

**BYLAWS
MINNESOTA ASSOCIATION OF FARM
MUTUAL INSURANCE COMPANIES, INC.
(HEREINAFTER REFERRED TO AS “ASSOCIATION”)**

**ARTICLE I
MEMBERSHIP**

SECTION I

The membership of this Association shall consist of such incorporated mutual insurance companies as are doing business on the mutual plan or which package policies with a member company doing business on the mutual plan; all of which companies must be authorized to transact business within the State of Minnesota who by their directors shall voluntarily unite with this Association, after having been duly approved by the board of directors of this association.

SECTION II

Any other entities, businesses, national and state trade associations, as well as other organizations, directly related to the insurance industry, which are deemed by this Association, to be soundly established under competent and reputable management, and operating in compliance with law, may be admitted as a non-voting associate member as provided in these bylaws.

SECTION III

Any person deemed to have performed exceptional or meritorious service to the insurance industry may be named by unanimous vote of the board of directors, an honorary member without dues or vote. All past chairman of the board shall be lifetime honorary members of this Association without dues or vote.

SECTION IV - Admission to Membership

Admission to or continuance of membership in this Association shall not be a matter of right, but shall be subject to approval of the board of directors. Any company whose application for new or renewal membership that has been declined by the board of directors may have the right to appeal to the annual meeting. Approval for membership can be granted by two-thirds of the members present and voting at the annual meeting. Any mutual insurance company, and/or non-voting associate member, desiring membership shall submit in such form as the Association may prescribe its application therefore with such information as the Association may request. Upon approval of its application by the board of directors and payment of dues, the applicant shall be admitted into membership. A certificate of membership in such form as may be prescribed by the board of directors shall be issued to each member.

SECTION V - Annual Dues

The annual dues of each member shall be determined by the board of directors.

SECTION VI - Limitation of Liability of Members

The liability of any member shall be limited to the payment of dues and fees applicable to the period of time during which its membership was in effect.

SECTION VII

No delegates shall be permitted to take part in the deliberations of this Association until after the payment of the current annual dues of the company represented.

ARTICLE II **REPRESENTATION**

SECTION I

Each mutual company authorized to transact business in the State of Minnesota, or any company which packages policies with a member company doing business on the mutual plan, belonging to this Association shall be entitled to any number of representatives or delegates at any meeting, but each company shall be entitled to one vote only.

SECTION II

Agents of member mutual companies which package policies with a member company doing business on the mutual plan shall be permitted to attend the meetings of the Association.

SECTION III

When elected, only active officers, directors, managers, or employees of member companies shall be eligible to serve as directors or officers of the Association.

ARTICLE III **DISTRICTS OF THE ASSOCIATION AND DIRECTORS**

SECTION I

The territory of the Association shall be divided into districts to be determined by the board of directors.

SECTION II

The director from each district shall act as chairman of his or her district and shall be responsible for calling meetings and directing the affairs of the district. (All action taken within each district shall be with the knowledge and consent of the membership of this Association.)

SECTION III

Each district shall meet prior to the Association's Annual Meeting to elect a qualified person. The district director's term of office shall be four years and shall commence at the Annual Meeting of the Association, and shall continue until a successor has been elected and duly qualified.

Method of filling vacancies:

In the event of death, resignation or inability of a district director to serve as a member of the board of directors, the district may meet prior to the next board meeting to elect a new district director to fill the unexpired term. If the district fails to elect a new district director, the board shall appoint a new member for the unexpired year. The person so chosen must be eligible and reside in the respective district and shall hold office until the next

Annual Meeting of the Association. The district shall meet prior to the Association's Annual Meeting to elect a qualified person for the unexpired term.

SECTION IV

The statewide member companies of this Association shall be represented on the board of directors. The nomination of such person shall be made by the member statewide mutual companies at the annual meeting of this Association and subsequent election shall be by majority of the entire membership of this Association. The term of office of the statewide director shall be four years and shall commence on the day of election, and shall continue until a successor has been elected and duly qualified.

Method of filling vacancy:

In the event of death, resignation or inability of a statewide director to serve, on the board of directors, the statewide member companies shall appoint a new director for the unexpired term.

ARTICLE IV **OFFICERS/EXECUTIVE COMMITTEE**

SECTION I

The elected officers of this Association shall consist of a chairman of the board, chairman-elect, vice-chairman, secretary-treasurer and immediate past-chairman.

