

**By-Laws of  
De Smet Farm Mutual Insurance Company of South Dakota  
(As Amended November 14, 2022))**

Sec. 1. All persons holding a valid policy of insurance in this company, the same being in full force and effect, are members thereof, and as such are entitled to one vote at all meetings of the members.

Sec. 2. The annual meeting of the members of this corporation shall be held on the last Tuesday of June of each year. The Board of Directors shall have authority to fix a place for holding such annual meeting. Special meetings of the members shall be called at any time by the secretary on the order of the Board of Directors or on the written request of not less than twenty-five members, which request shall state the purpose of the meeting.

Sec. 3. The Secretary shall give notice of all annual and special meetings of members by mailing a written or printed notice, stating the time when and the place where such meeting will be held, to each member of the company, at his post office address as shown by the records of the company, not more than fifteen nor less than five days prior to the time of such meeting. Notices of special meetings shall also state the purpose of the meeting.

Sec. 4. At all annual and special meetings of members where legal notice thereof has been given, as provided by these By-Laws, the members present at such meeting, not less than twenty, shall constitute a quorum for the transaction of all business, and every question shall be determined by a majority vote of the members present. No proxy shall be allowed.

Sec. 5. At all meetings of members or Directors, the rules laid down in Robert's Rules of Order, shall govern, except where the same are in conflict with the laws of South Dakota, or these By-Laws.

Sec. 6. The affairs and business of this corporation shall be managed by a Board of nine Directors. The Directors named in the Articles of Incorporation shall hold office until the time of the first annual meeting of members, at which time a full Board of Directors shall be elected; three for one year, three for two years, and three for three years, and alternately for a term of three years. All Directors shall be members of this corporation, shall be elected by ballot, and shall hold office until successors are elected and qualify. The executive committee shall consist of the President, Vice-President, Secretary and Treasurer.

Sec. 7. As soon as convenient after the annual meeting of members each year, the Board of Directors shall hold an organizational meeting, without notice other than this By-Law, at which meeting the Board of Directors shall elect from its membership a President and Vice-President. The Board shall also elect a Secretary and Treasurer or a Secretary-Treasurer. Officers shall hold their offices for one year, and until their successors are elected and qualified. Vacancies in any of said offices resulting from resignation, disability, death or removal shall be filled by the affirmative vote of a majority of the Directors, and any officer so appointed shall hold office until the next organizational meeting following the next annual meeting of members, and until such officer's successor is elected and qualified. The Board of Directors shall have the right to suspend or discharge any officer by the affirmative vote of two-thirds of the Directors. In addition to the foregoing officers, the Board of Directors shall have the authority to employ a general manager, whose duties shall be prescribed by the Board of Directors. In addition to said organizational meeting, regular meetings of the Board of Directors shall be held at such other times as shall be fixed by resolution of the Board of Directors, and special meetings of the Board of Directors shall be called at any time by the President or any three members of the Board of Directors, and all Directors' meetings shall be held at the home office of the company in De Smet, South Dakota. Notice of all meetings of the Board of Directors shall be given by the Secretary at least five days prior thereto, by written or printed notice mailed to each Director at his last known post office address as shown by the records of the company, which notice shall state the date, time and place of such meeting, and such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon fully prepaid. Notices of special meetings shall also state the purpose of the meeting. Any Director may waive in writing notice of any regular or special meeting of the Board of Directors. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Directors may attend any meeting of the Board of Directors either in person or by virtual means.

Sec. 8. The President, and in his absence, of the Vice-President, shall preside at all meetings of the members of the company, and of the Board of Directors, may sign all policies of insurance issued by the company, and shall perform such other duties as may be required of him by the laws of the State of South Dakota, or these By-Laws, or by the Board of Directors.

Sec. 9. The Secretary shall keep a record of the business transacted at all meetings of the members and Board of Directors. He shall keep all accounts between the company and its members, except such as are required to be kept by other officers, may sign all policies of insurance, shall have custody of all applications and other records and books pertaining to his office, and at the expiration of his term of office, shall deliver all such books and records to his successor. The Secretary shall also make and publish such reports as may be required by the laws of the State of South Dakota, or these By-Laws, and shall perform such other duties as may be required of him by the laws of the State of South Dakota, or these By-Laws, or by the Board of Directors.

