

**BY-LAWS OF  
THE ASSOCIATION OF AVERAGE ADJUSTERS OF THE UNITED STATES**

**ARTICLE I.**

The name of this association shall be:

**"ASSOCIATION OF AVERAGE ADJUSTERS OF THE  
UNITED STATES."**

**ARTICLE II.**

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 October 8, 1925; January 10, 1929; April 12, 1945; June 3, 1948; April 14, 1955; April 12, 1962; October 1, 1964; October 5, 1977; October 4, 1978; October 5, 1983; October 3, 1984; October 4, 1989; October 3, 1990; October 6, 2004; April 20, 2007.

The Members of this Association shall consist of seven classes, namely, Full Members, **Marine Hull Claims Professional Members**, Junior Members, Resident Associate Members, Foreign Associate Members, Honorary and Lifetime Members.

**Section 1.** Full Members shall consist of:

- a. **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 underwriter's claims examiners/adjusters for at least two years mentored by a Full Member of this Association in the United States, and as to whom the Membership Committee 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.**

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- b. Junior Members of three years standing, who, at the time of their election as Full Members, will have been continuously and actively employed as adjusters or as underwriter's claims examiners/adjusters for at least three years **mentored by** a Full Member of this Association in the United States, and as to whom the Membership Committee 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.

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

- a. **Junior 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 for at least one year mentored by a Full Member of this Association in the United States, and as to whom the Membership Committee 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.**
- b. **Resident 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 for at least three years mentored by a Full Member of this Association in the United States, and as to whom the Membership Committee 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.**

**Section 3:** Junior Members shall consist of:

**Resident Associate Members**, who, at the time of their election as Junior Members, have been continuously and actively employed as adjusters or as underwriter's claims examiners/adjusters for at least two years **mentored by** a Full Member of this Association in the United States, and as to whom the Membership Committee shall report that, having examined the candidates, **in writing**, they are satisfied of their fitness to become Junior Members of this Association.

**Section 4.** Resident Associate Members shall consist of:

- a. Officers, Underwriters, Managers and Agents of Marine Insurance Companies and Associations of the United States.
- b. Resident Underwriters, Agents, and Managers of foreign Marine Insurance Companies and Associations, which are entered in the United States and which are doing business there.

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- c. Claim Settlers of Marine Insurance Companies and Associations of the United States and of foreign Marine Insurance Companies and Associations, entered in the United States and doing business there and who at the time of their election are so engaged; and as to whom the Membership Committee shall report that, having examined the candidates' qualifications, they are satisfied of their fitness to become Resident Associate Members of the Association.
- d. Resident Settling Agents in the United States of foreign Marine Insurance Companies and Associations.
- e. American ship owners, Executive Officers, Managers and Agents of American ship owning companies (including Managers and Vice Presidents in charge of Insurance and Claims Departments of American Ship owning companies) and Resident Managers and Agents of foreign ship owners and companies.
- f. Resident Surveyors and Appraisers of vessels and cargoes and members of firms and Executive Officers of corporations transacting a Marine Insurance Brokerage business.
- g. Members of the Bar in Admiralty Practice and other professionals in the United States, interested in Average Adjusting or Marine Insurance matters, as to whom the Membership Committee shall report that they are satisfied of their fitness to become Resident Associate Members of this Association.
- h. Officers and Managers of Boards and Associations of Marine Underwriters
- i. **Individuals training for Junior Membership in accordance with Section 3 above.**

**Section 5.** Foreign Associate Members shall consist of:

- a. Practicing Average Adjusters in foreign countries.
- b. Persons residing in foreign countries, as to whom the Membership Committee shall report that they are satisfied of their fitness to become Foreign Associate Members of this Association.

**Section 6.** Honorary Members shall consist of:

Such persons as may be elected as such after recommendation by the Executive Committee.

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**Section 7.** Lifetime 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 Executive Committee and elected at the next Business Meeting of the Association.

**Section 8.** A Junior Member:

- a. Who is not examined for **Marine Claims Professional Membership** or Full Membership as provided for in accordance with these By-Laws within seven years of their election to Junior Membership shall, ipso facto, cease to be a Junior Member; but upon application to and at the discretion of the Membership Committee may be permitted to **revert to** the status of a Resident Associate Member.
- b. Who has not attained **Marine Claims Professional Membership** or Full Membership within ten years of their election to Junior Membership shall, ipso facto, cease to be a Junior Member; but upon application to and at the discretion of the Membership Committee may be permitted to **revert to** the status of a Resident Associate Member.

