

**Bylaws of the  
Independent Insurance Agents of Tennessee, Inc.**

**ARTICLE I  
Name**

The name of this corporation shall be the Independent Insurance Agents of Tennessee, Inc., it may be called INSURORS of Tennessee, and is hereinafter referred to as "Association".

**ARTICLE II  
Domicile**

The domicile of this corporation is Nashville, Tennessee.

**ARTICLE III  
Purpose and Objectives**

**Section 1:** The fundamental purpose and objective of the Association is to be an unrelenting advocate of the independent agents and brokers to fulfill their political, educational and business needs, while working in the public's interest.

In furtherance of this fundamental purpose and objective, the Association shall; Encourage a high standard of professional and ethical conduct; Promote integrity and harmony in the insurance business; Promote to the public the advantage of insurance procured and serviced by local independent agents; Discuss questions and issues of interest and provide tangible benefits and programs that are responsive to agent's needs; Work together to promote a healthy legislative and governmental environment for the insurance industry; Act aggressively to prevent coercion, fraud or misrepresentation in connection with the sale of insurance; Work toward cooperation between agents and their companies to provide an environment in which the public can freely purchase insurance in an informed and competitive manner.

**Section 2:** The Association shall license to its Regular members the right to use the insignia "INSURORS" or "INSURORS of Tennessee" and shall protect against its use by an unauthorized party.

**Section 3:** The Association is formed for purposes for which a corporation may be formed under the not-for-profit corporation laws of the State of Tennessee. The Association shall not promote the private interest of any member.

**ARTICLE IV  
Fiscal Year**

The fiscal year of the Association shall be January 1 through December 31, or as determined by the Board of Directors.

## **ARTICLE V Regions**

To further the effectiveness of this Association, the State of Tennessee is administratively subdivided into Region 1, Region 2 and Region 3, each approximately equal in geographical area. The boundaries of these regions will be fixed by the Board of Directors.

## **ARTICLE VI Members**

**Section 1:** All powers of the Association shall be vested in its Regular members.

**Section 2: Classes** – There shall be three classes of members in this Association with the designations, qualifications and rights as hereinafter set forth.

(a) **Regular Members:** Regular members of this Association shall be insurance agencies doing business in Tennessee as individuals, partnerships, corporations, or other forms of business organizations who continuously and primarily represent at least one insurance company which operates in conformity with the American Agency System (ownership of expirations belongs to the agency) and who are under the direct management and supervision of a person or persons who are:

of good character and integrity; and  
duly licensed by the State of Tennessee as a resident insurance agent.

(b) **Associate Members:** The Board of Directors, at its discretion, may authorize individuals or firms not eligible for regular membership to become associate members of the Association. Associate members shall have no vote in any of the affairs of the Association, and do not have the right to use the insignia “Insurors” or “Insurors of Tennessee” unless specifically authorized by the Chief Executive Officer. Associate Members may participate in meetings and other activities of the Association to the extent authorized by the Board of Directors. The Association may receive from such associate members financial contributions to the support of the Association, and the Board of Directors may from time to time determine appropriate financial contributions to be received from such associate members for the privilege of associate membership.

(c) **Honorary Members:** For distinguished service rendered to the agency system or for other outstanding achievement, the Association may, by majority action of the Board of Directors at a regular or called meeting of the board, bestow the title of “Honorary Member” upon any individual. Honorary members shall be privileged to attend all membership meetings and take part in discussions and debates, but shall not be entitled to vote. They shall not be subject to dues. Honorary members shall be elected for life except that, when a

public official is elected by virtue of his office, his membership shall terminate upon the expiration of his term of office. Honorary membership may be terminated by a majority action of the Board of Directors at a regular or called meeting of the Board.

**Section 3: Privileges** – Regular membership in this Association includes membership in the Independent Insurance Agents and Brokers of America, its successors and assigns, and entitles such members to all rights and benefits of both organizations, including the privilege of using any insignia copyrighted or otherwise legally protected by the Association.

