/4) of the AMLJIA Board of Trustees at a regular or special meeting called for that purpose. Any Trustee subject to such removal shall be given not less than 10 days written notice of the fact that the issue of his or her removal shall be decided, and of the date, time and place of such meeting, and shall be afforded an opportunity to present written or verbal comment upon the proposed action prior to any decision thereon.

Section 12 - Compensation

The Trustees shall serve without compensation, but shall be entitled to reimbursement of actual and reasonable expenses incurred in the performance of their official duties upon approval of the Trustees. The Association reserves the right to make reservations or prior arrangements for such expense items as airlines and hotels, and to establish a per diem rate or allowance to cover other incidental expenses.

Section 13 - Bonding

The Trustees may obtain, and expend Association funds to maintain such fidelity bonding or employee or directors' errors and omissions, malfeasance or misfeasance insurance coverage as is deemed appropriate.

ARTICLE 7 - POWERS AND DUTIES OF THE BOARD OF TRUSTEES

The Trustees may establish and manage any joint insurance funds, pools, policies and other services contemplated in these bylaws, and may:

- (a) Prepare specifications, request bids, and enter into any contract for the purpose of underwriting, administering or providing any services to the joint insurance funds or their Participants, policies or services contemplated in these bylaws.
- (b) Determine the rates, risks, benefits and terms of participation in the joint insurance funds, policies or services contemplated in these bylaws; adjust the rates and benefits based on claim experience and file such rates and terms as required by law.
- (c) Provide for individual or collective underwriting or other agreements for Participants in any joint insurance fund, policy or service contemplated by these bylaws; serve as the policyholder of any group policies; determine the methods of claims administration and payment, consistent with law; determine extent of loss prevention required; provide claims experience reports for Participants collectively or separately; pool or purchase excess insurance and reinsurance.
- (d) Determine the amount of contributions or appropriations required from Participants for the purpose of participating in any part or all of the joint insurance funds, policies or services established pursuant to these bylaws.
- (e) Establish standards for eligibility of Participants in any joint insurance fund, policy or service, and procedures for enrollment and withdrawal in any joint insurance fund, policy or service; and establish effective dates of coverage.
- (f) In accordance with a Cooperative Participation Agreement filed with the Director of Insurance, provide for the administration of any joint insurance fund established hereunder, for the manner of payments to such joint insurance fund or funds, policies or services which may be established, and establish procedures for

safekeeping, handling and investing such joint insurance fund or funds and any monies received or paid. With respect to each fund, claim reserves are to be accounted for by policy year for incurred but not yet paid, as well as incurred but not reported, losses.

- (g) Define the duties of the employees of the Association, particularly an Administrator or Insurance Manager and establish record requirements for the Association to enable the correct billing of contributions and fees, enrollment of Participants and their employees, and payment of claims.
- (h) Serve as or appoint an appeals body for complaints of Participants and their employees regarding allowance and payment of claims, eligibility and other matters (subject to the jurisdiction of the workers' compensation commission and other governmental agencies having jurisdiction), and establish procedures for grievances of Participants and their employees. Notwithstanding the Trustees' power to establish such procedures, any policy or procedure that requires arbitration of any dispute shall be subject to amendment only upon affirmative vote of the Participants.
- (i) Study the operation of joint insurance funds, policies or services, gross and net costs, administrative costs, benefits, utilization of benefits and claims administration.
- (j) Incur expenses, acquire and hold personal and real property, and enter into agreements necessary to accomplish the purposes of these bylaws; exercise the full power and authority of any Participant of the Association with respect to risk management matters when required to do so by contract with the Participant; or otherwise provide for necessary activities to accomplish the purposes of these bylaws.
- (k) Contract for such professional services as it may deem necessary and fix the time, manner, and payment therefore.
- (l) Contract with any qualified organization to perform any of the functions necessary for the carrying out of a joint insurance arrangement, including excess loss insurance or reinsurance, handling of claims, loss prevention and control services, administrative services and any and all other services that the Trustees shall deem

expedient for the proper servicing of those Participants who use the services of the Association.

