

MONTANA SELF-INSURERS' ASSOCIATION

Bylaws

**As Amended and Adopted by the Membership
September 29, 2021**

ARTICLE I

Name and Principal Office

- Section I.** The name of this organization shall be the Montana Self-Insurers' Association (Association)
- Section II.** The principal offices of the Association shall be within the State of Montana, at a location approved by a majority of the Board of Directors.

ARTICLE II

Purpose

- Section I.** The purposes of the Association are:
- A. To extend and perpetuate the policy of sound and conservative self-insurance for workers' compensation.
 - B. To promote and protect the interests of self-insurance and the interests of self-insurers under the workers' compensation laws of the State of Montana.
 - C. To furnish opportunities for the members of the Association to discuss the questions arising under the worker' compensation laws affecting self-insurance and the status of self-insurers.
 - D. To work with the Montana Department of Labor and Industry and others in the formulation of any proposed changes in the applicable rules, regulations and administration of workers' compensation matters.
 - E. To actively support proposed legislation or administrative rules which will improve the workers' compensation system and self insurers and to actively oppose legislation or administrative rules which adversely impact the workers' compensation system and self insurers.
 - F. To carry out comprehensive training and education relative to the workers' compensation laws and regulations and to disseminate information on all relevant matters to the Association membership.

ARTICLE III

Membership

- Section I.** The Association may have the following categories of members:
- A. Employer Members. Any person, firm or corporation being a self-insurer or a minimum \$250,000 deductible commercial policyholder under the provisions of the Workers' Compensation Laws of Montana may be granted membership in this Association by the Board of Directors. Parent, subsidiary or affiliated corporations which are

members of this Association shall pay dues as a single unit. In such circumstances only the dues-paying or designated member of the group shall be entitled to vote on matters of the Association.

- B. Associate Members. Those persons, organizations and employers which are not self-insurer but, who in the opinion of the Executive Director or by action of the Board of Directors have an interest in the activities of the Association, may upon payment of appropriate dues become Associate Members. Associate Members are non-voting members.
- C. Dues. Annual dues of the Association membership shall be set annually by the Board of Directors. Membership shall be concurrent with the Association's fiscal year, running from July 1, through June 30 of the following year. If membership dues are not paid by September 15 the Board of Directors may take action to terminate the membership.
- D. Removal or withdrawal. The Board of Directors, by a majority vote of its members, may remove or suspend any officer or member of the Association for cause at any time upon ten (10) days written notice. Any removed or suspended officer or member has the right to appeal said removal or suspension. Any member in good standing may withdraw from this Association on written notice to the Secretary. No refund of dues shall be made upon suspension, removal or withdrawal.

ARTICLE IV Meetings

- Section I. Annual Meeting. The annual meeting of the Association shall be held during the second half of each calendar year, at a date, time and location to be selected by the Board of Directors.
- Section II. Special Meetings. Special meetings of the Association may be called at any time and location by the President. Upon receipt of a request by a minimum of seven Employer Members it shall be the duty of the President to call a special meeting. The request for a special meeting may be in written form or electronic media.
- Section III. Notice of Meetings. Notice of place, day, and time of the annual meeting shall be communicated in writing or electronically to each member in good standing not less than thirty (30) days before the meeting. Written or printed notices of place, day and time of a special meeting, shall be communicated to each member in good standing not less than ten (10) and not more than fifty (50) days before the special meeting. Notice of a special meeting shall include the purpose or purposes for which the meeting is being called.
- Section IV. Quorum. At any membership meeting a quorum shall consist of those Employer Members in good standing and present or represented by written proxy. A majority of the Board of Directors or the Executive

Committee shall constitute a quorum, provided written notice was given to all members of the Board or Executive Committee at least ten (10) days prior to the meeting.