SECTION II - Eligibility

At each annual meeting, the person completing his or her term as chairman-elect shall automatically be elevated and installed as chairman of this Association, and the former chairman shall automatically be installed as immediate past-chairman, providing there hasn't been any change in status which would disqualify them from holding either of these positions. The vice-chairman shall be automatically elevated and installed as the chairman-elect, and the Association shall elect a vice-chairman to serve until the close of the next annual meeting or until his or her successor is elected and qualified. Board members shall serve the Association without compensation, but shall be entitled to reimbursement for expenses reasonably incurred on behalf of the Association. Except when advanced to fill a vacancy in the office, neither the chairman-elect, nor the vice-chairman shall be eligible to a second successive term. In the event of a vacancy in the office of:

- (A) The chairman: The chairman-elect shall succeed to the office of the chairman.
- (B) The chairman-elect: The vice-chairman shall succeed to the office of the chairman elect.
- (C) The vice-chairman: The board of directors shall fill the vacancy.

During the absence of any officer at any meeting, the next officer in rank shall assume their duties. A vacancy shall be created by death, resignation, ineligibility or inability of any of the officers to serve. The board of directors or executive committee shall have the power to determine the question of ineligibility and inability to serve.

SECTION III - Election of Secretary-Treasurer

The secretary-treasurer shall be elected by the membership at its annual meeting for a one-year term. In the event of death, resignation, or inability to serve, the board of directors shall appoint a secretary-treasurer to serve the unexpired term.

SECTION IV - Election of Officers/Executive Committee

It shall be the duty of the nominating committee to present the nomination for the offices of vice-chairman, and secretary-treasurer. The immediate past-chairman will serve as chairman of the committee.

The nominating procedure is as follows:

1. The immediate past-chairman, solicits recommendations from the nominating committee, and the MAFMIC membership, for the offices of vice-chairman and secretary-treasurer. All recommendations are to be received by the nominating committee chairman, no later than October 15th. When soliciting nominations, the following notice should be included in the September/October issue of the "Mutual Link" and emailed to all nominating committee members and member mutuals by September 15th.

The MAFMIC nominating committee is asking for recommendations from the membership for the offices of vice-chairman and secretary-treasurer of the association. The nominees will be presented to the membership for their approval at the next annual meeting. The nominating committee is chaired by the immediate past-chairman and includes current MAFMIC board members and past-chairmen. If you wish to suggest someone, or be considered yourself, please notify the nominating committee chairman no later than October 15th.

2. The nominating committee chairman will contact the individuals recommended for vice-chairman and the individuals recommended for secretary-treasurer regarding their willingness to serve. If an individual does not wish to be the nominee, their name will not be included on the ballot.
3. The immediate past-chairman will send a ballot with the names of the recommended individuals for the office of vice-chairman and secretary-treasurer to the manager's of MAFMIC member companies, past-chairmen still serving on the board of a Minnesota mutual insurance company or retired less than 5 years, and current MAFMIC board members. No individual, even if eligible to do so otherwise, will be allowed to cast more than one vote. The ballots must be sent no later than October 31st. The ballots will list the name, title, and company of the person or persons who have been recommended.

4. MAFMIC managers, past-chairmen still serving on the board of a Minnesota mutual insurance company or retired less than five years, and current MAFMIC board members will be allowed to vote for one individual for the office of vice-chairman and one individual for the office of secretary-treasurer. No individual, even if eligible to do so otherwise, will be allowed to cast more than one vote. Voters shall return their ballots to the nominating committee chairman by no later than November 15th. The executive committee will act as final judge in determining an individual's eligibility to cast a vote under paragraphs 3 and 4.
5. If an individual receives a majority of the votes (over 50%) for the office of vice-chairman or for the office of secretary-treasurer, he or she will be considered as the nominee. In the event no one receives a majority of the votes for either office, a second vote will take place of the top two (2) vote recipients. If an individual receives a majority of the votes, that individual will be considered the nominee. In the event of another tie, the executive committee will determine the nominee.
6. The nominating committee chairman will report the results for board approval at the 4th quarter MAFMIC Board of Directors meeting.
7. The nominating committee chairman will give the nomination committee report at the annual meeting. According to Article IV of the association bylaws, the vice-chairman and secretary-treasurer shall be elected by the membership at its annual meeting.

SECTION V – Board Members

(A) Chairman

The chairman shall preside at all meetings of the members, board of directors, and executive committee; appoint committees, except as otherwise provided in these bylaws; and perform such other duties as may be assigned him or her by the board of directors or the executive committee, by resolution, determined and modified from time-to-time.

(B) Chairman-Elect

The chairman-elect shall act in the place of the chairman in the absence or inability of the chairman and, provided he or she is then qualified and able, shall assume the chairmanship at the close of the next annual meeting following his or her election. He or she shall perform such duties as may be assigned him or her by the chairman, board of directors, or executive committee.

(C) Vice-Chairman

The vice-chairman shall act in the place of the chairman or the chairman-elect in the absence of or inability of the chairman or the chairman-elect. The vice-chairman shall perform such duties as may be assigned to him or her by the chairman, board of directors, or executive committee.