- (m) Provide for proper accounting and reporting procedures for each of the Participants so that it shall be apprised at all times of the nature of the claims arising within its jurisdiction, the manner in which these claims are being handled, and the impact of the same upon the joint insurance.
- (n) Provide for annual audit of the books of the Association by certified public accountants and provide a copy of such audit to each Participant and to the Legislative Budget and Audit Committee pursuant to statute.
- (o) Annually provide for a review of its operations and general condition by a recognized, independent, actuary who is a member in good standing of the American Academy of Actuaries, including a determination that the actuarial assumptions used for establishing reserves in any joint insurance fund are sound, and provide a copy of such review to the Legislative Budget and Audit Committee.
- (p) Provide for a detailed report of the operation and condition of each joint insurance fund or funds, within sixty (60) days of the end of the fiscal year, to be filed with the Director of Insurance, in accordance with accounting principles established by AS 21.76, and be available for public inspection, pursuant to AS 21.76.080.
- (q) Terminate membership of any Participant which fails to abide by the requirements of the Board concerning: payment of the annual deposit contribution and any other contributions, installation of safety requirements, accounting and reporting, claims administration, compliance with other risk management standards, cooperation with the claims agents or attorneys representing the Association or any of the Participants; or terminate membership of any Participant which, in the judgment of the Trustees, acts in a manner detrimental to the fiscal soundness or effectiveness of the Association.
- (r) Develop and prepare Cooperative Participation Agreements to be signed by each Participant as it joins the Association.

- (s) Determine the amount of insurance, if any, that shall be purchased by the Association insofar as catastrophic coverage, excess loss coverage, stop loss or other types of coverage.
- (t) Require the securing of a fidelity bond or similar insurance coverage upon each and all of the employees of the Association and upon other persons charged with the duty of handling any of the monies or investments of the Association.
- (u) Pay claims by, to, or on the behalf of Participants, including claims made against Participants.
- (v) Borrow money to carry out purposes of these bylaws and of the Association.
- (w) Lend money from one joint insurance fund it administers to another it administers on such terms and conditions as it may determine.
- (x) Review, modify, if necessary, and approve the annual operating budget of the Association.
- (y) Invest money held by a joint insurance fund as reserves and money not needed for daily operations.
- (z) Exercise all of the powers necessary or desirable to carry out the purposes of the Association or the specific powers enumerated in this article.

ARTICLE 8 - CONTRIBUTION OF MEMBERS, COVERAGE LIMITS, RETENTIONS AND EXCESS INSURANCE

The Trustees shall establish a method for determining contributions to joint insurance funds using the following guidelines:

- (a) No joint insurance fund shall commence sharing of risks until the Association shall have received contributions from Participants in the amount required by the Board of Directors.
- (b) The Trustees may establish a deductible or retention for each Participant.
- (c) The Trustees shall establish the amount of liability with respect to claims against its Participants which each fund shall assume.
- (d) Each joint insurance fund may obtain excess insurance or reinsurance with respect to claims against its Participants which each joint insurance fund shall assume.