Sec 10. The Treasurer shall receive and disburse all money belonging to the company, shall keep an accurate account of all money received and disbursed by him, and make a report of the same to the members at each annual meeting, and shall perform such other duties as may be required of him by the laws of the State of South Dakota, or these By-Laws, or by the Board of Directors.

Sec. 11. The Board of Directors shall have authority to adopt rules and regulations subject to approval of the members at the next annual meeting of members, and to perform all other acts for the efficient management and working of the company; to levy assessments for the payment of losses and expenses of the company; to fix commissions to be paid to the agents of the company; to fill all vacancies in the Board of Directors resulting from resignation, disability or death by the affirmative vote of a majority of the remaining Directors in office; and any Director so appointed shall serve out the remaining unexpired term of his or her predecessor; to require corporate surety bonds of the Secretary and Treasurer, or Secretary-Treasurer, in such amount as the Board of Directors shall determine, for the faithful performance of the duties of such officers and accounting for all money received, and generally to exercise all the powers of the company except as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

Sec. 12. Each person who serves as a Director shall receive a fee in the amount set, from time to time, by resolution of the Board of Directors, together with his or her reasonable expenses, if any, in connection therewith, payable at such times as directed, from time to time, by the Board. Any such payment shall not preclude any Director from serving the Company in any other capacity and receiving compensation thereof. The salary of the President, Vice-President, Secretary and Treasurer or Secretary-Treasurer shall be fixed by the Board of Directors.

Sec. 13. This company shall insure no corn or grain under Government seal unless same is insured as a separate item specifically mentioned and described in the application and policy. This company shall not insure property against loss or damage by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any perils insured against by the insurance policies issued by this company; provided, however, the direct loss by fire resulting from nuclear radiation or radioactive contamination may be insured against by such policies subject to all provisions of such policies.

Sec. 14. Property Insurance. This company, subject to the provisions, exclusions, conditions and limitations of the policy issued by it, may insure only the following described property against loss or damage by windstorm, tornado, cyclone, hurricane, hail and fire or other casualty: (a) farm dwellings and buildings, including the usual contents therein, livestock, farm machinery and other forms of farm property; (b) dwellings designed for occupancy by not over two families, or the usual contents thereof, and private garages situated in a city or town; (c) churches, schools and community buildings or the usual contents thereof; and (d) the usual and customary possessions of the occupants of multi-family dwellings; provided, however, except as provided in subsection (c) above, this company shall not insure any property not owned by a member or his spouse, nor shall this company insure any property situated within the limits of cities or towns, except as hereinbefore provided; provided, however, that household and personal effects shall be insured only while on the premises described in the policy, except that not to exceed ten percent of the amount of insurance on household and personal effects shall apply thereto while the same are temporarily elsewhere than on the described premises, unless otherwise limited by the provisions of the policy or any endorsements thereto: provided further, however, that the insurance of farm implements, machinery, livestock and farm products shall cover loss or damage to such property while temporarily in or out of buildings, and temporarily on or off the premises described in the policy, unless otherwise limited by the provisions of the policy or any endorsements thereto, except while in transit by common carrier or in public elevators, public stockyards, public sales barns and public sales yards; provided, further, however, that if electrical appliances or devices (including wiring) are covered under the policy, this company shall not be liable for any electric injury or disturbance to said electrical appliances or devices (including wiring) caused by electrical currents artificially generated unless fire ensues, and if fire does ensue, this company shall be liable only for its proportion of loss caused by such ensuing fire. The maximum amount of property insurance which this company shall retain on a single risk, after deduction of applicable reinsurance, shall not exceed ten percent of the admitted assets of the company, or ten thousand dollars, whichever is the larger amount. This company may cede property reinsurance to any other farm mutual insurer and to other authorized property insurers or reinsurers, and the Board of Directors may procure any additional property reinsurance deemed advisable by the Board of Directors.

