

**BYLAWS of THE ASSOCIATION OF AVERAGE ADJUSTERS  
OF THE UNITED STATES AND CANADA**

**ARTICLE I.**

Name                   The name of this association shall be:

“ASSOCIATION OF AVERAGE ADJUSTERS of the UNITED STATES and  
CANADA.”\*

\* Corporate name – Association of Average Adjusters of the United States and Canada, Inc.

**ARTICLE II.**

Objects                The objects of this Association shall be:

1. The maintenance of the honor and dignity of the profession of Average Adjusting.
2. The promotion of correct principles in the adjustments of Averages.
3. The promotion of uniformity in practice among Average Adjusters.
4. The promotion of such other matters as may be deemed of benefit to Average Adjusters.

**ARTICLE III.**

Amended June 27<sup>th</sup>, 2023.

The Members of this Association shall consist of six classes, namely, Full Members, Marine Hull Claims Professional Members, Subject Specialist Members, Associate Members, Honorary Members, and Life Members.

Full                    Section 1: Full Members shall consist of:

Marine Hull Claims Professional Members of two years’ standing, who, at the time of their election as Full Members, will have been continuously and actively employed as adjusters, or as underwriters’ claims examiners/adjusters, or in positions meeting the criteria set forth in Section 4 below, for at least two years and as to whom the Board of Directors shall report that, having examined the candidates in writing as to their qualifications, they are satisfied of their fitness to become Full Members of this Association.

Marine Hull  
Claims  
Professional

Section 2: Marine Hull Claims Professional Members shall consist of:

Associate Members, who, at the time of their election as Marine Hull Claims Professional Members, have been continuously and actively employed as adjusters, or as underwriter’s claims examiners/adjusters, or in positions meeting

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the criteria set forth in Section 4 below, for at least three years, and as to whom the Board of Directors shall report that, having examined the candidates, in writing, they are satisfied of their fitness to become Marine Hull Claims Professional Members of this Association.

Subject  
Specialist

Section 3: Subject Specialist Membership shall be granted to candidates as to whom the Board of Directors shall report that, having examined the candidates, in writing, they are satisfied of their competence in such specialized practice areas as the Association may designate from time to time.

Associate

Section 4: Associate Membership shall be granted if the Board of Directors has determined that the applicant is fit to become an Associate Member. The following shall be eligible to apply for Associate membership:

- a. Officers, Underwriters, Managers, Employees, Members and Agents of Marine Insurance Companies and Associations.
- b. Ship owners, and Executive Officers, Managers, Employees, Members and Agents of ship owning companies.
- c. Surveyors and Appraisers of vessels and cargoes.
- d. Executive Officers, Managers, Employees and Members of firms and corporations conducting a Marine Insurance Brokerage business.
- e. Attorneys, Barristers, Solicitors or other legal counsel as recognized in the countries in which they practice who are conversant in admiralty and maritime law.
- f. Officers and Managers of Boards of Marine Underwriters.
- g. Individuals training as Marine Hull Claims Professionals in accordance with Section 2 above.
- h. Such persons as to whom the Board of Directors shall report that they are satisfied of their fitness to become Associate Members of this Association.

(Members in the former Resident Associate and Foreign Associate Membership categories on the date that this bylaw is enacted are transferred to the Associate Membership category.)

Honorary

Section 5: Honorary Members shall consist of:

Such persons as may be elected as such after recommendation by the Board of Directors.

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Life Section 6. Life Members shall consist of:

Full Members who have attained the age of 65 years and have retired from the profession; upon application to and at the recommendation of the Board of Directors and elected at the next Business Meeting of the Association.

Candidates Section 7. All proposals for membership, except honorary and life memberships, shall be in writing, made and seconded by Full Members, neither of whom shall be a member of the Board of Directors; and such proposals shall be referred to the Board of Directors, who shall inquire as to the qualifications of the candidates, and no member of the Board of Directors shall be questioned as to their action thereon; and whenever a candidate shall be approved by the Board of Directors, the candidate's name shall be presented at the next Business Meeting of the Association for action thereon, or, alternatively, at the discretion of the Board of Directors, presented to the Full Members by postal or electronic correspondence, for action by postal or electronic ballot.

Suspension and Expulsion Section 8. The Association shall have the power to suspend or expel any Member of the Association for not conforming to the Rules of Practice or Bylaws of the Association, or for non-payment of dues, or for any other action deemed detrimental to the best interests of the Association. Any Member in arrears for dues for over three months may be dropped by the Board of Directors, without further action by the Association.

**ARTICLE IV.**

Amended June 27<sup>th</sup>, 2023.