**Section 9.** All proposals for membership, except honorary and lifetime memberships, shall be in writing, made and seconded by Full Members, neither of whom shall be a member of the Membership Committee; and such proposals shall be referred to the Membership Committee, who shall inquire as to the qualifications of the candidates, and no member of such Committee shall be questioned as to their action thereon; and whenever a candidate shall be approved by the Membership Committee, and Executive Committee where applicable, the candidate's name shall be presented at the next Business Meeting of the Association for action thereon.

**Section 10.** The Association shall have the power to suspend or expel any Member of the Association for not conforming to the Rules of Practice or By-Laws 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 Executive Committee, without further action by the Association.

**Section 11.** No person who is not a citizen of the United States shall become a Full Member of the Association as defined in Section 1 of this Article, **Marine Hull Claims Professional Member as defined in Section 2 of this Article**, or Junior Member as defined in **Section 3** of this Article. This provision however shall not apply to any person who is a Full Member or Junior Member on the date of this amendment, nor to any person who, on the date of this amendment, is employed as an adjuster in the United States by Average Adjusters practicing in the United States, as provided by Section 2 of this Article.

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**ARTICLE IV.**

Amended January 12, 1928; June 3, 1948; April 12, 1962; October 5, 1966; October 4, 1978; October 5, 1988; October 1, 2003; April 20, 2007.

The officers of the Association shall consist of a Chairman, an Executive Committee and a Secretary.

**Section 1.** The Chairman shall be a member of the Association, shall be elected at the Business Meeting and shall hold office for one year, or until a successor be elected, and shall not be eligible for re-election until after an interval of one year. The Chairman shall preside at the meetings of the Association; and, in case of the Chairman's death, resignation, or other inability to attend to the necessary duties, the Chairman of the Executive Committee shall attend to the same until the election of a new Chairman of the Association.

**Section 2.** The Executive Committee shall consist of six Members, at least four of whom shall be Full Members. Two members of the Committee, of which one must be 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 Executive Committee shall, by majority vote, select the Chairman of the Committee from among the full members serving on the committee.** In the event of a tie vote in the Committee, the Chairman's vote shall be decisive. No member of this Committee shall be Chairman of the Association, except as provided in Section 1, or hold membership on the Membership Committee during the member's term on the Executive Committee, or be eligible for re-election to the Executive Committee until after an interval of one year. In the event of death or resignation of a member of the Committee the vacancy so created may be filled by appointment of the Executive Committee for the remainder of the time until the next annual Business Meeting of the Association.

This Committee 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;

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- 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 Committee'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. Carry out such other functions as may be prescribed by these By-Laws or by the Association.

**Section 3.** The Secretary need not be a Member of the Association but shall be appointed by the Executive Committee and shall hold office during the pleasure of such Committee. 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 Chairman, or any other member, of the Executive Committee and keep an account of all receipts and expenditures. The Secretary shall transact all such other business as may be required by the Executive Committee. The Secretary shall not give any information of the action or business of the Association, except to the Members thereof, without permission from the Executive Committee.

**ARTICLE V.**

Amended June 3, 1948; April 12, 1962; October 5, 1966; October 4, 1978; October 5, 1988; October 1, 2003

**Section 1.** There shall be a Standing Committee on qualifications and fitness of candidates for membership in the Association to be known as the Membership Committee. This Committee shall consist of six Full Members, two of whom shall be elected at each Business Meeting and shall hold office for three years, or until their successors are elected. The member whose term of office is nearest expiration and whose Full Membership in the Association has been of longest duration shall be the Chairman of the Committee. No member of this Committee shall be Chairman of the Association or hold membership on the Executive Committee during a term on the Membership Committee or be eligible for re-election to the Membership Committee until after an interval of one year. In the event of death or resignation of a member of the Committee the vacancy so created may be filled by appointment of the Executive Committee for the remainder of the time until the next annual Business Meeting of the Association.

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This Committee shall examine into the qualifications and the fitness of candidates for membership in the Association, and whenever a candidate shall be approved by the Committee, the name shall be presented at the next Business Meeting of the Association for action thereon.