Liability Insurance. This company, subject to the provisions, exclusions, conditions and limitations of the policy issued by it, may insure against legal liability for the death, injury or disability of any human being, or for damage to property, excluding liability, loss or expense resulting from or incidental to the ownership, maintenance or use of aircraft or motor vehicles normally operated, intended to be operated, or designed primarily for use upon highways, roads or streets; and provisions may be included in such policies for medical, hospital, surgical and disability benefits to injured persons and funeral and death benefits to dependents, beneficiaries or personal representatives of persons killed, irrespective of legal liability of the insured, when issued as incidental coverage with or supplemental to such liability insurance. This company may cede liability reinsurance to any authorized liability insurers or reinsurers, and the Board of Directors may procure any additional liability reinsurance deemed advisable by the Board of Directors.

Supplementary Insurance Coverage. This company, subject to the provisions, exclusions, conditions and limitations of the policy issued by it, may, in connection with property insurance policies issued by it, afford coverage for the additional living expense of a member resulting from fire or other casualty rendering the insured premises untenable, and coverage for a member's liability, assumed by contract or agreement, for fire department service charges.

Sec. 15. All livestock shall be insured for at least seventy-five percent of its market value, and in the event of loss thereto from any perils insured against by this company, the market value (but not exceeding the insured value) of the animal so lost will be paid to the insured, provided the number of livestock of the kind and class in which the loss occurs does not, at the time of such loss, exceed the number of the kind and class of such livestock so insured; provided, however, in the event the number of such livestock of the kind and class in which the loss occurs does, at the time of such loss, exceed the number of the kind and class of such livestock so insured, this company will pay in proportion as the number of animals of the kind and class so insured is to the number of livestock of the kind and class in which the loss occurs at the time of such loss. For the purpose of the application of this By-Law, each horse, mule and head of cattle under one year or age at the time of loss shall be counted as one-half head, unless otherwise provided by the policy of insurance issued by this company.

Sec. 16. This company shall not insure windmills, wind chargers, or their towers, cloth awnings, signs or weather vanes, metal smoke stacks or extensions to chimneys, hay racks, lightning rods and round wooden grain bins, and shall insure metal grain bins and wire corn cribs only under rules and regulations as the Board of Directors may prescribe. This company will not be liable for any damage to or loss of livestock caused in whole or in part by running into streams or ditches or against fences or other objects, or from blizzard, freezing, flood, high water, the blowing or toppling over of hay or straw stacks, or from the blowing of snow or hail. This company will not be liable for any damage to or loss of television towers and antennas, whether on dwellings or otherwise, single cribs, buildings less than ten feet in width, metal grain bins, wire corncribs, wooden silos, and rubberoid roll, felt roll or composition roll roofing unless said items shall be specifically mentioned in the application and policy, and a special premium charged for same. Unless specifically provided in the policy of insurance issued by it, or by endorsement attached thereto, this company will not pay for any damage to or loss of wooden shingle roofs over thirty years old, and 5% will be deducted from the cost of repairs for every year such wood shingle roof is over 10 years old, nor will this company pay for any damage to or loss of any composition shingle roof over 20 years old, and 5% will be deducted from the cost of repairs of such composition shingle roof for each year of age of such roof and in the event any rubberoid roll, felt roll or composition roofing shall be specifically insured, this company will not pay for any damage to or loss of any rubberoid roll, felt roll or composition roll roofing over 10 years old, and 10% will be deducted from the cost of repair of such rubberoid roll, felt roll or composition roll roofing for each year of age of such roof.

Sec. 17. The Board of Directors of the company shall classify the property and the liability risks insured by the company under different rates corresponding as nearly as may be to the amount of risk from the cause insured against, which said classifications, rates and amendments thereof, shall be made by said Board of Directors at any regular meeting of said Board or at any special meeting thereof called for that purpose. Every person desiring insurance in this company shall sign a written application, in such form as the Directors shall prescribe, describing the property to be insured or the liability coverage desired, or both, shall give his obligation to the company for the payment of the losses and expenses of the company and, at the time of making such application, shall pay such advance payment in cash, as may be required by the regulations of the company established by the Board of Directors. The Board of Directors shall specify deadlines and timelines for payments in cash for insurance policies issued by the Company, payable on or before the effective dates of such policies, which may include such periodic payments, including but not being limited to monthly, quarterly, semi-annual and annual advance payments, as the Board of Directors shall from time to time determine. The cash payments hereinbefore provided shall not be in lieu of any assessments deemed necessary by the Board of Directors.

