

Effective: October 5, 2010

**Workers' Compensation Insurance Organizations (WCIO)
BYLAWS & ANTITRUST COMPLIANCE POLICY STATEMENT**

1. Bylaws

A. Maintenance and Distribution of Bylaws

1. Draft By-laws revisions prepared by legal counsel
2. By-laws revisions are voted on by WCIO membership
3. Approved revisions to Bylaws maintained and distributed by WCIO secretary

B. Copy of WCIO Bylaws

**BYLAWS
OF
WORKERS COMPENSATION
INSURANCE ORGANIZATIONS**

**September 25, 1996
Amended: October 18, 2000
May 24, 2005
May 20, 2008
October 5, 2010**

TABLE OF CONTENTS

ARTICLE I	NAME
ARTICLE II	OBJECTIVES
ARTICLE III	MEMBERSHIP
ARTICLE IV	EXPULSION
ARTICLE V	BOARD OF DIRECTORS
ARTICLE VI	RECORDS
ARTICLE VII	FINANCES
ARTICLE VIII	COMMITTEES
ARTICLE IX	ANTITRUST COMPLIANCE PROGRAM
ARTICLE X	NOTICES
ARTICLE XI	AMENDMENTS
ARTICLE XII	CONFORMITY WITH LAW
ARTICLE XIII	COPYRIGHT OWNERSHIP

ARTICLE I NAME

SECTION 1

The name of this Association shall be WORKERS COMPENSATION INSURANCE ORGANIZATIONS ("WCIO").

ARTICLE II OBJECTIVES

SECTION 1

The objectives of the Association are as follows:

1. To provide a forum to facilitate the lawful exchange of ideas and information between any entities statutorily authorized or licensed as rating, advisory or data service organizations for workers compensation insurance in one or more states to enhance the services provided by those organizations.
2. To advance levels of knowledge available to the Membership through the collection, interpretation and dissemination of information on subjects appropriate to the industry.
3. To conduct other lawful activities of benefit to the industry.

ARTICLE III MEMBERSHIP

SECTION 1

Any entity statutorily authorized or licensed as a rating, advisory or data service organizations for workers compensation insurance in one or more states shall be eligible for Membership in the Association.

SECTION 2

The Association shall meet semi-annually. Each meeting shall be conducted in the home state of a participating Member. The state hosting each meeting shall be selected, by majority vote of the Members present at any meeting, on a rotating basis from the home states of participating Members. The representative Member of the host state shall act as President and preside at that meeting. Minutes shall be recorded by the representative of the next semi-annual meeting host. The president at each meeting shall accede that position to his/her successor at the conclusion of each meeting.

SECTION 3

Any Member may participate in a meeting of the Association or Board of Directors by means of a conference telephone or similar communication device which allows all persons participating in the meeting to hear each other at the same time. For the purpose of establishing a quorum, any Member or Director so communicating by conference telephone at a meeting shall be deemed to be present.

SECTION 4

Each Member is entitled to one vote on each matter submitted to a vote of the Members, provided that proper and due notice of a meeting of the Membership has been given. A majority of Members, present or represented by proxy, shall constitute a quorum. A matter will pass with a majority vote of Members present or represented by proxy. Issues subject to votes of the WCIO shall be limited to those matters pertinent to the activities of the WCIO and cannot bind any Member to specific actions in regard to its own duties and responsibilities in its home state(s). Due notice is defined as notice given not less than ten (10) days before the time set for such meeting. A proxy shall be valid if executed in writing by a Member to the President prior to the meeting.

SECTION 5

All Members who maintain their Membership by payment of expenses as required under these Bylaws and who otherwise qualify shall be considered in good standing and entitled to full privileges of Membership.

SECTION 6

Voting by mail ballot may be made by a majority vote of Members of the Association provided that the mail ballot shall be submitted to the last recorded address of each Member at least ten (10) days prior to the return date of the ballot. The mail ballot shall be returned to a designated Member of the Association or in the event of no designation, to the next host President of the Association prior to the return date in order to be valid. Thereafter, all ballots shall be counted and the results thereof certified to the Membership. Any Member may, prior to the specified return date for the mail ballot, request a teleconference or meeting for the purpose of voting on said matter.

SECTION 7

All meetings shall be open to Members only, except that at the invitation of the President in his/her sole discretion, a person or entity representative may attend a Membership Meeting or part thereof without the right to vote.

The President shall only invite Non-Members consistent with the basic objective of the Association Article II Section 1 (1) to provide a forum to facilitate the lawful exchange of ideas and information between any entities statutorily authorized or licensed, as rating advisory or data service organizations for workers compensation insurance to enhance the services provided by such organizations. Such invitation will specify the dates(s) and location(s) of the meeting(s) to which the invitation applies, and will further specify whether the invitation is applicable to the entire meeting, or limited to a part of such meeting. The invitation to attend will notify the prospective attendee of any WCIO expectations concerning named individuals who will attend, numbers of individuals who may attend and any attendee responsibility for meeting expenses.