There shall be a Board of Directors and the officers of the Association shall consist of a Chair of the Association (President and Vice President of the Corporation) and a Secretary of the Association (Secretary and Treasurer of the Corporation).

Chair Section 1. The Chair of the Association shall be a member of the Association, shall be elected at the Business Meeting and shall be elected for one year, or until a successor be elected. The Chair may serve for two successive terms then shall not be eligible for re-election until after an interval of one year.

The Chair of the Association may preside at the meetings of the Association; and, in case of the Association Chair's death, resignation, or other inability to attend to the necessary duties, the Chair of the Board of Directors shall attend to the same until the election of a new Chair of the Association.

Board of Directors Section 2. The Board of Directors shall consist of six Members, at least five of whom shall be Full Members. Two members of the Board, of which one must be

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a Full Member, shall be elected at each Business Meeting and shall hold office for three years, or until their successors are elected. Each year the members of the Board of Directors shall, by majority vote, select the Chair of the Board from among the full members serving on the Board. In the event of a tie vote in the Board, the Board Chair's vote shall be decisive. No member of this Board shall be Chair of the Association, except as provided in Section 1, or be eligible for re-election to the Board of Directors until after an interval of one year. In the event of death or resignation of a member of the Board, the vacancy so created may be filled by appointment of the Board of Directors for the remainder of the time until the next annual Business Meeting of the Association.

This Board of Directors shall be the Chief Executive body of the Association and shall:

- a. Have charge of the property and supervise the affairs of the Association, including the authorization of all expenditures and approval of bills before payment;
- b. Examine the Secretary's records and accounts and report thereon at the Business Meeting;
- c. Initiate and conduct studies designed to promote the objectives of the Association, reporting and making recommendations to Members as may be appropriate;
- d. Receive and consider questions relating to principles and practice in the Adjustment of Averages presented by Members or others, render advice or opinion and report to Members and other parties interested as may be appropriate;
- e. Receive and examine all proposals to amend existing Rules of Practice or to create new ones filed under Article VIII, such proposals and the Board's Report thereon to be submitted to the Members for consideration at the first Regular Meeting of the Association thereafter;
- f. Receive on behalf of the membership, and distribute as it may deem appropriate, all reports of Special Committees due between membership meetings;
- g. Examine into the qualifications and the fitness of candidates for membership in the Association, and whenever a candidate shall be approved by the Board, the name shall be presented at the next Business Meeting of the Association for action thereon.
- h. Carry out such other functions as may be prescribed by these Bylaws or by the Association.

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Secretary

Section 3. The Secretary need not be a Member of the Association but shall be appointed by the Board of Directors and shall hold office during the pleasure of such Board. The Secretary shall give due notice of all meetings of the Association, keep a record of the proceedings thereat, prepare and distribute the publications of the Association and keep the Members advised generally of the proceedings of the Association. The Secretary shall have custody of the seals, books, letters and papers of the Association and shall conduct its correspondence. The Secretary shall collect the fees, dues and other income of the Association, effect expenditures when authorized, and pay all bills approved by the Chair of the Board of Directors, or any other member of the Board of Directors, and keep an account of all receipts and expenditures. The Secretary shall transact all such other business as may be required by the Board of Directors. The Secretary shall not give any information of the action or business of the Association, except to the Members thereof, without permission from the Board of Directors.

**ARTICLE V.**

Amended June 27<sup>th</sup>, 2023.

Committee on  
Nominations

There shall be a Committee on Nominations which shall consist of five Members: the four continuing members of the Board of Directors and a Member of the Association in any category, appointed by the Association Chair. The Committee shall elect its own Chair. The Chair of the Board of Directors shall be responsible for convening the first meeting of the Committee on Nominations at a suitable date prior to July 1 of each year.

This Committee shall nominate candidates for Chair of the Association and for membership on the Board of Directors. Members may nominate candidates from the floor for such positions if so disposed.

**ARTICLE VI.**

Amended June 27<sup>th</sup>, 2023.

Meetings  
Regular

Section 1. The Annual Meeting of the Association shall be held in the City of New York, or at such other place and time as the Board of Directors may from time to time decide, on the first Thursday in October, in each year. On the day preceding the Annual Meeting, a Business Meeting shall be held.

Special

Section 2. Special Meetings shall be held whenever the Board of Directors of the Association may so direct.