ARTICLE V Board of Directors

- Section I.** Powers. The management and control of the Association shall be vested in the Board of Directors.
- Section II.** Composition. The Board of Directors shall be composed of a minimum of five (5) Directors elected by the members at the Annual Meeting to serve staggered two year terms. One Board seat shall be filled by an Associate member to represent their interests in the Association. Any Board member may be elected as an Officer of the Association as identified in Article VI, Section I. A minimum of three Board seat terms shall end in the even years at the conclusion of the Annual Meeting, and a minimum of two Board seats shall end in the odd numbered years also at the conclusion of the Annual Meeting.
- Section III.** Board Voting Rights. Notwithstanding any other section within these Bylaws, anyone elected to serve and currently serving on the Board is authorized to have one vote on proposed Board actions.
- Section IV.** Term. The term of duly elected or appointed Directors shall be for a period of two (2) years.
- Section V.** Vacancies. Vacancies in the Board of Directors may be filled by a majority vote of the remaining members of the Board. Not more than two (2) members of the Board of Directors shall represent an individual employer of more than two thousand five hundred (2500) persons in the State of Montana; nor shall more than two (2) members of the Board of Directors represent group self-insured programs; nor shall more than one (1) member of the Board of Directors be a member of a Parent, subsidiary, or affiliated corporation as mentioned heretofore in Article III, Section A.
- Section VI.** Meetings. The Board of Directors shall meet following the Annual Meeting of the Association and at such other times as the Board may prescribe or at such time and place as the President may elect. Special meetings of the Board may be called by three members of the Board of Directors. Notice of such meetings shall be communicated to each member at least ten (10) days prior to the date of holding such meetings. In addition to any of the methods for holding a regular or special meeting of the Board of Directors or any committee designated thereby, members of the Board and interested parties may participate in such meetings by means of a conference telephone or other electronic means, of which all persons participating in the meeting shall have an equal opportunity to hear and participate in the entire meeting. Participation by such means shall constitute presence in person at a meeting.

Section VII. Compensation. The members of the Board of Directors shall receive no compensation for their service as Officers or Directors. However, this provision is not intended to prohibit any payment to an Officer or Director for expenses incurred as a result of attendance at meetings or other necessary business of the Association.

ARTICLE VI Officers

Section I. Officers. The Officers of this Association shall consist of a President, Vice President and Secretary/Treasurer, all of whom at the time of election must be employed by an Employer Member or the Associate member Board representative. The duties of these officers shall be as follows:

- A. President: To preside at meetings of the Association, Board of Directors, or Executive Committee, and such other duties as are usually performed by Presidents or are assigned by the Board of Directors.
- B. Vice President: To act as President in the absence of the President, and in case of a vacancy in the office of president to perform the duties of that office until a President shall have been elected.
- C. Secretary/Treasurer: To preserve an accurate record of the proceedings at meetings and to oversee the collection and appropriate dispersal of the funds of the Association and to confirm the preservation of a record thereof; and to perform such other duties as are assigned by the President or the Board of Directors. Expenditures made by the Secretary/Treasurer or the Executive Director shall be reported to the Board of Directors, and it shall be the duty of the Board of Directors to audit the accounts of the Secretary/Treasurer and Executive Director or to cause the same to be audited by a competent auditor on appropriate occasions at intervals to be determined by the Board of Directors.

Section II. Elections. All officers shall be elected by the membership at the Annual Meeting to two year terms corresponding with their individual seat terms as referenced in Article V, Section II and shall at all times be subject to the order, rules and regulations of the Board of Directors. Nothing in this section shall provide that an elected term as an officer shall exceed their term of office.

ARTICLE VII Administration

Section I. Executive Director. The Board of Directors shall appoint an Executive Director. The Executive Director shall administer the business and activities of the Association, subject to the general supervision and policy

direction of the President, the Board of Directors or Executive Committee and shall perform such other duties as assigned by the President, Board of Directors or Executive Committee. The Executive Director shall, subject to the direction of the President, be the chief administrative officer of the Association; perform all administrative duties necessary for the smooth management of the Association; hire and supervise other staff; attend meetings of the Association and the Board of Directors; attend meetings of committees and/or serve as liaison with other interest groups as far as practicable; supervise all publications of the Association; cause a proper system of accounts to be kept of all monies received and dispersed by the Association; provide an accounting of such monies to the Board of Directors at each regular meeting, and perform such other duties as assigned by the President. The Executive Director shall also keep the minutes of the meetings of the Association, Board of Directors and Executive Committee; shall give all notices required to be given and shall keep an accurate record of the proceedings and activities of the Association.

Section II.

Tenure. The tenure of the Executive Director shall be at all times subject to the discretion of the majority of the Board of Directors.

Section III.

Compensation. The Executive Director shall receive such salary as the Board of Directors may direct,

Section IV.