Subject to reasonable restrictions and charges, Non-Member rating, advisory or data service organizations shall be entitled to receive information from WCIO.

SECTION 8

The Membership may designate a President or other Member to enter into contracts or execute or deliver any instruments in the name of or on behalf of the Association. Designation shall be by majority vote of Members present at any meeting at which a quorum is present.

SECTION 9

Membership shall continue unless terminated by resignation or other manner as described in these Bylaws. Any Member may resign at any time by filing a written resignation with all Directors sitting on the Board. However, such resignation shall not relieve Members so resigning of the obligation to pay charges incurred prior to the effective date of resignation.

The resignation shall become effective on the date of mailing of said resignation. The resignation shall be deemed mailed when deposited in the United States Mail with postage thereon prepaid.

SECTION 10

Special meetings may be called at any time upon written request of a Member to the President. Notices of special meetings shall be given to each Member by the President at least ten (10) days before the date fixed for such meeting, stating the purpose of such meeting.

ARTICLE IV EXPULSION

SECTION 1

If any Member of the Association shall at any time be thought guilty of any act prejudicial to the interests of the Association, or contrary to the Bylaws, a written complaint thereof setting forth the issues with particularity may be submitted to the Membership by any other Member.

SECTION 2

A copy of the complaint shall be served upon the Member complained of at least thirty (30) days before the next meeting of the Membership, and such Member shall have the right to submit a written defense and to appear in person or with counsel and be heard at such meeting.

SECTION 3

In case it shall be found by three-fourths vote of the Membership eligible and voting that the charges against the Member are sustained and warrant expulsion of such Member, a resolution to that effect shall be passed and executed and such action shall be final provided that a quorum is present. A majority of Members present, or represented by proxy, shall constitute a quorum. A Member subject to a complaint shall not be eligible to vote and shall not be counted toward the attainment of a quorum for this purpose.

The Member complained of shall be required to recuse himself or herself from any vote concerning the removal of the entity he or she represents.

SECTION 4

If any Member of the Association has been expelled pursuant to this Article, said Member by written petition to the Board of Directors may request reinstatement. A copy of the written petitioner shall be served upon each Member at least thirty (30) days before, the next meeting of the Membership. The petitioner shall have the right to appear in person or with or by counsel and be heard at such meeting and such petition shall then be considered.

In case it shall be found by three-fourths vote of the Membership eligible, and voting that the petitioner shall be reinstated, a resolution to that effect shall be passed and executed.

ARTICLE V BOARD OF DIRECTORS

SECTION 1

The affairs of this Association shall be managed by a Board of Directors. It shall be their duty to carry out the objectives and purposes of the Association.

SECTION 2

The Board of Directors shall be limited to designated representatives of the Membership. The Board of Directors shall consist of four (4) Members.

SECTION 3

The term of office of Directors shall be for two (2) years except as provided in Section 6.

SECTION 4

The Board shall elect a Chair from the Board Members for a one (1) year term. The Chair shall preside at meetings of the Board but shall not be entitled to vote except in the instance of tie votes.

SECTION 5

No Director may continue on the Board if he or she is not an employee or representative of a Member entity.

SECTION 6

Service on the Board of Directors shall rotate among the Members in accordance with the following schedule:

1. At the conclusion of the semi-annual meeting of the Association held in the spring of 2008, the Board member's term that is scheduled to expire in 2009 will be terminated and the outgoing President will be installed for a two year term expiring at the conclusion of the semi-annual meeting of the Association held in the spring of 2010.
2. At the conclusion of the semi-annual meeting of the Association held in the fall of 2008, the terms of two Board members will expire. One vacancy shall be filled by the outgoing President who will be installed for a two year term expiring at the conclusion of the semi-annual meeting of the Association held in the fall of 2010. The second vacancy shall be filled by election of the membership to serve a term which will expire at the conclusion of the semi-annual meeting of the Association held in the spring of 2009.
3. At the conclusion of the semi-annual meeting of the Association held in the spring of 2009, one Board member's term will expire and the outgoing President will be installed for a two year term expiring at the conclusion of the semi-annual meeting of the Association held in the spring of 2011. Thereafter, at the conclusion of each semi-annual meeting of the Association, the outgoing President is installed for a two-year term.

SECTION 7

In the event of the death, resignation, or removal of a Director, the vacancy may be replaced by the Member represented by the former Director.

SECTION 8

All meetings of the Board of Directors shall be open to any Member to attend, but only Board Members shall be entitled to vote at such meetings.

