

KAIA Board Announces Special and Annual Membership Meetings

Minor changes to by-laws to be discussed at Rural and Small Conference

Topeka, Kansas - January 15, 2020 - KAIA's Board of Directors has called a special membership meeting on Tues., Jan. 28, during the Rural and Small Conference at the Doubletree Hotel in Wichita. This brief meeting will be held from 1:00 to 1:10 p.m. in the Media Theatre, before the E&O seminar.

The purpose is to review amendments to the by-laws that will provide greater flexibility on when and where KAIA's Annual Membership meeting will be. These changes will give KAIA's Board of Directors additional flexibility and allow them to more prudently manage the resources of the association. A copy of the proposed by-laws along with the highlighted changes are attached.

In further detail, the purpose of the proposed amendments to the by-laws are outlined below:

1. Give the Association flexibility to hold the annual membership meeting, at which the officers and directors are elected, at any time, and any place during a calendar year. It will allow the Board of Directors flexibility to hold the annual membership meeting at a site that is most financially conducive, and that maximizes member attendance.
2. Give the Board the flexibility to adjust the terms of the officers and directors, not to exceed six (6) months, to correspond with the date of the annual membership meeting. This amendment goes with the above bullet, designed to give the flexibility to install officers and hold the annual membership when it makes sense.
3. Make several minor changes to clarify the by-laws in certain areas.

A redline version of the amended by-laws is attached and will be voted on at the meeting. Assuming the proposed changes to the by-laws are adopted, then the 2020 Annual Membership meeting will be held immediately afterward. At this meeting, the KAIA 2020 officers and directors will be elected and voted on. This is the same slate of officers installed at the 2019 Leadership and Development Conference and will satisfy the annual installation requirement.

Thank you for your patience as the KAIA Board of Directors works to position the Association to serve members most efficiently. 2020 is an exciting year for the association. The national Big "I" meeting will be in Kansas City this September, where Kansas agent, Bob Fee, will be installed as National Chairman. The changes to the by-laws will help maximize participation in this event.

We look forward to seeing you at this special membership meeting at Rural and Small. For questions, please reach out to KAIA President Kristy Wilson at kwilson@kellermaninsurance.com.

**BYLAWS
of the
Kansas Association of Insurance Agents**

**ARTICLE I
Name**

The name of the association shall be the Kansas Association of Insurance Agents.

**ARTICLE II
Statement of Purpose**

SECTION 1.

The fundamental purpose of the Association is to promote and represent the common business interests of its members before government and the public, consistent with the best interests of insurance consumers. To further this fundamental purpose, the Association shall promote high standards of ethics among its members; promote insurance education among its members and encourage greater public understanding of the business of insurance and of the insurance agency system; produce programs and services designed to enhance the professional development of its members; communicate with and explain to federal, state and local governing bodies matters of direct interest to its members; and generally promote and encourage understanding, cooperation and good relations among its members, the insurance industry and the public.

SECTION 2.

The association is formed exclusively for purposes for which a corporation may be formed under the Not-For-Profit laws of the State of Kansas and not for pecuniary profit or financial gain of its members. No part of the assets, income or profit of the Association shall inure to the benefit of its individual members, directors or officers, except to the extent permitted under the law.

**ARTICLE III
Membership**

SECTION 1.

The membership of the association shall consist of the following classes of membership:

Subsection A. Members

All members of the Association shall be independent insurance agents under what is

commonly referred to as the American Agency System and must:

- a. Represent companies recognizing by contract the ownership by the agency of its expirations and renewals (except with respect to life insurance renewals).
- b. Maintain a valid Kansas agency license and an office within the state of Kansas.
- c. Engage in any or all types of insurance business with the ability to represent or place insurance with multiple carriers.
- d. Own a majority of its expirations in lines of business for which it is customary that independent agents have an ownership interest in the expirations and/or renewal rights; or in the case of a surplus lines agency, have control of the business it writes.
- e. Not be affiliated or under common ownership with any insurance agency that does not comply with subsections 2a-2d above.

Each member agency shall be entitled to only one (1) vote at any annual or special meeting of the membership and the agency member may designate the person to represent the agency in person or by proxy.

