



## **BY-LAWS OF ARIAS•U.S.**

### **Article I - Objectives**

#### **Section 1 - The objectives of the Society shall be:**

- a. To promote the integrity of the private dispute resolution process, particularly in the insurance and reinsurance industry.
- b. To promote just awards in accordance with industry practices and procedures.
- c. To certify objectively qualified and experienced individuals to serve as arbitrators.
- d. To provide training sessions in the skills needed to be certified as arbitrators.
- e. To propose model rules of arbitration proceedings and model arbitration clauses.
- f. To promote high ethical standards in the conduct of arbitration proceedings.
- g. To foster the development of arbitration law and practice as a means of resolving national and international insurance and reinsurance disputes in an efficient, economical and just manner.

#### **Section 2 - In furtherance of such objectives the Society may:**

- a. Arrange and provide for, or join in arranging and providing for, holding exhibitions, meetings, lectures, classes, seminars and training courses.
- b. Promote and carry out or assist in promoting and carrying out research, surveys and investigations and publish the useful results of such research, surveys and investigations.
- c. Establish and maintain a list of individuals certified for appointment as arbitrators or umpires in insurance or reinsurance arbitrations.
- d. Establish procedures that, at the request of the parties in arbitration, may be used to facilitate the appointment of arbitrators or umpires.
- e. Draft and promote the use of rules and/or guidelines for private dispute resolution proceedings.
- f. Draft and promote (where appropriate in conjunction with other bodies) the use of suitable private dispute resolution clauses for insertion in insurance and reinsurance contracts and treaties.
- g. Bring together in conference or meetings representatives of organizations, government departments, other authorities and individuals.

- h. Collect and disseminate information on all matters affecting The Society's objectives noted in Section 1. hereof and exchange such information with other associations having similar objectives.
- i. Procure to be written and print, publish issue and circulate gratuitously or otherwise such papers, books, periodicals, summaries, pamphlets or other documents or films or recorded media as shall further such objectives.
- j. Sell, let, mortgage, dispose of or turn to account all or any of the property or assets of The Society.
- k. Accept bequests, gifts and borrow or raise money to further the objectives of The Society on such terms and on such security as such be thought fit.
- l. Procure contributions to The Society by personal or written appeals, public meetings or otherwise.
- m. Invest the money of The Society not immediately required to further the interest of The Society in or on such investments, securities or property as the Board of Directors, in its sole discretion, may direct, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law.
- n. Do all such other lawful things as are necessary and appropriate for the attainment of such objectives.

## **Article II - Membership**

### **Section 1 - Membership Application**

Any person, law firm or corporation may apply to become a member of this Society.

### **Section 2 - Election of Members**

A person, law firm, or corporation may be elected a member after submitting a written application to The Society at its principal office in the form prescribed by The Society, and upon receiving a majority vote of the members present at a meeting of The Society or upon a majority vote of the Board of Directors or of the Executive Committee.

### **Section 3 - Honorary Members**

The Board of Directors, at a duly organized meeting, may elect honorary members by a unanimous vote of the members present. Honorary members shall be exempt from payment of any fees whatever and shall be entitled to all the privileges of regular members, except the right to vote or hold office.

#### **Section 4 - Resignation**

Any member may withdraw from The Society after fulfilling all obligations to it by giving written notice of such intention to the secretary, which notice shall be presented to the Board of Directors or Executive Committee by the secretary at the first meeting after its receipt.

#### **Section 5 - Suspension/Expulsion**

A member may be suspended for a period, or expelled, for cause such as violation of any of the by-laws or rules of The Society or for conduct prejudicial to the best interests of The Society.

Suspension or expulsion shall be by a two-thirds vote of the membership of the Board of Directors, provided that a statement of the reasons for the contemplated action shall have been mailed by registered mail to the affected member at the address last given to The Society by the member at least thirty (30) 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 in the premises. The member shall be given an opportunity to present a statement at the time and place mentioned in such notice.