- (e) Each joint insurance fund may obtain excess insurance against aggregate fund liability for all claims as determined by the Trustees.
- (f) Each Participant or former Participant of a joint insurance fund shall be responsible as determined by the Board of Trustees for additional contributions or assessments to the fund in the event as to any coverage year, losses (including incurred but unreported or unpaid losses) and expenses exceed the annual deposit contribution and income earned on such contributions. A former Participant shall be responsible, under this section, for its proportionate share of additional contributions or assessments only for losses and expenses attributable to the time period of its participation in the program; however, there shall be no time limitation on former Participant liability under this section. Participants taking part only in a group purchase program, however, shall not be responsible for additional contributions due to a deficit in the risk-sharing program. Such additional contributions shall be determined by the Trustees based upon each Participant's proportionate annual deposit contribution in comparison to the aggregate annual deposit contributions of all Participants - for those Participants taking part in a program whereby risks from loss are shared on a group basis. For Participants taking part only in a group purchase program, such additional contributions, if any, may be based on their proportionate annual deposit contribution or other factors. The Trustees shall establish the amount of additional contributions which may be required from any Participant.
- (g) Annual deposit contributions of Participants shall be determined by the Trustees on the basis of each joint insurance fund's insurance provided, reserve for contingencies, reserve for losses, cost of excess insurance, cost of conventional insurance for each Participant, claims experience, administrative costs, any catastrophic loss reserve funds, rate stabilization funds, or excess loss funds established by the Trustees, and other pertinent factors.

ARTICLE 9 -ADMINISTRATION

Section 1 - Administrator

The Trustees shall appoint an Administrator to serve as chief executive officer of the Association. The Administrator shall have the general supervisory control over the day-to-day decisions and administrative activities of the Association.

Section 2 - Employees/Contracts for Services

The Trustees may appoint such other officers or employees and employ or contract with the AML or other persons or entities for such administrative, planning, research or other services upon such terms as may be necessary or in the Trustees' judgment desirable to carry out the purposes of these bylaws and of the cooperative participation agreements.

Section 3 - Hiring/"Borrowing" of Employees

The Administrator shall have the power to hire such persons as the Trustees authorize for the administration of the Association, including the "borrowing" of management-level or clerical employees from the AML and/or one or more of the Participants to assist in the development phase or subsequent administration of the Joint Insurance Arrangement of the Association, subject to the approval of the Participant. Any Participant whose employee is so "borrowed" according to this provision shall be reimbursed by the Association for that employee's time spent or services rendered on behalf of the Association.

ARTICLE 10 - COMMITTEES

Section 1 - Executive Committee

The Board of Trustees may appoint an Executive Committee of the Board of Trustees which shall consist of not less than three nor more than five Trustees, as determined by the Board of Trustees. Two of the members of the Executive Committee, if established, shall be the Chairman of the Board of Trustees, and the nonvoting, ex-officio member from the AML; the remainder of the members, after their original election, shall be elected by the Trustees at the same time the officers of the Board of Trustees are elected at the annual Association meeting each calendar year. The Chairman of the Association shall serve as the Chairman of the Executive Committee. The Board of Trustees

may delegate certain powers of the Trustees as outlined in Article 7 to the Executive Committee, as it deems appropriate.

The Executive Committee or any other Board committee established by the Trustees may not take any action contrary to previous action of the full Board of Trustees nor make any decisions that would require an amendment of, or be inconsistent with, the Bylaws or Cooperative Participation Agreement. The Trustees may review all acts of the Executive Committee, or any other Board committee established by the Trustees and shall have the power to modify and/or override any decision or action of the Executive Committee or any other committee upon a majority vote of the Board of Trustees.

Section 2 - Other Committees

In addition to an Executive Committee, the Board of Trustees may establish and appoint Trustees to such other committees as the Board from time to time may deem necessary. Any committees other than the Executive Committee shall consist of not less than three nor more than five Trustees as determined by the Board. The Board of Trustees may delegate certain powers of the Trustees as outlined in Article 7 to any such committee established by the Trustees as it may deem appropriate.

ARTICLE 11 - INDEMNIFICATION OF TRUSTEES, OFFICERS, EMPLOYEES, AND AML

The members of the Board of Trustees and officers and employees of the Association shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties for the Association and shall not be liable for any mistakes of judgment or other action, taken or omitted by them in good faith; nor for any action taken or omitted by an agent, employee or independent contractor selected in good faith by them or any of them; nor for loss incurred through investment of Association funds or failure to invest. No trustee, officer or employee shall be liable for any action taken or omitted by any other officer, Trustee, or employee. The Association shall defend, indemnify and hold harmless each Trustee, officer, and employee for expenses, including attorney's fees, and the amount of any judgment, money decree, fine, penalty or settlement for which he may become liable by reason of his being, or having been, a Trustee, officer or employee of the Association who exercises powers or performs duties for the Association, except in relation to

matters as to which said Trustee, officer or employee is finally adjudged in any action, suit or proceeding to be liable for failure to act in good faith in the performance of his or her duties as such Trustee, officer, or employee.

