

Volunteers Insurance Services Association, Inc. Membership Agreement – Terms & Conditions of Membership

This Agreement (hereinafter “Agreement”) shall be by and between Volunteers Insurance Service Association, Inc. (hereinafter “VIS®”) and Applicant. “Applicant” shall mean itself as well as any companies which are parents of, subsidiaries of, owned by, related to, or affiliated with Applicant.

VIS® has its principal office at 2750 Killarney Drive, Suite 202, Woodbridge, VA 22192-4124. Applicant has its principal office at the mailing address listed on the “Application for Insurance & Membership” or any application which incorporates this Agreement by reference.

Volunteers Insurance Service Association, Inc. (VIS®) is a risk purchasing group (RPG), as defined under federal law. The VIS® RPG was established in the District of Columbia on January 4, 1999. Subsequently, the VIS® RPG was registered in all states to operate as an RPG.

This Agreement shall be effective as of the date that an “Application for Insurance and Membership” from the Applicant is accepted by VIS® or its authorized representative.

WHEREAS, VIS® is a risk purchasing group, as defined under federal law, formed to purchase liability insurance on a group basis for its Members to cover the similar or related liability exposure(s) to which the volunteers of Members of VIS® are exposed by virtue of their related, similar, or common business or service, and,

WHEREAS, Applicant desires to become a Member of VIS® for the purpose of obtaining insurance coverage available exclusively to Members of VIS®, and,

WHEREAS, Applicant has submitted an “Application for Insurance and Membership” or an “Application and Invoice for Insurance and Purchasing Group Membership”, which incorporates, by reference, this Agreement;

NOW THEREFORE, in consideration of the mutual promises and covenants herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Acceptance of Terms and Conditions of Membership Agreement: Applicant agrees to become a Member of VIS® and accept, abide by, and be bound by the terms and conditions of membership detailed in this Agreement, as well as any changes made subsequent to the execution of the “Application for Insurance and Membership” or application referenced above, which changes shall appear at www.cimaworld.com/htdocs/volunteers.cfm.

Membership Benefits

- Offer of Benefits – Additions, Changes & Discontinuations of Benefits VIS® may offer to its Members. At its sole discretion, and at any time, VIS® may add, change, or discontinue any benefits or programs which it offers to its Members.

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- Insurance Programs – A principal benefit provided to Members of VIS® is access to insurance programs designed for and available exclusively to Members of VIS® (hereinafter “Insurance Programs”). The Insurance Programs shall be underwritten by insurance companies selected by VIS® (hereinafter “Selected Carriers”).

Applicant agrees that it will accept, abide by, and be bound by the “Terms and Conditions of Insurance” in force as of the effective date of this Agreement, which shall appear at www.cimaworld.com/htdocs/volunteers.cfm, as well as any changes made subsequent to the effective date of this Agreement, which changes shall appear at www.cimaworld.com/htdocs/volunteers.cfm.

- Other Benefits - From time to time, VIS® may provide other benefits, functions, and services to its Members, including, but not limited to:
 - educational materials and services;
 - articles written especially for organizations utilizing the services of volunteers;
 - researching particular insurance, loss control/safety, or risk management issues the Member is facing in either the property/casualty or employee benefits area;
 - consultative services on various risk management issues that arise particular to the Member’s organization;
 - answering questions the Member has regarding insurance coverage for their organization;
 - a forum for its Members to interact with one another with respect to volunteer activity; and,
 - an information clearinghouse for Members.

Selection and Compensation of Business Administrator: VIS® may contract with a business administrator (hereinafter “Administrator”) to administer its business affairs including, but not limited to, administrative, licensing, accounting, IT, communication, and consulting services. VIS® shall negotiate the Administrator’s compensation. Currently, the Administrator is The CIMA Companies, Inc. (hereinafter “CIMA”).

Rights of Members: Applicant’s only rights as a Member of VIS® shall be to apply for and purchase insurance and to have access to Other Benefits being offered to VIS® Members by VIS®. Applicant shall have no other rights whatsoever as a Member or otherwise with respect to VIS®. Without limiting the generality of the foregoing, Applicant shall have no right as a Member of VIS® or otherwise under: (1) the bylaws, governing documents, or other corporate documents of VIS®; (2) the general corporation laws of any state, including, but not limited to, any state in which Applicant or VIS® is domiciled or in which Applicant or VIS® have connections or operations.