(D) Secretary-Treasurer

The secretary-treasurer shall be custodian of all funds of the Association. He or she shall render an account and statement at every annual or special meeting, or whenever required by the board of directors. He or she shall pay all funds remaining in the treasury to his or her successor, or such other persons as the board of directors may designate. He or she shall keep true and correct minutes of every meeting of the Association, board of directors, and executive committee. He or she shall perform such other duties as may be assigned by the chairman, board of directors, or executive committee.

(E) Immediate Past-Chairman

The immediate past-chairman shall serve as part of the executive committee and board of directors. He or she shall perform such duties as may be assigned by the chairman, board of directors, or executive committee. The immediate past-chairman will also serve as nominating committee chairman.

SECTION VI - Officers

(A) Office of President

The board of directors may appoint a president who shall be responsible for the operation of the Association. The president has day-to-day responsibilities for the organization, including carrying out the organizations goals and policies. The president will carry out the duties described in the job description.

(B) Other Officers

The board of directors may appoint such other officers as they deem necessary, which will have such authority and will perform such duties as from time to time may be stated by the board of directors.

SECTION VII - Other Duties

(A) Compensation –

The compensation and expense of all officers, directors and other personnel, including committees, shall be fixed by the board of directors.

(B) Bonds –

The Association, with the approval of the board of directors, shall furnish bond(s) in such amount and form as needed to reasonably cover all association officers, directors, and employees.

(C) Budget –

The executive committee shall, prior to the year-end, prepare an operating budget for the ensuing year, subject to the approval of the board of directors.

ARTICLE V **COMMITTEES**

SECTION I

The chairman shall appoint the following committees each year:

- Nominations Committee
- Credentials Committee
- Convention Committee

(A) Nominations Committee -

The board of directors and the past-chairmen of the Association shall serve as the nominating committee whose duty it shall be to present the nomination for the offices of vice-chairman, and secretary-treasurer. The immediate past-chairman will serve as chairman of the committee.

(B) Credentials Committee -

The credentials committee shall furnish each delegate, when they register, with a name badge as evidence of their being a delegate and having the right of admission to the convention.

The credentials committee shall submit a report at the annual meeting giving the number of convention delegates registered.

(C) Convention Committee -

This committee, when called upon, shall lend its assistance in program planning, and in the general operation of the annual convention of this Association.

SECTION II

The chairman shall appoint the following committees, members of which shall serve until his or her successors have been appointed.

- MAFMIC Policy Committee
- Government Affairs Committee
- Education Committee

SECTION III

The chairman shall appoint such other committees as may be necessary for the transaction of the business of this Association.

ARTICLE VI
EXECUTIVE COMMITTEE

SECTION I

Executive Committee -

The executive committee shall consist of the officers of the Association and the immediate past-chairman who shall have full powers and duties of the board of directors when the board is not in session. Minutes of all executive committee meetings shall be provided in written format at least one week in advance of the next board meeting.

ARTICLE VII
REPORTS TO MEMBERS

SECTION I

All committees may report to the membership of this Association at the annual meeting and the committees action shall be subject to approval by the member companies present.

SECTION II

All the actions of the officers shall be subject to approval at the annual meeting of this Association by the member companies present.

ARTICLE VIII
TIME OF MEETING AND QUORUM

SECTION I - Annual Meeting

An annual meeting of the Association shall be held in each calendar year. The time and place of the annual meeting shall be set by the board of directors.

SECTION II - Special Meetings of the Membership

Special meetings of the membership may be held upon the call of the chairman, or upon request of fifteen (15) members, by written notice to each member, mailed at least fifteen (15) days before the time of the meeting. No business shall be transacted at a special meeting of the membership, except such as is specified in the notice of said meeting. Fifteen (15) members shall constitute a quorum at any annual or special meeting of the Membership.

SECTION III - Board of Directors Meetings

Regular meetings shall be as established by the board of directors. Special meetings may be held upon the call of the chairman; or upon the written request of four directors, by written notice to all directors, mailed at least five (5) days before the time of the special directors' meeting. The notice of time may be shortened at the discretion of the chairman; if circumstances exist, which do not allow for said five (5) day notice.

SECTION IV - Committee Meetings

The committees shall meet from time to time at their own discretion to conduct the business of the Association.

SECTION V - Quorum and Adjournments

At all meetings of the board or committees, the presence of a majority of the entire board or committee members shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the articles of incorporation, or by these bylaws. A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

SECTION VI - Telephone Conference Call Meeting

Directors and committee members may participate in meetings through use of remote electronic communication devices, if such can be arranged, so that all board and/or committee members can hear all other members. The use of remote electronic communication devices for participation shall constitute presence in person.

