SIXTH AMENDED BYLAWS
OF
OKLAHOMA SCHOOLS INSURANCE GROUP

BE IT KNOWN THAT:

Oklahoma Schools Insurance Group ("OSIG") named herein, having formed an Interlocal Agreement in accordance with 74 O.S. § 1004 (f) for the purpose of forming a group of public school districts to join together to more efficiently and more economically obtain and manage insurance programs for the member school districts, has previously requested and obtained approval from the Oklahoma Attorney General for this agreement on the 28th day of June, 2001, and has adopted these Amended Bylaws.

BE IT KNOWN THAT:

The Board of Trustees of the Oklahoma Schools Insurance Group, having a total original membership of five (5) Members, did hereby exercise its authority granted at a regular meeting held April 15, 2002, by a unanimous vote of five for and none against, and did adopt the original Bylaws, which were binding on all current and subsequent Members of OSIG and become effective immediately. Thereafter, on May 30, 2002, the Board of Trustees did, by a unanimous vote of five for and none against, adopt the First Amended Bylaws to supplement and replace the original Bylaws. Thereafter, on July 29, 2002, the Board of Trustees did, by a unanimous vote for and none against, adopt the Second Amended Bylaws. Thereafter, on November 20, 2002, the Board of Trustees did, by a unanimous vote for and none against, adopt the Third Amended Bylaws. Thereafter, on September 23, 2003, the Board of Trustees did, by a unanimous vote for and none against, adopt the Fourth Amended Bylaws. Thereafter, on the September 19, 2024, the Board of Trustees did, by a unanimous vote for and none against, adopt the Sixth Amended Bylaws.

SECTION I

Definitions

A. OSIG: Abbreviation for Oklahoma Schools Insurance Group

B. Member: Any public school district, vocational technical schools, technology centers, community colleges, or other such public entities who pays a membership fee or participates in the insurance program.

C. Board of Trustees: The governing board of OSIG.

D. Official Representative: The person appointed by each member to serve as the member's representative to OSIG. Such representative shall automatically be eligible to serve as a member of the Board of Trustees.

E. Service Provider: Third party with whom OSIG has contracted for insurance services such as claims administration, appraisal services, auditing and actuarial services, and similar services.

F. Third-Party Administrator: Third party with whom OSIG has contracted to provide general administration and management services to OSIG.

G. Agent of Record: The person or company designated by OSIG to serve as the agent of record.

H. Executive Director: The principal executive officer of OSIG.

I. Executive Committee: The committee consisting of the President, Vice-president, and Secretary empowered to conduct items of business which do not require board approval.

J. General Counsel: The attorney selected and approved by OSIG to serve as its attorney involving general legal matters, if any, which might arise involving OSIG's operations.

K. Defense Counsel: Attorneys selected and approved by OSIG to defend legal claims brought against OSIG and/or members.

SECTION II

General Organization

A. Each member shall appoint one (1) person to be the official representative appointed by the Member, and such representative shall automatically be eligible to serve as a Member on the Board of Trustees or as an elected official of OSIG. The Member may also appoint an alternate representative to serve when the official representative is unable to carry out their duties, however, said alternate shall not be eligible to serve as a member of the Board.

B. Beginning with the 2025-2026 plan year, within the first three (3) Months of each fiscal year, or as soon thereafter as may be practical, there shall be direct communication with the membership of OSIG. The purpose of the communication shall be as follows:

1. Election of the Board of Trustees in accordance with the provisions of these bylaws.
2. Review the financial status of OSIG, including claims and loss experience.
3. Review the most recent financial audit of OSIG.
4. For the general membership to bring any matter forward that should be brought to the attention of the Executive Director and Board of Trustees.

5. For items of special interest to be presented to the general membership by Members, employees, service personnel, or invited guests.

6. To assure that all Members of OSIG have the opportunity to communicate with the Members of the Board of Trustees, officers of OSIG, and administrative and service personnel.

7. To develop a team approach on the part of all Members of OSIG toward the mutual program of Risk Management.

SECTION III

Board of Trustees

A. There shall be a board of -Nine (9) Trustees for OSIG. The Trustees first elected shall be elected from among the members of the Group.

B. The terms for the Trustees shall be as follows:

1. Office No. 1 for the term ending on June 30, 2002:

2. Offices No. 2 and 3 for the terms ending on June 30, 2003.
(Seat No.2 will be occupied by a person representing the Elementary Districts (K-8 schools) and Seat No. 3 will be occupied by a person representing the Technology Centers).

