

AMENDED AND RESTATED BYLAWS
OF
VIRGINIA RISK SHARING ASSOCIATION

Amended and Restated: July 1, 2014
Amended and Restated: March 14, 2019
[Amended and Restated: February 19, 2021](#)

**VIRGINIA RISK SHARING ASSOCIATION
BYLAWS**

ARTICLE I – NAME AND PURPOSE

SECTION 1: NAME

The name of the entity is the **Virginia Risk Sharing Association (the “Pool”)**, a group self-insurance pool licensed by the Bureau of Insurance (the “Bureau”) and successor to the merger of Virginia Municipal Group Self-Insurance Association with and into the Virginia Municipal Self-Insurance Association d/b/a Virginia Municipal Liability Pool.

SECTION 2: PURPOSE

A. Group Self-Insurance Pool. The purpose of the Pool is to create and administer a group self-insurance pool pursuant to the authority and possessing the powers as provided in Chapter 27 of Title 15.2 of the Code of Virginia (the “Code”).

B. Insurance Coverages. A group self-insurance pool created and administered by the Pool may be formed by one or more political subdivisions of the Commonwealth of Virginia to provide for cooperative action in providing risk management services as well as insurance coverage for pool members and employees of pool members, for acts or omissions arising out of the scope of their employment, including any or all of the following:

1. Casualty insurance, including workers' compensation under Title 65.2 of the Code, employers' liability, general, professional and public officials liability coverage;
2. Property insurance, including marine insurance and inland marine and transportation insurance coverage;
3. Group life, accident and health coverages including hospital, medical, surgical and dental benefits to the employees of member political subdivisions and their dependents;
4. Automobile insurance, including motor vehicle liability insurance coverage and collision and security for motor vehicles owned or operated, as required by Title 46.2 of the Code, and protection against other liability and loss associated with the ownership and use of motor vehicles;
5. Surety and fidelity insurance coverage; and

6. Umbrella and excess insurance coverages.

ARTICLE II - MEMBERS, MEETINGS, VOTING

SECTION 1. MEMBERS

The members of the Pool shall be political subdivisions of the Commonwealth of Virginia as defined in Section 15.2-2701 of the Code, or agencies thereof, which (i) are members of a pool created in accordance with Section 2 of Article I, (ii) have executed a member agreement with the Pool (the "Member Agreement"), and (iii) have been approved as members pursuant to Article II, Section 2 hereof.

SECTION 2. APPROVAL OF NEW MEMBERS

A. Approval Criteria. Upon receiving applications from prospective new members of the Pool, the Board (as defined in Article III) has the authority to review and consider, and either approve or reject such applications for membership in accordance with the terms of the Member Agreement, in accordance with any rules and regulations established by the Board for admission of new members to the Pool, in accordance with the laws of the Commonwealth of Virginia, and in accordance with the rules and regulations established by the Bureau and the State Corporation Commission (the Commission").

B. Delegation of Authority to Approve. The Board may delegate administrative authority for the review and consideration of membership applications to the Administrator (as defined in Article IV). Any delegation of administrative authority to the Administrator shall be in writing setting forth the terms of the Administrator's authority. All decisions of the Administrator must be subject to final ratification by the Board.

SECTION 3. TERMINATION OF MEMBERS BY THE POOL

A member's membership in the Pool may be terminated as provided by the Member Agreement.

SECTION 4. WITHDRAWAL OF MEMBERS

A. General Right of Withdrawal. A member may withdraw from the Pool upon thirty (30) days advance written notice to the Board and as may be otherwise provided for by the Member Agreement.

B. Member Agreement Controls. Where the Member Agreement specifies conditions for withdrawal which may conflict with, or be in addition to the conditions imposed for withdrawal by these Bylaws, the Member Agreement shall control.

SECTION 5. MEETINGS OF MEMBERS

A. Timing of Meetings. The members shall meet annually on such date and at such time and place within the Commonwealth of Virginia as shall be designated by the Board. Special meetings of members may be held at such time and place within the Commonwealth of Virginia as shall be designated in the notice thereof upon call of the Board, the Chair of the Board, or by not less than ten (10) members.