Subsection B. Associate Members

Associate members shall be any persons or organizations supportive of the American Agency System that are not eligible to join the association as regular members. Independent agencies located in other states, which are members of the independent agent association in that state, by whatever name, may become associate members of this association.

Associate members are eligible to receive such rights and privileges of membership in this association as the Board of Directors shall approve except that such associate members shall not be entitled to vote, shall not be members of a national association by virtue of their associate membership and shall not be entitled the use of any logo by virtue of their associate membership.

Subsection C. Honorary Members

The Board of Directors may elect any deserving persons who have been actively engaged in the insurance business as honorary members.

Subsection D. Section Members

The Board of Directors may create section member categories. The Board of Directors may determine the rights and privileges of section memberships.

Subsection E. Affiliate Members

The Board of Directors may create various Affiliate Members categories of agencies who are not independent as defined in Subsection A of Section 2 above. Affiliate Members may not use the "Big I Logo" and will not be members of the Independent Insurance Agents of America.

Subsection F. Dues and Assessments

Membership dues, and the method and manner of payment, shall be determined by the Board of Directors for each class of membership. Special assessments may be levied against the membership only when approved by two-thirds (2/3) of the Board of Directors voting at a regularly scheduled Board meeting.

Subsection G. Termination or Expulsion

Any member of this Association may be terminated for any of the following reasons:

1. Non-payment of dues or assessments: As determined by the Board of Directors, any member who fails to pay dues or assessments in a timely manner may be terminated.
2. Loss of License: Any member who no longer possesses a valid agency insurance license, for any reason, is automatically terminated from membership in the association.
3. By resignation.
4. Formal Complaints: The Board of Directors, upon receiving a written complaint regarding the conduct of a member, may investigate the complaint. If the Board decides to pursue the complaint it shall notify the member named in the complaint of all charges made. Upon investigating the circumstances relevant to the complaint and providing an opportunity for the parties involved to appear before the Board, the Board of Directors, upon a two thirds (2/3) vote, may expel or suspend the member. Any member shall be afforded the opportunity to be represented by counsel and, if removed or suspended as a member, may appeal the decision of the Board to the association membership at its next annual meeting or at any special meeting called to address the matter.
5. A member whose membership in this Association is terminated for any reason shall be deemed to forfeit all rights and interests the member may have had as a member in the funds and other property of the Association, and shall not be entitled to any refund of dues and/or assessments paid by such member for any fiscal year. The Board of Directors may decide to return part or all of the dues of a new member during the first sixty (60) days of membership.

ARTICLE IV Meetings

SECTION 1. Membership Meetings

The annual meeting of the members of the Association shall be held ~~concurrently with the annual convention~~ annually at a time and place determined by the Board of Directors.

SECTION 2. Conduct of Business

At the annual meeting the members present in person or by proxy shall elect the Officers and Board of Directors whose terms have expired and transact such other business as may properly be brought before the meeting.

SECTION 3. Special Meetings

Special meetings of the members may be called at any time by the President or a majority of the Board of Directors, or on the written request of twenty percent (20%) of the members. In the event a special meeting is called, notice and the purpose of such special meeting shall be sent to the members by the Executive Director within fourteen (14) working days following the receipt of a written request therefore. Such meetings shall be held not fewer than 10 days but not more than 60 days following mailing of notice to the membership. The purpose of a special meeting shall be stated in the notice of the meeting and no other business shall be transacted.

SECTION 4. Quorum

At any annual or special meeting of members of the Association, a quorum for the transaction of any business shall consist of at least twenty (20) members of the association present in person; and a majority of the members present in person shall decide any question brought before such meeting.

**ARTICLE V
Board of Directors**

SECTION 1. Composition

The Board of Directors shall consist of the officers, (2) zone directors, four (4) at large directors and the Chairperson of the Young Agents Committee. Up to two (2) of the at large directors may be non-voting directors who are not licensed agents of a member.

SECTION 2. Eligibility

Any licensed agent of a Member may serve on the Board of Directors, except as provided in section 1 above.