3. Offices No. 4 and 5 for the terms ending on June 30, 2004:

4. Offices No. 6 and 7 for the terms ending on June 30, 2005

5. Office No. 8 shall consist of one member having at least Ten (10) years of experience in property and casualty insurance. (SB 1713 passed 2024)

6. Office No. 9 shall be a member of the American Academy of Actuaries. (SB1713 passed 2024)

Thereafter, the successors to the Trustees, in offices one through seven, whose terms are expiring shall be elected for three-year terms. Once a Trustee's term expires, he shall

continue to serve until a successor is elected by the Members the election shall be by the members. Trustees in offices one (1) through seven (7) may serve for an unlimited number of successive terms. Trustees in offices eight (8) and nine (9) shall serve for a one-year term, but may be renewed annually by a vote of the Board of Trustees. With the exception of Trustees offices eight (8) and nine (9), in order to be eligible to be elected a Trustee, a person must be named the official representative of the Member.

C. If a Trustee ceases to be the official representative of a member of the group, the Trustee's position shall be deemed vacant unless the Trustee within a reasonable time period, as determined by the Board of Trustees, is named as the official representative by another member and, in that event, the Trustee shall continue to serve in the same capacity.

D. Any vacancy on the board of Trustees shall be filled by appointment by the majority vote of the remaining Trustees for any unexpired term.

E. Trustees shall serve on the board without compensation but they may be reimbursed for certain necessary expenses as described below in Paragraph (O). Neither Trustees, administrators, nor employees, nor the Executive Director shall be liable for any action, or failure to act, in such capacity except for gross negligence or willful misconduct.

F. The Chairman of the Board of Trustees shall appoint a nominating committee of three (3) of the Trustees, which shall prepare a slate of eligible official representatives to be presented to the general membership. The Chairman of the Board may serve on said nominating committee at his/her discretion.

G. The nominating committee shall nominate one (1) or more eligible representatives for each open Trustee position and additional nominations shall be submitted through the ballot process.

H. In preparing nominations for all Trustee positions, the nominating committee shall first and foremost consider the eligible representative's qualifications and abilities to function effectively as a Trustee of OSIG. The committee shall also make reasonable efforts to obtain a balance in representation from all geographic areas of the state as well as a balance in member size. A nominee, other than the incumbent trustee, must have served on the Executive Director's Advisory Committee with the exception of seats 8 and 9.

I. Trustees shall be elected through the ballot process by simple majority vote of the Members. Each member is represented by its official representative or alternate representative and the representative or alternate representative may cast one (1) vote for each Trustee to be elected. No absentee or proxy vote shall be permitted. Cumulative voting shall not be permitted.

J. The Board of Trustees shall determine the general policy of OSIG, which shall be followed by all OSIG officers, agents, employees and independent contractors employed by OSIG. The Board shall have the responsibility for:

1. Selection and approval of an agent of record for the purpose of placing primary, excess, and stop loss insurance for the Members.
2. Selection and approval of Service Providers to advise and manage the OSIG insurance program and to furnish claims adjustment, loss prevention, and property appraisal services and any other necessary services to OSIG and its Members.
3. Approval of the rate of compensation and/or contracts that apply to the agent of record and/or insurance service provider.
4. Approval of the purchase of primary, excess, stop loss insurance or any other appropriate insurance products for OSIG and the Members.

5. Setting of fidelity bonding requirements for officers, employees and other persons or firms.
6. Selection and approval of general counsel to advise and assist OSIG in its legal matters and, subject to approval of the affected Member, to select legal counsel to represent the Member in any investigation, settlement and litigation of any covered claim made against the Member.
7. Approval of amendments to the Agreement Establishing OSIG and Bylaws and to the covenants and documents establishing OSIG.
8. Approval of the acceptance of new Members or delegation of that responsibility to the Executive Director as deemed appropriate.
9. Approval of the annual budget of OSIG.
10. Approval of educational and other programs relating to risk reduction.
11. Approval of reasonable and necessary loss control and prevention procedures which shall be followed by all Members.
12. Approval of any annual membership costs for each Member which purchases insurance through OSIG.
13. Approval of the expansion of any services or benefits provided by OSIG.
14. Establishing such rules and regulations regarding the payout or control of funds maintained by OSIG as shall be appropriate.
15. Establishing rules governing its own conduct and procedures not inconsistent with the Agreement Establishing OSIG and these Bylaws.

16. Assigning or delegating various duties or responsibilities to OSIG officers, the Executive Director, other employees and Agents, as the Board may deem appropriate.

17. Assume additional responsibility to take additional action as may be necessary to properly govern OSIG for which provisions have not been herein set forth.

18. Setting the fiscal year for OSIG.

19. Establish guidelines and standards for claims handling by the claims service provider.

20. Adopting policies, procedures, and guidelines for responding to overpayments or underpayments, if any, of the OSIG loss fund.