**Section 4: Voting Rights** – A member’s voting rights are set forth in Article VII, Section 7 of these bylaws.

**Section 5: Application for Membership** – Application for membership in the Association shall be submitted on an official membership application form, and filed with the Chief Executive Officer. Membership is established upon acceptance of the application by the Chief Executive Officer, but the Board of Directors, in its discretion, may reject the application at its next regular meeting or at a special meeting called for that purpose. If the Board of Directors rejects a member’s application in accordance with this Section, the member is not entitled to the procedural rights set forth in these Bylaws and dues shall be refunded.

**Section 6: Termination of Membership** –

6.1 **Change in Status.** If a member agency is sold in its entirety, or its controlling interest is transferred to a non-member, or a member agency is merged with a non-member agency, the Board of Directors may request that another application for membership be submitted. Non-receipt of a requested application within ninety days shall cancel automatically the previously existing membership.

6.2 **Non-payment of Dues.** A member agency is delinquent if his dues are more than 30 days in arrears. A delinquent agency’s membership in this Association may terminate for non-payment of dues, and the terminated member shall not have any further rights or privileges of membership.

**Section 7: Disciplinary Action – Suspension.** A member may be suspended or expelled for good cause, such as violation of any of the bylaws or rules of the Association, or for conduct prejudicial to the best interests of the Association. Suspension or expulsion shall be by a two-thirds vote of the membership of the Board of Directors, provided that a statement of the charges shall have been mailed by registered mail to the member under charges at his last recorded address at least 15 days before final action is taken thereon; this statement shall be accompanied by a notice of the time when and place where the Board of Directors is to take action. The member shall be given an opportunity to present a defense at the time and place mentioned in such notice, prior to the Board taking any action.

If the Board's decision is adverse to the member's interest, the member has the right to appeal the decision to the full membership at the next meeting of the Association following the Board's meeting. Notice of appeal must be made in writing and submitted to the Chief Executive Officer within thirty days following the adverse decision. The member has a right to be heard at the membership meeting to which he has appealed the Board's action. Unless two-thirds of the members present vote to sustain the Board's action, the disciplinary action is void.

**Section 8: Resignation** – Any member may withdraw from the Association after fulfilling all obligations to it by giving written notice of such intention to the Chief Executive Officer, which notice shall be presented to the Board of Directors or Executive Committee by the Chief Executive Officer at the first meeting after its receipt. Any member that withdraws will not receive refund of pre-paid dues, and will forfeit any and all of its rights of membership.

## **ARTICLE VII Membership Meetings**

**Section 1: Annual Meeting** – There shall be at least one meeting of the members of the Association during the fiscal year of the Association at a time and place to be determined by the Board of Directors.

**Section 2: Special Meetings** – Special meetings of the Association may be called by the President upon written request of a majority of the Board of Directors or by a written petition signed by at least five percent of the members of the Association authorized by these bylaws to vote on the business proposed to be transacted at such meeting. Only such business as is specified in the notice of the special meeting may be considered at the meeting.

**Section 3: Notice** – Written notice of all membership meetings shall be sent to all members at least ten days before the date of the meeting. The notice may be sent through any means of publication from the Association, including electronic mail, and shall state the date, time and place of the meeting. Notice of special meetings must include a statement of the purpose for which the special meeting is called.

**Section 4: Quorum** - Five percent of the members of the Association shall constitute a quorum for the transaction of business.

**Section 5: Presiding Officer** – The President shall officiate at all meetings of the members of the Association. If the president is unable to preside, the President-Elect shall preside. In the event neither the President nor the President-Elect is able to preside, the presiding officer shall be appointed by a majority of the Board of Directors.

**Section 6: Order of Business** – The presiding officer shall establish the order

of business for each meeting of the members.

**Section 7: Voting Rights and Representation** – One person from an agency which is a member of the Association may represent the member at any regular or special meeting of the Association. Each member agency shall be entitled to one vote, to be cast in person and no member shall be entitled to be represented by proxy. In order to exercise the voting rights specified in the bylaws of this Association, the members must be in good standing.