SECTION 3. Terms

Each member of the Board of Directors, other than designated officers, the Chairperson of the Young Agents Committee and any non-voting at large directors, shall serve a three-year term. and shall serve no more than two consecutive three-year terms. A voting at large director appointed to fill an unexpired term of one year or less shall be eligible to serve two additional three-year terms.

The terms of one-third of the of the zone and voting at large Directors, shall expire each year.

The Young Agent Committee Chairperson shall serve a one-year term.

Non-voting at large Directors may serve two one-year terms.

The terms of any of the Directors may be adjusted by the Board, not to exceed six (6) months, at the discretion of the Board.

SECTION 4. Zones

The board of Directors shall divide the state into two (2) zones. One member of the Board of Directors shall be elected to represent each zone from a member agency in that zone.

SECTION 5. Duties

The Board of Directors shall be the final policy-making body of the Association, shall manage the Association to accomplish its purposes and objectives, shall appoint and terminate the services of the Executive Director, shall approve and be responsible for the annual budget of the Association, and shall designate the duties of such standing and special committees of the Association as it deems necessary to accomplish its purposes and objectives.

SECTION 6. Appointment

The president shall appoint board members to fill vacancies that occur during the year subject to confirmation by the Board of Directors. A new board member elected or appointed to fill an unexpired three-year term shall serve for the remainder of that term.

SECTION 7. Meetings

The Board of Directors shall meet on a regular basis at least four times a year at such times and places as it shall designate. Special meetings of the board of Directors may be called by the president provided at least 48 hours notice has been given to all Board members and such notice has specified the items open for discussion and subsequent action. The Board of Directors may also conduct special meetings and vote on policy matters by mail, email, facsimile transmission or by telephone conference, provided all votes taken thereby are recorded and reported at the next regular meeting of the Board of Directors. The expenses of the Board of Directors in attending such meetings may be paid by the association upon proper voucher under a policy established by the Board.

SECTION 8. Chairman

The President shall be Chairman of the Board of Directors. He shall preside at all meetings of the Board, except that in the President's absence, the President-Elect shall so preside and in the absence of the President and the President-Elect, the Vice President shall so preside. In the event that the President, President-Elect and Vice-President are absent, those members of the Board of Directors present, and constituting a quorum, shall elect a temporary Chairman to preside, only for the duration of the meeting during which he is elected.

SECTION 9. Quorum

~~Nine~~ A majority of the voting board members ~~Directors~~ shall constitute a quorum for conducting Association business.

SECTION 10. Removal

A Board member may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of all ~~voting directors~~ Directors, provided that not less than five (5) days written notice of such meeting stating that the removal of such director is to be on the agenda for such meeting shall be given to each director.

ARTICLE VI Officers

SECTION 1. Officers

The officers of the association shall be the President, President-Elect, Vice President - Treasurer, Secretary – Assistant Treasurer, Past President, National Director (s) and Executive Director. All officers shall also be members of the Board of Directors.

SECTION 2. Duties of Officers

Subsection A. President

The President shall preside at all meetings of the members; have general direction of the affairs of the association; and perform such other duties as usually may apply to such office and as may be imposed by the Board. The President shall, subject to the approval of the Board, appoint all committees.

Subsection B. President-Elect

In the absence or inability of the President, the President-Elect shall perform the duties of the President. The President-Elect shall assist the President in the general direction of the affairs of the association and perform such other duties as usually apply to such office and as may be imposed by the Board.

Subsection C. Vice President - Treasurer

The Vice President shall in the absence or inability of the President-Elect, perform the duties of the President-Elect. The Vice President shall perform the duties of Treasurer and assist the President and the President-Elect in the general direction of the affairs of the association and perform such other duties as usually apply to such office and as may be imposed by the Board.

The Treasurer shall be the primary liaison for the Board to the staff responsible for the accounting functions of the association. The Treasurer shall report to the board the financial status of the association at each meeting. The staff responsible for the accounting function shall collect all funds, dues, and assessments owing to the

association, give proper receipt therefore, and keep an accurate itemized account of all receipts and disbursements of the association. All disbursements shall be under the direction of the Board of Directors. The Treasurer shall supervise the deposit and investment of all funds of the association in accordance with policies established by the Board of Directors. The Treasurer shall oversee the check signing policy approved by the Board of Directors.

