

**CONSTITUTION, RULES AND REGULATIONS (BYLAWS)
OF THE
MUTUAL ASSURANCE SOCIETY OF VIRGINIA**

ARTICLE I – Powers and Purpose

Section 1. The Mutual Assurance Society of Virginia, hereinafter referred to as “the Society”, has the powers conferred by the Laws of the State of Virginia and its Articles of Incorporation.

Section 2. The Society’s purpose is the provision of insurance for persons, as defined by Virginia Code Section 38.2-100, on the mutual assessment plan.

ARTICLE II – Members of the Society

Section 1. The members of the Society shall be those persons who are policyholders therein. When any member ceases to be a policyholder, he shall at the same time cease to be a member of the Society.

Section 2. Any individual, aggregate of individuals, association, business, company, corporation, joint stock company, organization, partnership, receiver, trustee or society, may be a member of this Society. A member may authorize any person to represent them therein and such representative shall have all the rights of an individual member.

Section 3. At all meetings of the members of the Society, each member shall be entitled to one vote for each policy held.

ARTICLE III – Members of the Board of Directors

Section 1. At each annual meeting of the members of the Society, individuals comprising a Board of Directors shall be elected in the manner prescribed in the Articles of Incorporation, as amended. Each individual shall be elected for a term of three years to succeed those of the class whose terms of office are expiring. The Board of Directors shall consist of not less than 8 nor more than 12 members of the Society, the exact number of which shall be fixed by resolution of the Board of Directors. No individual may be elected to the Board of Directors if the person has attained seventy-two years of age or more and, if already elected; no board member may continue to serve beyond the end of the year in which the board member attains seventy-two years of age. (Amended 11/1/1985 and 6/14/2011)

Section 2. Directors shall each hold office until their successors are chosen and have qualified. Vacancies in the Board of Directors may be filled by the remaining directors, acting as a Board, and the persons so selected shall each hold office for the remainder of the terms of their predecessors and until their successors are chosen and have qualified.

Section 3. The directors, acting as a Board, shall manage and conduct the business and affairs of the Society. Directors shall have and may exercise all the powers of the Society that are not by the Articles of Incorporation or by these Bylaws required to be otherwise exercised. They shall establish a suitable Home Office for the Society in the State of Virginia, and may provide for such other offices in the State as they deem necessary. The Board of Directors shall have such other powers and duties as are necessary or incidental to their office.

Section 4. A majority of the directors in office shall constitute a quorum of the Board for the transaction of business; but in case a quorum is not present, a lesser number may adjourn to a future time.

ARTICLE IV – Officers

Section 1. At every annual meeting of the Board of Directors where a majority of directors are present, the Board of Directors shall elect a President, who shall be a director of the Society, a Secretary and a Treasurer, all of whom shall be known as the elective officers of the Society. Directors may appoint such other officers as they may deem necessary, all of whom shall be known as the appointive officers of the Society. The same person may hold more than one of the said offices except that the President shall not also hold the office of Secretary or Assistant Secretary. From among their number, the Board shall elect a Chairman and may elect a Vice Chairman to serve for such a term as the Board shall prescribe.

Section 2. Officers elected by the Board at its annual meeting shall each hold office for one year, or until their successors have been elected and have qualified. Other officers who may be appointed by the Board of Directors shall serve at the pleasure of the Board. Vacancies in the elective offices occurring in the interval between annual meetings may be filled at any time by the Board of Directors, and any person so elected shall hold office until the term for which his predecessor was elected has expired and thereafter until his successor is elected and has qualified.

Section 3. President - The President shall, in the absence of the Chairman or the Vice Chairman of the Board of Directors, preside at all the meetings of the members of the Society, the Board of Directors and the Executive Committee. He shall be the chief executive officer of the Society and shall have general charge and supervision of the business and affairs of the Society. The President shall have power to delegate to other officers of the Society such of his duties as in his judgment may be wise or necessary, subject to such limitations as may exist by reason of law or as may be provided in these Bylaws or by resolution of the Board of Directors. The President shall represent the Society in all things; all processes served on him shall be considered as duly and properly executed to bind the Society; all processes issuing on behalf of the Society shall issue in the name of the Society, and all notices issued on their behalf shall be signed by the President and be taken and considered as for and in behalf of the said Society. The President shall have power to disburse the moneys of the Society; and all acts of his, done in conformity with these Bylaws, or by virtue of a resolution of the Board of Directors, shall be binding on the Society.