Sec. 18. Every member who shall sustain loss or damage, for which the company is liable, shall immediately give written notice to the Secretary, or in his absence, the President of the company, specify the property destroyed or damaged, the time and cause thereof, and if a liability loss, the time, place and circumstances of the accident, and the names and addresses of the injured and of available witnesses. The Secretary, or in his absence, the President of the company, shall forthwith inspect and adjust any such property loss or cause it to be inspected and adjusted, and in the case of the inability of the parties to agree upon the amount of such property loss or damage, to arbitrate such loss in accordance with law, and in the event of a liability loss, same shall be handled in accordance with insurance industry practices.

Sec. 19. Every policyholder of the company shall be liable to the company for payment of his pro-rated share of the expenses and losses of the company. All monies paid to the company for insurance, and all other income received by the company, shall constitute a fund from which losses and expenses shall be paid. If such money on hand shall be deemed inadequate by the Directors to pay probable losses and expenses to be incurred, the Board of Directors shall make an assessment on all policy holders sufficient to pay for the operating expenses of the company and to create and maintain a reasonable surplus.

Sec. 20. Whenever an assessment shall have been ordered by the Board of Directors, it shall be the duty of the Secretary to immediately notify every member of the company by letter addressed and mailed to him at his post office address, as shown by the records of the company, of the sum due from him as his pro-rata share of such assessment, and the time when and to whom such payment is to be made, but such time shall not be less than 30 or more than 60 days from the date of such notice. If payment is not made within the time stated in the notice, the policy of the delinquent member shall stand suspended and shall not be in effect from that time until such payment is made.

Such company shall not be liable for any losses occurring under any policy during such period of suspension, not

withstanding any knowledge or notice of such loss on the part of the company, its officers or agents. In the event such suspended policy shall be reinstated upon the payment of all unpaid assessments such re-instatements shall take effect from the date such assessments shall be received and accepted by the Secretary of the company. Suits at law may be brought against any member of the company who shall refuse or neglect to pay any assessments made upon him, and if the Directors shall willfully neglect to perform the duties imposed upon them under this section, they shall be liable in their individual capacity to the persons sustaining such losses.

Sec. 21. The secretary shall appoint agents for the solicitation of insurance for this company.

Sec. 22. Insurance in this company shall take effect when the applications on file with the Secretary shall amount to \$200,000.00 and should the total amount of insurance in force ever become less than \$200,000.00, it shall be the duty of the President to call a special meeting of the members and such meeting shall have authority to dissolve such company.

Sec. 23. The Directors of this company shall have power to invest the company's funds, or any part thereof, in any kind or type of investment authorized by the statutes of the State of South Dakota for the investment of the funds of a farm mutual insurer.

Sec. 24. Any member of this company may withdraw therefrom by surrendering his policy to the company for cancellation and paying all obligations then owing by him to the company. This company may cancel any member's policy for any reasonable cause if written notice of cancellation is delivered to the member or mailed to his address of record by certified mail at least twenty days before the effective cancellation date.

Sec. 25. Every application for insurance shall contain the post office address of the applicant and any member changing his post office address, shall immediately notify the Secretary, who shall make a proper record thereof.

Sec. 26. The Board of Directors shall prepare policy forms consistent with the laws of South Dakota, which policies shall be written for a period not exceeding three years and shall be limited to the perils specified in these By-Laws. Any policy of insurance written by this company may not be assigned without the written consent of this company.

Sec. 27. Each policy of insurance issued by this company shall take effect at 12:01 A.M. (Standard Time) at location of property involved on the day the application has been approved by a duly authorized representative of this company, unless otherwise directed by the applicant.

Sec. 28. Each policy of insurance issued by the company shall be signed by either the President, the Secretary or both.

Sec. 29. These By-Laws may be amended or repealed by a two-third vote of all members present at any annual or at any regularly called special meeting, due legal notice having been given and a quorum being present.