

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF THE
GEORGIA UNDERWRITING ASSOCIATION
(EFFECTIVE AS OF JUNE 1, 2008)**

ARTICLE I

NAME

The name of the association is the Georgia Underwriting Association (the "Association").

ARTICLE II

PURPOSE

The purposes of the Association shall be the administration of the Fair Access to Insurance Requirements Plan (the "FAIR Plan") pursuant to the provisions O.C.G.A. 33-33-1 *et seq.* and any regulations, rules, orders or bulletins promulgated pursuant thereto and the administration of the Association in conformity with these Amended and Restated Articles of Association (these "Articles of Association") and the Association's Plan of Operation (as defined below).

ARTICLE III

GOVERNING RULES

The Association shall be governed by: (a) Sections 33-33-1 *et seq.* of the Georgia Insurance Code; (b) these Articles of Association; (c) the Association's Plan of Operation; and (d) such other rules as are established from time to time by the Board of Directors.

ARTICLE IV

PLAN OF OPERATION

The Association shall have a plan of operation (the "Plan of Operation") that shall provide for the following: (a) types of risks and perils to be insured through the Association; (b) geographical areas of coverage for such insurance; (c) compensation and commissions payable by the Association; (d) assessments of the Members (as defined below); (e) sharing of the costs, expenses, income, profits and losses of the Association on an equitable basis among all the Members; and (f) administration of the Association and any other matter, condition, requirement, term or provision necessary or convenient for the purpose of assuring fair access to insurance requirements as contemplated by the FAIR Plan. The Plan of Operation shall be prepared and approved by the Board of Directors of the Association and approved by the Georgia Commissioner of Insurance.

ARTICLE V

MEMBERSHIP

Section 5.1 Membership. Each insurer authorized to write and writing any form or type of property insurance in the State of Georgia (a "Member") shall be required to (a) become and remain a member of the Association, (b) participate in the Association, and (c) comply with all the requirements of such membership as a condition of such insurer's authority to transact any form or type of property insurance business in the State of Georgia.

Section 5.2 Termination of Membership. A Member's membership in the Association shall terminate at the end of the fiscal year of the Association in which such Member is no longer authorized to write, and is no longer writing, any form or type of property insurance in the State of Georgia. Any Member whose membership in the Association has terminated shall, nevertheless, continue to be governed by these Articles of Association in order to fulfill and discharge such terminated Member's covenants, duties and obligations with regard to any assessments, losses, expenses, contracts or other requirements of the Association or the Plan of Operation.

Section 5.3 Meetings of the Members.

(a) Place of Meetings. All meetings of the Members shall be held within the State of Georgia, and in the absence of notice to the contrary, all meetings of the Members shall be held at the principal office of the Association.

(b) Annual Meetings. The Association shall hold an annual meeting of the Members to elect Directors (as defined below) and to conduct such other business as may be necessary. The annual meeting of the Members shall be held within six (6) months after the end of each fiscal year of the Association. Failure to hold any annual meeting of the Members as aforesaid shall not work a forfeiture or dissolution of the Association nor shall such failure affect otherwise valid acts of the Association.

(c) Special Meetings. Special meetings of the Members may be called (i) by the Chairman of the Board of Directors; (ii) the General Manager when so directed by at least seven (7) members of the Board of Directors; (iii) in the event of the Chairman's death, resignation or incapacity, by the Vice Chairman of the Board of Directors; or (iv) upon the written request of at least ten (10) unaffiliated Members; provided, however, such written request shall be signed and dated by such Members and delivered to the General Manager of the Association; and provided further, that such written request shall set forth the purpose or purposes for which such special meeting is to be held. All business transacted at any such special meeting shall be restricted to the purpose or purposes stated in the notice.

(d) Notice of Meetings. The Secretary of the Association shall give notice stating the date, time and place of each meeting of the Members, whether special or annual, not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall be in writing and may be communicated in person, by telephone, telegraph, teletype, electronic mail or other form of wire or wireless

communication, or by mail or private carrier, to each Member of record entitled to vote at such meeting, at such address as last appears on the books of the Association. In the case of a special meeting of the Members, the notice of the meeting must include a description of purpose or purposes for which the meeting is called. Notice of any adjourned meeting need not be given otherwise than by announcement at the meeting, at which the adjournment is taken; provided, however, if a new record date for the adjourned meeting is or must be fixed pursuant to Section 5.3(i) hereof, notice of the adjourned meeting shall be given to persons who are Members as of the new record date. For purposes of these Articles of Association, when notice is delivered by mail notice of a meeting is deemed to be given upon deposit of the written notice in the United States mail, properly addressed with adequate prepaid postage thereon.