Section 4. Secretary – The Secretary shall give notice of all meetings of the members and of all meetings of the Board of Directors. He shall keep a written record of the proceedings of all such meetings, and where appropriate to do so, record the number of votes cast, in person or by proxy, respectively. He shall countersign and keep a record of all insurance policies issued, endorsements, authorized assignments, transfers and cancellations thereof. He shall keep such other books and records as the Board of Directors may require, and shall perform such other duties as are required of him by law or these Bylaws, or as shall be conferred upon him by the Board of Directors or the President. He shall have the custody of the corporate seal and shall affix the same to all instruments required to bear the seal of the Society. The Secretary shall be the Secretary ex officio for all meetings of the Committees of the Society.

Section 5. Treasurer – The Treasurer shall have general custody of the financial and accounting records of the Society and shall prepare summarizations of and reports on such records as may be required by the Board or the President. The Treasurer shall perform such other specific duties as may be conferred upon him by the Board or by the President.

ARTICLE V – Committees

Section 1. The Board of Directors may appoint from its number an Executive Committee, an Investment Committee, an Audit Committee and such other permanent or ad hoc committees as it may find from time to time to be necessary for the proper conduct of the affairs of the Society. All committees shall consist of three or more members of the Board and shall have such powers and duties as are provided in these Bylaws or as may be expressly granted to such committee by resolution of the Board of Directors.

Section 2. Executive Committee – The Executive Committee shall consist of the President, the Chairman of the Board and two or more other members of the Board so elected from their number. The Chairman of the Board shall be the Chairman of the Executive Committee. The Executive Committee shall have and may exercise all powers of the Board of Directors during the intervals between the meetings of the Board, subject to such limitations as exist in law or as may be provided in these Bylaws or by resolution of the Board. In addition to its other duties, the Executive Committee shall review and recommend to the Board of Directors compensation for directors and officers, approve compensation for all other employees and shall recommend to the Board of Directors nominees for the appointment or election, as appropriate, to the Board of Directors. (Amended 6/16/2009)

Section 3. Investment Committee – The Investment Committee shall consist of the President, the Chairman of the Board and two or more other members of the Board so elected from their number. The President shall be the Chairman of the Investment Committee. The Investment Committee shall have authority to purchase securities and make investments and full power to sell, exchange, assign and transfer any of the stocks, bonds, securities or other investments, exclusive of real estate, belonging to the Society at such prices and on such terms as it may deem best.

Section 4. Audit Committee – The Audit Committee shall consist of three or more members of the Board so elected from their number. Neither the Chairman of the Board nor the President shall be a member of the Audit Committee. The Audit Committee shall (i) recommend the appointment of independent auditors, (ii) consult with the independent auditors with regard to the plan of the audit, (iii) review, in consultation with the independent auditors, the report of audit and any accompanying management letter and (iv) consult with the independent auditors regarding the adequacy of internal controls. (Amended 6/16/2009)

Section 5. Other Committees – Other permanent or ad hoc committees may be appointed from time to time for such purposes as the Board deems necessary. Such committees shall have the powers and duties granted by the Board.

ARTICLE VI – Meetings

Section 1. The annual meeting of members of the Society shall be held at the Home Office of the Society, or at such other appropriate location as the Board may designate, on the second Monday in May of each year, or on such other day as the Board may designate pursuant to proper notice to the members. A quorum for the proper transaction of business at any meeting shall consist of representation of members, in person or by proxy, of not less than ten percent of the votes entitled to be cast at any such meeting. It shall be lawful for a lesser number of members than constitutes a quorum to adjourn any meeting from day to day, or to such future time as may be appropriate. Absent members may vote by proxy, authorized in writing, but such proxies must be dated and executed within three months, and filed and recorded with the Secretary of the Society at least five days before the meeting at which they are to be used. Only members who are valid policyholders on the date on which a meeting is legally held are entitled to vote in person or by proxy. A proxy signed by any named assured shall be valid for the annual meeting of members. (Amended 6/16/2009 and 6/11/2013)

Section 2. Notices of all meetings of the members of the Society shall be given by the Secretary and, with regard to the annual meeting of members, notice may be printed in the policies issued by the Society. Notwithstanding any notice printed in its policies, notice of the time and place of the annual meeting of members and of any special meeting of members shall be given by publishing such notice at least once a week for two successive calendar weeks in a newspaper of general circulation in the City of Richmond that the President deems appropriate, the first publication thereof to be not more than 50 days and the second not less than 25 days before the date of the meeting. In lieu of the published notice prescribed herein the Society may, in its discretion, give notice of an annual or special meeting by postpaid mail to the last known post office address furnished by each policyholder at least 25 days before the date fixed for such meeting. Notice of any special meeting shall state the purpose of the meeting. Every member shall, for all purposes, be deemed to have been duly notified of any meeting if he be present, in person or by proxy, at such meeting, or shall, either before or after the meeting, file with the Secretary a waiver of notice thereof.

