

**CONSTRUCTION ASSOCIATION OF
MICHIGAN WORKERS' COMPENSATION PLAN**

**SECOND AMENDED BY-LAWS
EFFECTIVE June 27, 2013**

**ARTICLE I
Name and Location**

Section 1. The name of this organization shall be The Construction Association of Michigan Workers' Compensation Plan (the "Plan" or "CAM-COMP").

Section 2. Its principal office shall be located in the State of Michigan at such place as the Governing Board of Trustees (the "Trustees") may from time to time determine.

Section 3. Other office(s) for the transaction of business may be located at such place(s) as the Trustees may from time to time determine; which offices need not be the principal office.

Section 4. These By-Laws are adopted pursuant to and in compliance with the laws of the State of Michigan and with the rules and regulations of the Michigan Department of Labor, Bureau of Workers' Disability Compensation (the "Bureau").

Section 5. The purpose of the Plan is to provide standard coverage under the State of Michigan Workers' Disability Compensation Act, extended Employers Liability Coverage and such related services as the Trustees may agree to provide to the qualified Participants in the Plan.

**ARTICLE II
Eligibility**

Section 1. The Trustees may admit an Employer as a Participant in the Plan which meets all of the following criteria:

1. Is a member in good standing of any one of the following Construction Trade Associations:
 - Builders' Exchange of Grand Rapids & Western Michigan
 - Builders' Exchange of the Kalamazoo Area
 - Washtenaw Contractors Association
 - CAM Tri - Cities
 - Builders & Remodelers Association of Greater Ann Arbor (BRAG)
 - Construction Association of Michigan (CAM)
2. Demonstrate to the satisfaction of the Trustees it is acceptable, financially sound and is engaged in the construction industry.
3. Establishes that it is a contractor or subcontractor or is a supplier of materials for the construction industry and derives eighty (80%) percent or more of its income directly from within the construction industry. Each Participant, which is a supplier, shall stipulate in writing that it meets this test.

Participants shall also meet any other qualifications that may from time to time be set by the Trustees and/or appropriate governmental authorities.

Section 2. The Trustees may grant to a designated agent or employee the authority to accept new applicants.

Section 3. It shall be a requirement for continuing participation in the Plan that a Participant remain in good standing as herein defined and as interpreted by the Trustees. To remain in good standing, a Participant must timely comply with all requests of the Trustees and their agents and designees with regard to premium payments, dues payments and payroll information and must be in constant compliance with the Operating Procedures, the loss prevention program and claims procedures mandated by the Plan.

**ARTICLE III
Trustees**

Section 1. The business and property of the Plan shall be supervised and managed by a Board of Trustees consisting of not less than three (3) people. The President of the Construction Association of Michigan shall serve as an appointed Special Trustee unless elected as a Special Trustee pursuant to and with rights in accordance with these By-Laws. The remaining Trustees ("Elected Trustees") shall be elected at each annual meeting of the Participants in the Plan as provided for in Section 2 of this Article, and each such Trustee shall hold office until his successor is elected. Property of the Plan shall include, by way of example and not limitation, the rights to the use of the Construction Association of Michigan Workers' Compensation Plan and the CAM names in the marketing and sale of worker's compensation and employer's liability benefits protection coverage to members, personal property of and purchased by the Plan, all bank accounts and financial rights and benefits; all software programs and data used and developed by or for the Plan, all Participant information and lists of Participants, receivables, courses of action, etc.

Section 2. At the first annual meeting of the Participants the "Elected Trustees" shall be elected as follows.

One third (1/3) of the members to be elected for one (1) year.

One third (1/3) of the members to be elected for two (2) years.

One third (1/3) of the members to be elected for three (3) years.

At each succeeding annual meeting of Participants the number of Trustees to be elected for a term of three (3) years shall equal One third (1/3) of the total of Elected Trustees as provided for in Section 1 of this Article.

If Section 1 of this Article is amended to provide for a total number of Elected Trustees not equally divisible by three (3), such amendment must specify how such number will be elected for staggered terms.

Section 3. The Trustees shall:

1. Supervise the administration of the Plan, appointing such committees as shall be required;
2. Employ or designate an agent to oversee the day to day operations of the Plan and to act as the attorney-in-fact for the Plan.
3. Employ or designate such additional employees and agents as required to carry out the day to day claims administration, risk management, marketing, underwriting, general administration, and fiscal activities of the Plan.
4. Designate and appoint such agents, companies or persons as necessary, to act as attorney-in-fact.
5. Employ legal counsel, accountants and such other professional services, as they from time to time shall deem necessary;
6. Contract with a Department of Labor, Bureau of Workers' Compensation approved service company for claims administration;
7. Contract for excess insurance;
8. Set requirements for the admission of Participants in the Plan which shall include such precautions as they, from time to time, shall deem appropriate, to limit participation in the Plan to employers who are financially stable and amenable to good safety practices;
9. Endeavor to see that the Plan is safely and prudently administered;
10. Perform any other function incident to their office and in keeping with the laws of the State of Michigan, and
11. Keep written records and listing of all matter of authority delegated to any and all agents, designees or employees.