### **Article III - Fiscal Year**

The fiscal year of The Society shall begin on the first day of July of each year and end on the 30th of June of the following year.

### **Article IV - Dues**

#### **Section 1 - Annual Dues**

The Board of Directors may determine from time to time the amount of initiation fee, if any, payable by applicants and annual dues payable to The Society by members.

#### **Section 2 - Payment of Dues**

Dues shall be payable in advance on the first day of January of each year. Dues of a new member shall be prorated as may be determined by the Board.

#### **Section 3 - Default and Termination of Membership.**

When any member shall be in default in the payment of dues for a period of three months from the beginning of the year or period for which such dues became payable, the member shall be deemed to have resigned, without further action required.

## **Article V - Meetings of Members**

### **Section 1 - Annual Meetings**

There shall be an annual meeting of the members at a time and place designated by the Board of Directors for election of members of the Board of Directors and for receiving the annual reports of officers, directors, and committees, and the transaction of other business. If the date designated falls upon a Sunday or legal holiday, (U.S. Federal, or State of New York) the meeting shall be held on the next succeeding secular day not a holiday. Notice of the meeting, signed by the secretary, shall be mailed, except as herein or by statute otherwise provided, to the last recorded address of each member at least ten (10) days and not more than fifty (50) days before the time appointed for the meeting.

All notices of meetings shall set forth the place, date, time, and purpose of the meeting.

### **Section 2 - Special Meetings**

Special meetings of the members may be called by the Board of Directors or the Executive Committee at their discretion. Upon the written request of ten percent (10%) of the members of The Society, the Board of Directors shall call a special meeting of the members to consider a specific subject. Notice for any special meeting is to be given in the same manner as for the annual meeting. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the members of The Society.

### **Section 3 - Waiver**

Notwithstanding the provisions of any of the foregoing sections, a meeting of the members of this Society may be held at any time and at any place within (or without) the State of New York, and any action may be taken thereat, if notice and lapse is waived in writing by every member at the meeting having the right to vote, and if the members present constitute a quorum.

### **Section 4 - Quorum**

The presence in person or by proxy of twenty-five (25%) of the members of The Society entitled to vote shall be necessary to constitute a quorum for the transaction of business.

### **Section 5 - Inspection of Election**

The Secretary shall act as the inspector of election at any annual or special meeting.

### **Section 6 - Voting**

Each member of The Society shall be entitled to one vote. Each law firm or corporation may be represented at any meeting by any member of its staff delegated by it for that purpose. All questions, the manner of deciding which is not otherwise prescribed, shall be decided by majority vote of the members present in person or by proxy.

## **Section 7 - Proxies**

Every member of The Society entitled to vote at any meeting thereof may vote by proxy. A proxy shall be in writing and revocable at the pleasure of the member executing it. Unless the duration of the proxy is specified, it shall be invalid after eleven months from the date of its execution.

## **Article VI - Directors**

### **Section 1 - Number**

The property, affairs, business, and concerns of The Society shall be vested in a Board of Directors, consisting of eleven directors. Three directors shall be, at the time of the election, executives of ceding insurers, three directors shall be, at the time of the election, executives of professional reinsurers, three directors shall be, at the time of election, partners in private law practice and two directors shall be, at the time of election, ARIAS•U.S. Certified Arbitrators who are not employees of ceding insurers, professional reinsurers or partners in private law practice. The members of the Board shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified. The members of the Board shall also, upon their election, elect from their number a chairperson to serve for a term of one year, provided that at the end of any such term that member may be re-elected to the position of chairperson. The provisions of this Article VI, Section I, may only be amended, repealed or altered in whole or in part by a vote of two-thirds of the members of The Society.

### **Section 2 - Election of Directors and Term**

At the annual meeting to be held in 2016 there shall be an election by ballot for a number of directors equal to those whose terms have expired for the term of three years, and an election by ballot for two directors who are ARIAS•U.S. Certified Arbitrators as defined in Article VI, Section 1, one of whom shall be elected for a term of two years, and one of whom shall be elected for a term of three years. Thereafter, all director terms shall be for three years. At the expiration of any term, any director may be reelected. The provisions of this Article VI, Section 2 may only be amended, repealed or altered in whole or in part by a vote of two-thirds of the members of The Society.