## **ARTICLE VIII Officers**

**Section 1: Composition** – The officers of this Association shall consist of a President, who shall act as the Chairman of the Board, three Vice Presidents (one from each region as defined in these Bylaws), a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be combined.

**Section 2: Terms** – New officers may be elected at the Association's annual meeting, or at any special meeting duly called for that purpose. The term of said duly elected officers shall be one-year coinciding with the Association's fiscal year, beginning on January 1 and ending on December 31, unless the officer is unable to complete the term of office or said officer is otherwise removed.

**Section 3: Consecutive terms of President** – The President may be elected to a consecutive term only by a unanimous vote of all members of the Association present at the meeting during which the election is held. In no event, however, may he serve more than two consecutive terms.

**Section 4: Qualifications** – All officers shall be employees, members, proprietors or shareholders of members in good standing of the Association. Only one person per member agency is eligible to be elected in a given year.

**Section 5: Duties** – The duties of the officers of the Association shall be those which are usual and customary for such officers. In addition, the officers shall serve as ex officio directors with the right to vote.

**Section 6: Executive Director** – The Executive Director is the Chief Executive Officer of the Association. The Chief Executive Officer shall carry on the general, day to day affairs of the Association, under the supervision and direction of the Board. The Chief Executive Officer shall be a member of the staff of the Association. It shall be his or her duty to approve the expenditure of monies appropriated by the Board of Directors in accordance with the budget approved by the Board of Directors. He or she shall comply with all orders from the Board of Directors. All employees and contractors shall report and be responsible to the Chief Executive Officer. He or she shall perform such other duties as may be determined from time to time by the Board of Directors. The Chief Executive Officer does not have the right to vote.

## **ARTICLE IX Board of Directors**

**Section 1: Powers** - The Board of Directors shall be vested with full power to conduct the business of the Association and to exercise all corporate powers in the interims between meetings of the membership. It shall fix the time and place of meetings, make recommendations to the Association, and perform such other duties as are specified in the bylaws of the Association. None of the acts of the board shall conflict with actions taken by the Association.

**Section 2: Composition** – The Board of Directors of the Association shall consist of the Association’s officers, the regional directors, the young agent director, the immediate Past President, and the State National Director.

**Section 3: Regional Directors** - There shall be nine Regional Directors, three from each of the three regions of the state. Regional Directors shall serve for a term of three years or until their successors are elected. So as to provide an overlapping tenure in each of the three regions, only one directorship in a region shall be open for election in a given year.

**Section 4: Immediate Past President** – The President for the preceding year shall automatically continue as immediate Past President for a one-year term. This immediate Past President also serves as the parliamentarian.

**Section 5: State National Director** – The State National Director shall be the Association’s representative to the Independent Insurance Agents and Brokers of America, Inc., and serve as a member of the Executive Committee. The State National Director must be a Past President; however, the Immediate Past President shall not serve as State National Director. The State National Director shall serve for a term of three years, but no person shall serve more than two, three year terms. (Effective 1/1/07).

**Section 6: Young Agent Director** – There shall be a director who shall represent the Young Agent’s of the Association. Said director shall serve a one year term or until a successor is elected. The young agent director shall be an employee, member or shareholder of a member in good standing of the Association who is 40 years of age or younger, or who has been an agent for less than five years.

**Section 7: Qualifications** – All directors shall be employees, members or shareholders of members in good standing of the Association.

**Section 8: Vacancies** – In the event a member of the Board of Directors, including an officer of the Association, is unable to complete his term of office, the Board may appoint a representative from a Regular Member to complete the unexpired term. Each person so appointed shall remain a director or officer until

a successor has been elected by the members of the Association, who may make such an election at their next annual meeting or at any special meeting prior thereto and duly called for that purpose.

