

BYLAWS
OF
MISSOURI DOCTORS MUTUAL INSURANCE COMPANY

ARTICLE I – MEMBERS

1. DEFINED, CONDITIONS, VOTING RIGHTS.

Membership in the Association shall be limited to healthcare professionals practicing in the State of Missouri. The term “insured” and “member” may be used interchangeably throughout these Bylaws unless the context indicates otherwise. Admission to the Association and the issuance of insurance coverage shall be at the sole discretion of the Association.

As a condition of membership in the Association, an applicant shall submit to the Association a certified statement that upon becoming a member he/she accepts and will be bound by the Articles of Association and Bylaws of the Association presently in effect and as subsequently amended; accepts the duties and obligations of a member as set forth in the Articles and Bylaws; and agrees that any representative appearing on his/her behalf is authorized and directed to do so.

Further, upon becoming a member of the Association, each member thereby expressly waives the right to assert any cause of action against the Association, its members, Directors, Officers, employees or agents, including but not limited to the Board of Directors and/or Committee, any other persons, which may arise from the cancellation or non-renewal of such member’s insurance coverage, the suspension of such member’s membership in the Association, or the termination of both coverage and membership, including but not limited to any cause of action for defamation, invasion of privacy or other tortuous act arising out of investigations, hearings, or determinations of the Board of Directors, any committee, or any individual Director, Officer, or agent of the Association, and each such member hereby releases and hold harmless the foregoing persons from any and all such causes of action.

For purposes of these Bylaws, assessments, and all other purposes, unless otherwise expressly stated, a member whose membership in the Association is terminated, either voluntarily or involuntarily, and who is subsequently readmitted to membership in the Association shall be deemed a new member at the time of readmission and shall not receive credit for prior paid surplus.

2. RELIANCE ON APPLICATIONS.

Insurance coverage is conditional upon the truth of the representations contained in Applications for membership and insurance. Insurance coverage is provided in reliance upon the particulars and statements contained in the application. Any submission or omission of information shall be deemed continuing unless corrected in writing by the member. For purposes of this paragraph, the term “application” shall include both the original application for membership and insurance and each and every application for renewal of insurance submitted by any member of the Association. In the event that an Application contains any untrue material representations or omits material facts not innocently made, the Association shall have the right to cancel, retroactive to the date thereof, any insurance coverage, endorsement, or policy issued pursuant to such Application. In lieu of cancellation, the Association may elect to charge and recover from the Applicant additional assessment insurance premium amounts based upon a corrected Application. The power to cancel, set out in this Section, is in addition to and not in limitation of the authority provided by Section 4 of this article and the terms of the insurance policies. Cancellation under this Section shall have the same meaning and consequences as cancellation under Section 4. In addition the Association shall be entitled to recover from the applicant (or member) all funds expended on such applicant’s (or member’s) behalf attributed to losses and loss adjustment expenses from claims made against such applicant.

3. CLASSES OF MEMBERSHIP.

The Association may have classes of members who may have rights and obligations unique to their class. As well as sponsor members.

4. TERMINATION OF MEMBERSHIP AND CANCELLATION OF INSURANCE.

The Board of Directors shall have the unlimited and absolute right to cancel all or part of any member’s insurance coverage and membership in the Association at its sole discretion, without cause, or showing of good faith. By applying for and continuing its membership, each member acknowledges that there is no restriction of any kind on this discretion of the Association.

5. PAYMENT OF ASSESSMENTS.

The Association shall give notice of assessments to each member or former member at the address as it appears on the records of the Association. All assessments shall be due in accordance with the time specified in the assessment notice or upon receipt of said notice.

6. EXPENSES OF COLLECTION.

A member agrees to pay to the Association expenses of litigation to collect past due assessments. Litigation expenses shall include reasonable attorneys' fees should the matter be placed in the hands of an attorney for collection by the Association. This obligation on the part of members shall be continuing and shall apply to members which are no longer members at the time collection is sought by the Association.

7. DISPOSITION OF UNEARNED ASSESSMENTS.

All assessments the Association receives from a member whose membership has been terminated either voluntarily or involuntarily, shall be retained by the Association, except regular assessments which may be refunded on a prorated or short rated basis.

8. MEETINGS OF MEMBERS.

A. VOTING RIGHTS

Each member shall be entitled to one vote on all matters submitted to the membership at any meeting of the membership.

