

HOMEBUILDERS
— SELF INSURERS FUND —

By-Laws

HomeBuilders Self Insurers Fund

(Revised **January 24, 2023**)

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LOUISIANA HOME BUILDERS ASSOCIATION
SELF INSURERS FUND
BY-LAW AMENDMENTS

ARTICLE I.

PURPOSE

1.1.1 These By-Laws are made and executed for the purpose of providing a comprehensive set of rules and regulations for the operation of the fund.

ARTICLE II.

DEFINITIONS

Administrator An individual, partnership, corporation or other legal entity selected by the Board of Trustees to implement the declared policies, procedures and directives of the Board of Trustees and provide for the day-to-day administration of the Fund.

Board of Trustees The governing body of the Fund responsible for defining the goals and objectives of the Fund and establishing the policies of the Fund to be utilized in accomplishing such goals and objectives, acting in concert.

Fund The Louisiana Home Builders Association Self-Insurers Fund as created by the Indemnity Agreement executed on the 26th day of February, 1980, pursuant to the terms of the Louisiana Workers' Compensation Law, Louisiana Revised Statutes Title 23, Sections 1195, et. seq.

Local Home Builders Association	Any of the home builder associations operating in the State of Louisiana which are affiliated with the Louisiana Home Builders Association and the National Home Builders Association.
Louisiana Home Builders Association	Home Builders Association of Louisiana, Inc.
LHBA Trustee	A Trustee appointed by the Louisiana Home Builders Association as provided herein.
Participant	One who acquires coverage or protection from risk under the self-insurance program(s) provided by the Fund in accordance with the underwriting guidelines adopted by the Board of Trustees.
Service/Company/ Third Party	Any individual, partnership, corporation or other legal entity, not an employee of the Fund, licensed by the Department of Insurance, who is engaged in the business of providing services needed in connection with the administration or management of the self-insurance coverages provided by the Fund.
Trustee	A person appointed or elected to serve on the Board of Trustees of this Fund as provided herein.

ARTICLE III.
TRUSTEES

SECTION 1 NUMBER OF TRUSTEES

3.1.1 Subject to the provisions of the Indemnity Agreement, the By-Laws and applicable law, all corporate powers shall be vested in, and the business and affairs of the Fund shall be managed by, a Board of Trustees consisting of one person from among the

Participants of the Local Home Builders Associations in the State of Louisiana presently affiliated with the Louisiana Home Builders Association and listed in Section 3.4.3 of these By-Laws as well as one representative from the Louisiana Home Builders Association.

SECTION 2 QUALIFICATIONS OF SIF TRUSTEES

3.2.1 In order to serve as an SIF Trustee, a person must be a Participant in the Fund or a person (a)(1) who is the owner of at least a fifty (50%) percent interest in a business which is a participant in the Fund, or (2) who has involvement in a business which is a Participant in the Fund to such a degree that a majority of the Trustees deems such involvement to be the substantial equivalent of the ownership required by the foregoing clause, and (b) whose business, activities, vocation or livelihood does not present a conflict of interest with the goals and objectives of the Fund.

SECTION 3 ELECTION OF SIF TRUSTEES

3.3.1 To the extent that the same may be necessary or appropriate under prevailing law or custom, the authority of all persons currently serving in the position of Trustee of the Fund and who represent a Local Home Builders Association is hereby recognized and confirmed, subject, however, to the terms of office hereinafter set forth.

3.3.2 Each succeeding SIF Trustee shall be selected in the following manner:

(a) The Chairman of the Board of Trustees shall, at least two hundred twenty (220) days before the end of the term of office of a given SIF Trustee, appoint a nominating committee for each local area that will have an expiring trustee term, to nominate candidates for the position of SIF Trustee to represent the participants who are members of the Local Home Builders Association then represented by the SIF Trustee

whose term of office is expiring at the end of the calendar year. The nominating committee for each area shall consist of one (1) Trustee other than the SIF Trustee representing the Participants in the applicable Local Home Builders Association whose term is ending, and two Participants in the Fund from among the Participants belonging to the Local Home Builders Association and who do not serve as Trustees of the Fund. The nominating committee shall receive expressions of interest in the position of Trustee, shall investigate any applicants therefor to determine their qualifications and fitness to serve in such position, shall solicit qualified persons having an interest in serving as Trustee from among the Participants of the Fund who are also members of the applicable Local Home Builders Association and, at least one hundred fifty (150) days before the end of the term of office of the applicable Trustee, report to the Board of Trustees an appropriate slate of candidates for the trusteeship to be vacated upon expiration of its term as set forth hereafter.