**Section 9: Regular meetings** – There shall be at least three regular meetings of the Board of Directors during each fiscal year to be held at such time and place as shall be selected by the President.

**Section 10: Special meetings** – Special meetings of the Board of Directors may be held at any time subject to call by the President or by the President-Elect, or upon written request of five members of the Board of Directors.

**Section 11: Notice** – Notice of special meetings of the Board of Directors shall be sent to all members of the Board at least forty eight (48) hours prior to the meeting stating the time, date, place and purpose of the meeting. Only those items of business stated in the notice may be considered at special meetings.

**Section 12: Quorum** – Ten members of the Board of Directors shall constitute a quorum for the transaction of business.

**Section 13: Manner of Acting** – The act of a majority of the directors present at a meeting in which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law or by these bylaws.

**Section 14: Presiding Officer** – The President shall officiate at all meetings of the Board of Directors. In his absence, the President-Elect shall preside. In the absence of both the President and the President-Elect, the majority of the directors present at the Board meeting may designate the presiding officer.

**Section 15: Meetings open** – All meetings of the Board of Directors shall be open to regular and honorary members of the Association in good standing desiring to attend, but it is not required that they be notified of meetings of the Board.

## **ARTICLE X Committees**

**Section 1: Designation of Committees.** The Board of Directors may designate one or more standing or special Committees to direct the business of the Association. Each such Committee may exercise the authority granted to it by the Board's enabling resolution.

**Section 2: Limitation on Committee Powers.** No committee shall have the authority of the Board of Directors to amend, alter, or repeal these Bylaws; to elect, appoint, or remove any member of any such Committee or any Officer or Director of the Association; to amend the Articles of Incorporation of the Corporation; to restate the Corporation's Articles of Incorporation; to adopt a plan

of merger or adopt a plan of consolidation with another Corporation; to authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; to authorize the voluntary dissolution of the Corporation or to revoke proceedings therefore; to adopt a plan for the distribution of the assets of the Association; to amend, alter, or repeal any resolution of the Board of Directors; or as otherwise may be prohibited by law. All Committees are to report promptly to the Board and only take such action(s) as is (are) specifically designated in these Bylaws or in the resolution establishing the Committee or setting forth its duties and responsibilities.

**Section 3: Composition of Committees** – With the exception of the Executive Committee and the Nominating Committee, all standing committees shall consist of at least one representative of members from each region and a committee chairperson who may be from any region. The President and Chief Executive Officer shall be ex officio members of any standing and/or special committees. Vacancies in standing committees shall be filled by appointment of the President. If the Board determines that a special or ad hoc committee is no longer necessary, then the term of the committee members shall end at the date and time determined by the Board. All committees shall have a recording secretary to take necessary minutes and forward to the Board of Directors.

**Section 4: Designation of Standing Committee Members** – During his term of office as President-Elect, said President-Elect shall designate the Committee Chairpersons and all representatives necessary to fill the available committee positions that shall serve during his term of office as President.

**Section 5: Executive Committee** – There shall be an Executive Committee which shall operate as a sub-committee of the Board of Directors. The Executive Committee shall be established according to these Bylaws in Article XI. None of the acts of the Executive Committee shall conflict with actions taken by the Board of Directors.

**Section 6: Finance Committee** – There shall be a Finance Committee which shall operate as a sub-committee of the Board of Directors. The Finance Committee shall be established according to these Bylaws in Article XII. None of the acts of the Finance Committee shall conflict with actions taken by the Board of Directors.

**Section 7: Nominating Committee** – There shall be a Nominating Committee which shall report directly to the Board of Directors. The Nominating Committee shall be established according to these Bylaws in Article XIV. None of the acts of the Nominating Committee shall conflict with actions taken by the Board of Directors.

## **ARTICLE XI**

### **Executive Committee**

**Section 1: Composition** – The Executive Committee shall consist of the President, the three Vice Presidents, the Immediate Past President, and the State National Director.