Subsection D. Executive Director

The Executive Director shall be employed by the Board of Directors on such terms and conditions as may be deemed appropriate by the Board. The Executive Director shall send such notices of meetings as required, conduct the correspondence of the Corporation, and be custodian of its records, documents and seal. The Executive Director shall perform such other duties as may be determined by the Board. The Executive Director shall be an ex officio, non-voting member of the Board and all committees. The Executive Director shall be considered a designated officer who shall serve on the Board in the capacity as stated above throughout the Executive Director's employment without having to be elected or re-elected to the Board.

Subsection E. Secretary – Assistant Treasurer

The Secretary - Assistant Treasurer shall keep the minutes of all meetings of the Board of Directors, Executive Committee and of the membership of the corporation unless another person shall be appointed for that purpose by the Board and shall perform the duties of Assistant Treasurer. The Secretary – Assistant Treasurer shall give or cause to be given all notices required by applicable law, the Certificate of Incorporation, these Bylaws, or by resolution of the Board, and may sign on behalf of the association all documents, contracts and instruments. The Secretary – Assistant Treasurer shall also perform such other duties as usually may apply to such office and as may be imposed by the Board.

Subsection G. National Director

The National Director shall represent the interests of the Association at national board meetings of the Independent Insurance Agents of America or a successor organization.

No person shall be eligible to be elected National Director without having first served as President of the Kansas Association of Insurance Agents.

Subsection H. Past President

The immediate Past President shall perform such duties as designated by the Board of Directors and assist the President in the general affairs of the association.

SECTION 7. Terms of Office

The Past President, President, President-Elect, Vice President - Treasurer and Secretary – Assistant Treasurer shall serve one-year terms. The Executive Director shall serve during the term of the Executive Director's employment.

The National director shall serve a three-year term. The National Director shall serve no more than two consecutive three-year terms. Except that a National Director who intends to run for the IIABA Executive Committee may be elected to serve an additional one-year term.

A National Director appointed to serve an initial term of one year or less shall be eligible to serve two additional three-year terms.

If a vacancy should occur in the office of National Director or Treasurer, the president shall appoint a replacement, subject to Board approval, to serve until the next election at an annual membership meeting.

All terms, except that of the Executive Director, shall begin and end at the annual membership meetings.

The terms of any of the officers, except the Executive Director, may be adjusted by the Board, not to exceed six (6) months, at the discretion of the Board.

SECTION 8. Removal From Office

Any officer may be removed, with or without cause, by the affirmative vote of two-thirds (2/3) of all directors, provided that not less than five (5) nor more than thirty (30) days' written notice of such meeting stating that the removal of such officer is to be on the agenda for such meeting be given to each director. This provision shall not apply to the Executive Director who shall be an employee of the Association.

ARTICLE VII Elections

SECTION 1. Nominating Committee

The Nominating Committee shall be chaired by the President-Elect and shall be composed of the officers of the association. Prior to the annual meeting, the Nominating Committee shall present for Board approval its recommendations to the Board of Directors for new Board Members, President-Elect, Vice President - Treasurer, and Secretary Assistant Treasurer whose terms are expiring. The current serving President-Elect shall automatically advance to the position of President. The current President shall automatically advance to the position of Past President. In the event the President-Elect is unable or unwilling to accept the post of President, the nominating committee shall appoint an alternate who shall be elected by the members of the association.

SECTION 2. National Director

The National Director shall be nominated by the Nominating Committee subject to approval of the Board of Directors prior to the annual membership meeting.

SECTION 3. Elections

The officers and Board members nominated and approved by the Board of Directors, as set forth above shall be elected by the membership at the annual membership meeting.

ARTICLE VIII Committees

SECTION 1. Standing Committees

The association may have the following standing committees: Executive, Finance, Nominating, Government Affairs, Membership, Insurance Coverage Committee, Education, Communications, Young Agents Committee, and Agency-Company Relations.