Section 3. Regular meetings of the Board shall be held in the months of February, April, June, September, October and December, or in such other months as the Board may designate. Meetings shall be held on such day and date as the Board may designate pursuant to proper notice

given to each director at least ten days before the time appointed. The annual meeting of the Board shall be held immediately preceding the first regular meeting of the Board occurring after the annual meeting of members. Special meetings of the Board of Directors may be called by the President or any two directors at any time by an order in writing to the Secretary, who shall give notice to each director at least ten days before the time appointed. Every director shall, for all purposes, be deemed to have been duly notified of a meeting if he shall be present at such meeting, or shall, either before or after the meeting, file with the Secretary a written waiver of notice thereof, which may include a waiver as to the time of notice required hereunder. (Amended 11/1/1985, 6/13/1994 and 6/16/2009)

ARTICLE VII – Perpetual Insurance

Section 1. All policies issued by the Society shall be perpetual, i.e. without expiration, and shall be in such form as may be determined from time to time by the President. The representations and provisions of the declaration for assurance shall in all cases be taken and held to be a part of the policy. All policies issued shall be signed by the Secretary or an Assistant Secretary and by the President or, in his absence or disability, by a person so designated by the Board of Directors to act for him. Facsimile signatures of the foregoing persons are hereby permitted.

Section 2. No assignment or change of interest, whether voluntary or involuntary, under any policy issued by the Society shall bind the Society, except by endorsement on the policy, signed by an authorized representative of the Society.

Section 3. The transaction of insurance shall be confined to the geographical areas of the State of Virginia as are specifically authorized by the Board of Directors.

Section 4. All persons applying for insurance shall execute a declaration for assurance of a form prescribed by the President and which shall be accompanied by an inspection report prepared by an authorized agent of the Society.

Section 5. There shall be paid initially, on all subjects of insurance, premiums as shall be determined and prescribed from time to time by the Board of Directors and which may be increased for extra hazard in the discretion of the President. Premiums on existing insurance shall, in like manner, conform to such rates. Every member of the Society shall pay thereafter an annual assessment upon their premium as the Board of Directors may assess and until paid such assessment shall constitute a lien against the insured property. The assessment liability of members which may be imposed by the Board of Directors at any annual assessment shall not exceed two hundred percent of the policy premium as determined and prescribed by the Board of Directors. (Amended 11/1/1985 and 11/10/1987)

Section 6. Any person who fails to pay their premiums or additional premium, assessment or assessments when billed and causes the Society to resort to recourse by legal proceedings to enforce collection, shall, to indemnify the Society for the expenses necessarily incurred thereby, forfeit and pay to the Society a penalty of ten percent upon the amount of premium or assessment due, together with any legal costs incurred by the Society. In lieu of the legal proceedings authorized hereby, the Society may choose to cancel such insurance for non-payment of premiums, additional premium or assessments.

Section 7. Every member shall, without delay, report to the President any additional hazard created or occasioned by himself or others to subjects of insurance; and shall also without delay, pay the additional premium which may arise from such additional hazard, provided the said additional hazard is still acceptable to the Society. Failure to do so shall render the insurance void in the discretion of the President.

Section 8. Whenever, in the discretion of the President, it is in the best interests of the Society, it may and shall have the right to terminate and cancel all or any part of any kind of insurance in this Society upon not less than ten (10) days notice in writing mailed to the last known post office address of the member whose insurance is to be terminated. In such event, any unearned premium or unearned assessment, collected from such member for the year in which such cancellation occurs, shall be refunded, and the member thus affected shall not be liable on account of obligations incurred after the effective date of the termination and cancellation of such member's insurance.

Section 9. The terms, provisions and conditions of any policy issued by the Society and of any endorsement or endorsements thereon or added thereto may be changed or modified at any time as may be directed by the Board of Directors and such change or modification shall become effective when embodied in an endorsement to be added to the policy executed by the President and accepted by the assured. If the assured does not desire to accept the change or modification embodied in such endorsement, he may surrender the policy within ten days after receipt of the endorsement and be entitled to receive from the Society the unearned portion of the premium or assessment collected from the assured for the year in which the policy is so surrendered. However, any annual assessment of an amount equal to less than 100% of the applicable policy premium shall be fully earned by the Society when paid and in the event of cancellation of the policy or endorsement; there will be no refund of such assessment. (Amended 1/01/2009)

ARTICLE VIII – Miscellaneous

Section 1. The order of business at regular or special meetings of the members or of the Board of Directors shall be, substantially, as follows:

1. Reading and approval of minutes of previous meeting.
2. Reports of officers.
3. Reports of committees.
4. Election of officers.
5. Unfinished business.
6. New business.