Term and Termination of Membership: Applicant’s membership in VIS® shall commence on the inception date of insurance coverage under the insurance program and shall terminate upon: (1)

Applicant's written resignation from VIS®; (2) Applicant's failure to pay the premiums, VIS® Membership Fee (hereinafter "VIS® MF"), State imposed policy fees/stamp fees/assessments or taxes when due; (3) Applicant's failure to sign and return State-required surplus lines affidavits and forms; (4) written notice of termination sent from VIS® to Applicant, which VIS® may give for any reason whatsoever, including, without limitation, any change in Applicant's business which could jeopardize the homogeneity of VIS®; or, (5) the expiration date of insurance coverage.

VIS® Membership Fee (VIS® MF):

- Purpose of Purchasing Group: A primary purpose of VIS® shall be to provide each of its Members, regardless of such Member's financial size and sophistication, with the ability to obtain desired insurance coverage and limits of insurance at an affordable cost.
- Computation & Amount of VIS® MF: The amount of the VIS® MF charged shall be within the sole discretion of VIS® and may bear no relation to the size of the organization or the number of volunteers utilized. VIS® may utilize, not utilize, change, or amend the criteria used to determine VIS® MFs at any time without prior approval of the Members. The VIS® MF is stated on the "Application for Insurance and Membership".
- Nature and Usage: VIS® shall retain the VIS® MFs, which are not insurance-related, to fund the operations of the purchasing group. The VIS® MF charged to Applicant are not charged to Applicant: (1) in exchange for a policy of insurance; (2) in exchange for an Evidence of Insurance (hereinafter "EOI"); (3) in exchange for an insurance-related service, or, (4) to compensate an insurance agent or broker for insurance services rendered. VIS® MFs received by VIS® shall become immediately part of VIS®'s general operating funds, which may be utilized, in the course of VIS®'s business affairs, as VIS® deems appropriate.
- No Changes in VIS® MF: Once the Applicant has purchased insurance coverage through the Insurance Programs and becomes a Member of VIS®, the VIS® MF cannot be changed until the expiration date of that Member's current insurance policy.
- Combined Proposal for Insurance and Membership: Applicant shall receive a combined proposal for insurance and membership in VIS® (hereinafter "Proposal") from VIS®'s selected Managing General Underwriter ("MGU"). This Proposal shall include all premiums and the VIS® MF; it will also include required state surplus lines premium taxes, assessments, stamps and other mandated state charges relative to the policies being purchased.
- Payment Due Prior to Receipt of Policy and/or Evidence of Insurance: Upon purchase and payment of all premiums, fees, and taxes due, the Member will be sent a policy or Evidence of Insurance.

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- Agreement Not To Bring Claim, Law Suit, or Administrative Action Regarding Amount of VIS® MF: Member agrees and warrants that it shall never bring a claim, lawsuit, or governmental or administrative proceeding against VIS®, the relevant MGU, or the relevant Selected Carrier based upon the amount it was charged as a VIS® MF. Each Member shall receive an individual Proposal, and it shall be the decision of each Member as to whether it accepts or rejects said Proposal, understanding that the VIS® MF component of said Proposal may bear no relation to size of the organization or their exposure bases.
 - Where Payment Made: Applicant agrees to pay the premium, the VIS® MF, state-imposed policy fees/stamp fees/assessments or surplus lines taxes, Federal taxes and/or surcharges (if applicable) to VIS®'s Managing General Underwriter ("MGU"). The MGU shall then remit the VIS® MF to VIS®. Insurance premiums shall be remitted to relevant Selected Carriers via the MGU.

Hold Harmless: Applicant agrees to hold harmless VIS® and its Administrator from the negligence, acts, or omissions of its MGU.

