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## ALLEGANY CO-OP INSURANCE COMPANY BY-LAWS

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### ARTICLE I – NAME, PURPOSE AND LOCATION

1. **Name.** The Company shall be known and designated as Allegany Co-op Insurance Company (hereinafter referred to as the “Company”).

2. **Purpose.** The purpose of the Company shall be to do those things permitted by the Company’s Articles of Incorporation and Charter, and to exercise all rights and powers conferred upon the Company by law.

3. **Principal Office.** The principal office of the Company shall be located in Allegany County, New York.

### ARTICLE II - MEMBERSHIP

1. **Members.** All policyholders of the Company shall be members of the Company during the period they remain insured and no longer. Each member shall be entitled to cast one (1) vote in person or by proxy at each meeting of members, whether such member has one or more policies with the Company. All proxies shall be filed with the Secretary of the Company at least five (5) business days prior to any meeting at which they are to be voted.

2. **Annual Members Meeting.** The annual meeting of the members will be held at such place and on such date and time as may be designated by the Board of Directors. Notice of the annual meeting will be provided to the members as required by law. The Company’s Board of Directors shall be elected and other Company business may be transacted at the annual meeting.

3. **Special Meetings.** Special meetings of members, for any purpose or purposes described in the notice of the meeting, may be called by the Chairman of the Board or President and shall be held at such place, date and time as the Board shall fix. Notice of such special meetings shall be given as required by law.

4. **Quorum.** A simple majority of the members shall constitute a quorum at any regular or special meeting of the members. In the absence of a quorum, meetings of the members may be adjourned from time to time without notice other than by announcement at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally called.

5. **Members of Record.** The Board of Directors may fix a record date not more than sixty (60) or less than ten (10) days before any meeting of members for the purpose of determining the members who are entitled to notice of and to vote at the meeting of members.

### ARTICLE III - DIRECTORS

1. **Election, Number and Term.** The corporate powers of the Company shall be exercised by a Board of not less than nine (9) but not more than fifteen (15) Directors, all of whom shall be at least eighteen years old and one of whom shall be the President of the Company. The actual number of directors shall be set by a majority of the Board of Directors. At all times a majority of the Directors shall be citizens and residents of New York State, and all directors shall be residents within the territory in which the Company is licensed to do business. All except four (4) of the Directors must be members of the Company or officers of member corporations. No person having attained the age of 75 years shall be elected a Director unless such restriction is waived by a simple majority vote of the non-interested Directors.

2. **Classes of Directors.** The Directors shall be divided into three (3) classes as nearly equal in number as possible and one class shall be elected by ballot at each Annual Meeting of the Company for a term of three (3) years or until their successors are elected and qualified.

3. **Powers.** The Directors shall manage the business and affairs of the Company and may exercise all powers of the Company and do all such lawful acts and things that are not specifically reserved or granted to the members by law, the Company’s Articles of Incorporation, Bylaws or Charter. The Board of Directors shall fix the salaries, benefits and other compensation for the authorized services of the officers and Directors.

4. **Vacancies.** All vacancies on the Board of Directors shall be

filled by a majority vote of the remaining Board of Directors at a regular meeting or at a special meeting called for such purpose, provided that notice of such special meeting be served upon all members of the Board at least five (5) days before such meeting. The Directors so chosen shall hold office until the next annual meeting.

5. **Meetings.** The Directors shall meet immediately after the adjournment of the annual meeting of the members of the Company to elect a Chairman of the Board, President, Vice President, Secretary and Treasurer, all of whom shall hold office at the pleasure of the Board. The Board of Directors (or the Executive Committee, as permitted by Section 6624 of the New York Insurance Law) shall hold at least three (3) other regular meetings at a designated place, date and time fixed by the Board. At least one meeting of the Board of Directors shall be held in New York. Special meetings of the Board of Directors may be called at any time by the Chairman, President or Secretary, and shall be called by the President or Secretary upon written request of three (3) Directors and upon five (5) days’ written notice to each Director stating the time, place, and purpose of such meeting.

6. **Quorum.** A simple majority of the Board of Directors shall constitute a quorum to transact business at any meeting of the Board. A majority of directors present at a meeting, even if they do not constitute a quorum, may adjourn a meeting to another time and place, notice of which shall be provided to all Directors.

7. **Compensation.** Directors shall be entitled to such compensation for their services as shall be determined by the Board.

8. **Electronic Participation.** Any Director may participate in a meeting of the Board of Directors or committee thereof by means of communications equipment allowing all persons participating in the meeting to hear each other at the same time, or in any other manner permitted by law.

9. **Ratification.** Notwithstanding anything to the contrary contained herein, any action that may be taken at a meeting of the Directors or any duly-designated committee thereof, may be taken without a meeting, but only if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors or members of the committee, as the case may be, and filed with the Company’s Secretary.

10. **Personal Liability.** No director shall be personally liable to the Company or any of its members for damages for any breach of duty as a Director; provided, however, that the foregoing provision shall not eliminate or limit (i) the liability of a Director if a judgment or other final adjudication adverse to him or her establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or any violation of the New York Insurance Law or a knowing violation of any other law or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled; or (ii) the liability of a Director for any act or omission prior to the adoption of this provision by the members of the Company.

11. **Removal.** At any special or regular meeting of the Board of Directors, any Director may be removed for cause by the affirmative vote of two-thirds (2/3) of the members of the Board then in office.

### ARTICLE IV – OFFICERS

1. **Officers.** The officers of the Company shall be a Chairman of the Board, President, Vice President, Secretary and Treasurer, at least two (2) of whom shall be Directors and all of whom shall hold office at the pleasure of the Board. The Board of Directors may from time-to-time elect or appoint additional officers, not necessarily from among their number, as it deems necessary to serve at the pleasure of the Board.