21. Establishing a member grievance procedure for a member to utilize if the member disagrees with a claims resolution decision or funding decision or any dispute that affects that individual member.

K. A quorum consisting of a majority of the Board of Trustees shall be required to be present to vote on any item of business or matter brought before the Board of Trustees. A majority vote of those present at a Trustee's meeting shall be sufficient to pass on any and all matters except as otherwise specified in these Bylaws.

L. Each Trustee shall be entitled to one (1) vote on the Board of Trustees. Such vote may be cast only by the Trustee. No proxy votes, absentee votes or cumulative voting shall be permitted by Trustees.

M. Any Trustee may be removed by that Member for which he is acting as official representative at any time during his term. In the event that a vacancy occurs for this reason, the Member shall designate a successor representative, who may be eligible to serve on the Board of Trustees. The Board of Trustees shall elect an official representative to

serve as a Trustee for the remainder of the existing term by simple majority vote of those present. The failure of a Member to appoint a representative or his failure to participate shall not affect the responsibilities or duties of a Member as set forth herein.

N. If any Trustee is absent from three (3) or more of five (5) successive meetings, that Trustee's meeting attendance shall be reviewed by the Board of Trustees at the next regularly scheduled meeting following such occurrence. The Board of Trustees may take whatever action, if any, they deem appropriate, up to and including the removal of the Trustee from the Board of Trustees. In the event a vacancy occurs for this reason, the Board shall appoint an official representative from the advisory committee, with the exception of Seats 8 and 9, to serve in the position of Trustee for the remaining. Such vote shall be by simple majority of those Trustees present at a meeting when such matter is considered.

O. No one serving on the Board of Trustees shall receive any salary from OSIG. OSIG shall pay necessary expenses incurred by Trustees associated with planned meetings held to conduct the business of OSIG, or necessary expenses incurred involving other meetings of OSIG or meetings of other organizations related to necessary business of OSIG, within budgetary limitations, subject to the approval of the Board of Trustees.

SECTION IV

Board of Trustees' Meetings

A. Regular meetings of the Board of Trustees shall be held at least four (4) times a year. The dates, time, and locations of regular meetings shall be established at the beginning of each fiscal year by the Board of Trustees. Any item of business may be considered at a regular meeting. An agenda shall be sent to each Board Member prior to each meeting. Any Member, representative, Trustee, or officer of OSIG must request an item to be placed on the agenda fifteen (15) days prior to the date of the meeting. The first

meeting shall be held at any time within thirty (30) days after the commencement of the fiscal year, or as soon thereafter as may be practical. At least two (2) meetings must be held during the first half of the fiscal year of OSIG; and at least two (2) meetings must be held during the second half of the fiscal year.

B. Special meetings of the Board of Trustees may be called by its Chairman, or by any three (3) Trustees. Five (5) days written notice of special meetings shall be given to each Member of the Board of Trustees advising the purpose of the special meeting. Business conducted at special meetings shall be limited to those items specified in the written notice advising of such meeting.

C. The time, date and location of regular and special meetings of the Board of Trustees shall be determined by the Board of Trustees.

D. To the extent not contrary to these Bylaws and any other governing documents pertaining to OSIG, and except as modified by the Board of Trustees, Robert's Rules of Order, latest edition, shall serve as a guide only for all meetings of the Board of Trustees. Minutes of all regular and special meetings of the Board of Trustees shall be sent to all Members of the Board of Trustees. A Member representative may request minutes of any meeting from the Executive Director.

E. All OSIG Board of Trustees meetings shall be conducted in accordance with the Oklahoma Open Meeting Act.

SECTION V

Administrative Officers

A. Officers of OSIG shall consist of Chairman of the Board, Vice Chairman of the Board, Secretary, Treasurer, Executive Director, and other officers as may be established by the Board of Trustees. The Executive Director shall be appointed by the Board of Trustees

as a full or part-time employee of OSIG and his term of service shall be governed by the terms and conditions of a written employment contract entered into between OSIG (following approval by the Board of Trustees) and the Executive Director. Officers may serve for an unlimited number of successive terms.

B. The Board of Trustees shall elect officers of OSIG during the first Board of Trustees meeting of the fiscal year. For the purposes of this election, the meeting shall be presided over by the prior Chairman of the Board. In the event that the Chairman has not been reelected to the Board of Trustees, the Chairman shall have no vote. If any Trustee does not wish to serve as an officer of OSIG, ~~he~~ they must so notify the Board of Trustees at this time.

C. Officers shall be elected by simple majority vote of all Trustees present. Each Trustee shall have one (1) vote for each officer to be elected. No proxy vote or absentee vote shall be permitted.