### **Section 3 - Nomination of Candidates for Election to the Board**

Nomination of candidates for election to the Board of Directors is the responsibility of the Nominating Committee, which is charged with exercising its independent judgment and discretion in the selection of candidates, considering their qualifications as more fully set out in the Nominating Process Guidelines. Candidates who are identified by the Nominating Committee to serve on the Board should possess the requisite intelligence, education and experience to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and should have the highest ethical standards, and a strong sense of professionalism. Candidates should be drawn from the most dedicated and active members of ARIAS•U.S. who have

a demonstrated record of substantial commitment to ARIAS•U.S. over the years and also have communicated their ability and willingness to serve ARIAS•U.S. over an extended period of time.

#### **Section 4 - Duties of Directors**

The Board of Directors may (1) hold meetings at such times and places as they think proper, (2) admit members, (3) appoint committees on particular subjects from the members of the Board or from other members of The Society and delegate authority to such committees, (4) review records and accounts of The Society, (5) print and circulate documents and publish articles, (6) carry on correspondence and communicate with other associations, (7) employ agents, and (8) devise and carry into execution such other measures as they deem proper and expedient to promote the objectives of The Society and to best protect the interests and welfare of the members.

#### **Section 5 - Meetings of Board**

- a. The Board of Directors shall meet immediately after the annual election each year in the same location as the annual meeting. The Board of Directors shall thereafter meet on at least a quarterly basis. Notice of the quarterly meetings, signed by the secretary, shall be sent to the last recorded address of each director at least ten (10) days before the time appointed for the quarterly meeting. The chairperson or president may, when he or she deems necessary, or the secretary shall, at the request in writing of three directors, issue a call for a special meeting of the Board, and only five (5) days' notice shall be required for such special meeting. Meetings of the Board shall be presided over by the chairperson.
- b. Unless otherwise provided by the Certificate of Incorporation or these by-laws, the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this sub-section shall constitute presence in person at such meeting.

#### **Section 6 - Quorum**

Six members of the Board of Directors shall constitute a quorum for the transaction of business. In the absence of the chairperson and president, the quorum present may choose a chairperson for the meeting. If the quorum is not present, a lesser number may adjourn the meeting to a later day, with notice to all Board members.

#### **Section 7 - Absence**

Should any member of the Board of Directors be absent from two meetings of the Board within a calendar year without sending a communication to the chairperson, president or secretary stating the member's reason for the absence, and if the member's excuse should not be accepted by the members of the Board the member's seat on the Board may be declared vacant and the Board may forthwith proceed to fill the vacancy pursuant to Section 7 of this Article VI.

## **Section 8 - Vacancies**

Whenever any vacancy occurs in the Board of Directors by death, resignation or otherwise, it shall be filled without undue delay by a majority vote by ballot of the remaining members of the Board at a special meeting which shall be called for the purpose. The election shall be held within sixty days after the occurrence of the vacancy. The person so chosen shall hold office until the expiration of the term being filled.

## **Section 9 - Actions of Board**

- a. The approval of a majority of members of the Board of Directors or of any committee thereof in attendance during a meeting shall be necessary for action unless otherwise provided herein.
- b. Unless otherwise provided by the Certificate of Incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

## **Section 10 - Removal of Directors**

Any one or more of the directors may be removed either with or without cause, at any time, by a vote of two-thirds of the Board.

# **Article VII - Officers**

## **Section 1 - Number**

The officers of this Society shall be a chairperson, president, two or more vice-presidents, a secretary and a treasurer.

## **Section 2 - Method of Election**

- a. The Board of Directors shall annually elect the chairperson, president and vice-presidents from their ranks to serve for a one-year term. A quorum of the Board of Directors must be present to constitute an election.
- b. The Board of Directors shall annually appoint a secretary and treasurer who serve at the pleasure of the Board and who need not be members of the Board of Directors.