B. ANNUAL MEETING

The annual meeting of the members shall be held on the fourth Thursday in April commencing in the year 2004 at the principal office of the Association or at such site, date and time as may be designated by the President, to receive, consider and act upon the report of the Board of Directors and of the administrative personnel of the Association, and to elect after the expiration of the initial terms a successor or successors to fill any vacancy or vacancies on the Board of Directors, and to conduct any other business as may properly come before the meeting.

C. SPECIAL MEETING

Special meetings of the members may be called by the President or the Board of Directors and may be held at such times and places as may be designated by the President or the Board of Directors.

D. QUORUM

A majority of the members entitled to vote, present by their representatives or by proxy, shall constitute a quorum at a meeting of the members, and the act of the majority of such quorum present at such meeting shall be the act of the Association. If there is less than a quorum present at such meeting, a majority of the members so present by their representatives may adjourn the meeting from time to time without further notice to a specified date not longer than ninety (90) days after such adjournment. If a quorum shall be present at the reconvening of the meeting, any

business may be transacted then which might have been transacted at the time and place for which notice was originally given without the giving of further notice.

E. PROXIES

A member may, at any annual or special meeting, vote either in person, by its representative or by proxy executed in writing by the member or its duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of execution unless otherwise provided in the proxy.

F. WAIVER OF NOTICE

Notice of meetings need not state the business to be transacted or the purpose thereof unless otherwise required.

Any notice required by these Bylaws may be waived by the members entitled thereto signing a waiver of notice before or after the time of such meeting.

Any and all such notices may be waived by attendance at any meeting except when a member attends a meeting for the sole purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

In lieu of attending a meeting place, members may participate in meetings through the use of telephone conference call or similar form of communication whereby all persons participating in the meeting can hear each other.

The members may take any action without convening a meeting through the use of a written consent. The consent to act must be in writing, must set forth the action so taken and must be executed and returned to the Association by a majority of the members and approved by a majority of the members executing the consent. The consent shall have the same force and effect as a vote at any meeting duly held.

ARTICLE II – BOARD OF DIRECTORS

1. GENERAL POWERS, NUMBER AND TERM.

The power and authority to manage and direct the property, affairs and business of the Association shall be vested in a Board of Directors consisting of three (3) persons who shall be the initial Directors as provided in the Articles of Incorporation.

The initial Directors shall serve for the initial terms as provided in the Articles. Following the expiration of the initial terms of the initial Directors, the successor Directors shall be elected by the members as provided herein for successive three (3) year terms. A majority of the Board must be members.

2. REMOVAL

Any Director, with the exception of an initial Director, may be removed by the members whenever, in their collective judgment, the best interests of the Association will be served thereby. Such removal shall require a two-thirds vote of a quorum at any regular or special meeting of the members.

3. ANNUAL MEETING.

The Board of Directors shall, as soon as feasible, hold a special meeting to organize the Board of Directors and start Association activities. The Board of Directors will meet at least annually on the same date as each regular annual meeting of the members. Such Directors shall elect from their members a Chairman. Such Directors shall also elect a President and such other officers as the board of Directors shall deem appropriate (the President and other officers need not be members), each of whom shall serve for a term of one year, or until their successor is elected and qualified.

4. SPECIAL MEETING.

Special meetings of the Board of Directors may be called by the Chairman or the President at any time on reasonable notice.

5. QUORUM.

At any regular or special meeting of the Board of Directors, a quorum shall constitute a majority of the members of the Board of Directors and the acts of the majority of such quorum present at any such meeting shall be the act of the Board of Directors.

6. VACANCIES.

Any vacancy occurring in the Board of Directors between annual meetings of the members shall be filled by the remaining members of the Board of Directors; provided however, that any person so elected to fill such a vacancy shall serve for a term expiring on the same date as the vacating Director's unexpired term.

7. COMMITTEES.

Committees may be appointed by the Chairman of the Board for such purposes as circumstances warrant. A committee shall limit its activities to the purpose for which it was appointed and shall have no power to act except as directed by the Chairman. At the annual meeting following its appointment, any such committee shall stand discharged. Any such committee shall have at least one member of the Board of Directors as its chairman and may have such other persons, either members of the Board of Directors or other persons, as the Chairman of the Board may appoint.