SECTION 2. Special Committees

The President may appoint special or ad hoc committees and task forces or other bodies with their duties and functions to be defined by the President, subject to the approval of the Board of Directors.

SECTION 3. Term Limitation

Each committee member shall serve a one-year term. No committee member shall serve more than three consecutive one-year terms unless they become chairman or unless the Board of Directors authorizes additional annual terms. This section shall not apply to the Executive, Finance or Nominating committees.

SECTION 4. Executive Committee

Subsection A. Composition

The Executive Committee shall consist of the officers of the association. The President shall chair the Executive Committee.

Subsection B. Duties

The Executive Committee shall have general supervision of the association, managing the affairs of the association between regular meetings of the Board of Directors; it shall determine the terms of employment, duties and compensation of the Executive Director subject to approval of the board, it shall coordinate the work of all committees and otherwise assist the President.

SECTION 5. Finance Committee

The members of the Executive Committee shall make up the Finance Committee. The Vice President -Treasurer shall chair the committee. The committee shall monitor the finances of the association and other related organizations and develop the annual budget to be submitted to the Board of Directors for approval.

ARTICLE IX Location of Office

The headquarters and office of the association shall be located in Topeka, Kansas. The association may have other business offices at such locations as the Board of Directors may designate

ARTICLE X
Fiscal

SECTION 1. Fiscal Year

The fiscal year of the association shall be such twelve-month period as the Board of Directors shall designate.

SECTION 2. Audit

An annual certified audit of the accounts and records of the association should be made by a firm approved by the Board of Directors.

ARTICLE XI

Indemnification of Directors

Any person or member made or threatened to be made a party to any action, suit or proceeding, pending or completed, because such person or member served on the Board of Directors or a committee or was an officer or employee of the Kansas Association of Insurance Agents or any predecessor organization, shall be indemnified against all judgments, fines, amounts paid in settlement, reasonable costs and expenses, including attorney's fees and other liabilities that may be incurred as a result of such action, suit or proceedings, or threatened action suit or proceedings, if such person or member acted in good faith and in a manner he reasonably believed to be in the best interest of the Kansas Association of Insurance Agents or any predecessor organization, and with regard to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. Such indemnification shall pass to the successors, heirs, executors or administrators of such person or members. Such indemnifications shall not be exclusive of any additional rights to which those seeking indemnification may possess. The termination of any civil or criminal action or proceeding by judgment, settlement, conviction, or upon a plea of nolo contendere shall not in itself create a presumption that any such person or member did not act in good faith for a purpose such person reasonably believed to be in the best interest of the Kansas Association of Insurance Agents or any predecessor organization, or that such person had reasonable cause to believe that his conduct was unlawful. If any action, suit or proceeding is compromised, it must be with the approval of the Board of directors.

In each instance in which a question of indemnification arises, entitlement thereto shall be allowed only as authorized, in each instance, after a determination that indemnification of the director, officer, employee or member is proper in the circumstances because the previously set forth applicable standard of conduct has been met. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such pending, threatened or completed action, suit or proceeding or, if such a quorum is not obtainable, (2) by an independent legal counsel in a written opinion or, if unobtainable, (3) by a majority vote of the members of the Kansas Association of Insurance Agents upon finding that the appropriate standard of conduct has been met.

ARTICLE XII
Agency Services Corporation of Kansas

SECTION 1.

As the majority stockholder of the Agency Services Corporation of Kansas, the Board of Directors shall elect the directors of the Agency Services Corporation of Kansas who have been nominated by the President-Elect of this association.

ARTICLE XIII

Amendments

These bylaws may be amended at any annual meeting of the membership, or at any special meeting of the membership called for that purpose by an affirmative vote of two-thirds (2/3) of the members present, in person or by proxy, provided, that previous notice of the proposed amendment has been mailed, e-mailed, or faxed to all members at least ten (10) days prior to the day of any such meeting.

These bylaws were adopted at a special Membership Meeting in Salina Kansas on July 14, 1992. They were amended at the annual Membership Meeting on October 18, 1994; October 12, 1996; October 10, 1998, October 7, 2000, October 3, 2005, October 13, 2011, October 8, 2015 and October 16, 2019.