Section 4. Vacancies in the Trustees group may be filled by a majority vote of the Trustees remaining after the vacancy has occurred, and the Trustees so chosen shall serve for the unexpired term with respect to which such vacancy occurred.

Section 5. A majority of the Trustees shall be employees of a Participant in good standing of the Plan.

Section 6. The Trustees, by a majority vote, shall elect a chairman, a vice-chairman, secretary, treasurer, and such additional assistant secretaries, assistant treasurers and officers as they deem advisable.

Section 7. The Participant Trustees may nominate for election or appoint without election a Special Trustee or Trustees at large (no more than two (2)). The purpose of the Special Trustees is to provide advice and input to the Trustees deliberations and should have qualifications, by way of example not limitation, in the areas of workers' compensation, business management, the law, risk management or such other areas as the elected Participant Trustees deem advisable. The appointed Special Trustees shall serve in an advisory capacity only, with no voting rights and shall serve at the pleasure of the elected Trustees. The elected Special Trustees shall have the same rights and responsibilities as the other elected Trustees and may be recalled or replaced in the same manner.

Section 8. The Trustees may delegate to a service agent the authority to act on all claim matters between full Trustee meetings

Section 10. Any elected or appointed Trustee may be removed from office by a majority vote of the remaining Trustees for the unexcused failure by the Trustee to attend at least fifty (50%) percent of the regularly scheduled meetings within a fiscal year of the Plan.

Section 11. At all meetings of the Trustees, a majority of the total number of elected Trustees shall constitute a quorum for the transaction of business, and the acts of a majority of the Trustees present at any meeting at which there is a quorum shall be the acts of the Trustees. If a quorum shall not be present at any meeting of the Trustees, the Trustees present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 12. The Chairman of the Trustees shall appoint a nominating committee not less than sixty (60) days prior to the end of the Plan Year, for the purpose of nominating Plan Trustees for the following year. Only elected Participant Trustees may serve on a nominating committee.

Section 13. The Trustees shall issue reasonable rules and regulations for the operation of the Plan (the "Operating Procedures"). All such Operating Procedures shall be reduced to writing and a copy given to each Plan Participant and shall be deemed binding immediately upon receipt.

ARTICLE IV
Officers

Section 1. The Chairman of the Board shall preside at all meetings of the Trustees and of the Participants in the Plan, shall have general supervision over the affairs of the Plan and over the other officers; and shall perform all such other acts and duties as are incident to his office. In case of the absence or disability of the Chairman, his duties shall be performed by the Vice-Chairman.

Section 2. The Secretary shall maintain minutes of all meetings of the Trustees and of the Participants; shall issue notices of all meetings; and shall perform such other duties as may be prescribed by the Trustees.

Section 3. The Trustees may appoint a fiscal agent to hold and invest the funds in accordance with the provisions of the rules of the Bureau. The fiscal agent shall have sole discretion as to the securities in which the funds shall be invested or reinvested, provided that such investments shall be limited to investments which are permissible for group funds in Michigan and acceptable to the Bureau. The Trustees may from time to time change the fiscal agent at their discretion.

ARTICLE V Meetings

Section 1. The Plan shall operate on a fiscal year beginning on January 1 and ending on the last day in December of the same year. An annual meeting of the Participants of the Plan shall be held within ninety (90) days after the close of each fiscal year at such time and at such place as shall be determined by the Trustees. The Secretary shall furnish to each Participant notice of the time, date and place thereof at least thirty (30) days prior to the date of the meeting.

Section 2. At each annual meeting of the Participants, the Chairman shall submit a financial report of the Plan including a statement of claims experiences for the preceding year.

Section 3. Thirty five (35%) percent of the Participants of the Plan, represented in person, by ballot or by proxy, shall constitute a quorum for the transaction of business at any annual or special meeting of the Participants. Each Participant shall be entitled to one (1) vote upon each matter submitted to a vote at the meeting.

Section 4. At least 30 days before the annual meeting, the Trustees shall send to each Participant a printed ballot containing the issues proposed and the names of the candidates for the Trustees and any independent nominations. To vote by mailed ballot, a participant must return the printed ballot to the Chairman not later than ten (10) days subsequent to the mailing of the ballots, such date to be stated on the ballot as the last valid date for casting a vote.

Section 5. At all meetings of Participants, a Participant may vote by mailed ballot, if available, or by proxy executed in writing by the Participant or his duly authorized attorney in fact. Such proxy shall be filed with the secretary before or at the time of the meeting.

Section 6. An organizational meeting of the Trustees shall be held each year immediately following the annual meeting of the Participants of the Plan.