B. Electronic Meetings. The Board may permit any or all members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

SECTION 6. NOTICE OF MEETINGS OF MEMBERS

A. Manner of Notice. Notice of the annual meeting and any special meeting of members shall be provided in writing to the member or the members' designated representative. Such notice of meeting may be made either by email or by delivering such notice to the United States Postal Service not less than ten (10) days prior to the meeting or by insertion in any official publication of the Virginia Municipal League which is mailed not less than ten (10) days prior to the date fixed for such meeting.

B. Waiver of Notice. No notice of the time and place of any regular or special meeting of the members shall be required if each member waives such notice in writing and such waiver is filed with the records of the meeting.

SECTION 7. VOTING BY MEMBERS

A. Voting in Person. Each member shall each have one vote which, unless there be voting by proxy as provided in paragraph B. below, must be cast only in person by an elected or appointed official of the member duly authorized by the member's governing body for such purpose. Such voting representatives shall register with the secretary of the meeting or the Administrator prior to any members' meeting.

B. Voting by Proxy. The Board may, by resolution, direct that voting at a specified regular annual or special meeting of the members shall be conducted in person or by proxy. If a proxy vote is permitted, the following requirements must be satisfied:

(a) Proxies shall be in writing, signed by an authorized representative of a member, and valid only for the members' meeting next succeeding the date thereof and any continuance of such meeting;

(b) Proxies may (i) be revoked at any time prior to the meeting by a subsequent proxy or (ii) withdrawn in writing filed with the Administrator or the chair of a meeting prior to the meeting for which such proxy has been appointed;

(c) Proxies may be solicited for such meeting, including proxies for election of persons to the Board;

(d) If proxies are solicited, each solicitation shall be in writing, shall identify the party making such solicitation, and shall include a brief explanation of each item of business anticipated at the time of such solicitation to be voted upon at the meeting;

(e) In the event proxies are solicited for election of Board members, all nominees shall be identified by name, place of residence and official position with a member;

(f) Proxy solicitations may be mailed to Members in the manner provided for in Article II, Section 6.

C. Manner of Voting. Except when voting by proxy as authorized in paragraph B. above, voting at any members' meeting shall be viva voce on all questions except in the event of a contest for election to the Board, which, unless determined otherwise by a vote of 75% of the members present, shall be by written ballot.

SECTION 8. CONDUCT OF MEETINGS OF MEMBERS

A. Conduct of Meetings. The Chair of the Board shall preside over all meetings of members, except that in the Chair's absence, the Vice-Chair or another member of the Board shall preside. The Secretary of the Board or the Secretary's designee shall act as secretary for all meetings. All meetings of members shall be conducted in accordance with the procedures set forth in Robert's Rules of Order Newly Revised, 10th ed. (Cambridge, Mass.: Perseus Publishing, 2000 or a subsequent edition, as may be published from time to time).

B. Annual Financial Report. At each annual meeting, the Chair or the Chair's designee shall report on the financial position of the Pool. The members shall elect Board members as provided in Article III of these Bylaws.

SECTION 9. QUORUM OF MEMBERS

Ten (10) or more members shall constitute a quorum of any meeting of members to consider and act upon any item of business. When a quorum is present at any meeting, a majority of the voting delegates present may decide any question brought before such meeting except as otherwise provided by law or these Bylaws.; provided, however, in the event a quorum is not present at an annual meeting of members, vacancies on the Board may be filled by majority vote of the members present.

SECTION 10. ACTION OF MEMBERS WITHOUT MEETING

Any action to be taken by members may be taken without a meeting if all voting delegates entitled to vote on the matter consent to the action by a writing filed with the records of the meeting of members. Such consent shall be treated for all purposes as a vote at a meeting.

ARTICLE III - MEMBERS' SUPERVISORY

BOARD SECTION 1. POWERS OF THE BOARD

The Pool shall be managed by the Members' Supervisory Board (the "Board"), which may exercise all the powers of Pool except as otherwise provided by law or by these Bylaws.

SECTION 2. COMPOSITION AND ELECTION OF BOARD MEMBERS

A. Number of Members. The Board shall be composed of not less than six (6) or more than nine (9) members, elected by a majority vote of the voting members present at the annual meeting. In the event that members fail to have an election, Board members currently serving whose terms have not at such time expired shall as soon as practical fill all vacancies on the Board. The number of Board members shall be determined by the Board at the Board meeting preceding the election. If the number of Board members will be different than the previous year's number of Board members, then the members shall be so notified at least two (2) weeks before the annual meeting.