D. The term of office of the newly elected officers shall commence after the close of the Board of Trustees' meeting.

E. The Chairman of the Board shall be the chief presiding officer of OSIG and shall, in general, preside over all meetings of OSIG, its Trustees or its officers, or, in the alternative, appoint someone to do so, as well as validate policy documents or records or perform other duties as may be assigned by the Board of Trustees. Among the duties of the Chairman of the Board shall be the following:

1. To preside over all regular and special meetings of the Board of Trustees, or, in the alternative, to appoint someone to do so.
2. To preside over all meetings held by the officers of OSIG, or, in the alternative, appoint someone to do so.

3. To validate by signature all resolutions passed by the Board of Trustees for approval.

4. To validate by signature all policies established and official documentary records of business set forth in the minutes of the Board of Trustees and general membership meetings.

5. To validate by signature any amendment to or revisions of the Agreement Establishing OSIG or Bylaws.

6. To serve as immediate supervisor of the Executive Director.

7. In the event of the Executive Director's inability or refusal to act within a reasonable amount of time for the performance of his duties, the Chairman of the Board shall assume the duties and responsibilities of the Executive Director, other than financial duties and responsibilities which are to be assumed by the Treasurer, until an acting or permanent Executive Director is appointed.

F. The Vice Chairman of the Board of Trustees shall be the secondary presiding officer of OSIG and, in the absence of the Chairman, shall assume all duties and responsibilities of the Chairman, or any other duties as may be assigned by the Board of Trustees. In the event of the Treasurer's inability or refusal to act, the Vice Chairman shall assume the duties and responsibilities of the Treasurer as long as the Vice Chairman is not currently serving in the absence of the Chairman.

G. The Secretary shall be the principal recording officer of OSIG and it shall be his/her responsibility to attest to the validity of all policies and resolutions established in all meetings of OSIG, its Trustees or officers, as well as all documentary records of OSIG. In general, they shall be required to attest by signature to the validity of all documents requiring validation by signature of the Chairman of the Board, or other documents

requiring his/her signature as may be required by statute or regulatory agencies. In the absence of the Vice Chairman, the Secretary shall assume all duties and responsibilities of the Vice Chairman or any other duties as may be assigned by the Board of Trustees.

H. The Treasurer shall be the principal financial officer of OSIG and shall generally supervise the handling of all funds, monies, securities and other invested assets of OSIG. Among the duties of the Treasurer shall be the following:

1. The Treasurer shall review the accounting procedures and practices of OSIG. The Treasurer shall review deposits and disbursements of funds of OSIG, including copies of checks and vouchers (other than payroll, payroll taxes, claims account reimbursements or taxes).
2. The Treasurer shall review all monthly cash disbursement journals and records for satisfaction of the financial obligations of OSIG.
3. The Treasurer shall work with OSIG's investment service provider to draft an investment plan for board approval. The Treasurer shall monitor the plan followed by OSIG's investment service provider throughout the year.
4. The Treasurer, under the direction of the Board of Trustees, shall approve the bank or banks with which OSIG shall do business, and shall be authorized to sign checks on the bank accounts of OSIG, or to designate one or more persons authorized to sign such checks.
5. The Treasurer shall review financial statements issued by OSIG as well as the annual financial statements, which have been subjected to independent auditor review by the certified public accountant selected by OSIG.

6. Upon request, said Annual Statement will be distributed to all official representatives of any Member not represented on the Board of Trustees.

I. The Executive Director shall be the principal executive officer of OSIG and act on behalf of and on the part of the Board of Trustees and shall in general supervise and control the day-to-day operations of OSIG and shall carry out the policies of OSIG as established by the Board of Trustees. Among the duties of the Executive Director shall be the following:

1. The Executive Director's signature shall be the official binding signature of OSIG. His/Her signature in their capacity as Executive Director shall be required on any binding contract, agreement, or other document, other than checks, his/her own employment contract, or other employment benefits, that the Board of Trustees has authorized to be executed or as otherwise herein set forth, but subject to all limitations, restrictions, and controls herein contained.

2. Subject to prior approval of the Board of Trustees, the Executive Director may sign contracts or agreements for any of the following purposes commensurate with administrative operations within budgetary limitations or as otherwise herein specified with prior approval of the Board of Trustees or the officers of OSIG:

   a. Lease, purchase, or rental of office equipment, machines, furniture, or fixtures;

   b. Lease or rental of real property to be utilized as an administrative office;

c. Service of office machines, equipment, or maintenance of the administrative office;

d. Purchase of office supplies; and

e. Incidental contractual services necessary for the proper execution of administrative functions or specific assignments of the Board of Trustees or officers of OSIG.