(e) Advance Agenda. The Secretary of the Corporation, after consultation with the Chairman of the Board of Directors, shall prepare in advance of each meeting of the Members an agenda with such supporting information as may be conveniently assembled. Such agenda and supporting information shall be forwarded to the Members in advance of each meeting of the Members.

(f) Waiver of Notice. Any Member may waive notice of any meeting of the Members, whether special or annual, either before, at or after the meeting, and a Member's attendance at a meeting, either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the date, time, place, manner of calling, or consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, except when the Member attends the meeting solely for the purpose of stating such objection and so states such objection.

(g) Quorum. Members holding fifty percent (50%) of the cumulative weighted voting power entitled to vote at any meeting of the Members, represented in person or by proxy, shall constitute a quorum at a meeting of the Members and shall be requisite for the transaction of business except as otherwise provided by law or these Articles of Association. If, however, such quorum shall not be represented in person or by proxy at any meeting of the Members, a majority of the Members as are represented in person or by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, as required by law, until a quorum shall be represented in person or by proxy. At such reconvened meeting at which a quorum shall be represented, any business may be transacted which might have been transacted at the meeting as originally convened.

(h) Voting. All matters concerning the Association on which the Members are entitled to vote as set forth in these Articles of Association and the Plan of Operation shall be voted upon by cumulative weighted voting by the Members, whose votes shall be weighted in accordance with the proportion that each Member's Premiums Written (as defined below) in the State of Georgia during the most recent calendar year for which data is available bear to the aggregate Premiums Written by all Members during such calendar year. A proposal shall become effective when approved by the majority of the votes cast on such weighted basis. The term "Premiums Written" means the total amount of gross direct written premiums, as determined by the Association, with respect to insurance

policies issued for habitational and commercial risks located in the State of Georgia, including both (i) the property insurance premium components, and (ii) where the Board of Directors determines that it is necessary or convenient for the purpose of assuring fair access to insurance requirements, the non-property insurance premiums components of all multi-peril insurance policies, less return premiums, dividends paid or credited to policyholders, or the unused or unabsorbed portions of premium deposits. The Members shall have the right only to vote upon (A) the Elected Directors (as defined below) and (B) any amendment to these Articles of Association pursuant to clause (b) of Article XII hereof. Voting by the Members may be in person or by proxy.

(i) Removal of Directors.

(i) Elected Directors. The Georgia Commissioner of Insurance may remove any Elected Director, with or without cause, at any time. In addition, at any meeting of the Members with respect to which notice of such purpose has been given, one or more Elected Directors may be removed, with or without cause, by the affirmative vote of the Members entitled to vote at an election of Elected Directors. The successor to a removed Elected Director may be elected at the same meeting to serve the unexpired term.

(ii) Appointed Directors. The Georgia Commissioner of Insurance may remove any Appointed Director, with or without cause, at any time. The Georgia Commissioner of Insurance may appoint a successor for any removed Appointed Director to serve the unexpired term of such removed Appointed Director.

(j) Record Date. For the purpose of determining the Members entitled to notice of or to vote at any meeting of the Members or any adjournment thereof, or in order to make a determination of the Members for any other proper purpose, the Board of Directors of the Association may fix in advance a date as the record date not more than seventy (70) days before the meeting or action requiring a determination of the Members. When a determination of the Members entitled to notice of or to vote at any meeting of the Members has been made as provided in this Article V, such determination shall apply to any adjournment and reconvened meeting thereof, unless the Board of Directors sets a new record date under this section for the reconvened meeting. If the adjournment is for a date more than one hundred twenty (120) days after the date fixed for the original meeting, a new record date must be fixed.

ARTICLE VI

PRINCIPAL OFFICE

The principal office of the Association shall be located in the State of Georgia.

ARTICLE VII

BOARD OF DIRECTORS

Section 7.1 Board of Directors.

(a) Generally. The business and affairs of the Association shall be administered by a Board of Directors (the "Board of Directors") in accordance with these Articles of Association, the Plan of Operation and the applicable laws of the State of Georgia. In addition to the powers and authority expressly conferred upon it by these Articles of Association, the Board of Directors shall exercise all such powers of the Association and do all such lawful acts and things as are not by law or these Articles of Association required to be exercised or done by the Members.

