



THE UNITED FIRE GROUP

United Fire & Casualty Company
United Life Insurance Company
Addison Insurance Company
Lafayette Insurance Company
Insurance Brokers & Managers, Inc.
American Indemnity Companies

May 24, 2001

811199

Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

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RE: Certificate of Status

Dear Sir or Madam:

Enclose please find an application, along with a company check for the appropriate fees, for a Certificate of Status pursuant to a name change for United Fire & Indemnity Company (formerly American Fire and Indemnity Company) of Galveston, Texas.

Please forward one original copy of the Certificate of Status directly to the Florida Department of Insurance, Attn: ~~Catrina Johnson, Bureau of Property Casualty Solvency and Market Conduct Review, 200 East Gaines Street, Tallahassee, Florida 32399-0329.~~

Please forward a certified copy of the Certificate of Status to my attention at: ~~United Fire & Casualty Company, 118 2nd Avenue SE, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909.~~

If you have any questions regarding this request, please contact me directly at (319) 286-2535 or by e-mail at eyoder@unitedfiregroup.com.

Respectfully yours,

Erica L. Yoder
Staff Attorney

ELY/bms
Enclosure

FILED
01 MAY 30 PM 12:57
STATE DEPT OF STATE
TALLAHASSEE, FLORIDA

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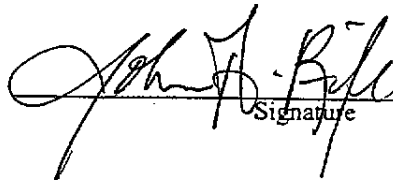
PROFIT CORPORATION
APPLICATION BY FOREIGN PROFIT CORPORATION TO FILE AMENDMENT TO
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA
(Pursuant to s. 607.1504, F.S.)

SECTION I
(1-3 MUST BE COMPLETED)

1. American Fire and Indemnity Company
Name of corporation as it appears on the records of the Department of State.
2. Texas 3. August 24, 1956
Incorporated under laws of Date authorized to do business in Florida

SECTION II
(4-7 COMPLETE ONLY THE APPLICABLE CHANGES)

4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation? March 22, 2001
5. United Fire & Indemnity Company
Name of corporation after the amendment, adding suffix "corporation" "company" or "incorporated," or appropriate abbreviation, if not contained in new name of the corporation.
6. If the amendment changes the period of duration, indicate new period of duration.
- N/A
New Duration
7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.
- N/A
New Jurisdiction


Signature

John A. Rife
Typed or printed name

5/24/01
Date

President
Title

FILED
MAY 30 PM 12:57
SECRETARY OF STATE
TALLAHASSEE, FLORIDA



Texas Department of Insurance

Financial, Company Licensing & Registration, Mail Code 305-2C
333 Guadalupe - P. O. Box 149104, Austin, Texas 78714-9104

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The Commissioner of Insurance, as the chief administrative and executive officer and custodian of records of the Texas Department of Insurance has delegated to the undersigned the authority to certify the authenticity of documents filed with or maintained by or within the custodial authority of the Insurer Services Division of the Texas Department of Insurance.

Therefore, I hereby certify that the attached documents are true and correct copies of the documents described below. I further certify that the documents described below are filed with or maintained by or within the custodial authority of the Insurer Services Division of the Texas Department of Insurance.

Amended and Restated Articles of Incorporation for UNITED FIRE & INDEMNITY COMPANY, Galveston, Texas, along with Commissioner Order No. 01-0261, dated March 22, 2001, altogether consisting of eighteen (18) pages.

IN TESTIMONY WHEREOF, witness my hand and seal of office at Austin, Texas, this 17th day of April, 2001.

JOSE MONTEMAYOR
COMMISSIONER OF INSURANCE

BY: _____

A handwritten signature in black ink, appearing to read "Jeff Hunt", written over a horizontal line.

Jeff Hunt, Admissions Officer
Company Licensing & Registration
Order No. 00-1002

FIRST AMENDED AND SUBSTITUTED
ARTICLES OF INCORPORATION
OF
AMERICAN FIRE AND INDEMNITY COMPANY
N/K/A
UNITED FIRE & INDEMNITY COMPANY

ARTICLE ONE

American Fire and Indemnity Company, pursuant to the provisions of Article 4.07 of the Texas Business Corporation Act, hereby adopts Restated Articles of Incorporation which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and is further amended by such Restated Articles of Incorporation as hereafter set forth in which contain no other change in any provisions thereof.

ARTICLE TWO

The Articles of Incorporation of the corporation are amended by the Restated Articles of Incorporation as follows:

- A. Article I is hereby amended to read:

"ARTICLE I

NAME

"The name of this corporation shall be United Fire & Indemnity Company."

- B. Article II is hereby amended to read:

"ARTICLE II

PRINCIPAL PLACE OF BUSINESS

"The principal place of business of this corporation shall be at Galveston, in the county of Galveston, state of Texas."

- C. Article III is hereby amended to read:

"ARTICLE III

CORPORATE PERIOD

"The corporate period of this corporation began on the date of the issuance of a Certificate of Incorporation, to wit: October 29, 1936. It shall have perpetual existence from said date unless and until dissolved by the vote of two-thirds (2/3) of the voting stock outstanding and entitled to vote at any annual meeting of the Stockholders or at any special meeting called for that purpose."