SECTION VII - Robert's Rules of Order

At all meetings of the Association, Robert's Rules of Order shall govern all procedural questions where not inconsistent with law, the articles of incorporation or bylaws of this Association.

ARTICLE IX **FISCAL YEAR**

SECTION I - Fiscal Year

The fiscal year of the Association shall begin January 1, and end December 31, of each year.

ARTICLE X **~~MAFMIC LADIES' & MEN'S AUXILIARY~~**

SECTION I

~~This Association shall sponsor a ladies' and men's auxiliary, hereinafter referred to as the "Auxiliary" to be composed of persons who are associated with mutual insurance and who shall have registered attendance at the Annual Convention of the Association. The Auxiliary shall elect a president, a vice-president, secretary, and such officers as it may deem appropriate. It shall make such rules and regulations, hold such meetings and transact such business as it may deem proper, provided the Association shall not be obligated for any expense, or other obligation incurred by the Auxiliary, which has not been approved by the board of directors of the Association. This Association shall pay from time to time such sums, as the board of directors shall authorize as proper, for assistance in the work of such Auxiliary. All members of the Auxiliary shall have the privilege of the floor of the Auxiliary and may participate in other activities of the membership of this Association.~~

ARTICLE X **DISSOLUTION CLAUSE**

SECTION I

Dissolution -

The Association shall use its funds only to accomplish the objectives and purposes specified in these bylaws, and no part of said funds shall inure, or be distributed, to the membership of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the board of directors.

ARTICLE XI **AMENDMENTS**

SECTION I

These bylaws may be altered or amended at any annual meeting by two-thirds of the members present, provided that written notice of such proposed changes be filed with the secretary-treasurer by the first Friday in November preceding the annual meeting and provided that the Chairman shall give written notice of such amendment(s) to the member companies by the first Friday in January preceding the annual meeting.

ARTICLE XII **INDEMNIFICATION**

SECTION I

The Association shall and does hereby indemnify and hold each of its officers, directors, employees and committee members (and former officers, directors, employees and committee members) harmless from, and against, any and all claims, suits, damages, judgments and expenses arising from or in connection with their services for or on behalf of the Association, provided however, that this article shall not apply in the event of gross negligence or willful misconduct in the performance of their Association duties. The right of indemnification hereunder shall not be exclusive of other rights to which any officer, director, employee or committee representative is entitled as a matter of law.

ARTICLE XIII **GENERAL**

These bylaws incorporate pertinent governing laws of the State of Minnesota by reference, and to the extent that there is an impermissible conflict, it is intended that Minnesota Statutes shall prevail.

ARTICLE XIV **CODE OF BUSINESS CONDUCT AND ETHICS**

SECTION I

The Association, its directors, officers, employees, committees and Auxiliary are committed to conducting business with the highest standards of integrity, professionalism, and service, to assure public confidence in the integrity and service of the Association.

The following code applies to all directors, officers, employees, committees and Auxiliary of the Association, and sets out the principals of ethical standard, that guide our business conduct.

- **Personal Integrity** – We are to conduct ourselves at all times with honesty, professionalism, ethical behavior, and respect for others. We will promote and by our example encourage such conduct in others.
- **Conflicts of Interest** – Directors, officers, employees, committees and Auxiliary are expected to act in the best interest of the Association at all times. Acceptance of improper personal benefits or maintaining other business relationships that create a conflict of interest will be avoided. Should conflicts of interest arise, full disclosure must be made and the individual must abstain from any related decision making process.
- **Compliance with Law** – Directors, officers, employees and committees will not knowingly violate any federal, state, or local laws or rules and regulations of governing regulatory bodies in jurisdictions in which the Association does business.
- **Reports and Communications** – Financial reports and other communications will be presented in a fair, accurate, timely, and understandable manner. Communications that misrepresent the financial position or business operations of the Association or member companies are prohibited.
- **Association Assets** – Association assets and property are to be properly cared for and protected. Use of Association property is intended for the benefit and conduct of Association business. Personal use of the Association’s assets and property is prohibited, except as permitted by policies and procedures set forth by the Association.
- **Confidentiality and Privacy** – Proprietary information and information regarding employees, membership and agents should be dealt with in a confidential and businesslike manner. The Association’s Privacy Policy shall be complied with and no confidential or privileged information may be inappropriately disclosed.
- **Association Policies** – Adherence to all Association policies is required. These policies include, but are not limited to, the Association’s Anti-Trust Policy, Association’s Board Policy Manual, Association’s Conflict of Interest Statements and the Association’s Employee Handbook.

SECTION II

Enforcement –

Any suspected violation of this code should be reported immediately to an executive committee member, or board member. Violations of this policy may result in disciplinary action, up to and including termination, and/or removal. Potential violations, reported in

good faith, will not result in retaliation against the individual reporting the suspected violation.