(b) Powers of the Board of Directors. The Board of Directors shall have the power to appoint or otherwise contract for the services of the General Manager and the other officers of the Association, to budget expenses, levy assessments, disburse funds and perform all other duties provided in these Articles of Association or in the Plan of Operation or as necessary or incidental to the administration of the Association.

(c) Operating Budget; Report on Operations. Annually the General Manager shall prepare an operating budget which shall be subject to the approval of the Board of Directors.

Section 7.2 Number and Election. The Board of Directors shall consist of a total of twelve (12) directors (each, a "Director").

(a) Appointed Directors. Four (4) of the directors (the "Appointed Directors") shall be appointed by the Georgia Commissioner of Insurance.

(b) Elected Directors. The Georgia Commissioner of Insurance shall also provide the Chairman of the Board of Directors or the General Manager of the Association a slate of at least eight (8) Member candidates for election by the Members (the "Elected Members"). Each Elected Member shall be entitled to designate a representative to the Board of Directors (the "Elected Directors"). At least two (2) of the Elected Directors shall be directors, officers or employees of property and casualty insurers domiciled in the State of Georgia. As soon as practicable after becoming an Elected Member, and thereafter from time to time as it may elect, an Elected Member shall designate a qualified representative and an alternate of such representative to represent such Elected Member on the Board of Directors as an Elected Director, and such Elected Member shall immediately notify, in writing, the General Manager of the Association of such designation. Unless otherwise required by the Georgia Commissioner of Insurance, no more than one Member in an affiliated group under the same management or ownership shall be represented on the Board of Directors at any time.

Section 7.3 Term of Office. Each Director (whether elected or appointed at an annual meeting of the Members or otherwise) shall hold office until the annual meeting of the Members

held next after his election, and thereafter until his successor shall have been duly elected and qualified or until his earlier death, resignation, removal, retirement or disqualification. The terms of all Directors shall expire at the next annual meeting of the Members following their election. Despite the expiration of a Director's term, the Director shall continue to serve until a successor is elected or appointed and qualifies, or until there is a decrease in the number of Directors.

Section 7.4 Vacancy.

(a) Appointed Directors. Any vacancy occurring in any of the Appointed Directors by death, resignation, retirement, disqualification of an Appointed Director, increase in the total number of Appointed Directors or otherwise may be filled by the Georgia Commissioner of Insurance appointing a new Appointed Director.

(b) Elected Directors. Any vacancy occurring in any of the Elected Directors by death, resignation, retirement or disqualification of an Elected Director may be filled by the Elected Member that the vacating Elected Director represented. Any vacancy occurring in any of the Elected Directors by disqualification of an Elected Member, increase in the total number of Elected Directors or otherwise may be filled by a majority of the remaining Elected Directors with the approval of the Georgia Commissioner of Insurance.

Section 7.5 Meetings of Board of Directors. The Board shall meet as often as may be required to perform the general duties of the administration of the Association. The first meeting of each newly elected Board of Directors shall follow immediately after the annual meeting of the Members and be held at the same place as the annual meeting of the Members, or may be held at such time and place as shall be fixed by the consent in writing of all the Directors. No notice of such meeting to the newly elected Directors shall be necessary in order legally to constitute a meeting of the Board of Directors, provided a quorum shall be present. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Georgia Commissioner of Insurance or the General Manager and may be held at any reasonable place and time and for any purpose. Special meetings shall also be called upon request in writing of two (2) Directors of the Association and may be held at any time on written waiver of notice or by the consent of all the Directors. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors.

Section 7.6 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the meeting. Every special meeting of the Board of Directors shall be preceded by at least two (2) days' prior notice of the date, time and place of the meeting. Such notice shall be in writing unless oral notice is reasonable under the circumstances, and may be communicated in person, by telephone, telegraph, teletype, telecopy, electronic mail or other forms of wire or wireless communication, or by mail or private carrier. Such notice need not specify the purpose of the special meeting of the Board of Directors. For the purpose of these Bylaws, when notice is delivered by mail, notice of a meeting is deemed to be given two (2) days after deposit of the written notice in the United States mail, properly addressed with adequate prepaid postage thereon.