## **Section 3 - Duties of Officers**

The duties and powers of the Officers of The Society shall be as follows:

### **a. Chairperson**

The chairperson shall preside at the meetings of The Society and shall be a member ex officio, with right to vote, of all committees except the nominating committee. The chairperson shall also, at the annual meeting of The Society and such other times as the chairperson deems

proper, communicate to The Society or to the Board of Directors such matters and make such suggestions as in the chairperson's opinion may tend to promote the prosperity and welfare and increase the usefulness of The Society and shall perform such other duties as are necessarily incident to the office of the chairperson.

b. **President**

In the case of death, inability to act or absence of the chairperson, the president shall perform the duties of the chairperson. The president shall be an ex officio member, with right to vote, of all committees, except the nominating committee. The president shall preside over the election of members of the Board of Directors of the Society at the annual meeting of the membership.

c. **Vice Presidents**

In case of the death or absence of the president, or of the president's inability from any cause to act, one of the vice-presidents, in the order of their seniority, shall perform the duties of the president's office.

d. **Secretary**

It shall be the duty of the secretary to give notice of and attend all meetings of The Society and the Board of Directors and keep a record of their doings; to conduct all correspondence and to carry into execution all orders, votes and resolutions not otherwise committed; to keep a list of the members of The Society; to collect the fees, annual dues and subscriptions and pay them over to the treasurer; to notify the officers and members of The Society of their election; to notify members of their appointment on committees; to furnish the chairperson of each committee with a copy of the vote under which the committee is appointed, and at the chairperson's request give notice of the meetings of the committee; to prepare, under the direction of the Board of Directors, an annual report of the transactions and condition of The Society, and generally to devote his or her best efforts to forwarding the business and advancing the interests of The Society. In case of absence or disability of the secretary, the Executive Committee may appoint a secretary pro tem. The secretary shall be the keeper of The Society's seal.

e. **Treasurer**

The treasurer shall be a member of the Finance Committee and responsible for keeping an account of all moneys received and expended for the use of The Society. The treasurer shall make disbursements only upon vouchers approved in writing by one of the Board members serving on the Finance Committee. The treasurer shall deposit all sums received in a bank, or banks, or trust company approved by the Finance Committee, and make a report at the annual meeting or when called upon by the chairman or president. Funds may be drawn only upon the signature of the treasurer.

The funds, books and vouchers in the treasurer's hands shall at all times be under the supervision of the Executive Committee and subject to its inspection and control. At the expiration of the treasurer's term of office the treasurer shall deliver over to the treasurer's successor all books, moneys and other property, or, in the absence of the treasurer-elect, to the president. In case of the absence or disability of the treasurer, the Executive Committee may appoint a treasurer pro tem.



#### **Section 4 - Vacancies**

All vacancies in any office shall be filled by the Board of Directors without undue delay, at its regular meeting, or at a meeting specially called for that purpose.

### **Article VIII - Committees**

#### **Section 1 - Executive Committee**

The chairperson, the president and the two vice-presidents, shall constitute the Executive Committee. The Executive Committee may act on behalf of the Board in any matter when the Board of Directors is not in session, reporting to the Board of Directors at each regular or special meeting called for that purpose.

#### **Section 2 - Nominating Committee**

- f. The Nominating Committee shall identify individuals qualified to serve on the Board of Directors and, in accordance with the Nominating Process Guidelines, recommend a slate of candidate nominations for the Board's approval at its September meeting. The slate of candidate nominations will be deemed approved and placed on the election ballot to be sent to the voting membership unless it is rejected, in whole or in part, by a two-thirds super-majority vote of the Board.
- g. The Nominating Committee shall be constituted on a yearly basis and composed of five (5) members: the most recent past Chairman of the Board who is able to serve, the current Chairman of the Board, the President of the Board, and two individual members at large of ARIAS•U.S. who are in good standing with the Society and not currently directors of the Board. The two at-large members of the Nominating Committee shall be appointed by the Board and shall, by reason of their service on the Nominating Committee, be ineligible to be nominated for any Board vacancy during the term of their service.