**Section 2: Authority** – The Executive Committee shall be empowered to act for and in behalf of the Board of Directors between meetings of the Board of Directors. Any actions taken by the Executive Committee shall be presented at the next Board of Directors meeting for review and approval.

**Section 3: Responsibility for Review of Chief Executive Officer** – The Executive Committee shall set standards for the performance, compensation and review of the Chief Executive Officer, and shall report to the Board of Directors. In the event of a vacancy in the position of Chief Executive Officer for any reason, the Executive Committee shall take the necessary steps to interview and recommend to the Board of Directors an individual for employment as the Chief Executive Officer. Upon approval by the Board of Directors, the Chief Executive Officer shall be hired by the Association, and become an employee of the Association. The Board of Directors has the final authority regarding employment or termination of the Chief Executive Officer.

**Section 4: Meetings** – Meetings of the Executive Committee may be called by the President upon notice to all members of the committee. In the event of the President's inability to act, a meeting of the Executive Committee may be called by any of the Vice Presidents.

**Section 5: Quorum** – Five members of the Executive Committee shall constitute a quorum for the transaction of business. A majority of the vote so cast shall prevail. The President will vote only to break a tie.

**Section 6: Participation by communications equipment** – Members of the Executive Committee may participate in a meeting by means of a conference telephone or similar communications equipment which allows the persons participating in the meeting to hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

**Section 7: Action by written consent** – If all of the members of the Executive Committee consent in writing to the taking of any action which the Executive Committee is authorized to take, such action shall be as valid as though it had been authorized at a meeting of the Executive Committee. Such consent shall be ratified at the next meeting of the Executive Committee.

## **ARTICLE XII Finance Committee**

**Section 1: Powers and Functions** – The primary function of the Finance Committee shall be to assist the Board of Directors by reviewing the financial information that will be provided to the Board of Directors and to third parties, the review of internal financial controls management, and all other audit processes. The responsibilities of the Finance Committee shall include:

- 1.1 Review Budget Annually. Review and evaluate the Budget of the Association on an annual basis.
- 1.2 Recommend Proposed Budget. Prepare and present a proposed annual budget for the Association to the Board at its first annual meeting
- 1.3 Review Statements. Review and evaluate any financial and or investment reports or statements received by the Association from independent investors or banks and report as necessary to the Board, and review the quality of the financial representation.
- 1.4 Plan Audits. Consider, in consultation with the Chief Executive Officer, the scope and plan of audits, and selection of an external auditor. Periodically meet with the independent auditor.
- 1.5 Insurors of Tennessee Building. Review and direct necessary actions for the proper upkeep and care of any real property owned by the Association.
- 1.6 Other Financial Matters. Approve non auditor services, review expenditures from the board meetings, consider any other matters or perform such other functions as assigned to it by the Board of Directors.

**Section 2: Chairperson.** The Treasurer of the Association shall serve as Chairperson of the Finance Committee.

**Section 3: Meetings** – Meetings of the Finance Committee may be called by the Chairperson or by any two (2) members of the committee. At all meetings, a majority of the members of the committee shall constitute a quorum for the transaction of business.

**Section 4: Report to Board required** – The Finance Committee shall report to the Board as necessary regarding recommendations and other matters.

**Section 5: Participation by communications equipment** – Members of the Finance Committee may participate in a meeting by means of a conference telephone or similar communications equipment which allows the persons participating in the meeting to hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

**ARTICLE XIII**  
**Nominating Committee**

**Section 1: Composition** - The Nominating Committee shall be composed of all Past Presidents of the Association.

**Section 2: Meeting** - Five Past Presidents shall constitute a quorum for the transaction of business. The Immediate Past President shall serve as the chairman of the Nominating Committee and shall establish a time and place for the committee meeting. If the Immediate Past President is unable to serve as the chairperson, a successor shall be filled by the President. Each committee member shall be entitled to one vote, to be cast in person, and no member shall be entitled to be represented by proxy, nor may any member participate by means of communications equipment.