**Section 2.** There shall be a Committee on Nominations which shall consist of five Members: the four continuing members of the Executive Committee and the incoming Chairman of the Membership Committee. The Committee shall elect its own Chairman. The Chairman of the Executive Committee 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 Chairman of the Association and for membership on the Executive Committee and on the Membership Committee. Members may nominate candidates from the floor for such positions if so disposed.

**ARTICLE VI.**

Amended April 12, 1934; October 2, 1958; April 12, 1962; October 3, 1963; October 1, 1964; October 5, 1966; October 4, 1978; October 2, 1991; October 1, 2003; October 5, 2005; October 4, 2006.

**Section 1.** The Annual Meeting of the Association shall be held in the City of New York on the first Thursday in October, in each year. On the day preceding the Annual Meeting, a Business Meeting shall be held.

**Section 2.** Special Meetings shall be held whenever the Executive Committee of the Association may so direct.

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

- 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 Executive Committee.
- 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 By-Laws (Article XII) or where action is to be taken under Article III, Section 9, 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.

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**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 Chairman. 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 Executive Committee.
- c. Report of the Membership Committee.
- d. Report of the Nominating Committee.
- e. Election of two Members of the Executive Committee.
- f. Election of two Members of the Membership Committee.
- g. Election of candidates.
- h. Election of a Chairman for the ensuing year.
- i. Unfinished business.
- j. New business.
- k. 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 Chairman.
- c. Announcement of the election of the new Chairman and Members of the Standing Committees.
- 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 Executive Committee on any matters relating to Rules of Practice.
- g. Unfinished business.
- h. New business.
- i. Assumption of office by the new Chairman.
- 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 Executive Committee and the Chairman. 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 By-Laws (Article XII) or with respect to action to be taken under Article III, Section 9, votes may be registered either in person or by sealed ballot received by the Secretary before the meeting is

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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.

**Section 9.** 25% of the Full Members of the Association, exclusive of the Chairman or the Chairman pro tem, shall constitute a quorum for the transaction of business. A majority vote of Full Members present 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 By-Laws (Article XII) or to consider action against a member (Article III, Section 9) 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.

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

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

**ARTICLE VII.**

Amended January 12, 1928; April 11, 1946; October 6, 1955; October 3, 1957; October 4, 1978; October 3, 1984; March 10, 1993; November 8 2001; April 20, 2007.

The funds of the Association shall be deposited by the Secretary, in the name of the Association, in a bank or trust company designated by the Executive Committee; and the same shall be drawn upon by checks signed by the Secretary, or a member of the Executive Committee, and countersigned by the Chairman, or any other member, of the Executive Committee. The surplus funds of the Association shall be invested in such manner as the Executive Committee shall, from time to time, direct. The invested funds of the Association, or any part thereof, may be sold whenever so directed by the Executive Committee.

Full Members shall pay annual dues of \$175, **Marine Hull Claims Professional Members shall pay annual dues of \$140**, Junior Members shall pay annual dues of \$110, Resident Associate Members shall pay annual dues of \$90, Foreign Associate Members shall pay annual dues of \$75 and Lifetime Members and Honorary Members shall not pay any dues.

**ARTICLE VIII.**

Amended October 5, 1966; October 4, 1978.

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

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Secretary, together with a summary of the reasons for its adoption and with references to the legal decisions bearing thereon, if any.

**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, held on the    day of       , 19   , the following Probationary Rule was adopted, subject to confirmation at a Meeting to be held on the    day of       , 19   , before it becomes a Rule of Practice."

**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.

**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.

**ARTICLE IX.**

Amended October 4, 2006.

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

"MEMBER OF THE ASSOCIATION OF AVERAGE  
ADJUSTERS OF THE UNITED STATES."

**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.

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**ARTICLE X.**

Amended October 4, 1978; October 4, 2006.

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.**

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 Executive Committee.

**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 Chairmen 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 Executive Committee.
- e. The Rules of Practice adopted by the Association.

**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 Executive Committee may, from time to time, prescribe.

**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 Executive Committee may, from time to time, direct.

**ARTICLE XII.**

These By-Laws 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 By-Laws are to be considered shall contain copies of the proposed amendments.

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**ARTICLE XIII.**

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.** E-mail address changes are to be given to the secretary. 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 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 Executive Committee.

**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 Executive Committee in writing and request an investigation.