8. NOTICE, WAIVER OF NOTICE, AND TELEPHONIC COMMUNICATIONS.

Notice of any special meeting of the Board of Directors or any committee shall be given at least five (5) days prior thereto in writing delivered personally, or mailed to each Director or committee member. Notice given by mail shall be deemed to be delivered when deposited in the United States Mail, postage prepaid, addressed to the last known business address or residence address of the Director or committee member. E-mail and fax shall be considered valid notice if sent to an e-mail address or fax number provided for such purpose. All such notices may be waived in writing or by attendance at any meeting except when a Director or committee member attends a meeting for the sole purpose of objecting to the calling of said meeting. Notice of meetings need not state the business to be transacted nor the purpose thereof.

In lieu of attendance in person, Director(s) and committee member(s) may participate in Board or committee meetings through the use of telephone or similar form of communication whereby all persons participating in the meeting can hear each other.

The Board of Directors or any committee may take any action without convening a meeting through the use of a unanimous written consent. The consent to the action taken must be in writing, must set forth the action so taken and must be executed by each member of the Board or the committee taking the action. E-mail and fax shall be considered valid written consent. The consent shall have the same force and effect as a unanimous vote at any meeting duly held and may be certified as such. The Secretary of the Association shall file unanimous written consents with the minutes of the meetings of the Board of Directors or the committee.

9. COMPENSATION FOR SERVICES.

The directors and members of committees may receive compensation for their services as provided by the Board of Directors and shall be allowed expenses of attendance. Nothing contained herein shall be construed to preclude a Director or committee member from serving the Association in any other capacity and receiving compensation therefor.

10. RESIGNATION.

A Director may resign at any time by giving written notice to the Board, the President or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

11. PRESUMPTION OF ASSENT.

Any Director of the Association or committee member shall be presumed to have assented to the action taken at a Board of Directors meeting or committee meeting at which he is present, unless his dissent shall be entered into the minutes of the meeting, or unless he shall file his written dissent to such action with the Secretary of the meeting before the adjournment thereof. A director or committee member who voted in favor of any such action may not so dissent.

ARTICLE III – OFFICERS

1. NUMBER.

The officers of the Association shall be a President, a Secretary, and a Treasurer, each of whom shall be elected by the directors. An officer need not be a member to hold office. Other officers and assistant officers as may be deemed necessary may be appointed by the President and assigned such duties as the president shall deem advisable to the person or persons so appointed. The President shall set the compensation of all officers and employees except that he/she shall not set his/her own compensation. The compensation for the President shall be set by the Board. The President's compensation must at a minimum equal that of the highest paid officer or employee. The offices of Secretary and Treasurer may be held by the same person, in which case the office shall be known as Secretary-Treasurer.

2. ELECTION AND TERM OF OFFICE.

The officers of the Association shall be elected by the Directors at the first meeting of the Directors and annually thereafter. Each officer shall hold office until his successor is duly elected and qualified or until his death or until he resigns or is removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the Board of Director may be removed by the Board of Directors whenever in their judgment the best interests of the Association would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. VACANCIES.

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

5. PRESIDENT.

The President shall be the principal executive of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6. SECRETARY.

The Secretary shall keep the minutes of the Association's members' meetings and of the Board of Director's meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws or as required, be custodian of the Association's records and of the seal of the Association and keep a register of the post office addresses of each member which shall be furnished to the Secretary by such member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

7. TREASURER.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaw and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

8. SALARIES.

The salary of the President shall be fixed from time to time by the Board of Directors. No officer shall be prevented from receiving a salary by reason of the fact that he is also a Director of the Association.

9. DELEGATION.

If an officer shall be absent or an office vacant for any reason, the Board of Directors may delegate the powers or duties of such officer to any other officer or to any director.

ARTICLE IV – INSURANCE

1. POLICIES OF INSURANCE.

The Association may provide policies of liability insurance, including medical malpractice insurance, with such limits of liability as it shall determine.

2. REINSURANCE.

If the President or the Board of Directors deem it advisable, the Association may transfer risks covered by the Association to other insurance companies, obtain reinsurance on the same, or provide reinsurance for the risks of other insurers.

3. SATISFACTION OF JUDGMENTS.

The Association shall, within three hundred sixty-five (365) days of finality on appeal of any judgment rendered against the Association or any member thereof, satisfy said judgment under the applicable policy to the extent of the applicable insurance coverage.

4. INCORPORATION INTO POLICIES.

These Bylaws are incorporated by reference into the policies issued to members.