B. Composition of Board. The Board shall be composed of governing officials or chief administrative appointed officials of political subdivisions which are members of the Pool.

C. Terms. Terms of Board members shall be staggered into three classes to provide that approximately one-third (1/3) of the Board shall be elected each year. In determining the number of Board members to be elected, all fractions shall be rounded to the nearest whole number, and in the event the number of Board members cannot be equally divided by three, the Board in its discretion shall determine the additional Board members to be allocated to the different terms for which there may be vacancies.

D. Eligibility for Re-election. A Board member shall not be eligible for re-election unless such member attended more than one-half (1/2) of the Board's meetings during such person's current term.

E. Nominations. Prior to each annual meeting, the Board or its designee shall solicit the names of candidates from the members to fill vacancies thereon and it shall make recommendations for election by the members. In the event the use of proxies shall be directed by the Board and are solicited for election of members of the Board, the notice to members of which the election will take place shall identify each candidate which will be nominated by the Board, the candidates' place of residence and official capacity with a member. Such solicitation and notice shall be in accordance with Section 6 of Article II. Nominations ~~may also~~ will not be made from the floor at elections ~~by any member~~ absent a majority vote of the Board at the meeting to permit nominations from the floor during the same meeting.

F. Ex-Officio Board Member. In addition to the Board members elected by the members, the Executive Director of the Virginia Municipal League shall serve as an ex-officio Board member with full power to vote on all matters which come before the Board, and whose presence shall be counted in the determination of a quorum.

G. Prohibited Membership. No Board member may be elected or continue to serve on the Board if such individual is, or becomes, an owner, officer or employee of a service agent for the Pool, as defined in the Commission's regulations,

SECTION 3. TERMINATION OF A BOARD MEMBER

A. Resignation. A Board member may resign from membership on the Board at any time by written notice delivered to the Chair or Secretary of the Board. Such notice shall state the effective date of the resignation, and such resignation shall automatically take effect on such date unless a successor Board member is duly qualified and elected into office at an earlier date at the Board's discretion, in which event such resignation shall take effect immediately upon the election of the successor Board member.

B. Termination for Cause. The Board may terminate a member of the Board by a majority vote of the Board at any time such member no longer meets the requirement for eligibility set forth in Section 2 of this Article III. A member also may be terminated at the Board's discretion if the member fails to attend two consecutive Board meetings or fails to attend one-half (1/2) of the meetings held during the Pool's fiscal year.

C. Return of Books. Upon termination of Board membership for any reason, a former Board member shall immediately upon termination turn over and deliver to the Chair of the Board, the Chair's designee, or the Administrator, at the principal office of the Pool, any and all records, books, documents or other property in the possession or under the control of such Board member which belong to the Pool.

SECTION 4. VACANCIES ON THE BOARD

Any vacancy occurring on the Board may be filled between annual meetings by the affirmative vote of a majority of the remaining Board members. In cases in which vacancies are filled by the remaining Board members, the Board may, but need not, solicit nominations from the members.

SECTION 5. POWERS OF REMAINING BOARD MEMBERS

In case of death, resignation, ineligibility, incapacity, refusal or inability to act by any one or more of the Board members, the remaining Board members shall have all of the powers, rights, and interest of the Pool and shall be charged with the duties of the Pool; provided that in such case, no action may be taken unless it is decided upon by a majority of the remaining Board members.

SECTION 6. OFFICERS OF THE BOARD

A. Chair and Vice-Chair. As soon as practical after the annual meeting of members and election of Board members, the Board shall elect from among its members a Chair and a Vice-Chair.

B. Secretary. The Managing Director of the Pool or such other person as may be designated by the Board shall serve as the Secretary of the Board.

C. Terms of Officers. The term of such officers shall commence on the date of their election and continue for one year or until his or her successor has been elected or qualifies. In the event of failure or inability of any such officer to act, the Board may replace such person at any meeting.

SECTION 7. BOARD MEETINGS, NOTICES, QUORUM

A. Regular and Special Board Meetings. Regular meetings of the Board shall be held at least quarterly at the principal office of the Pool or at such other location as may be acceptable to a majority of the Board. Special meetings of the Board shall be conducted on the call of the Chair, Vice-Chair, or any two other Board members, and may be held at any time and place without notice provided all Board members execute a waiver of notice to the special meeting or consent to the special meeting by participating in it.