(b) The slate of candidates proposed by the Nominating Committee shall be submitted for election to and by the Participants who are members of the applicable Local Home Builders Association. However, if only a single candidate is proposed by the Nominating Committee, then the Board of Trustees shall certify the candidate as the Trustee for the applicable Local Home Builders Association(s), and no election by written ballot shall be required. The SIF Administrator shall distribute by mail a written ballot to all Participants who are members of the applicable Local Home Builders Association within fifteen days (15) after receiving the slate of candidates from the Nominating Committee.

Each candidate is allowed to submit a single sheet of 8 1/2 x 11" paper on which is printed factual and accurate information regarding the background and

qualifications which any submitting candidate certifies to be an accurate statement of the candidate's resume'. This single sheet of information will be reviewed by the Administrator and the fund's General Counsel to be certain it complies with the letter and spirit of these rules. This information must be supplied and certified as accurate no later than seven days before the ballots are mailed to be considered for mailing. Any information not compliance with these rules, in the unfettered discretion of the Administrator, will not be mailed with the ballots.

(c) Each Participant is entitled to vote but may only vote once. In the case of legal entities such as corporations or partnerships which may be a Participant, any officer or partner thereof, as the case may be, certifying his position or authority on the ballot materials, may vote on behalf of the Participant. The Participants will have 15 days from date of mail out of ballots to return their executed ballots.

(d) The candidate receiving a majority of the ballots cast shall be elected Trustee. In the event that no candidate receives a majority of the votes cast, all candidates except the two (2) candidates receiving the highest number of votes shall be eliminated from further consideration. Thereafter, a subsequent ballot consisting only of the two remaining candidates shall be submitted by mail to the Participants who are also members of the applicable Local Home Builders Association. Voting shall be accomplished in the same manner and shall be subject to the same restrictions as provided herein in the case of an initial ballot. The candidate receiving the majority of the votes cast shall be deemed elected Trustee to represent the applicable Local Home Builders Association(s).

(e) The Board of Trustees shall establish procedures to govern such elections in order to insure that the same are accomplished with integrity and in a timely fashion while at the same time maintaining the secrecy of each Participant's vote.

3.3.3 All SIF Trustees so elected shall acknowledge and consent to their election as SIF Trustee by giving written notice of acceptance of such appointment to the Secretary of the Board of Trustees of this Fund by executing an oath of office and trustee agreement as prescribed by the Board of Trustees.

SECTION 4 TERM OF SIF TRUSTEES

3.4.1 Each SIF Trustee, and each succeeding SIF Trustee, shall serve, and shall continue to serve, a three (3) year term, subject to the provisions of these By-Laws regarding the staggering of terms, resignation, death, incapacity or refusal of a Trustee to serve. Each newly elected Trustee shall commence attending all applicable meetings as a Trustee-elect as soon as election results are final. The Trustee-elect shall not have voting rights but all other rights and duties extended to Trustees will be extended to Trustees-elect.

3.4.2 No term limitations are established hereby, subject to the provisions of these By-Laws regarding staggering of terms, resignation, death, incapacity or refusal of a Trustee to act.

3.4.3 In order to promote continuity of operation and administration of the Fund, the terms of office of the SIF Trustees shall be staggered. To these ends the SIF Trustees presently representing the Participants of the following Local Home Builders Associations shall serve terms expiring as follows:

LOCAL ASSOCIATIONS	EXPIRATION DATE
Greater New Orleans	December 31, 2020 <u>2023</u>
Southeast	December 31, 2021 <u>2024</u>
Acadian and Teche	December 31, 2021 <u>2024</u>
Baton Rouge	December 31, 2021 <u>2024</u>
Southwest	December 31, 2020 <u>2023</u>
Northwest	December 31, 2019 <u>2022</u>
Northshore	December 31, 2019 <u>2022</u>
Central	December 31, 2021 <u>2024</u>
Northeast	December 31, 2020 <u>2023</u>