Related Party Information: VIS® was formed by CIMA in 1982 to serve the needs of organizations utilizing the services of volunteers. In 1999, Volunteers Insurance Service Association Risk Purchasing Group was formed to further enhance the services VIS® could offer to its members. The majority stockholder of CIMA is also the Class I member of VIS®. CIMA currently acts as both the Business Administrator and Managing General Underwriter under separate agreements with VIS®. All VIS® MFs are revenues of VIS® and are used to fund the operations of the purchasing group.

Agreement Subject to Change: This Agreement may be amended, modified, or changed at any time at the sole discretion of VIS®. However, once a policy or EOI has been issued to Applicant, its terms, conditions, and premium cannot be changed until the expiration date of coverage unless Applicant's number of volunteers changes.

Entire Agreement and Merger of Previous Agreements: This instrument constitutes the entire Agreement between the parties and supersedes all previous agreements entered into between the parties hereto with respect to its subject matter; and, all such previous agreements, whether oral or written, are hereby merged into this instrument.

Not Assignable: Applicant agrees that its rights under this Agreement are not assignable without the express written consent of VIS®.

Waivers: Failure by VIS® to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition. No waiver of any breach or default of this Agreement shall be valid unless in writing and signed by VIS®, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

Provisions Determined to be Invalid By a Court: Should any section, paragraph, or provision of this Agreement be ruled unenforceable because of the effect of any law, or for any other reason, the remaining provisions herein shall remain unaffected and shall remain fully binding and enforceable.

Authorization to Receive Advertising Information and Correspondence: Applicant authorizes VIS® or its representative to send Applicant advertising information and correspondence related to VIS® and its services, whether solicited or unsolicited, via any means of electronic or other communication or telecommunication, including, but not limited to, facsimile, telephone, email, Internet, United States Mail, or independent package delivery service.

Notice: Any notice required or which may be given under this Agreement shall be in writing and either delivered personally, sent by overnight courier, or mailed by certified mail to the addressee. Such notice shall be deemed given when so delivered personally, or, if sent by overnight courier, one (1) business day after the date so sent, or, if mailed by certified mail, three (3) business days after the date of mailing. Notices shall be sent to the address of VIS® or Applicant at the mailing address specified in the beginning of this Agreement or to such other address as any party to this Agreement shall request in writing from the other party to this Agreement.

Jurisdiction; Conflicts of Law: Each party hereby: (1) designates the federal and state courts of competent jurisdiction located in the District of Columbia, as the exclusive courts of proper jurisdiction and venue of and for any and all lawsuits or other legal proceedings relating to this Agreement; (2) irrevocably consents to such designation, jurisdiction and venue; and, (3) waives any objection or defense relating to jurisdiction or venue with respect to any lawsuit or other legal proceeding initiated in or transferred to federal and state courts of competent jurisdiction located in the District of Columbia. This Agreement shall be construed in accordance with the laws of the District of Columbia without regard to its principles regarding conflicts of laws.

Mutual Binding Arbitration: Applicant and VIS® agree that any claims or controversies, whether such claims or controversies arose prior to, on, or subsequent to the date of this Agreement, which they bring against each other, the Administrator or any of the present or former officers, directors, employees, agents, or representatives of Applicant, VIS®, or the Administrator shall be resolved by binding arbitration in the District of Columbia. Applicant and VIS® agree that the results of the arbitration shall be final and binding, the arbitrator's award is not required to include factual findings or legal reasoning, and that their rights to appeal or to seek modification of rulings by the arbitrator is strictly limited. Applicant and VIS® shall agree to the arbitrator. If they do not, VIS® shall provide Applicant with the names of two additional arbitrators which are members of the American Arbitration Association, of which Applicant shall select one. Except for contrary provisions contained in this section, Applicant and VIS® agree that all arbitration shall be governed by the rules of the American Arbitration Association.

Headers: Headers in this Agreement are used for organizational purposes and shall not be interpreted to convey any meaning.

Incorporation of Terminology from “Terms and Conditions of Insurance” and “Application for

Insurance and Membership”: This “Membership Agreement - Terms and Conditions of Membership” incorporates terminology and abbreviations from the “Terms and Condition of Insurance” and from the “Application for Insurance & Membership.”