Section 7.7 Waiver of Notice. A Director may waive notice of any meeting either before, at or after the meeting stated in the notice. Except as specified herein, the waiver must be in writing, signed by the Director entitled to notice, and delivered to the Association for inclusion in the minutes or filing with the records of the Association. A Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 7.8 Advance Agenda. The Secretary of the Corporation, after consultation with the Chairman of the Board of Directors, shall prepare in advance of each meeting of the Board of Directors an agenda with such supporting information as may be conveniently assembled. Such agenda and supporting information shall be forwarded to the Directors in advance of each such meeting.

Section 7.9 Place of Meetings. The Directors may hold their meetings at the principal office of the Association or at such other place or places in the State of Georgia as they may from time to time determine.

Section 7.10 Telephonic Meetings. The Board of Directors may permit any or all Directors to participate in a regular or special meeting of the Board of Directors by, or conduct the meeting through the use of, telephonic communication or any other means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 7.11 Quorum. At least two (2) of the Appointed Directors and at least four (4) of the Elected Directors in office immediately before the meeting begins shall constitute a quorum of the Board of Directors. If a quorum shall not be present at any meeting of the Directors, the Directors present thereat may adjourn the meeting from time to time until such time as a quorum shall be present. Notice of any adjourned meeting need only be given by announcement at the meeting at which the adjournment is taken. At such reconvened meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally convened.

Section 7.12 Voting. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors unless either these Articles of Association or the Plan of Operation require the vote of a greater number of Directors. Voting by members of the Board of Directors may be in person or by proxy.

Section 7.13 Action Without a Meeting. Action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be evidenced by one or more written consents describing the action taken, signed by each Director, and delivered to the Association for inclusion in the minutes or filing with the records of the Association.

Section 7.14 Committees of the Board of Directors. The Board of Directors may create one (1) or more committees and appoint members of the Board of Directors to serve on them. Each such committee may have one or more members, who serve at the pleasure of the Board of Directors. To the extent specified by the Board of Directors, each such committee may exercise the authority granted to the Board of Directors, except that a committee may not: (a) approve or propose to the Members an action that these Articles of Association require to be approved by the Members; (b) fill vacancies on the Board of Directors or on any of its committees; (c) amend these Articles of Association; or (d) adopt, amend or repeal any provision of the Plan of Operation. The Chairman of the Board of Directors shall be an ex-officio member of all standing or special committees of the Board of Directors and shall have the right to vote on all matters considered by such committees.

Section 7.15 Compensation of Directors. No Director shall receive any compensation from the Association for services as a Director.

Section 7.16 General Powers of Directors. The Board of Directors shall have, in addition to such powers as are herein expressly conferred on it and all such powers as may be conferred on it by law, all such powers as may be exercised by the Association, subject to the provisions of these Articles of Association.

ARTICLE VIII

OFFICERS

Section 8.1 Officers. The officers of the Association shall consist of a Chairman, Vice Chairman, Secretary, Treasurer and General Manager, and such other officers or assistant officers as may be elected by the Board of Directors. Any two offices may be held by the same person.

Section 8.2 Chairman of the Board of Directors. The Board of Directors shall elect a Chairman who shall be a Director. The Chairman shall preside at all meetings of the Board of Directors and at all meetings of the Members.

Section 8.3 Vice Chairman of the Board of Directors. The Board of Directors shall elect a Vice Chairman of the Board of Directors who shall be a Director. The Vice Chairman shall preside at any meetings of the Board of Directors in the absence of the Chairman. In the event of the death, incapacity or disability of the Chairman, the Vice Chairman shall perform the duties of the Chairman until such office has been filled by the Board of Directors.

Section 8.4 Secretary. The Board of Directors shall elect a Secretary of the Association. The Secretary shall issue all notice of meetings, record minutes of meetings of the Board of Directors and the Members, keep the records of the Board of Directors and discharge such other duties as may be incidental to the office or delegated by the Board of Directors.

Section 8.5 General Manager. The Board of Directors shall elect a General Manager of the Association. The responsibilities of the General Manager shall include, but not be limited to, overseeing the management of the day to day operations of the Association. The General

Manager shall discharge such other duties as may be incidental to the office or delegated by the Board of Directors.

Section 8.6 Treasurer. The Board of Directors shall elect a Treasurer of the Association. The responsibilities of the Treasurer shall include, but not be limited to, maintaining the financial books and records of the Association. The Treasurer shall discharge such other duties as may be incidental to the office or delegated by the Board of Directors.