B. Notices of Board Meetings. The Chair of the Board, or the Chair's designee, shall set the date, time and location of each meeting. Notices of Board meetings shall be either (i) mailed first class mail, postage prepaid, to each Board member not less than five (5) days prior to the date of such meeting, or (ii) delivered by telephone, telegram, telephone facsimile or e-mail appropriately transmitted not less than 24 hours prior to such meeting. Each such notice shall specify the date, time and location of such meeting and may specify the purpose thereof and any action proposed to be taken thereat. If such notice is by mail, telegram, telephone facsimile or e-mail, it shall be addressed to each Board member at his or her address as recorded in the office of the Pool.

C. Participation in Meetings. Meetings of the Board, or any committee or task force authorized by the Board, may be conducted by telephone or any means of communication by which all members participating may simultaneously hear each other during the meeting, or as may be otherwise provided for directors of stock corporations in § 13.1-684 of the Code. A member participating in a meeting by this means is deemed to be present in person at the meeting.

D. Quorum and Minutes. A majority of the members of the Board shall constitute a quorum for all meetings. The Secretary or designee thereof shall keep minutes of all meetings, proceedings and acts of the Board, but such minutes need not be verbatim. Copies of all minutes of the Board shall be sent to all Board members as soon as practical following each meeting, but in every case prior to the following Board meeting.

SECTION 8. VOTING BY THE BOARD

All actions and decisions of the Board shall be by vote of a majority of the Board members attending any duly called regular or special meeting at which a quorum is present.

SECTION 9. BOARD ACTION WITHOUT MEETING

Any action which may be taken by the Board at a Board meeting may be taken by written unanimous consent pursuant to the requirements for directors of stock corporations as set forth in § 13.1-685 of the Code.

SECTION 10. COMMITTEES OF THE BOARD

A. Establishment of Committees. The Board may establish one or more committees and fix the number of members of the Board to serve on them. Each committee must have two (2) or more members, who serve at the pleasure of the Board.

B. Powers of Committees. Committees may have such powers and duties as may be designated by the Board, except that committees may not have the power to fill vacancies on the Board or any of its committees; may not adopt, amend or repeal the Bylaws; may not authorize or approve distribution of any of the funds of the Pool, except according to formula or method previously prescribed by the Board; and may not remove or appoint the Pool's Administrator or Service Agent.

C. Committee Action. Creation or termination of, grant of authority to, or any action taken by a committee without Board authorization does not alone constitute compliance by a Board member with the responsibilities specified in the Commission's regulations or as set forth in Section 11 of Article III below.

SECTION 11. DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board shall have the authority, and shall be charged with the duty, of general supervision and operation of the Pool and shall conduct the business and activities of the Pool in accordance with the Member Agreement, Bylaws, applicable federal and state statutes, and the Commission's regulations. The Board shall be responsible for accounting for and investing the funds of the Pool as permitted the Commission's regulations and in such a manner that allows Pool to fulfill its obligations for all liabilities and other needs in the future. In addition, the income derived from the investment activity may be retained as Members' equity, used for the payment of liabilities, as a rate stabilization mechanism or distributed to members in the form of dividends, all at the discretion of the Board in accordance with law, regulations, Bylaws and the Member Agreement.

SECTION 12. LIABILITY OF BOARD MEMBERS

A. Liability of Board Member. No Board member shall be liable for any action taken in good faith pursuant to these Bylaws, the Commission's regulations, the Member Agreement or otherwise in respect of the duties imposed thereby or by law or for an omission to act, except for

gross negligence; nor shall any Board member be liable for any act or omission by another Board member or by any agent or employee.

B. Consultation and Reliance. The Board may employ and consult with legal counsel concerning any questions which may arise with reference to any matter pertaining to the Pool, and the Board may rely on the opinion of such counsel as authorization for the action taken. Board members acting in good faith in accordance with the opinion of counsel shall be protected conclusively based on their reliance on such an opinion.

SECTION 13. INDEMNIFICATION OF BOARD MEMBERS

A. Board Member. A Board member shall be entitled to indemnification, and the Pool shall indemnify, a Board member to the fullest extent as provided for the indemnification of a director of a stock corporation in Article 10 of Chapter 9 of Title 13.1 of the Code.

