



NOVEMBER 18, 2019

CIRCULAR NO. 37/19

TO MEMBERS OF THE ASSOCIATION

Dear Member:

AMENDMENT TO ARTICLE II, SECTION 2 OF THE AMERICAN CLUB'S BY-LAWS

Your Board recently approved a minor amendment to Article II, Section 2 of the American Club's By-Laws which, among other things, specifies the number of Directors of the Club who must be residents of the State of New York in accordance with the state's current version of Insurance Law Section 1201(a)(5)(B)(iv). This provision of the Insurance Law currently requires that not less than one (previously three) Director(s) shall be a resident of the State of New York.

Article II, Section 2 of the Club's By-Laws will, accordingly, provide as follows (with the amendment tracked in red below) with effect from noon GMT, February 20, 2020:

*The Board of Directors shall consist of such number of persons, not less than thirteen and not more than twenty-five, as shall be determined at each annual meeting of the Members which persons shall be either Members of the Association or officers of Member corporations, except that up to four Directors need not be either Members or officers of Member corporations. If a government or governmental agency be a Member, any person or persons duly authorized in writing thereby shall be accredited as such Member for purposes of service on the Board of Directors. A majority of the Directors shall be citizens and residents of the United States, and not less than ~~three~~ **one** Director shall be **a** resident of the State of New York. At least two of the principal officers of the Association shall be members of the Board of Directors. In no case shall as many as a quorum of the Directors be officers or salaried employees of the Association or of the Manager. The Directors shall be elected at the annual meetings of the Members by a majority of the votes cast thereat. A person, to be eligible for election as a Director, must be nominated by Member other than himself or a corporation of which he is - In officer, by written nomination filed with the Secretary at least fifteen days before the meeting at which Directors are to be elected, provided, however, that a Director qualified and serving at the time of the meeting shall be eligible for nomination for reelection without advance notice. The Directors shall hold office until their successors are chosen and have qualified. Vacancies in the Board of Directors occurring in the interval between annual meetings shall be filled by a majority vote of the remaining Directors as soon as possible after the vacancy occurs, and the persons so elected*



shall hold office until their successors are chosen and have qualified. In the interval between annual meetings of the Members, the number of Directors (within the above prescribed limits) may be increased, but not decreased, by a three-fourths vote of those present at any meeting of the Board of Directors, but in any event not less than a majority of the entire Board; and vacancies in the Board shall be deemed to exist to the extent of such increase.

This amendment to the By-Laws was authorized by Section 1209(d) of the Insurance Law which provides that, by a majority vote, the Board of Directors of a domestic mutual insurance corporation may amend its By-Laws as to provisions which do not impair Member rights or enlarge their obligations under insurance policies.

Members are requested to note their records accordingly, but if any Member should have any questions in regard to the above, or generally, they are most welcome to approach the Managers for further information.

Yours faithfully,


Joseph E. M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc. Managers for
THE AMERICAN CLUB