3. The Executive Director shall have the authority to authorize the expenditure of funds in excess of budgetary limitations for any purpose that is necessary, unexpected, unavoidable, or otherwise required, so long as OSIG possesses sufficient funds to cover said transaction and it will not result in completely depleting available funds. All such transactions shall be fully reported and disclosed at the next meeting of the Board of Trustees.

4. The Executive Director shall work with Program Manager to prepare the OSIG proposed annual budget and proposed annual membership costs for the Members and shall submit such proposals to the Board of Trustees for their approval.

5. The Executive Director shall, where necessary, make recommendations regarding policy decisions, the creation of other OSIG officer positions and the employment of agents and independent contractors.

6. At each regular meeting of the Board of Trustees and at such other times when the Executive Director shall be required, the Executive Director shall present a full report of his activities.

7. The Executive Director shall supervise OSIG's service providers and assure that the third-party administrator report monthly to the Executive Director of OSIG on all claims filed and payouts made with respect to that particular Member.

8. The Executive Director shall, within the constraints of the approved and amended budget, employ all professional, secretarial, clerical, and other subordinate employees of OSIG.

9. The Executive Director shall receive and process all applications for membership.

10. The Executive Director shall maintain liaison and coordinate with insurance brokers, insurance companies, claims adjusters, loss prevention firms, state regulatory agencies, and all other parties deemed necessary to serve the purposes of OSIG.

11. The Executive Director shall serve as custodian of the official copies of the Agreement Establishing OSIG and Bylaws, any amendments or resolutions thereto, any contracts, documents or other types of permanent records of OSIG.

12. The Executive Director shall designate the registered agent of OSIG.

13. The Executive Director shall prepare and file OSIG's annual or interim reports required by governmental agencies.

14. The Executive Director shall prepare and file, following approval by the Board of Trustees, any amendments or revisions of the Agreement Establishing OSIG and/or Bylaws, with all necessary state agencies, as well as distribute copies to all service contractors and to all Members of OSIG.

15. The Executive Director shall process any and all information and documentation necessary for the renewal of OSIG's insurance contracts and bonds.

16. The Executive Director shall assure that all disbursements from OSIG's funds when due and in a timely fashion and in such amounts as are required to meet the financial obligations of OSIG.

17. The Executive Director shall perform any other duties or responsibilities assigned to him by the Board of Trustees.

18. Upon expiration of his employment, the Executive Director shall surrender, relinquish or otherwise convey all OSIG documents, records and property to his successor and/or any officer of OSIG required to act in his absence.

J. OSIG shall purchase a Blanket Fidelity Bond or include equivalent coverage within the loss fund limits extended to all Members of OSIG in an amount sufficient to assure the fidelity of all officers, Trustees, and employees of OSIG.

K. The Executive Director and all other employees of OSIG shall be reasonably compensated for their services to OSIG.

L. Any elected officer of OSIG may be removed from office for failure or inability to perform his duties as set forth in the Agreement Establishing OSIG and these Bylaws, or for conduct deemed damaging to OSIG, by a two-thirds (2/3) majority vote of those Trustees present at a meeting of the Board of Trustees. In that event the vacancy shall be filled by appointment by the Chairman of the Board for the remainder of the existing term.

M. Any elected officer of OSIG may resign from office before the end of his term in office if necessary. In that event any vacancy shall be filled by appointment by the

Chairman of the Board for the remainder of the existing term from the Advisory Committee, with the exception of Seats 8 and 9.

SECTION VI

Executive Committee

A. To function in conjunction with the Board of Trustees and the Executive Director, there shall be an Executive Committee consisting of the **Chairman of the Board**, **Vice Chairman**, and **Secretary**. In general, the purpose of the Executive Committee shall be to conduct those items of business that do not require action by the entire Board of Trustees but should not rest solely with the Executive Director. Among the duties and responsibilities of the Executive Committee shall be the following:

1. To solicit resumes, applications, conduct interviews and make recommendations to the Board of Trustees prior to the employment of the Executive Director;
2. To select and approve the independent accounting and auditing firm to be utilized by OSIG and to set the frequency that such services shall be submitted to competitive proposals and/or change;
3. To approve the arrangement for any accounting services needed by the Treasurer to fulfill his obligations under these Bylaws;
4. To set the rate of compensation of the Executive Director, consistent with the terms of his employment contract, and all other full-time employees of OSIG;
5. To approve the rate of compensation for any accounting services needed by the Treasurer to fulfill his obligation under these Bylaws,

the rate of compensation for the independent auditing firm selected, and the rate of compensation for the legal counsel of OSIG;

6. To approve the annual budget prepared by the Executive Director prior to submission of the budget to the Board of Trustees;
7. To establish policy and procedure regarding the presentation of items of business to the Board of Trustees; and
8. To perform any other duties and responsibilities as may be assigned by the Board of Trustees.