Bonds or Insurance. The Executive Director shall secure either a bond or insurance coverage to provide coverage for themselves and the Board against liabilities that may be incurred as a result of the normal course of business of the association. The Board of Directors has the right to require demonstration of such coverage as applied to the Executive Director. The expense of any such bond or insurance for the Board of Directors shall be paid from the funds of the Association.

Section V.

Committees.

- A. Executive Committee. The President and two (2) members of the Board of Directors appointed by the President shall be an Executive Committee. The Executive Committee shall have all the power of the Board of Directors in the interval between meetings of the Board, and in all such matters as may be referred to the Committee by the Board of Directors from time to time.
- B. Other committees. The president shall recommend to the Board of Directors such committees and liaisons with various interest groups as may be necessary to achieve the purposes of the Association.

Section V.

Reporting. The committees shall report their actions to the Board of Directors after each meeting of the latter.

ARTICLE VIII
Expenditure Control

Section I.

Budget. The yearly budget shall be prepared by the Executive Director, adopted by the Board, and presented to the membership at the annual meeting. Such budget may be revised or amended at any meeting of the Board of Directors. The Board of Directors may make and authorize the Executive Director to make such expenditures as in its judgment are required to accomplish the Association's business within the scope of the approved budget, and subject to the following provisions:

- A. No officer, manager, or member shall make or incur any debt or liability in the name of the Association or in its behalf, or for its interest, except as duly authorized to do so as herein provided.
- B. No officer or committee shall contract or incur any liability on behalf of the Association unless and until the money to meet said obligation in full is in the Treasury of the Association and the liability has been duly authorized by the Board of Directors or by the membership.
- C. No officer, committee, employee or member shall be empowered to use the name of the Association in any manner or for any purpose with regard to expenditures unless previously authorized by the President, the Board of Directors or the membership.

Section II.

Contracts, Loans, Checks and Deposits.

- A. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or to execute any instrument for the Association. Such authority may be general or be confined to specific instances.
- B. Loans. No loan shall be contracted on behalf of the Association and no negotiable paper shall be used in its name, unless authorized by the Board of Directors.
- C. Checks and Drafts. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness, used in the name of the Association, shall be signed by the Executive Director. Any such checks, drafts or other orders for payment of money, notes or other evidences of indebtedness incurred by the Association in the amount of over \$500.00 (FIVE HUNDRED DOLLARS AND NO CENTS), other than the contracted service fees of the Executive Director, if any, shall be countersigned by the Executive Director and the Secretary/Treasurer or their designated representative, in such manner as shall be determined by the Board of Directors.
- D. Deposits. All funds of the Association not otherwise employed shall be deposited in such banks, trust companies or other depositories as the Board of Directors may select.

Section III.

Miscellaneous.

- A. Books and Records. The Association shall prepare and maintain correct and complete books and records of accounts and shall keep minutes of the meeting of its members, Board of Directors and committees, which shall be kept at its principal office, along with a record of the names and addresses of its members. All books and

records may be inspected by any member or its agent for any proper purpose at any reasonable time.

B. Fiscal Year. The fiscal year of the Association shall be July 1 through June 30.

ARTICLE IX

Indemnification

The Association shall indemnify a present or former director, officer, employee or agent of the Association in any action brought by a third party against each person (whether or not the Association is joined as a party defendant) to impose a liability or penalty on such person for an act which has been alleged to have been committed by such person while a director, officer, employee or agent acting on behalf of the Association or by the Association or both, by paying expenses incurred or by satisfying a judgment or fine rendered or leveled against such person; provided that the Board of Directors determines in good faith that such director, officer, employee or agent was acting in good faith within what he/she reasonably believed to be in the scope of his/her employment or authority and interest of the Association. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. Such indemnification shall be limited to the assets of the Association and shall not create a presumption of indebtedness against any member.

ARTICLE X

Amendments

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Board of Directors by at least two-thirds (2/3) vote of all of the members of the Board voting at any regular or special meeting of the Board, subject to repeal or change by action of the Members; provided, however, that the number of directors shall not be increased or decreased, nor shall the provisions of Article III concerning the Membership be substantially altered, without prior approval of at least two-thirds (2/3) of the Members voting at a regular or special meeting of the Members or by written consent.