2. **Duties.** The duties of the officers shall be as usually devolve upon such officers and such other duties as these Bylaws or the Board may authorize them to perform. Notwithstanding the foregoing, the Chairman of the Board, or in his or her absence the Vice Chairman of the Board, shall preside over each meeting of the members. The Secretary, or in his or her absence, the person so designated by the Chairman, shall take minutes and perform other required duties as directed by the officer presiding over such meeting.

3. **Vacancies.** In case of a vacancy in any of the offices described in this Article IV, the Board of Directors, by an affirmative vote of a simple majority thereof, shall elect a successor to hold the vacant office for the unexpired portion of the term, and until the election of a successor.

4. **Executive Committee.** The Executive Committee shall be a

standing committee of the Board of Directors and shall be comprised of not fewer than five (5) members chosen by the Board of Directors from among its members for a one year term. The Executive Committee shall meet upon the order of the President or Secretary and exercise such powers and perform such duties as may be from time to time lawfully designated to or required of it by the Board of Directors. At each meeting of the Board of Directors, the Executive Committee shall report the business done by it since the time of its last report.

**5. Other Committees.** The Board shall have the power and authority to appoint such other committees as it deems necessary, including but not limited to an Audit Committee to recommend the selection of independent certified public accountants and review the Company's financial condition, the scope and results of the independent audit and any internal audit; and a Nominating Committee to, among other things, recommend candidates to be nominated by the Board of Directors and any other nominations by members.

**6. Execution of Obligations.** The policies, contracts, documents, instruments, and other writings which the Company is authorized to make and which require such execution shall be executed, with or without seal, by such officers or employees as may be designated by the Board, and in accordance with the law applicable thereto.

#### **ARTICLE V - INDEMNIFICATION**

**1. Statutory Indemnification.** The Company shall indemnify to the fullest extent permitted by the New York law, as the same exists on the date of the adoption of this Article V or to the greater extent granted by any amendment of that New York law (the intent being to provide the greatest of those indemnification rights granted by that law at any time from the time of the act or omission through the final disposition of the action) any person made or threatened to be made a party to any action or proceeding, including an action by or in the right of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which any Director or officer of the Company served in any capacity at the request of the Company, by reason of the fact that he, his testator or intestate, is or was a Director or officer of the Company or is or was serving such other enterprise at the request of the Company.

**2. Further Indemnification.** The Company is hereby authorized to indemnify and advance expenses beyond the right of statutory indemnification to a Director or officer pursuant to the terms and conditions of (i) a resolution of members, (ii) a resolution of Directors or (iii) an agreement providing for such indemnification; provided that no indemnification may be made to or on behalf of any Director or officer if a judgment or other final adjudication adverse to the Director or officer establishes that his acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

**3. Advancement of Expenses.** Expenses incurred in defending an action or proceeding shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay the expenses so advanced by the Company to the extent they exceed the indemnification to which he is entitled.

**4. Insurance.** The Board of Directors of the Company may, at its discretion, authorize the Company to purchase and maintain insurance to indemnify itself for any obligation which it incurs as a result of the indemnification of Directors and officers or to indemnify the Directors and officers to the fullest extent permitted by law.

**5. Amendments.** No amendment, modification or rescission of this Article V shall be effective to limit any person's right to indemnification with respect to any act or omission or the disposition of any action which occurs prior to the date on which such modification, amendment or rescission is adopted.

**6. Notice.** With respect to any matter involving the indemnification of officers or directors of the Company in accordance with this Article V, a notice specifying the persons paid, the amounts of the payments and such other matters as shall be required pursuant to Section 1216 of the New York Insurance Law (or any successor statute) shall be filed with the Superintendent of Insurance of the State of New York in accordance with said Section 1216.

#### **ARTICLE VI - MISCELLANEOUS**

**1. Waivers.** No Director, officer, adjuster or agent of the Company shall have power to change or waive any of the conditions of a policy, or to waive any forfeiture thereunder. Any change or waiver, if made, shall be made by the Board of Directors in regular session. Payment of a premium after loss by a member in default accepted by an officer or agent of the Company shall not constitute a waiver of any forfeiture which may have occurred prior to such payment.

**2. Amendments.** These Bylaws may be amended by a vote of a majority of members who are present in person or by proxy at any Annual Meeting or any special meeting duly called for such purpose. The Board of Directors, by majority vote, may amend the Bylaws as to any provisions that do not impair the members' rights or enlarge their obligations under insurance policies, subject to the members' right to amend or repeal such action by the Board of Directors.

**3. Construction.** These Bylaws shall be governed by the laws of the State of New York.

**4. Severability of Invalid Provisions.** If one or more of the provisions contained in these Bylaws shall for any reason be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be deemed severable from the remaining provisions contained herein, and such invalidity, illegality or unenforceability shall not affect any other provision hereof and the remaining parts of these Bylaws shall be construed so as to give practical realization to the purposes intended to be achieved by the parties as if such invalid or illegal or unenforceable provision had never been contained herein.

**5. Parliamentary Rules.** All meetings of the Company, the Board of Directors and all committees shall be conducted in accordance with Robert's Rules of Order, last revised.

**6. Notices and Waivers Thereof.** Whenever, under the provisions of applicable law, the Company's Charter or of these Bylaws, written notice is required to be given to any person, it may be given in any manner permitted by law. Any written notice that is required to be given to any person may be waived in writing signed by the person entitled to such notice, whether before or after the time when the notice would otherwise be required to be given. Attendance of any person entitled to notice, whether in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where any person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted, nor the purpose of the meeting, need be specified in the waiver of notice of such meeting.

Adopted: May 3, 2017

By-Laws (5/17)