B. All meetings of the Executive Committee shall be presided over by the Chairman of the Board of Trustees and shall be called by him on an as-needed basis. All meetings of the Executive Committee shall be conducted in accordance with the Oklahoma Open Meeting Act.

SECTION VII

Liability of Board of Trustees and Officers

The Members of the Board of Trustees, the Officers of OSIG, and Members of OSIG who, at specific times are acting as a representative of OSIG, shall use ordinary care and diligence in the exercise of their power and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any of them or by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of OSIG funds, or through failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. No Trustee shall be required to give a bond or other security to guarantee the faithful performance of his duties hereunder. OSIG

may purchase insurance providing extended liability coverage for its Trustees, Officers, the Executive Director, and/or other Representatives of OSIG.

SECTION VIII

Obligations of Members

The obligations of the Members of OSIG shall be as follows:

A. To pay an annual membership cost of $25.00 subject to the approval of the Board of Trustees. The annual membership cost of $25.00 may be waived by the Board of Trustees. In the event the Member elects to purchase insurance coverage offered through OSIG, the $25.00 membership cost will automatically be waived, but the Member shall have the continuing obligation to pay all annual membership costs to OSIG relating to the insurance coverage at such times and in such amounts as shall be established by the Board of Trustees consistent with these Bylaws. The purchase of insurance offered through OSIG automatically bestows membership on the Member.

B. To select a person to serve as the official representative of the Member and such representative shall be automatically eligible to serve on the Board of Trustees or as an officer of OSIG, and to select an alternate representative, subject to the provisions herein established in these Bylaws.

C. To allow OSIG reasonable access to all facilities of the Member and to all records including, but not limited to, financial records which relate to the purpose or powers of OSIG.

D. To allow attorneys selected and approved by OSIG pursuant to Section III.J.6. to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any covered claim made against the Member within the scope of loss protection insurance furnished by OSIG.

E. To furnish full cooperation with the OSIG attorneys and claims adjusters and any agent, employee, officer or independent contractor of OSIG with respect to any claim and any matter relating to the coverages provided by OSIG; and to provide OSIG with full and complete information and data relating to any claims or potential claims against a Member, third-party claims and property claims; and to provide OSIG with all information and data (including data received from the attorneys representing a Member) respecting any pending claim, including claims in litigation, and to permit the attorneys provided by OSIG to a Member respecting any claim to report to OSIG regarding claims involving a Member, as well as with respect to conditions and circumstances regarding such claims.

F. To follow, in the Members' operations, all loss reduction and loss prevention procedures and recommendations established by OSIG in accordance with its purposes and powers.

G. To furnish to OSIG an accurate statement regarding insured property, property values, number of buses, claims history, and any other data which may be reasonably required to determine necessary insurance coverage, risk exposure or claims data.

H. To report to OSIG promptly and in the required amount of time established by the Board of Trustees, all incidents which could result in a claim. In the event that a Member fails to meet this reporting obligation, OSIG has the option to deny the claim and refuse to defend or to pay any valid claims for the Member as required by law, but OSIG shall be entitled to seek reimbursement from such Member, and such Member shall be fully liable for reimbursing OSIG for all claims and expenses (including attorneys' fees) attributable to such claims. Any potential covered claim or loss shall be reported to OSIG (or to the third-party Administrator representing OSIG) as soon as such Member has

knowledge of facts giving rise to a claim or possible claim. If no such timely notice is given to OSIG, OSIG has the same option as discussed above in this paragraph.

I. To give notice of intent to withdraw from OSIG at least three (3) months prior to the close of OSIG's fiscal year. Such withdrawal shall be effective as of the first day of the next fiscal year of OSIG.

J. Members shall be responsible for their own loss experience and will be singly responsible, and, therefore, not responsible for other member's losses. OSIG will adopt a funding formula that will equitably address each member's exposures and loss experience. OSIG is responsible for the payment of all covered claims that fall within the joint loss fund. OSIG will adopt policies and procedures for responding to overpayments or underpayments, if any.

Membership in OSIG shall not automatically transfer to entities which are successors of the Member's educational operations; however, any new entity shall be entitled to apply for membership in OSIG, and such applicant may be admitted to membership, subject to the discretion of the Board, upon such terms and conditions as the Board may determine. It shall be the duty of each Member to promptly notify OSIG of the merger of its educational system or any such similar change.