SECTION 5 APPOINTMENT OF LHBA TRUSTEE

3.5.1 One person selected by the Louisiana Home Builders Association shall serve as the LHBA Trustee. In order to serve as the LHBA Trustee, a person must be a Participant in the Fund whose business, activities, vocation and livelihood does not present a conflict of interest with the goals and objectives of the Fund. The LHBA Trustee serve(s) a three (3) year term with the term of the person currently serving as the LHBA Trustee expiring December 31, 1999. Upon expiration of the term of office of the LHBA Trustee, the LHBA

Trustee shall be selected by the Executive Committee of the Louisiana Home Builders Association in accordance with the applicable rules and practices of that body.

3.5.2 The LHBA Trustee so selected shall acknowledge and consent to his selection as LHBA Trustee by giving written notice of acceptance of such appointment to the Secretary of the Board of Trustees of this Fund by executing an oath of office and trustee agreement as prescribed by the Board of Trustees.

SECTION 6 RESIGNATION OF TRUSTEES

3.6.1 A Trustee may resign and become and remain fully discharged from all further duties or responsibility hereunder, by giving at least sixty (60) days prior notice in writing to the Chairman of the Board of Trustees of this Fund. Such notice shall state the date said resignation shall take effect. The Board of Trustees, in its discretion, may elect to accelerate the effective date of any resignation rendered to it to less than sixty (60) days following the date of notice.

SECTION 7 REMOVAL OF TRUSTEES

3.7.1 A Trustee may be removed only for just cause, following fair notice and an opportunity to be heard, by the vote of two-thirds of all the members of the Board of Trustees. Removal for cause may include a Trustee not attending two consecutive board meetings or missing 25% of board meetings over any three year period. In such instances, the absences alone are sufficient cause for removal regardless of the reason for any of the absences. However, the board shall review with the Trustee the reason for the absences at a duly called board meeting, and may not remove the Trustee based upon the Board's discretion. Notice of removal of a Trustee shall be furnished to the Trustee by registered or

certified mail and shall set forth the effective date of such removal. A Trustee so removed shall be prohibited from serving on the Board of Trustees for a period of three (3) years immediately following such removal.

SECTION 8 TRUSTEES' AUTHORITY

3.8.1 In case of death, resignation, refusal, removal or inability to act by any one or more of the Trustees, the Board of Trustees shall nevertheless retain all of the powers, rights, estates and interests of the Fund.

SECTION 9 VACANCIES

3.9.1 In the event that a trusteeship may be vacant as a result of the failure or refusal of the Participants who are members of a given Local Home Builders Association to elect a person to serve as Trustee, then that trusteeship shall remain vacant until such time as an election is had to select a person to serve as Trustee therefor.

3.9.2 In the event that a trusteeship shall become vacant due to death, resignation, incapacitation, or removal or refusal on the part of a Trustee to act, the Chairman of the Board of Trustees shall appoint a person from among the Participants in the applicable Local Home Builders Association to serve as Trustee for the balance of the term of office remaining for such trusteeship.

SECTION 10 COMPENSATION AND REIMBURSEMENT OF TRUSTEES

3.10.1 The Board of Trustees may establish, from time to time, reasonable compensation for attendance at meetings and the performance of the normal duties of a Trustee which compensation may reflect reimbursement for necessary expenses incurred in connection therewith.

ARTICLE IV.
OFFICERS

SECTION 1 DESIGNATION OF OFFICERS

4.1.1 The Officers of the Fund shall consist of a Chairman, a Vice-Chairman and Secretary of the Board who shall be elected for one-year terms from among the SIF Trustees. The Board shall, by majority vote, elect such Officers for the upcoming fund year from among its members at the last meeting held before the end of each calendar year. No Trustee shall be eligible for new election as an Officer and thereby allowed to serve on the Executive Committee until such Trustee has served on the Board of Trustees for at least three (3) years prior to the time of taking office. This three (3) year requirement does not have to be continuous. In the event there are no Trustees who are eligible to fill an Officer position as a result of the three (3) year requirement, then the Board may appoint a Trustee that is otherwise qualified (i.e. except for the three (3) year requirement) at the discretion of the Board. As one illustrative example, a past Chairman, regardless of years of service, may be appointed as an Officer.