Section 2. The fiscal year of the Society shall commence on January 1st and shall end December 31st.

Section 3. The corporate logo of the Society shall be as adopted from time to time by the Board of Directors.

ARTICLE IX – Indemnification

Section 1. Each director, officer and employee of the Society now or hereafter serving as such, shall be indemnified by the Society against any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, because he is or was a director, officer or employee of the Society, against liability incurred if (a) that individual conducted himself in good faith, and (b) he believed (i) that his conduct was in the Society’s best interests with respect to conduct in his official capacity as defined in Section 13.1-875 of the Code of Virginia (1950) as amended, and (ii) that his conduct was at least not opposed to the best interests of the Society in all other cases. In addition, if the proceeding in which liability is incurred is a criminal proceeding, the Society shall indemnify the officer or director or employee only if he had no reasonable cause to believe his conduct was unlawful. A director’s conduct with respect to an employee benefit plan for a purpose he believed to be in the interest of the participants in and beneficiaries of the plan shall be deemed to be conduct that is at least not opposed to the best interests of the Society. The termination of a proceeding by a judgment, order, settlement, or conviction is not, of itself, determinative that the director did not meet standard of conduct required of this section. Notwithstanding anything herein to the contrary, indemnification permitted under this section in connection with a proceeding by or in the right of the Society is limited to reasonable expenses, including attorney’s fees, incurred in connection with the proceeding. Indemnification in connection with a proceeding by a third party against the officer or director or employee may include all liability incurred by him, including any obligation to pay a judgment, settlement, penalty, fine, excise tax assessed with respect to an employee benefit plan, or reasonable expenses. The Society is prohibited under this section from indemnifying a director or officer or employee in connection with a proceeding by or in the right of the Society in which the director or officer or employee was adjudged liable to the Society, or in any proceeding, where he was adjudged liable on the basis that personal benefit was improperly received by him, whether or not the conduct involved action in the officer’s or director’s or employee’s official capacity.

Section 2. The Society shall, in addition to the indemnification set forth in Section 1 hereof, indemnify any officer or director or employee of the Society for any liability incurred as a result of any and all acts or omissions which may have occurred during such officer’s or director’s or employee’s term of office, which acts or omissions may or did result in a proceeding being threatened or brought against the officer or director or employee either by a third party, by the Society or on behalf of the Society. Any further indemnity other than that set forth in Section 1 shall not be made except upon a determination by a committee of not less than three nor more than five persons selected by the Board, who shall be members of the Society, but not directors, officers or employees as the case may be, that the conduct of the officer or director or employee seeking indemnity did not involve gross negligence or willful misconduct. Such determination of further indemnity shall be made by a majority vote of all the committee members at a meeting of the committee. For purposes of this paragraph, the terms “liability”, “director”, and “proceeding” shall have the same meaning as those terms are defined in Section 13.1-875 of the Code of Virginia (1950), as amended. The further indemnity contemplated by Section 2 is in addition to that provided for in Section 1, and includes authority to indemnify regardless of the good faith of the officer or director or employee, provided the committee makes a determination of the absence of gross negligence or willful misconduct.

Section 3. The Society is authorized to enter into indemnification agreements with its officers and directors and employees in a form approved by the Board of Directors so long as the indemnity provided for therein does not exceed that authorized by Sections 1 and 2 above. The Board of Directors is authorized to purchase and maintain insurance in connection with its indemnity obligations under this bylaw, or to become a self-insurer of those obligations to the extent private insurance may be unobtainable, cost prohibitive, or in the business judgment of the Board self-insurance is otherwise preferable. (Amended 2/9/1987)

ARTICLE X – Amendments

Section 1. These Bylaws may be altered, amended or repealed at any annual meeting of the members of the Society or at any special meeting of the members called for that purpose, provided that due notice of the purpose of such special meeting has been given to the members in accordance with Article VI of these Bylaws.

Section 2. Except for matters specifically reserved to the members of the Society, the provisions of these Bylaws may be amended by addition, alteration or repeal at any regular meeting of the Board of Directors of the Society, provided that notice of the substance or character of the proposed change has been given in writing to each director in accordance with Article VI of these Bylaws.

RESTATED MAY 17, 1982

Amended November 1, 1985
Amended February 9, 1987
Amended November 10, 1987
Amended June 13, 1994
Amended January 1, 2009
Amended June 16, 2009
Amended June 14, 2011
Amended June 11, 2013