**Section 3: Powers and Functions** – The Nominating Committee shall be responsible for proposing persons for election as Directors and Officers at the next annual meeting of the Association.

**Section 4: Notice** – Notice of meetings of the Nominating Committee shall be sent to all Past Presidents at their last known address at least two (2) weeks prior to the meeting stating the time, date, place and purpose of the meeting.

**Section 5: Report to Chief Executive Officer required** – The Nominating Committee shall submit all nominations to the Chief Executive Officer at least sixty (60) days prior to the annual meeting of the members.

**ARTICLE XIV**  
**Election and Removal of Officers and Directors**

**Section 1: Election** – The officers and directors shall be elected at the annual meeting or any special meeting properly called for that purpose. Any nominations from the Nominating Committee must be submitted to the Chief Executive Officer sixty (60) days in advance of the annual meeting of the members. Any nominations from any other member must be submitted to the Chief Executive Officer forty-five (45) days in advance of the annual meeting of the members. The vote may be by voice or by ballot. Directors and Officers shall be elected by a majority vote of the members present in person. Unless otherwise provided by these bylaws the officers and directors shall take office on January 1 of the year following their election or as determined by the Board of Directors.

**Section 2: Removal** – Any officer or director may be removed from office by a vote of 12 members of the Board of Directors whenever, in the judgment of the Board of Directors, the interest of the Association shall be served thereby. A written petition stating the grounds for removal must be signed by at least six current officers or directors and submitted to the Chief Executive Officer. The

Chief Executive Officer shall give notice of the charges to the officer or director named in the petition by personal service or certified mail, return receipt requested, at least fifteen days before the date of the meeting at which the charge is to be heard. The date, time and place of the meeting shall also be stated in the notice. The officer or director named in the petition has the right to be heard at the meeting considering his removal. The decision of the Board is final in such matters. Removal from office does not, in and of itself, affect the membership of the member in the Association.

## **ARTICLE XV Finances**

**Section 1: Responsibility** - The Board of Directors is responsible for financial management of the Association. It shall review proposed budgets submitted by the Finance Committee.

**Section 2: Dues** – Dues shall be established by the Board of Directors. In order to maintain good standing, a member must pay dues for the next fiscal year in advance. Notwithstanding the foregoing, terms may be arranged for installment payment of dues as established by the Board of Directors. New members joining during the fiscal year shall pay dues on a pro-rata basis to the end of the fiscal year of the next installment period available to current members. Members who resign from the Association are not entitled to reimbursement of dues.

**Section 3: Reports** – The last year-end CPA prepared financial statement, which has been accepted by the Board shall be made available to a Regular member in good standing at any time upon written request to the Chief Executive Officer.

## **ARTICLE XVI Indemnification**

The Association shall indemnify any person made a party to any action, suit or legal proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that he or she, or their personal representative is or was a director, officer, committee member, volunteer or employee of this Association, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney fees actually and necessarily incurred as a result of such action or proceeding or any related appeal. This right of indemnification does not apply to matters in which it is determined that the individual breached his duty to the Association or where such right otherwise is barred by law. This right of indemnification is not exclusive of any other rights to which the individual may be entitled.

## **ARTICLE XVII Dissolution**

In the event of the dissolution of this Association, its affairs shall be liquidated as prescribed by law. If there is no law or if the law is unclear, the Association shall be liquidated by three commissioners elected among the members at a special meeting called for that purpose. Notice of that meeting must be as prescribed by law, or sent to each member at his or its last known address by first class mail, at least fifteen (15) days before the meeting.

## **ARTICLE XIII Amendments**

**Section 1:** These bylaws may be amended; however, the full text of any proposed amendment must be submitted to the members of the Association in writing not less than thirty days prior to the Annual Meeting, or a special meeting called for the purpose of amending same.

**Section 2:** Amendments which have not been properly submitted to the membership thirty days prior to the meeting may not be considered.

**Section 3:** A two-thirds vote of the members present at the annual or specially called meeting is required to amend these bylaws.