SECTION IX

Types and Amounts of Coverage

A. **Coverage provided:**

The type and amount of coverage to be provided by OSIG shall be as set forth in the coverage outline, as amended and modified from time to time. A copy of the coverage outline indicating types and amounts of coverage shall be furnished to Members at least annually and when any changes or modifications to the coverage outline is made. The

Board of Trustees shall have authority to determine the details of the coverage provided, the amount of coverage, the amount of the loss fund and the various types of primary, excess, insurance and aggregate loss coverages.

B. **Exclusion from Coverage:**

There shall be no coverage for any penalties, fines, or sanctions assessed against a Member for any violation by the Member or its representative of any statute, regulation, or court order or as a result of any proceeding brought by or against for imposition or collection of fines or penalties of a Member. All such penalties and fines shall be borne by the Member itself. In the event that OSIG shall be required by any regulatory agency, administrative proceeding or Court Order to pay such fine or penalty on behalf of the Member, then the Member shall be obliged to reimburse OSIG for any such penalty, fine or sanction incurred by the Member and paid by OSIG.

SECTION X

Additional Insurance

OSIG shall inform all Members of the scope and amount of primary, excess, or loss fund insurance or any other insurance coverage of which OSIG is aware. Membership in OSIG shall not preclude any Member from purchasing any insurance coverage above those amounts purchased by OSIG at the Member's sole cost.

SECTION XI

Finance and Business Procedures

A. The fiscal year of OSIG shall be determined by the Board of Trustees.

B. The Board of Trustees shall approve a preliminary budget for the operation of OSIG prior to the commencement of the next fiscal year. As soon as reasonably practical after the beginning of the new fiscal year, the Board of Trustees shall adopt a final budget for that fiscal year.

C. The Board of Trustees, or its designee or contract third party administrator, shall for each year subsequent to the initial fiscal year or period, after reviewing the information submitted for each Member, establish, with respect to each Member, the insurance coverage requirements, total replacement cost of buildings and personal property, and the number of vehicles of each Member. The Board shall determine the membership costs of each Member. Initially, there shall be only one class of membership of OSIG; however, the Board of Trustees shall retain the right to make a determination at a future date if additional or different classes of membership are warranted. In the event that additional classes of membership are deemed appropriate, the Board of Trustees shall amend the Agreement establishing OSIG and these Bylaws prior to making any adjustments in the membership costs made for the benefits to be provided to Members of OSIG.

D. The Board of Trustees shall provide to the Members an annual financial statement, prepared by a Certified Public Accountant selected by the Board of Trustees, at the end of each fiscal year, prepared in accordance with generally accepted auditing standards. The annual report shall be provided to each Member of the Board and to the official representative of each Member not represented on the Board of Trustees.

SECTION XII

Defense by Members

The defense of any claim, suit, or the handling of any litigation falling within the scope of loss protection provided by OSIG shall be the exclusive right and obligation of OSIG and/or its designate. Therefore, any attempt or undertaking by an individual Member of OSIG, acting independently of OSIG, with respect to the handling or the defense of any claim, suit or litigation that falls within the scope of loss protection as provided by OSIG shall be strictly prohibited, and should such occur the Member shall be fully liable for the cost of any claim adjustment expense, legal defense costs, and any settlement amount or judgment arising from said claim or claims thereinafter. In the event that a Member voluntarily terminates participation in OSIG or is expelled, that former Member may apply to the Board of Trustees for permission to assume the handling of any or all claims arising prior to the date of termination of membership. If such permission is granted, the former Member shall be fully liable for the cost of claims adjustment expense, the cost of legal defense, and any settlement or judgment arising from said claim or claims thereinafter. Any amount held in reserve for the settlement of said claim or claims by OSIG shall remain in OSIG as an asset of OSIG.

SECTION XIII

Expulsion of Members

By the vote of two-third (2/3) of those present at a meeting of the Board of Trustees, a Member may be expelled. Such expulsion shall take effect at a time determined by the Board of Trustees and may be carried out for one or more of the following reasons:

A. Failure to timely pay membership costs due to OSIG.

B. Failure to undertake or continue loss reduction and prevention procedures adopted by OSIG.

C. Failure to allow OSIG reasonable access to all facilities of the Member and all records which relate to the purposes or powers of OSIG.

D. Failure to furnish full cooperation to OSIG's attorneys, claims adjusters, the Executive Director, and any agent, employee, officer or independent contractor of OSIG relating to the purposes and powers of OSIG.

E. Failure to carry out any obligation of a Member which impairs the ability of OSIG to carry out its purposes or powers.