Notice

Section 3. The Secretary shall mail notices of meetings of the Association, as follows, viz:

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- a. Thirty days in advance of the Annual Meeting or of any meeting at which the adoption of a Probationary Rule of Practice is to be considered or final action is to be taken thereon.
- b. Such advance notice of a Special Meeting, as may be prescribed by the Board of Directors.
- c. Whenever there shall appear on the agenda a proposal to amend a Rule of Practice or to create a new one (Article VIII) or to amend these Bylaws (Article XII) or where action is to be taken under Article III, Section 8, the Secretary shall send with the notice of meeting to all Full Members a ballot so as to enable those who are not present at the meeting to register their vote on the question. Such notices may be sent by electronic mail.

Section 4. The agenda for the Business Meeting shall consist solely of administrative matters of the Association such as finances, election of candidates, election to the standing committees, and other internal matters of the Association excluding matters relating to Rules of Practice and the like at the discretion of the Chair of the Board of Directors. All other matters to be dealt with at the regular meeting.

Section 5. The order of business at the Business Meeting shall be:

- a. Reading of the minutes of the previous Business Meeting.
- b. Report of the Board of Directors.
- c. Report of the Nominating Committee.
- d. Election of two Members of the Board of Directors.
- e. Election of candidates.
- f. Election of the Association Chair for the ensuing year.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

Section 6. The order of business at the Annual Meeting shall be:

- a. Reading of the Minutes of the Previous Regular Meeting.
- b. Address of the Chair of the Association.
- c. Announcement of the election of the new Chair of the Association and Members of the Board of Directors
- d. Announcement of the election of candidates.
- e. Announcement of any other matters of interest dealt with at the Business Meeting the preceding day.
- f. Report of the Board of Directors on any matters relating to Rules of Practice.
- g. Unfinished business.
- h. New business.

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- i. Assumption of office by the new Chair of the Association.
- j. Adjournment.

Section 7. The order of business at all other meetings, except the Business Meeting, shall conform to the foregoing so far as may be appropriate.

Section 8. All classes of members may attend all meetings except the Business Meeting, which shall be limited to Full Members, the Board of Directors and the Secretary and Chair of the Association. Only Full Members present at a meeting shall be entitled to vote; however, when the question involves a proposal to amend a Rule of Practice or to create a new one (Article VIII) or to amend these Bylaws (Article XII) or with respect to action to be taken under Article III, Section 8, votes may be registered either in person or by sealed ballot received by the Secretary before the meeting is convened. Votes may also be registered via electronic mail to the Secretary provided that members verbally confirm ballot choice with the Secretary no less than 48 hours prior to the meeting. Any eligible members may participate in any meeting by means of a telephone or of video conferencing or similar equipment; participation by such means shall constitute presence in person.

Quorum

Section 9. 25% of the Full Members of the Association, exclusive of the Chair of the Association or the Chair *pro tem*, shall constitute a quorum for the transaction of business. A majority vote of Full Members present or voting by sealed ballots or electronic mail shall be required for a motion to succeed except that a motion to amend a Rule of Practice or to create a new one (Article VIII) or to amend these Bylaws (Article XII) or to consider action against a member (Article III, Section 8) shall require three-fourths of the total votes cast by Full Members present or voting by sealed ballots or electronic mail as provided for above.

Elections, etc.

Section 10. All elections, suspensions, and expulsions shall be by ballot.

Adjournments

Section 11. Any meeting of the Association may be adjourned *sine die* or to a day stated.

**ARTICLE VII.**

Amended June 27<sup>th</sup>, 2023.

Finance

The funds of the Association shall be deposited by the Secretary, in the name of the Association or its corporate designation, in a bank or trust company designated by the Board of Directors; and the same shall be drawn upon by checks signed by the Secretary, or a member of the Board of Directors, and countersigned by the Chair of the Board of Directors, or any other member, of the Board of Directors. The surplus funds of the Association may be invested in

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such manner as the Board of Directors shall, from time to time, direct. The invested funds of the Association, or any part thereof, may be sold whenever so directed by the Board of Directors.

Annual dues Full Members shall pay annual dues of US\$175, Marine Hull Claims Professional Members shall pay annual dues of US\$140, Subject Specialist Members shall pay annual dues of US\$120, Associate Members shall pay annual dues of US\$90 and Life Members and Honorary Members shall not pay any dues.

**ARTICLE VIII.**

Rules of Practice American and Canadian Rules of Practice are in use, as appropriate to those adjustments to which they apply.

All proposals to amend existing Rules of Practice or to create new ones shall be in the form of resolutions. Every such proposal shall be signed by a Full Member and shall be filed with the Secretary, together with a summary of the reasons for its adoption and with references to the legal decisions bearing thereon, if any.