Section 8.7 Other Duties and Authorities. Each officer, employee and agent of the Association shall have such other duties and authorities as may be conferred on them by the Board of Directors.

Section 8.8 Removal of Officers. Any officer may be removed at any time by the Board of Directors. A contract of employment for a definite term shall not prevent the removal of any officer, but this provision shall not prevent the making of a contract of employment with any officer and shall have no effect upon any cause of action which any officer may have as a result of removal in breach of a contract of employment.

ARTICLE IX

INDEMNIFICATION

Section 9.1 Persons and Entities to be Indemnified. The Association shall indemnify each of the following persons and entities according to the provisions of this Article IX: (a) each Director, each member of each other committee or subcommittee established by the Board of Directors, and each estate, executor, administrator, heir, legatee, and devisee of any such person; (b) each entity which is a Member of the Association, both as a Member of the Association and by reason of such Member having one or more of its representatives or employees serving in any of the capacities or positions specified in clause (a) above; and (c) each officer, employee and agent of the Association, and each estate, executor, administrator, heir, legatee or devisee of any such person. Each such person or entity is referred to hereafter in this Article IX as an "Indemnitee."

Section 9.2 Acts and Omissions Covered by Indemnification Obligation. The Association shall indemnify each Indemnitee against all judgments, settlement payments, assessments, fines, penalties and other amounts, however designated, including all related interest and additions and all related reasonable costs and expenses of investigation, defense, litigation and settlement, including, but not limited to, all reasonable attorney's fees, and any and all other liabilities which may be reasonably incurred as a result of, or in connection with, any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, commenced or threatened to be commenced, for or on account of, any act performed or omitted by an Indemnitee, or obligation entered into by an Indemnitee, in connection with the governing, administration, management or operation of the Association, all subject to the further rules, conditions, and limitations set out in this Article IX.

Section 9.3 Good Faith Requirement. Any act or omission which is the basis for any claim for indemnification must have been taken or committed in good faith, without intent to

defraud, within what the Indemnitee reasonably believed to be the scope of such Indemnitee's authority or obligation in connection with the Association and for a purpose which the Indemnitee reasonably believed to be in the best interest of the Association.

Section 9.4 Criminal Proceedings. With respect to any criminal investigations or proceedings, the person or entity seeking indemnification must have had no reasonable cause to believe that the act or omission was unlawful.

Section 9.5 Settlements. With respect to any settlements short of a final adjudication, the person or entity seeking indemnification must obtain the prior approval of the Board of Directors with respect to all material terms of such settlements.

Section 9.6 Advancement of Expenses. In addition to indemnification payments after the final adjudication or settlement of any liability, the Association shall pay as they come due each statement for reasonable legal services, defense costs and other amounts reasonably incurred in connection with any matter for which indemnification is due, all subject to a right of recovery by the Association if the person or entity indemnified is ultimately shown not to have satisfied the conditions for indemnification set forth in this Article IX.

Section 9.7 Mitigation of Costs and Selection of Counsel. Each Indemnitee shall use reasonable efforts to mitigate the amount of costs and expenses that the Association shall have to pay under this Article IX. Notwithstanding the foregoing, each Indemnitee shall have the right to retain the services of separate legal counsel for such Indemnitee, and to be indemnified for the cost of such separate counsel, and receive advances with respect thereto, if the Board of Directors shall have determined that there is any reasonable basis for concluding that the position of the Association may be adverse to that Indemnitee or the positions of that Indemnitee may be adverse to that of any other Indemnitee.

Section 9.8 Procedure for Seeking Indemnification or Advances. Each person or entity seeking indemnification or advances under this Article IX shall initially submit a written claim to the Board of Directors setting forth in reasonable detail the basis for the claim and confirming the satisfaction of the particular conditions stated in this Article IX. Each such person or entity shall thereafter submit to the Board of Directors copies of all invoices for legal services, orders, judgments, and other documentation that the Board of Directors may reasonably request in order to verify any cost for which indemnification or advances are sought.