Section 7. Special meetings of the Trustees may be called by the Chairman and, in his absence, by the Vice-Chairman, or by any three (3) Trustees. By unanimous written consent of the Trustees, special meetings of the Trustees may be held without notice; otherwise, notice of all regular and special meetings of the Trustees shall be mailed to each Trustee at least ten (10) days prior to the time fixed for the meeting. All notices of special meetings of the Trustees shall state the purpose thereof. The Trustees may consent to any action taken or to be taken by the Plan, such action is valid action as though it had been authorized at a meeting of the Trustees. If a consent in writing, setting forth the action so taken, is signed by a quorum of the Trustees as is provided in Article II, Section 9. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to Trustees who have not consented in writing.

Section 8. The Trustees shall meet no less often than each quarter.

ARTICLE VI Finances and Dividends

Section 1. The Plan shall maintain such bank accounts as necessary to comply with all applicable rules as promulgated from time to time by the Bureau.

Section 2. All monies of the Plan shall be deposited among the General Fund, Claims Account Fund, or such other account as the Trustees from time to time shall determine to be appropriate.

Section 3. The Trustees designated fiscal agent shall immediately remit that portion of the contribution allocable to the General Fund to the depository bank for the General Fund. The portion of each contribution representing the pure Claims Fund shall be immediately remitted to the depository bank for the Claims Account Fund.

Section 4. Subject to the approval of the Bureau, that portion of each Participant's contribution which shall not be required to pay claims, pay administration expenses and fees or to fund required or appropriate reserves may be distributed to the Participants of the Plan from time to time by resolution of the Trustees. At the time of such resolution the amounts to be distributed to the participants shall become a fixed liability of the Plan. No surplus accumulations may be distributed if such payment would impair the capital stability and/or security of the Plan. Any Participant or any withdrawing or terminated Participant who is not in good standing shall not be eligible to receive any return from surplus accumulation. Any Participant who withdraws shall remain liable to the Plan for any underpayment or charge relating to any prior period of participation. The Participants not in good standing shall be eligible to receive surplus accumulations upon correction of any deficiencies or default in accordance with the Operating Procedures and after approval by the Trustees.

Section 5. All costs of administration of the Plan not otherwise provided for herein shall be paid out of the General Fund.

Section 6. An annual audit shall be made of the Plan by accountants designated by the Trustees. The expense of this audit will be paid out of the General Fund. Copies of each year's audit shall be made available to the Bureau and each Participant during the year.

Section 7. Each Plan Year shall be maintained separately for accounting purposes for the benefit of the Plan Participants active during that year.

ARTICLE VII

Indemnification

The Plan shall indemnify against or provide payment on behalf of any Trustee, former Trustee, officer, or former officer of the Plan, the reasonable expenses, including attorney's fees, actually and necessarily incurred by such person in connection with the defense of any civil, criminal or administrative action, suit or proceeding in which he/she is made a party or with which he/she is threatened by reason of being or having been or because of any act as such Trustee or officer, within the course of his/her duties or employment including expenses incurred in a suit brought against the Plan itself, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for misconduct in the performance of his/her duties. The Plan shall also reimburse or pay on behalf of any said Trustee or officer the reasonable costs of settlement of any such action, suit or proceeding. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Trustee or officer may be entitled under any statute, agreement of the Trustees, insurance policy, vote of participants, or otherwise.

ARTICLE VIII

General Provisions; Collections of Contributions

Section 1. The Trustees shall require each Participant of the Plan to be a member in good standing of one of the following Construction Trade Associations:

- Construction Association of Michigan
- Builders' Exchange of Grand Rapids & Western Michigan
- Builders' Exchange of the Kalamazoo Area
- Washtenaw Contractors Association
- CAM Tri - Cities
- Builders & Remodelers of Greater Ann Arbor Area (BRAG)

Section 2. Prior to each successive year of the Plan, the Trustees or the Trustees' designated agent will determine each Participant's deposit for the year. Each Participant shall be promptly notified of the determination. Each Participant's deposit shall be subject to review by the Trustees.

Section 3. Prior to the beginning of each Plan year, each Participant shall make a deposit with the Plan equal to twenty five (25%) percent of its estimated standard premium for the year and subsequent monthly payments when and as invoiced. Further, each Participant shall deliver to the Trustees' designated agent an accounting of its actual payroll when requested. The Trustees' designated agent is without authority to extend credit to any Plan Participant.

Section 4. Participants must keep, and make available to the Trustees on demand, accurate safety records and cooperate with the Trustees, their agents and designees, and the representatives of the applicable state agencies having jurisdiction over Workers' Compensation safety matters. It is required that each Participant will take all necessary action to carry out the recommendations of any loss control inspections.

ARTICLE IX

Amendments

Amendments to these By-Laws may be made by a vote of two thirds (2/3) of the elected Trustees present, at any annual, regular or special meeting of the Trustees when the meeting has been called for the purpose and the amendment has been set out in the notice of such meeting; provided, however, that such amendments which change the rights, liabilities and number of Trustees shall be submitted for approval at the next meeting of the Participants. Any amendment shall be subject to the approval of the Bureau.

Dated: _____

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