ARTICLE V – ASSESSMENTS AND DIVIDENDS

1. REGULAR ASSESSMENTS. (PREMIUM)

Regular assessments of members of the Association shall be made as the Board of Directors shall determine and in accordance with the current rates on file with the Missouri Department of Insurance. Regular assessments shall be determined by the Association based upon the actual, expected, or anticipated costs of providing insurance and operating the Association's business during the period covered by the assessment, the requirement of any reinsurers with which the Association reinsures its risks, if any, and its underwriting procedures. Regular assessments may also be known as premiums. At the option of the association, a member may elect to be assessed an amount that equals or exceeds his or her individual loss claims expense. This assessment would be in lieu of any operating or special assessment.

2. OPERATING OR SPECIAL ASSESSMENTS.

In order to maintain or restore the Association's assets, solvency or surplus an operating assessments or special assessments may be levied upon members and former

members in accordance with the Articles from time to time by the Board of Directors without limitation as to frequency. In accordance with RSMO 383.016 the total of such assessments per year shall not exceed the annual regular assessments. The method used to calculate any such operating assessment shall take into account losses and expenses incurred in the operation of the Association and loss experience of each individual member. Any such assessment levied shall be apportioned in a fair and equitable manner relative to the regular assessments for the members for some period of time as determined by the Association. The maximum amount of any one operating assessment which the Association may make against a member or former member shall be an amount which does not exceed the most recent annualized regular assessment for such member or former member. Former members will be subject to Operating Assessments or special assessments if such assessment was made during the Policy Period shown on the declaration page of their insurance policy, whether or not such policy is in effect.

3. UNIFORMITY OF ASSESSMENT.

Assessments shall be uniform within the class of membership; however, adjustments may be made so as to differentiate for a member's location, practice area, years of experience, loss history, facilities available, continuing membership in the Association, loss experience, and other underwriting factors as determined by the Association. Adjustments may be made for special coverage. Any differentiations shall be uniform for all members of the same class.

4. DIVIDENDS.

Dividends may be paid to members in accordance with resolutions passed by a majority of the Board of Directors. However, any such dividend may be paid only when there exists a positive surplus of the Association, both before and after such dividend is paid, and shall be declared and distributed in a fair and equitable manner, and shall comply with all laws, rules and regulations applicable thereto.

5. SHARING OF CAPITAL SURPLUS AND DIVIDENDS.

The Board of Directors may establish a program providing for a sharing of dividends and capital surplus with members, sponsoring members, officers, directors, or employees.

ARTICLE VI – INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Each present or former Director, Officer or employee (hereinafter referred to as Indemnitee) of the Association (hereinafter referred to as Indemnitor) shall be indemnified by Indemnitor and held harmless against all expenses (including attorneys' fees), judgments,

finer, penalties, interest and amounts paid in settlement arising from any action, suit, proceeding or claim brought as a result of the lawful exercise of his duties. Indemnification hereunder shall not exclude but in fact be in addition to, any rights of indemnification to which Indemnitee may be entitled under any other Articles, Bylaws, agreement, vote of the Board of Directors or by operation of law, nor shall it preclude Indemnitor from purchasing and maintaining insurance with equivalent or greater protection than herein. All indemnification granted hereunder shall also inure to the benefit of Indemnitee's heirs, executor and administrators.

ARTICLE VII – AMENDMENTS

The Bylaws may be amended or repealed by a vote of a majority of the Board of Directors at any regular or special meeting, or by the written consent of the Board members.

ARTICLE VIII – OFFICES

The principal office of the Association shall be located in the State of Missouri, as the Board of Directors may designate. The Board of Directors may change the location of the principal office of the Association and may, from time to time, designate other offices within or outside the State as the business of the Association may require.

ARTICLE IX – FISCAL YEAR

The fiscal year of the Association shall be a calendar year.

ARTICLE X – SEAL

The Association may have a seal as agreed upon from time to time by the Board of Directors.

ARTICLE XI – NOTICE

Whenever any notice is required to be given pursuant to these Bylaws, the Articles of Association or the laws of the State of Missouri, a written waiver thereof signed by the person or persons entitled thereto, whether before or after the time stated, shall satisfy such requirement.

ARTICLE XII – GENDER

As used in these Bylaws, the masculine shall include the feminine and vice versa whenever the context so requires.