Section 9.9 Time Not Determinative. The right to indemnification and advances under this Article IX shall not depend upon whether an individual Indemnitee is a member of the Board of Directors, or of any committee or subcommittee, or is an officer or employee of the Association, at the time the claim, action, suit, or proceeding is begun, prosecuted or threatened. The right to indemnification and advances under this Article IX shall not depend upon whether an entity is a Member of the Association at the time the claim, action, suit, or proceeding is begun, prosecuted or threatened. The right to indemnification and advances under this Article IX shall not depend upon whether the liability to be indemnified, or the potential liability with respect to which advances are to be paid, was incurred, or the act or omission occurred, prior to the adoption of this Article IX in its current form.

Section 9.10 Board Determinations. In each instance in which a question of indemnification or advances arises, determination in the first instance of the right to indemnification or advances, and of the time, manner, and amount of payment thereof, shall be made by a majority of the Directors other than any Director seeking indemnification or advances with respect to the same act or omission. If the nature of the claim or related claims makes it impossible for the Board of Directors to make a determination according to this standard, then the Board of Directors shall appoint a special committee, consisting of not less than three (3) and not more than seven (7) persons employed by members of the Association, to make any and all such determinations on behalf of the Board of Directors under this Article IX with respect to the claims or related claims. Any person or entity aggrieved by a determination of the Board of Directors or any such committee may appeal the determination to the Commissioner of Insurance and after exhausting such appeal may institute legal proceedings to enforce a right to indemnification or advances under this Article IX.

Section 9.11 Non-Exclusivity. The right to indemnification and advances hereunder shall not be exclusive of other rights any person or entity may have as a matter of law or equity and shall continue as to a person who has ceased to be a director, officer, employee or agent and to an entity that has ceased to be a Member.

Section 9.12 Expenses of Association. All of the indemnification and advances provided for in this Article IX shall be deemed to be expenses of the Association to which all Members shall contribute in the proportion that each Member participates in the writings, expenses, profits and losses of the Association.

Section 9.13 D&O Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article IX.

Section 9.14 Indemnification Agreements. The Association shall have the power to enter into contracts with any director, officer, employee or agent of the Association in furtherance of the provisions of this Article IX to provide for the payment of such amounts as may be appropriate, in the discretion of the Board of Directors, to effect indemnification and payment of expenses as provided in this Article IX.

Section 9.15 Effect of Amendment. Any amendment, repeal or modification of this Article IX shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification in respect of any act or omission occurring prior to such amendment, repeal or modification.

Section 9.16 No Duplication of Payments. The Association's obligation, if any, to indemnify or pay expenses to any person or entity under this Article IX shall be reduced to the extent such person or entity has otherwise received payment for such matter (under any insurance policy, indemnity clause, agreement, vote or otherwise).

ARTICLE X

INSURANCE POLICIES

Section 10.1 Issuance of Insurance Policies by the Association. The Association is authorized to issue policies or certificates of insurance insuring habitational and commercial risks located in the State of Georgia in such form that each Member of the Association shall be a direct insurer thereunder in such proportion as such Members property premiums written bears to the total property premiums written by all the Members. The Association is also authorized to reinsure and cede risks and liabilities created under such policies or certificates of insurance. In connection with policies or certificates of insurance so issued by the Association, the Association shall act on behalf of the Members in all necessary matters including without limitation, collection of insurance premiums, issuance of cancellations and payment of commissions, losses, judgments and expenses. Liability for each Member under all policies or certificates of insurance issued by the Association shall be several, each for itself, and not joint, and no Member shall be liable under any such policy or certificate of insurance for the liability of any other Member thereunder, except as provided in Article IX hereof.

Section 10.2 Execution and Delivery of Policies. Each Member shall be deemed to have authorized the General Manager of the Association to act as the attorney-in-fact for all Members to execute and deliver policies and certificates of insurance on behalf of such Member. Where authorized by the Board of Directors, the General Manager may pay on behalf of Members premium and other taxes related to Association business on terms and conditions agreeable to the taxing authority involved. In the event of the death, resignation or incapacity of said attorney-in-fact to act, the Board of Directors shall name a succeeding General Manager. No policy or certificate of insurance issued by the Association shall be affected or invalidated by any change of the attorney-in-fact who, at the time such policy or certificate of insurance was issued, acted pursuant to the powers so vested. Any policy or certificate of insurance issued by the Association may be executed on behalf of the participating Members by any attorney-in-fact appointed pursuant to this Article X.