ARTICLE 12 - FISCAL YEAR

The fiscal year of the Association shall commence July 1 of each year and end June 30 of the succeeding year, or as determined by the Board.

ARTICLE 13 - ENROLLMENT

Any local public agency that is a member in good standing of the AML and is otherwise qualified to participate in the Cooperative Participation Agreement may enroll as a Participant of the AML Joint Insurance Association. A prospective Participant must sign the Cooperative Participation Agreement in order to become a Participant. The Trustees may provide such incentives to encourage participation as it deems appropriate.

ARTICLE 14 - WITHDRAWAL FROM PARTICIPATION

Section 1 - Cancellation of Participation

The Board of Trustees shall have the right to cancel a Participant's membership in the Association upon a two-thirds (2/3) vote of the entire Board of Trustees for those Participants taking part in any program whereby Participants assume risks from losses on a pooled basis. Grounds for such cancellation shall include failure to conform to loss prevention or safety programs; failure to adhere to material provisions of the Cooperative Participation Agreement or default in performance of obligations under said Agreement; failure to meet underwriting standards established by the Association; insolvency of the Participant; or such other condition as the Association, acting through the Trustees, shall determine and incorporate by agreement. For any program whereby Participants purchase coverage on a group basis, the Participant's membership in that program may be canceled in accordance with the applicable insurance policy and Cooperative Participation Agreement.

Section 2 – Withdrawal

A Participant may withdraw from the Association, subject to the provisions of these bylaws and of the Cooperative Participation Agreement, except that Participants enrolled only in a group purchase program may withdraw in accordance with the applicable insurance policy and Cooperative Participation Agreement. Any withdrawal by a Participant shall be effective only at the end of the fiscal year, and only after giving the Association not less than six (6) months written notice of intent to withdraw. These limitations on the time and notice required for withdrawal shall not apply to Participants taking part only in a group purchase program. Those Participants may withdraw according to the applicable Cooperative Participation Agreement and insurance policy. Such withdrawal shall not exonerate a withdrawing Participant from liability incurred during the term of its participation, or pursuant to the Cooperative Participation Agreement.

ARTICLE 15 - DISSOLUTION

In the event of a dissolution of the Association, but only after the payment, or provision for, all debts, claims and liabilities, any remaining assets shall be paid to the Participants at the time of the dissolution date established by the Trustees, in proportion to their respective total contributions to the Association and as provided in the Cooperative Participation Agreement. Participants who have taken part only in a group purchase program shall not share in the distribution of assets upon dissolution.

ARTICLE 16 - AMENDMENTS

These bylaws may be amended by a vote of two-thirds (2/3) of the Trustees present at any annual meeting, regular meeting, or special meeting of the Trustees called at least in part for the purpose of amending the bylaws. Any bylaw amendment shall become effective immediately unless otherwise stated therein.

ARTICLE 17 - OFFICE

The principal office of the Association shall be in such location as the Trustees shall decide within the State of Alaska. The Association may also maintain offices at such other places within Alaska as the Trustees may from time to time determine.

ARTICLE 18 - OFFICIAL SEAL

The Trustees of the Association may adopt an official seal in such form as they may determine, which seal may be affixed to official documents of the Association.

The undersigned certifies the foregoing bylaws have been adopted as the amended bylaws of the Association.

DATED this 24th day of April, 2015.

ATTEST: 
Secretary


CHAIRMAN