SECTION 2 CHAIRMAN

4.2.1 The Chairman shall be chief elected officer of the Fund and shall preside at all meetings of the Board of Trustees. The Chairman shall have the authority to represent the Fund and act in its name subject to its declared policies. The Chairman shall also represent the Fund as a member of the Executive Committee of the Louisiana Home Builders Association. The Chairman shall be responsible for oversight of the management of the Fund's business; shall have the power to execute contracts as directed and authorized by

the Trustees; shall, from time to time, appoint the members of such committees as the Board of Trustees deems appropriate for the conduct of its affairs; shall see that all orders and resolutions of the Board of Trustees are carried into effect; shall have the power to execute all required and necessary instruments as authorized by the Board of Trustees and generally perform all acts incident to the office of Chairman which are authorized or required by law or applicable regulations or which are conferred upon him under the provisions of these By-Laws.

SECTION 3 VICE-CHAIRMAN

4.3.1 The Vice-Chairman shall have such powers and shall perform such duties as shall be assigned to him by the Board of Trustees or the Chairman and shall, in the event of the death, resignation, absence or disability of the Chairman, perform his duties and exercise his powers.

SECTION 4 SECRETARY

4.4.1 The Secretary, acting secretary, or his designee shall keep written minutes of all meetings, proceedings and acts of the Board of Trustees. The Secretary, acting secretary or his designee shall also give or cause to be given notice of all meetings of the Board of Trustees and all other notices required by law or by these By-Laws, and in the case of his absence or refusal or neglect to so do, any such notice may be given by the Chairman or by the Trustees upon whose request the meeting is called as provided for in these By-Laws.

SECTION 5 ADMINISTRATOR

4.5.1 An individual who is appointed as Administrator of the Fund shall be an Officer of the Fund. The Administrator may be designated as the Chief Executive Officer of the Fund, although there is no per se requirement that the Administrator must also simultaneously serve as the Chief Executive Officer. The Administrator and/or Chief Executive Officer do not have any voting rights.

SECTION 6 CONTROLLER

4.6.1 An individual who is appointed as Controller shall be an Officer of the Fund. The Controller may also be designated at the Chief Financial Officer of the Fund, although there is no per se requirement that the Controller must also simultaneously serve as the Chief Financial Officer. The Controller and/or Chief Financial Officer do not have any voting rights.

ARTICLE V.

ADMINISTRATION OF THE FUND

SECTION 1 MEETINGS

5.1.1 The Board of Trustees shall meet at the principal office of the Fund or at such other locations as may be designated by the Board of Trustees, as often as necessary in order to conduct the business of the Fund. The Chairman of the Board of Trustees shall set the date, time and location of each meeting, which may include participation by telephone conference call, video conference, or any other similar communications equipment or platform (e.g., Zoom, WebEx, Teams, etc) by means of which all persons participating in the meeting can simultaneously hear each other during the meeting. ~~and notice~~ Notice

thereof shall be furnished to each Trustee by the Secretary, or his designee; not less than ten (10) days prior to the date of such meeting. Such notice shall specify the date, time and location of such meeting, as well as a teleconference number and/or a link for a videoconference or similar platform if such participation is allowed for that meeting, and may specify the purpose(s) thereof and any action proposed to be taken thereat.

A majority of the Trustees participating in a board meeting, or a majority of the Trustees appointed to and participating in a committee meeting may determine that a Trustee participating by teleconference, videoconference or similar platform is not present for purposes of a quorum or participation in the meeting in the event such Trustee is not consistently being heard simultaneously with other Trustees during the meeting.

5.1.2 Whenever any notice is required to be given to any person hereunder, such notice shall be directed to the said person by first-class mail to the address of such person as recorded in the office of the Fund or by facsimile or by electronic mail.