No Member may be expelled except after notice from the Board of Trustees of the alleged grounds along with a reasonable opportunity of not less than thirty (30) days nor more than ninety (90) days to cure the alleged grounds. The Member may request a hearing before the Board before any final decision is made as to whether expulsion shall take place. Such request must be received by the Chairman of the Board prior to the date of expiration of the time allowed to cure the alleged grounds. The Board shall set the date for a hearing which shall not be less than fifteen (15) days after the expiration of the time to cure has passed. A decision by the Board to expel a Member after notice and hearing and after a failure to cure the alleged grounds shall be final. After expulsion, the former Member shall continue to be fully liable for any obligation herein established under Section VII of these Bylaws.

SECTION XIV

Termination of OSIG

A. Termination of OSIG shall require a special meeting of the general membership of OSIG and shall require a two-thirds (2/3) majority vote of the Members of

OSIG present at such meeting. Notice of such meeting shall be sent to each Member, and such notice shall state the purpose of the meeting.

B. If OSIG is dissolved, then each Member shall remain fully obligated for its pro-rata share of any unpaid membership costs due for the remainder of the coverage period. In the event OSIG is dissolved, the Board of Trustees shall continue to meet on such a schedule as shall be necessary to carry out the conclusion of the affairs of OSIG.

C. Any distribution of funds to Members at the time of termination shall be made only after all financial obligations of OSIG have been satisfied, including settlement of all outstanding and incurred but not reported claims within the statute of limitations, and the payment of necessary expenses. At that time, any remaining funds shall be distributed to the former Members in the amount of their respective pro-rata share as determined by the membership costs paid. Such distribution of funds shall be made within sixty (60) days from the date that it is determined that all financial obligations have been met.

SECTION XV

Termination of Membership

Any Member of OSIG may voluntarily terminate its membership in OSIG on June 30 of any year subject to the provisions of Section VIII (I) of these Bylaws. In the event of such withdrawal that Member shall be fully obligated to pay its pro-rata share of any membership costs then due. Any Member who voluntarily terminates its membership in OSIG and seeks to apply for reinstatement as a member shall not be eligible for membership until the lapse of three (3) years from the last year of the applicant's membership in OSIG; provided, however, the Executive Committee, at their discretion, may waive the three (3) year waiting period.

SECTION XVI

Contractual Obligation

This document, as well as the Agreement Establishing OSIG, shall constitute a contract among those political subdivisions which become Members of OSIG. These Bylaws shall be submitted to each Member to keep as part of the official records.

The obligations and responsibilities of the Members set forth herein, including the obligations of each Member to take no action inconsistent with the Agreement Establishing OSIG and these Bylaws as originally written or validly amended, shall remain a continuing obligation and responsibility of the Member. The terms of this contract may be enforced in a court of law either by OSIG itself or by any of its Members. The consideration for the duties herewith imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein. The contracting parties intend in the creation and continuing operation of OSIG to establish an organization for better managing and procuring insurance coverage within the scope set forth herein, and have not created any relationship of surety, agency, indemnification, joint and several liability or responsibility for the debts or claims against any Member except as provided in these Bylaws, Agreement Establishing OSIG or the statutes of the State of Oklahoma relating to interlocal agreements. In the event that any Member shall breach any of the provisions of these Bylaws or the provisions of the Agreement Establishing OSIG, the Board shall be authorized to permit the Executive Director to place any such Member on probation for a designated period. If the breach is not cured during such designated period established by the Executive Director, the Board shall have authority to authorize such membership to be terminated on ninety (90) days advance written notice and/or the Board shall be authorized to add a surcharge to the membership costs of such Member during the year in which such breach occurs in an

amount not to exceed twenty-five percent (25%) of the Member's annual membership cost amount. The remedies herein provided to OSIG for breach of the terms of these Bylaws by a Member shall be cumulative and may be exercised by OSIG from time to time as it deems appropriate.

In the event that payments required to be made by a Member are not received by the due date required for such payment, then OSIG may impose a late charge of one percent (1%) per month (or any portion of the month) until any such membership cost payment is received by OSIG.

SECTION XVII

Amendment of Bylaws

These Bylaws may be amended at any time by the Board of Trustees, by means of a majority vote of the Board of Trustees, as set forth in Section II paragraph I. However, no amendment of these Bylaws shall be considered at any meeting of the Board of Trustees unless written notice of a proposed amendment to the Bylaws shall have been provided to each Trustee (including the contents of such Bylaws amendment) at least five (5) days prior to such meeting. A copy of all amendments to these Bylaws adopted by the Board shall be distributed to each Member of OSIG.

ADOPTED THIS 19th Day of September, 2024

OKLAHOMA SCHOOLS INSURANCE GROUP

By: _____
Terry Davidson, Chairman

ATTEST:

_____
Shelley Free, Secretary