Three (3) Directors fixed by these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which a quorum is present will be an act of the Board of Directors.

Except as provided in Section 4 relative to Chair voting, each Director is entitled to one vote on each matter submitted to vote of the Board of Directors, provided that proper and due notice of a meeting of the Board of Directors has been given. Due notice is defined as notice given not less than ten (10) days before the time set for such meeting. A mail vote or proxy shall be valid if executed in writing by a Director.

SECTION 9

Directors shall not receive any compensation for their services or be reimbursed for expenses incurred in connection with attendance at said meetings.

SECTION 10

The Board of Directors shall meet at least once annually. Special meetings of the Board of Directors may be called by any Director sitting on the Board, or on the written request of one third of the Membership.

SECTION 11

Board Members may be removed with or without cause by the Members, provided that proper and due notice of a meeting of the Members has been given, and that said notice of the meeting sets forth the purpose of the meeting which shall be to vote on the removal of such Board Member.

ARTICLE VI RECORDS

SECTION 1

It shall be the duty of a designated Member to keep all records of the Association, notify candidates in writing for Membership of their admission or rejection, register the names of all Members, issue all notices required, collect all dues and assessments (if applicable), and perform such other duties as may be required of him or her by the Membership. Designation shall be by majority vote of Members present at any meeting.

ARTICLE VII FINANCES

SECTION 1

A Member representative shall be designated as Treasurer and shall have the custody of all monies of the Association. Designation shall be by majority vote of Members present or represented by proxy at any meeting. The Treasurer shall pay all invoices incurred by the Association and shall keep a proper account of all receipts and disbursements costs or expenses associated with Association meetings shall be paid initially by the host state, with each Member reimbursing the host state in pro rata shares based on the number of meeting participants representing each Member at a given meeting. The Treasurer's records of receipts and reimbursements of the Association shall be submitted for review by the Membership at the end of each calendar year or at any other time upon the demand of any Member of the Association.

SECTION 2

The Membership may from time to time assess all Members for operating costs of the WCIO on a fair and equitable basis.

Each Member of the WCIO shall pay budget allocations, fees and charges as approved by the WCIO if appropriate, or the Board of Directors. In determining the amount of the annual fees and charges the WCIO, or Board of Directors, shall take into account the Association's budgeted expenses for the year. Except as provided above, the WCIO or Board of Directors is prohibited from charging Members either directly or indirectly for the purposes of satisfying any judgment, settlement or indemnification obligations of the Association. Indemnification contingencies included in the annual budget shall not be construed as an indirect charge.

Where the Association has been threatened with litigation or has been served with process, the Association shall immediately provide notice of same to all Members.

In any litigation where the Association and any Member are named defendants, the Member may, in his or her sole discretion, settle with the plaintiff without further obligation to the Member.

SECTION 3

Membership herein carries a definite obligation to pay fees as established by majority vote of the Membership. Membership in the Association is renewable without notice.

ARTICLE VIII COMMITTEES

SECTION 1

The Board of Directors, by Resolution adopted by a majority of Directors, may designate and appoint one or more committees which, to the extent provided in said resolution, shall have the authority and duties as specified therein.

The Board of Directors shall appoint Members to serve on the following standing committees, which shall make recommendations to the Board for action, as appropriate:

ELECTRONIC DATA INTERCHANGE (EDI) COMMITTEE

The Committee shall consist of WCIO Members. The EDI Committee was established by the WCIO for the purpose of developing and maintaining electronic standards for movement of workers compensation information between Insurers and Data Collection Organizations. The Committee is responsible for the creation and maintenance of WCIO products such as the WCIO Workers' Compensation Data Specifications Manual, and the WCIO Data Reporting Handbook. It shall:

- Review coding structure for continuity and consistency
- Review cost implications of existing reporting vehicles
- Recommend expansion and/or modification of currently defined fields*
- Review state specific data requirements
- Recommend expansion and/or revision of report formats*
- Recommend deletion and restructure of data elements*
- Develop new report formats

The EDI Committee may form Work/Task Groups to perform specific activities. Results and recommendations are referred to the EDI Committee for action, when appropriate. Active Work/Task Groups will be found on the WCIO Web site in the "WCIO Members Only" section.

WEB SITE COMMITTEE

The Committee shall consist of WCIO members. The Web Site Committee is responsible for the design and implementation of expansion, modification, deletion and/or revision of content, and the ongoing operation of the WCIO Web site, subject to the direction of the WCIO membership.

SECTION 2

Other Committees. Except as otherwise provided in these Bylaws, the Board of Directors shall have the sole power to create and dissolve other committees, subcommittees, and task forces as it deems appropriate and necessary. The authority and duties of such committee(s) shall be stated in the Resolution that establishes the committee.