SECTION 2 SPECIAL MEETINGS

5.2.1 Special meetings of the Board of Trustees may, at any time, be called by the Chairman, and shall be called by the Chairman upon written request of at least three (3) Trustees by giving or causing to be given notice to each Trustee. Such notice shall include the date, time and location of the special meeting as well as the purpose(s) for the meeting. Such notice must be given to the Trustees, the executive officer of each Local Home Builders Association and the executive officer of the Louisiana Home Builders Association, by any reasonable means not less than three (3) days prior to the scheduled special meeting.

SECTION 3 MEETINGS CALLED BY TRUSTEES

5.3.1 In the event that the Chairman of the Board of Trustees refuses or neglects to call a special meeting of the Board of Trustees following written request therefor, any three (3) Trustees acting in concert may themselves call a special meeting of the Board of Trustees by giving or causing to be given notice to each Trustee. Such notice shall include the date, time and location of the special meeting as well as the purpose(s) for the meeting. Such notice must be given to the Trustees, the executive officer of each Local Home Builders Association and the executive officer of the Louisiana Home Builders Association by any reasonable means not less than three (3) days prior to the scheduled special meeting.

SECTION 4 RULES OF ORDER

5.4.1 Meetings of the Board of Trustees or any committee thereof shall be conducted in accordance with the current Robert's Rules of Order.

SECTION 5 QUORUM

5.5.1 For purposes of any meeting of the Board of Trustees, a quorum shall consist of at least a majority of the total number of Trustees as determined by a count of the Trustees physically present, or present by telephone conference call, video conference, or any other similar communications equipment or platform (e.g., Zoom, WebEx, Teams, etc) by means of which all persons participating in the meeting can simultaneously hear each other during the meeting. . Trustees represented by proxy may not be counted for quorum purposes.

SECTION 6 PROXY VOTING

5.6.1 Proxy voting shall be allowed in accordance with the terms hereof.

5.6.2 Any Trustee may, but is not required, to give another Trustee his written proxy to vote for him at any meeting of the Board of Trustees. Such proxy shall be valid only for the meeting for which it is given and must be presented to the Secretary or the Chairman prior to any vote. The proxy may be general, specific or both. Any Trustee bearing a specific proxy must vote in accordance therewith.

SECTION 7 WRITTEN CONSENTS

5.7.1 Any action which may be taken at a meeting of the Board of Trustees or any committee established by these By-Laws may be taken by a consent in writing signed by the number of the trustees or members of the committee, as the case may be, as would be required for official action if present and assembled, provided however that the consent in writing be filed with the records of proceedings of the Board or Committee and be ratified and affirmed by the Board or Committee, as the case may be, at its next formal meeting.

SECTION 8 ADMINISTRATOR

5.8.1 The Board of Trustees shall designate an Administrator to implement the policies established by the Board of Trustees and provide for the day-to-day administration of the Fund in accordance with the terms and provisions of applicable laws and regulations, the Indemnity Agreement and these By-Laws. Except upon approval by the Board of Trustees, no Administrator shall be an employee, officer or director of, or have either a direct or indirect financial interest in a Service Company/Third Party Administrator or excess insurance carrier of the Fund.

5.8.2 Any administrator so appointed shall, at the expense of the Fund, furnish a fidelity bond with the Fund as obligee, in an amount determined by the Trustees to be sufficient to protect the Fund against the misappropriation or misuse of any monies or securities held by or in the name of the Fund.

ARTICLE VI.
COMMITTEES

SECTION 1 STANDING COMMITTEES

(A) Executive Committee

6.1.1 There is hereby established the Executive Committee of the Fund. This Committee shall consist of the Chairman, Vice-Chairman, Secretary and the immediate past Chairman. Additionally, the Administrator shall serve as an ex-officio member thereof. The Chairman shall serve as the Chairman of the Executive Committee. The Executive Committee shall be responsible for supervising the Administrator and such other duties as the Board of Trustees may direct from time to time.

SECTION 2 SPECIAL COMMITTEES

6.2.1 The Board of Trustees may appoint such other committees, including an insurance agents committee, as it may from time to time deem appropriate and necessary.

