

Bylaws
Southwest Mutual Insurance Company
Home Office: New Salem, ND

Article I. Membership and Meeting

Section 1. Any person owning property within the limits of the territory within which this company is authorized to transact business may become a member by insuring therein.

Section 2. Annual Meeting and special meetings of the membership shall be held at such time and place as shall be determined by the Board of Directors.

Section 3. Written notice of each annual or special meeting shall be given the members by the Secretary, at least 10 days prior to the date of such meeting.

Section 4. Twenty members shall constitute a quorum at any meeting.

Article II. Directors and Officers

Section 1. The general management of the business of the company shall be vested in a Board of Directors consisting of five (5) or members who shall be elected by the membership at an annual meeting called for that purpose. As nearly as possible, one-third of the directors shall be elected each year to serve for a term of three years, and each shall hold his office until his successor is elected and qualified. A majority of the members of the Board shall constitute a quorum for the transaction of its business. The Board shall possess the usual powers and shall perform the usual duties of a Board of Directors of a corporation generally. Any vacancy in the Board of Directors, however caused, shall be filled by the remaining members of the Board electing a member of the company therein, who shall hold office for the balance of the term vacated and until successor elected.

Section 2. Officers. The directors shall elect from their number, a president, vice-president, second vice-president, and shall also select a secretary and treasurer, who may or may not be members of the company, all of whom shall hold their office for one year, and until their successors are elected and qualified, provided that the office of secretary and treasurer may both be held by one person.

Section 3. Bonds of Secretary and Treasurer. The treasurer and secretary shall give bonds to the company for the faithful performance of their duties, in such amounts as shall be prescribed by the Board of Directors.

Section 4. Powers and Duties. The Board of Directors shall have charge of all the business of the company. They shall have authority to enact rules and regulations; appoint solicitors; fix upon all commissions to be paid; hold special meetings at such times and places as they deem advisable, such meetings to be held at the call of the president or secretary or upon the written petition of two-thirds of the directors; and perform such other duties as the interests of the company may require.

Section 5. Duties of the President. The president shall preside over all meetings of the Board of Directors, sign all policies issued by the company (signature may be facsimile), and shall perform such other duties as are usually performed by such an officer.

Section 6. Duties of the Vice-President or Second Vice-President. The vice-president or second vice-president shall perform all duties of the president during absence or disability of that officer.

Section 7. Duties of the Secretary. The secretary shall, subject to the supervision of the Board of Directors, perform all the duties incident to the office, including general management of the affairs of the company, keeping a complete and accurate record of all transaction of the company, issuing and signing all policies, vouchers, orders and other papers issued by the company, collecting any money due the company, providing for all inspections and adjustments, issuing all checks and vouchers for all losses and expenses of the company, making a complete and accurate report of the years business at each annual meeting of the company, or at any other time at the request of the Board, and other duties as the Board assigns. All of the employees of the company shall be amenable to the secretary.

Section 8. Duties of the Treasurer. It shall be the duty of the treasurer to receive and safely keep all the funds belonging to said company, to pay all orders signed by the president and secretary and make an annual report on the state of finances of said company for each year, ending December 31st, and perform such other duties as may be required.

Article III. Salaries

Section 1. Salaries of Directors. The directors shall receive reasonable per diem and expenses for the time necessarily employed in attending to the business of the company.

Section 2. Officers and Employees. The officers and employees of the company shall receive such compensation as the Board of Directors shall determine.

Article IV. General Conditions of Insurance

Section 1. Term of Policy. Policies shall be written for a term not to exceed three years, and shall date from the time of the acceptance and approval of the application by the secretary.

Section 2. Property that may be Insured. This company may insure such property as authorized by law, and as may be approved by the Board of Directors.

Section 3. Limits of Amount of Insurance. The directors of this company shall exercise due care that reasonable amounts are carried on the various items insured.

Article V. Fees

Section 1. All monies paid to the company or insurance shall constitute a fund from which losses and expenses shall be paid.

Article VI. Amendments

Section 1. The By-laws of this company may be adopted or amended or repealed at any annual meeting or at any special meeting called for that purpose by a two-thirds vote of the members voting. It is especially provided and agreed that any amendment so passed shall immediately upon its passage affect and become a part of all outstanding policies, as well as of those issued after such amendment is made.

Article VII. Indemnification

Section 1. The company hereby indemnifies the officers and directors against costs and expenses that may be incurred in connection with the defense of any action, suit or proceedings to protect the officers and directors against the possibility of incurring personal expenses in the event of a lawsuit, except where the officer or director is dishonest or grossly negligent.