Probationary Rule Section 1. Upon the adoption of a proposal to amend an existing Rule of Practice or to create a new one, the same shall become a Probationary Rule; and copies thereof shall be sent forthwith to the Members of the Association, with the following statement annexed thereto, viz:

"At a meeting of the Association of Average Adjusters of the United States and Canada, held on the day of , 20 , the following Probationary Rule was adopted, subject to confirmation at a Meeting to be held on the day of , 20 , before it becomes a Rule of Practice."

Final action Section 2. At a meeting of the Association to confirm a Probationary Rule, the same may be amended; but, unless adopted as a Rule of Practice at that meeting, it shall cease to be a Probationary Rule.

Effect Section 3. Where a Probationary Rule has been confirmed, it shall take effect as a Rule of Practice thirty days thereafter; and every Full Member shall adjust claims in conformity therewith or, if an adjustment is made in opposition to it, the Full Member shall put on the face of the adjustment a memorandum to that effect with a reference to the Rule.



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**ARTICLE IX.**

Seals                   The Seals of the Association shall consist of lozenges containing the words:

"MEMBER OF THE ASSOCIATION OF AVERAGE  
ADJUSTERS OF THE UNITED STATES AND CANADA"

and/or the corporate designation.

Use                    Section 1: Only Full Members in good standing shall be entitled to put the Seal of the Association on their adjustments.

Section 2: The Seal may be embossed, printed or added electronically to the adjustment and should have the member's name and membership number printed directly below the seal.

Section 3: It is the Full Members responsibility to insure that only adjustments prepared by them contain the seal and their membership number. Use by other individuals who are not full members of the Association is strictly prohibited.

**ARTICLE X.**

Library                The Association shall maintain a library for the use of its members. Every Member shall be entitled to borrow books therefrom and rules for borrowing of books shall be the regulations prevailing at the facility where the library is housed. Failure to follow those rules will result in a revocation of all future borrowing privileges until the return or replacement of those books previously borrowed.

**ARTICLE XI.**

Publications           The Annual Report of the Association shall be published as soon after the Annual Meeting as possible, and the Bulletin of the Association shall be published at such intervals as may be prescribed by the Board of Directors.

Annual Report        Section 1. The Annual Report shall contain:

- a. The names of the Officers of the Association.
- b. A list of the Members of the various classes.
- c. A list of past Chairs and Secretaries of the Association.
- d. Such portions of the minutes of the Regular and Special Meetings of the Association as may be prescribed by the Board of Directors.
- e. The Rules of Practice adopted by the Association.

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Bulletin           Section 2. The Bulletin shall contain extracts from cases recently reported, of interest to Average Adjusters and Marine Underwriters, and, also, such other matters as the Board of Directors may, from time to time, prescribe.

Distribution       Section 3. A copy of the Annual Report and of each number of the Bulletin shall be sent to every Member of the Association and to such other persons as the Board of Directors may, from time to time, direct.

**ARTICLE XII.**

Amendments       These Bylaws may be amended at any meeting of the Association, after ten days' previous notice, excepting Article VIII, which shall not be amended except after thirty days' previous notice. All notices of meetings at which amendments to Bylaws are to be considered shall contain copies of the proposed amendments.

**ARTICLE XIII.**

Record keeping    The Secretary shall maintain a database of information on each member to be known as the member database for the purpose of conducting Association business. This database shall include the member's name and contact details, membership and dues status, a record of seals of the Association, and other information pertinent to conducting the day to day business of the Association.

Section 1. Members' e-mail addresses will not be disseminated without written or electronic authorization from the member.

Section 2. Once a member provides written or electronic authorization to disseminate an e-mail address, the authorization will remain in force until rescinded in writing by the member.

Section 3. Each member is responsible for advising the Secretary of his or her full contact information, including e-mail address. Failure of a member to comply with this Section shall be deemed consent to forego all notices, communications, and publications of or by the Association. No additional authorization is required for this action.

Section 4. The Association reserves the right to disclose any information if such action is necessary to conform to the requirements of law or to comply with legal process or subpoena served on the Association; to protect and defend the legal rights or property of the Association; or in an emergency, to protect the health and safety of its members or the general public.

The Association further reserves the right to release any information

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concerning any member if that member participates (or is reasonably suspected of participating) in any illegal activity, even without a subpoena, warrant or other court order.

Finally, the Association reserves the right to cooperate with law enforcement agencies in identifying those who may be using our services for illegal activities. And to report any suspected illegal activity to law enforcement agencies for investigation or prosecution.

Section 5. The member database will not be sold or given to any outside organization, institution, association, individual, business or governmental authority, except as directed by the Board of Directors.

Section 6. Any member who feels that their contact information or other particulars described in the membership database has been distributed or shared improperly shall have the right to petition the Board of Directors in writing and request an investigation.