ARTICLE VII.
POWERS AND DUTIES OF THE TRUSTEES

SECTION 1 AUTHORITY OF BOARD OF TRUSTEES

7.1.1 The Board of Trustees shall be the governing body of the Fund responsible for defining the goals and objectives of the Fund and establishing the policies of the Fund to be utilized in accomplishing such goals and objectives. The Board of Trustees shall insure that the business activities of the Fund are conducted in accordance with the terms and conditions of the Fund's Indemnity Agreement, applicable federal and/ or state statutes, applicable governmental regulations, and these By-Laws.

7.1.2 The Board of Trustees may hold property, enter into contracts substantively and substantially affecting the operations of the Fund as may be approved by counsel for the Board of Trustees, enter into such other contracts as are required for the operation of the Fund and in all matters as herein set forth act on behalf of the Fund and in its name.

SECTION 2 DUTIES

7.2.1 The Board of Trustees, as fiduciaries of the Participants in the Fund, shall take necessary precautions to safeguard the assets of the Fund and establish such policies and guidelines as may be required to provide indemnification, as such may be defined by the Board of Trustees, for such exposure as the Participants in the Fund may have associated with claims for personal injury or occupational disease arising out of or incurred in the course and scope of the employment relationship maintained by such Participants with their employees.

SECTION 3 (NO SECTION 7.3.1 WAS ADOPTED – INTENTIONALLY LEFT
BLANK)

SECTION 4 POLICIES AND PROCEDURES

7.4.1 The Board of Trustees may prescribe such policies and procedures as may, in its discretion, be proper and necessary for the sound and efficient management of the Fund, provided that such policies and procedures shall be consistent with the provisions of the Indemnity Agreement, these By-Laws, applicable law and any duly promulgated regulations.

SECTION 5 LIMITATION OF LIABILITIES/INDEMNIFICATION

7.5.1 The Trustee(s) of the Fund shall not be individually liable for any act or omission resulting in damage or injury arising out of the exercise of his judgment in the formation and implementation of policy while acting as a Trustee of the Fund, or arising out of the management of the affairs of the Fund, provided he was acting in good faith and within the scope of his official functions and duties, unless such damage or injury was caused by his willful or wanton misconduct.

ARTICLE VIII.
TERMINATION OF FUND

SECTION 1 TERMINATION

8.1.1 The Fund may be terminated by a two-thirds (2/3) vote of all Trustees, whether present and voting or not, following receipt at least thirty (30) days prior thereto of notice of the proposed termination.

SECTION 2 DISTRIBUTION

8.2.1 In the event of termination, the remaining funds available in the Fund, after providing for all outstanding obligations, shall be distributed to the current Participants and/or used for their further benefit consistent with the purposes of this Fund.

ARTICLE IX.
MISCELLANEOUS

SECTION 1 AMENDMENTS

9.1.1 These By-Laws shall continue in full force and effect as amended and supplemented from time to time.

9.1.2 Amendment of these By-Laws may be considered at regularly scheduled meetings of the Board of Trustees

9.1.3 All Trustees shall be given thirty (30) days written notice of any proposed amendment of these By-Laws prior to official consideration thereof. Notice of the proposed amendment shall also be disseminated by publication to the Participants in the Fund at least thirty (30) days prior to the adoption thereof. Approval of such amendments shall be by a

two-thirds (2/3) vote of the Board of Trustees at any meeting at which such amendments are considered.

SECTION 2 SITUS OF THE FUND

9.2.1 The Fund shall be domiciled in the Parish of East Baton Rouge, State of Louisiana.

SECTION 3 REVIEW OF RATE DETERMINATION

9.3.1 Any member of the Fund who requests in written form a review of the application of the rating system for the coverage afforded by the Fund shall receive within thirty (30) days of receipt of the member's written request a written notification from the Fund indicating whether the Fund will grant or deny the member's written request. The decision to grant or deny the member's request shall be presented to the Executive Committee, or any other committee of the Fund as directed by the Executive Committee, in accordance with the applicable provisions of these By-Laws.

SECTION 4 CONFLICTS OF LAWS

9.4.1 All questions pertaining to the validity and construction of these By-Laws and the administration of the Fund shall be determined in accordance with the laws of the State of Louisiana.

SECTION 5 RULES OF INTERPRETATION

9.5.1 Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply, and whenever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural

form in all situations where they would so apply, and whenever any words were used in this Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

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