ARTICLE XI

INSOLVENCY OF MEMBERS

Section 11.1 If any Member fails, by reason of its insolvency, to pay its share of any expense or loss incurred by the Association, or any assessment levied upon such Member by the Association, such unpaid expense, loss or assessment shall be paid by the other Members, each contributing in the manner provided for under the distribution of expenses and losses of the Plan of Operation, deleting therefrom the proportion of the defaulting Member.

Section 11.2 The Association shall be fully subrogated to all the rights of the other Members in any liquidation proceeding and shall have full authority on their behalf to exercise such rights in any legal or equitable action or proceeding.

ARTICLE XII

GEORGIA ARSON CONTROL PROGRAM

The Members acknowledge that the Georgia Arson Control Program, a Georgia non-profit corporation, provides an important service that benefits all of the Members. The Members therefore acknowledge and agree that the Association shall be responsible for providing funds to GACP to enable GACP to meet its obligations and pay its debts as they become due as reasonably requested in good faith by the GACP Board of Directors (including, without limitation, all funds necessary to meet GACP's indemnification obligations to its officers and directors).

ARTICLE XIII

AMENDMENTS

These Articles of Association may be amended as follows: (a) by the unanimous approval of the Directors and the approval of the Georgia Commissioner of Insurance; or (b) by the approval of a majority of the Directors, the approval of the Georgia Commissioner of Insurance and the approval of a majority of the Members cast on a weighted basis.

ARTICLE XIV

APPROVAL BY GEORGIA COMMISSIONER OF INSURANCE; EFFECTIVE DATE

These Articles of Association are subject to approval by the Georgia Commissioner of Insurance and shall become effective on the date established by the Georgia Commissioner of Insurance.

ARTICLE XV

CITATION TO GEORGIA COMMISSIONER OF INSURANCE

The failure of any Member to comply with these Articles of Association, the Plan of Operation or with any rules or regulations prescribed thereunder by the Board of Directors or to pay any assessment levied against such Member by the Association within thirty (30) days after the Association has delivered notice of such assessment to such Member, shall be grounds for citation of such Member to the Georgia Commissioner of Insurance and shall be grounds for administrative action against the Member as prescribed in the Georgia Insurance Code and in any regulations promulgated pursuant thereto.

ARTICLE XVI

APPEALS TO GEORGIA COMMISSIONER OF INSURANCE

Any applicant for insurance provided by the Association or Member aggrieved by any ruling, order, decision, action, or refusal to act on the part of the Association may appeal such ruling, order, decision, action, or refusal to act to the Georgia Commissioner of Insurance in accordance with the procedures provided in the Plan of Operation.

ARTICLE XVII

TERMINATION OF ASSOCIATION

In the event that the Association is terminated by the General Assembly of Georgia, the Association shall terminate on the date established by the General Assembly of Georgia, except to the extent necessary to process, verify and pay claims for losses and perform other necessary duties in connection therewith, and to complete the orderly liquidation and winding up of the Association. When terminated, distribution of any refund or allocation of any assessment, to the Members entitled to participate herein, shall be made within such reasonable period of time as the Board of Directors shall determine, and all provisions of these Articles of Association shall remain in full force and effect until such final refund or assessment shall have been made. Distribution of any refund or appointment of any assessment in the event of termination of the Association shall be made to each Member in the same manner as is provided for the distribution of writings, expenses, profits and losses in the Plan of Operation.

ARTICLE XVIII

CONFORMITY WITH LAW

If any provision of these Articles of Association is in conflict with any applicable law of the State of Georgia, such provision is hereby deemed to be amended to conform to such law. If any provision of these Articles of Association is held by a court of competent jurisdiction or the Georgia Commissioner of Insurance to be invalid, void or otherwise unenforceable, all the remaining provisions of these Articles of Association shall remain enforceable to the fullest extent permitted by law.

ARTICLE XIX

ACCEPTANCE OF ARTICLES OF ASSOCIATION BY MEMBERS

Each Member, upon becoming a Member, hereby ratifies these Articles of Association and declares its authorization (without qualification) of the Board of Directors to establish and amend the Plan of Operation and to levy such assessments against the Members as are deemed necessary by the Board of Directors to carry out purposes of the Association as set forth in these Articles of Association and in the Plan of Operation. Each Member hereby acknowledges its obligation to participate in the FAIR Plan and be a Member of the Association (including, without limitation, its obligation to

participate in any gains, losses, expenses, obligations, or contracts of the Association), and each Member agrees to be bound by all decisions of the Board of Directors with respect thereto.

* * * * *