#### **Section 3 - Finance Committee**

- a. The Finance Committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to fiscal managements by: (i) overseeing the management of The Society's financial assets; (ii) reviewing investment policies and strategies; (iii) reviewing financial results; (iv) ensuring the maintenance of an appropriate capital structure; (v) reviewing and recommending approval of an annual operating budget; and (vi) coordinating with financial and auditing consultants.
- b. The Finance Committee shall be constituted on a yearly basis and composed of four (4) members: two members of the Board of Directors, the Treasurer, and one individual member at large of ARIAS•U.S. who is in good standing with the Society and not currently a director of the Board. The individual at-large member of the Finance Committee shall be appointed by the Board and have (at a minimum) a basic understanding of finance, accounting, investment management, and financial statements.

- c. The Finance Committee shall meet at least two times a year at a time that is coordinated with its timely review and reporting responsibilities and as requested by a member of the Committee. A majority of the Committee shall constitute a quorum, and an act by a majority in attendance at a meeting shall be an act of the Finance Committee.
- d. The Finance Committee shall maintain minutes of meetings and regularly report to the Board of Directors on its findings, recommendations and actions, and any other matter the Finance Committee deems appropriate or the Board of Directors requests.

#### **Section 4 - Other Committees**

The Board of Directors, or the chairperson, or the president, subject to the approval of the Board, may appoint such other standing or special committees as may be necessary or appropriate to carry out the objectives of The Society. The purpose, authority and duties of such committees shall be set forth by the Board in writing, but shall not have or exercise the authority of the Board.

### **Article IX - Conflicts of Interest**

Prior to the initial election or appointment of any director or officer, and annually thereafter, such director or officer shall complete, sign and submit to the secretary of The Society a written statement identifying, to the best of that individual's knowledge, any entity of which such individual is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which The Society has a relationship, and any transaction in which the Society is a participant and in which the individual might have a conflicting interest. The secretary of The Society shall provide a copy of all completed statements to the chairperson of the Board of Directors.

### **Article X - Indemnification Of Directors, Officers, Committee Members And Employees**

#### **Section 1**

To the extent permitted by law, every person who is or was a Director, officer, committee member or employee of The Society acting in that capacity, shall have a right to be indemnified by The Society against all reasonable expenses incurred by such person in connection with, or resulting from any action, suit or proceeding in which such person may become involved as a party or otherwise by reason of such person's being or having been a Director, officer, committee member or employee of The Society, provided said action, suit or proceeding shall be prosecuted to a final determination and such person shall be vindicated on the merits or, in the absence of such final determination vindicating such person on the merits, the Board of Directors shall determine, subject to the provisions of Section 2, that the person acted in good faith, for a purpose which the person reasonably believed to be in The Society's best interests, had no cause to believe the conduct was unlawful, and that the person cooperated fully with The Society in the defense or disposition of any

said action, suit or proceeding, such determination to be made by the Board acting through a quorum of disinterested Directors or, in the absence of such quorum, on the opinion of counsel.

## **Section 2**

For purposes of these by-laws, "reasonable expenses" shall be deemed to include but not be limited to reasonable counsel fees and disbursements, judgments, fines, penalties and reasonable amounts paid in settlement. "Any action, suit or proceeding" shall be deemed to include every claim, action, suit or proceeding, whether civil or criminal, derivative or otherwise, administrative, judicial or legislative, at the trial level or in review. A settlement, plea of nolo contendere, consent judgment, adverse civil judgment or conviction shall not itself create a presumption that the person seeking indemnification did not act in good faith, for a purpose which the person did not reasonably believe to be in The Society's best interests or that the person had reasonable cause to believe that his conduct was unlawful, but the Board of Directors shall be bound by a civil judgment or conviction adjudging that the person did not act in good faith, for a purpose which the person did not reasonably believe to be in The Society's best interests, or that the person had reasonable cause to believe that his conduct was unlawful.