B. Officer, Employee or Agent. An officer, employee or agent of the Pool may be indemnified by the Pool to the same extent as provided for officers, employees or agents of a corporation in said Article 10, Chapter 9 of Title 13.1.

C. Manner of Indemnification. Indemnification may be paid from any restricted reserve account established in accordance with 14 VAC 5-360-100 of the Commission's regulations. Notwithstanding the foregoing, in no event shall any such indemnification be paid from any loss fund of the Pool except to the extent that any portion of such loss fund may be available for distribution to the members as provided by the Member Agreement and the Commission's regulations.

D. Insurance. The Pool may purchase and maintain insurance on behalf of an individual who is or was a Board member, officer, employee or agent of the Pool against liability asserted against or incurred by him in that capacity or arising from the individual's status in that capacity to the same extent as may be afforded directors, officers, employees and agents of a corporation in said Article 10, Chapter 9, Title 13.1.

ARTICLE IV - ADMINISTRATOR AND SERVICE AGENT

SECTION 1. ADMINISTRATOR

A. Appointment of Administrator. The Board shall appoint an Administrator to administer the financial and administrative affairs of the Pool. The Administrator shall not be an owner, officer or employee of a Service Agent.

B. Administrator's Bond. The Administrator shall furnish a fidelity bond with the Board as obligee in an amount determined by the Board. Evidence of such a bond shall be available to appropriate governmental agencies.

C. Administrator's Contract and Duties. The Board shall contract in writing on behalf of the Pool for the services of the Administrator appointed pursuant to this Section, on

such terms, including compensation, and for such period as the Board in its discretion deems appropriate. The Administrator shall carry out the duties and responsibilities set forth in such contract, as required by the Board and Pool, and as specified in the Commission's regulations.

SECTION 2. SERVICE AGENT

A. Approval. The Board, subject to the prior approval of the Commission, may appoint a Service Agent.

B. Service Agent's Bond. The Service Agent shall furnish a fidelity bond covering its employees with the Pool as obligee in an amount determined by the Board and sufficient to protect the Pool against loss of all monies placed in the claim's fund.

C. Service Agent's Contract and Duties. The Board shall contract in writing on behalf of the Pool for the services of the Service Agent upon such terms, including compensation, and for such period as the Board in its discretion deems appropriate. The Service Agent shall carry out the duties and responsibilities set forth in such contract and as required by the Board and Pool, and shall provide all services necessary to fulfill the members' obligations as set forth in the Commission's regulations. The Service Agent shall also handle all claims incurred during the contract period to their conclusion unless approval to transfer them is obtained from the Commission prior to such transfer.

ARTICLE V – MISCELLANEOUS

SECTION 1. EXECUTION OF DOCUMENTS

Any certificate, contract or other document signed by the Chair or Vice-Chair of the Board or a duly authorized officer of the Administrator of the Pool shall be evidence of the action of the Board and any such certificate or other instrument so signed shall be presumed to be authentic. All facts and matters stated therein shall conclusively be presumed to be true.

SECTION 2. TERMINATION OF POOL

A. Termination by Agreement. The Pool may be terminated at any time upon the concurrence of all of the parties to the Member Agreement (the "Termination Date").

B. Distribution upon Termination. In the event of termination, the remaining funds available to the Pool, after providing for all outstanding obligations, shall be distributed to members participating at the Termination Date through a formula determined by the Board.

SECTION 3. SITUS OF THE POOL

The situs of the Pool is the Commonwealth of Virginia. All questions pertaining to the validity, construction and administration of these Bylaws or the Pool shall be determined in accordance with the laws of the Commonwealth of Virginia.

SECTION 4. AMENDMENTS

These Bylaws may be amended at any time by the concurrence of a majority of the Board. However, these Bylaws may not be amended so as to change the purpose of the Pool as set forth in Article I thereof or to permit the diversion or application of any of the funds of the Pool for any purpose other than those specified herein, in the Member Agreement, the statutes of Virginia or the Commission's regulations. The Board, upon adoption of an amendment to these Bylaws shall send a copy of any such amendment to all members of the Pool.

SECTION 5. CONSTRUCTION

Whenever any words are used in these Bylaws in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply; whenever any words are used in these Bylaws in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words were used in these Bylaws in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of the Amended and Restated Bylaws of Virginia Risk Sharing Association, which were duly adopted on February 19, 2021.

P. Steven Craig
Secretary