SECTION 3

Committee membership shall continue until resignation, removal or until a successor has been appointed. Any vacancies shall be filled by selection(s) by the Board of Directors.

SECTION 4

Committee Chair. Unless provided in the Resolution creating the committee, one Member shall be appointed Chair and another Member may be appointed Vice-Chair, by the Board of Directors.

SECTION 5

A majority of a committee's Members shall constitute a quorum. Action at a meeting may be taken only upon affirmative vote of a majority of Committee Members present and voting. Proxy voting shall be permitted in accordance with Article III of these Bylaws.

SECTION 6

Committee meetings shall be open to non-members at the discretion of the Board of Directors and the affected Committee, subject to submission of a timely written request to the Secretary of the WCIO who shall transmit the request to the Chairman of the Board of the WCIO, including an application containing such information as requested by the Board.

SECTION 7

Notice of meetings shall be in accordance with Article X of these Bylaws.

ARTICLE IX ANTITRUST COMPLIANCE PROGRAM

SECTION 1

The Association shall maintain an antitrust compliance program.

ARTICLE X NOTICES

SECTION 1

Any notice required under these Bylaws shall be in writing and directed to each Member of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice as given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by telecopy, such notice shall be deemed to be delivered when confirmation of transmission is received. Whenever notice is required to be given, a written waiver, signed by the entity entitled to notice shall be deemed equivalent to notice. The attendance of any Member shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to any transaction because the meeting was not lawfully convened.

ARTICLE XI AMENDMENTS

SECTION 1

Amendments to the Bylaws of the Association may be made by a majority of Members voting provided there is a quorum present and further provided that the proposed amendment or amendments shall be submitted to the last recorded address of each Member at least thirty (30) days before the date of the meeting.

Amendments to the Bylaws of the Association may also be made by a majority of Members voting by returning mail ballots, provided that such proposed change is submitted by mail to the last recorded address of each Member, at least thirty (30) days prior to the closing date of the referendum relating to the proposed amendment. The closing date for the receipt of the ballot shall be clearly indicated in bold type on the face of the ballot. A ballot shall be returned to a designated Member of the Association, or to the next host President of the Association prior to the date in order to be valid. Thereafter, all ballots shall be counted and the results thereof certified to the Membership. If a majority of those voting approve the proposed change, it shall take effect on the date of such certification or on the date specified by the Members. Any Member may request a teleconference or meeting for the purpose of voting on said Amendment prior to the closing date of said vote.

ARTICLE XII CONFORMITY WITH LAW

SECTION 1

The Association shall comply with all applicable laws. Any provisions herein contained shall be considered modified or deleted in order to conform these Bylaws with the laws of any jurisdiction. Each Member shall independently and unilaterally determine its own forms, rules, rates and data collection procedures. No Member shall by way of Membership in the WCIO or otherwise have agreed or entered into an understanding with any other Member to adhere to forms, rates or prices. No Member shall by way of Membership in the WCIO or otherwise retaliate against other Members or industry participants because of positions taken in connection with WCIO or other industry activities.

ARTICLE XIII COPYRIGHT OWNERSHIP

SECTION 1

Each Member hereby agrees that any products or works capable of being the subject of copyright protection that are jointly developed and produced by WCIO, its Committees, its Members acting on behalf of WCIO, by Committee Members employed by Members, or by anyone purportedly acting on behalf of WCIO or pursuant to its request or direction, shall belong solely to WCIO. WCIO shall have all of the rights and privileges of copyright and copyright registration. Each Member agrees to execute any necessary agreements, assignments or other documents as requested by WCIO from time to time that will facilitate the transfer of copyright in any product or work created pursuant to this Article.

* * * * *

2. Antitrust Compliance Policy Statement

Broadly stated, the basic objective of the antitrust laws is to preserve and promote competition and the free enterprise system. The antitrust laws are premised on the assumption that competition will produce the goods and services needed by our society at the lowest price and the highest quality. The free enterprise system and the antitrust laws require that business people make independent decisions without agreement with their competitors.

Among other things, the antitrust laws prohibit contracts, combinations and agreements that unreasonably restrain trade. But for certain exemptions from the antitrust laws, agreements among competitors with respect to prices and other terms and conditions of sales are unlawful per se, that is, they are considered to be illegal without regard to the business purposes for that agreement.

The following subjects give rise to grave antitrust concerns and should not be discussed in any fashion:

- *Raising, lowering or stabilizing rates;*
- *The encouragement of a boycott of an insurance carrier, product or service;*
- *Actual, current or future rates, including actuarial projections;*
- *What constitutes a "fair" profit level;*
- *Credit terms;*
- *Decisions to quote or not quote on certain types of classes or risks.*

The agenda for this meeting has been constructed with a view to full compliance. The meeting will be strictly limited to issues relating to the agenda items.