## **Section 3**

The right of indemnification shall extend to any person otherwise entitled to it under this Article whether or not that person continues in a capacity entitling the person to indemnification at the time such liability or expense is incurred. The right of indemnification shall extend to the legal representative and heirs of any person otherwise entitled to indemnification. If a person meets the requirements of this Article with respect to some matters in a claim, action, suit or proceeding, but not with respect to others, the person shall be entitled to indemnification as to the former. Advances against liability and expenses may be made by The Society on terms fixed by the Board of Directors subject to an obligation to repay if indemnification proves unwarranted and subject to the obligation to repay in Section 5 .

## **Section 4**

This Article shall not exclude any other rights of indemnification or other rights to which any person entitled to receive indemnification under this Article may be entitled by contract, by vote of the members or Directors, or as a matter of law.

## **Section 5**

The obligation of The Society to indemnify any entitled person under this Article shall be only to the extent that the entitled person does not receive indemnification from any other source that satisfies payment of "reasonable expenses" as that term is used herein. Indemnification payments by The Society made under this Article shall be repaid by the entitled person to the extent the person received payments from any other source of indemnification created by contract, by vote of the Members or Directors or as a matter of law.

## **Section 6**

If any clause, provision or application of this Article shall be determined to be invalid, the other clauses, provisions or applications shall not be affected but shall remain in full force and effect. The provisions of this article shall be applicable to claims, actions, suits or proceedings made or commenced after its adoption, whether arising from acts or omissions occurring before or after its adoption.

## **Section 7**

To the extent permitted by law, persons entitled to indemnification under this Article shall in the performance of their duties be fully protected in relying in good faith upon the books of account or reports made to The Society by any of its officers selected and supervised with reasonable care or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any such committee or in relying in good faith upon other records of The Society.

## **Article XI - Certification Criteria**

The Board of Directors shall adopt and disseminate to the membership the Arias·U.S. Criteria For Certification of Arbitrators, which may be amended from time to time by action of the Board of Directors in furtherance of the objectives of The Society.

## **Article XII - Arbitration of Disputes**

### **Section 1**

The Society, including any of its officers, Directors and members, agree that any irreconcilable dispute or claim between or among them and the Society, including, without limitation, any dispute arising out of or relating to membership suspension or expulsion and arbitrator certification or maintenance, shall be submitted to binding arbitration.

### **Section 2**

Arbitration shall be initiated by the delivery of a written demand for arbitration by the party seeking arbitration within sixty (60) days after the dispute has arisen. The parties shall have thirty (30) days from the initiation of the arbitration to attempt to agree on a sole arbitrator. If the parties agree on a sole arbitrator, the arbitration shall be conducted in accordance with the ARIAS U.S. Streamlined Rules for the Resolution of U.S. Insurance and Reinsurance Disputes, regardless of the amount in dispute and except as otherwise provided in this Article.

### **Section 3**

If the parties cannot agree on a sole arbitrator, the arbitration shall be held before a panel of three arbitrators. The arbitration shall be conducted in accordance with the ARIAS U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes, except as otherwise provided in this Article. Arbitrators need not be present or former officers or directors of insurance or reinsurance companies or ARIAS-U.S. certified arbitrators.

### **Section 4**

The arbitration shall take place in New York, New York. Insofar as the arbitration panel looks to substantive law, the law of the State of New York, without regard to its conflict of law rules, shall govern. The panel shall render its decision within sixty (60) days after the sole arbitrator or arbitration panel deems the record closed.

## **Article XIII - Amendments**

Except as otherwise provided in these by-laws, these by-laws may be amended, repealed or altered in whole or in part by a majority vote at any duly organized meeting of The Society or Board of Directors. The proposed change shall be sent to the last recorded address of each member at least ten days before the time of the meeting which is to consider the change.