D. Article IV is hereby amended to read:

"ARTICLE IV

OBJECTS, PURPOSES, AND GENERAL NATURE OF BUSINESS

"Section 1. General Nature of Business. The general nature of the business of this corporation shall be that of insurance and reinsurance business on the stock plan, and it shall operate as a stock company as authorized by Chapter Article 2.03 of the Texas Insurance Code of 1951 as amended with all the rights, powers and privileges granted by Article 2.03 of the Texas Insurance Code of 1951 and Article 4 of the Texas Business Corporations Act as amended or which may now or hereafter be conferred upon such corporations by law.

"Section II. Objects and Purposes. Without in any manner limiting the rights, powers and privileges conferred by law, the objects and purposes of this corporation shall be that of conducting and carrying on insurance and reinsurance business of the kinds specified in Article 2.03 of the Texas Insurance Code of 1951, as heretofore or hereafter amended, and the insuring of any additional risk not specifically included within any of the classes specifically described in said article and which is a proper subject of insurance, is not prohibited by law, or contrary to sound public policy and which is approved by the Texas Commissioner of Insurance in the manner as provided in the said article, provided, however, that the authority of this corporation to insure certain risks specified in Article 2.03, Texas Insurance Code, 1951, as amended, is limited in the respects provided in Article 2.03 of said code."

E. Article V is hereby amended to read:

"ARTICLE V

CAPITAL STOCK

"Section 1. Authorized Capital Stock. The authorized capital stock of this corporation is Two Million Dollars divided into two hundred thousand shares of Ten Dollars each; the par value of each share shall be Ten Dollars. Of which authorized shares there are presently issued an outstanding One Hundred and Fifty Thousand shares.

"Section 2. Preemptive Rights Denied. No holder of the Common Stock shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration.

"Section 3. Voting Rights. Each share of Common Stock shall entitle the holder thereof to one vote upon all matters as to which a vote of the Stockholders is to be taken at any annual or special meeting of Stockholders.

"Section 4. Closing Transfer Books – Record Date. For the purpose of determining Stockholders entitled to notice of, or to vote at, any meeting of Stockholders, or any adjournment thereof, or entitled to receive payment of any dividends, or in order to make a determination of Stockholders for any purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated

period, not exceeding fifty (50) days. If the stock transfer books shall be closed for such purchase, such books shall be closed for at least ten (10) days immediately preceding such meeting.

"For the purpose of determining stockholders entitled to vote at a meeting of stockholders or to receive dividends or for other proper purposes, the Bylaws may provide or, in the absence of an applicable Bylaw, the Directors may fix, in lieu of the closing of the stock transfer books, the record date for any such determination of stockholders, which record date shall be, in any case, not more than fifty (50) days and, in case of a meeting of stockholders, not less than ten (10) days prior to the date upon which the particular action requiring such determination of stockholders is to be taken. If the stock record books are not closed and no record date is fixed, the record date shall be the date ten (10) days after the mailing of the notice of the stockholders meeting or after the declaration of the dividend, as the case may be. When a determination of Stockholders entitled to vote at any meeting of Stockholders has been made as herein provided; such determination shall apply to any adjournment thereof.

"Section 5. Dividends. Out of any earned surplus or net profits or other fund legally available for the declaration of dividends of this corporation after making such provision, if any, as the Board of Directors may deem necessary for working capital, dividends may be declared and paid upon Common Stock, share and share alike.

"Section 6. Quorum. A majority of the Common Stock outstanding represented in person or by written proxy shall constitute a quorum for the transaction of business.

"Section 7. Transfer of Stock. All shares of stock shall be transferable but only by assignment in writing and such assignment shall not be complete as against the corporation until entered upon the records of the corporation.

"Section 8. Issuance Only for Cash or Property. No stock shall be issued until the corporation has received the payment in full therefore in cash or property, provided, however, that when stock is to be issued for anything other than money such issue of stock must be approved by the insurance commission of the State of Texas, as provided in sections of the code of Texas. Without action by or consent of the Stockholders, the Board of Directors may issue all or so much of the authorized Common Stock for such consideration as it shall determine, but not less than par value thereof, and any and all such stock so issued, when the consideration therefore is so fixed by said Board has been fully paid or delivered, shall be fully paid stock and not liable to any further call or assessment.

"Section 9. Increase of Capital. Subject to the limitations and restrictions herein before provided for, the capital stock hereby authorized may be increased by a vote of two-thirds (2/3) of the Common Stock of the corporation then issued and outstanding."

F. Article VI is hereby amended to read:

"ARTICLE VI

STOCKHOLDERS' MEETINGS

"Section 1. Election and Composition of Board of Directors.

- (a) Election by Shareholders. The business and affairs of this corporation shall be conducted by a Board of Directors consisting of not less than five (5) nor more than eleven (11) members, to be elected by the stockholders in the manner hereinafter provided.

- (b) Number Fixed by Board. At least fifteen (15) days prior to each annual meeting of the stockholders the Board of Directors shall fix the number of directors, which shall comprise the Board of Directors for the ensuing year and give notice thereof to stockholders.
- (c) Proportionate Representation. The holder or holders, jointly or severally, of not less than one-fifth but less than a majority of the shares of the Common Stock of the corporation shall be entitled to nominate Directors for election at the annual Stockholders' meeting. In the event such nomination is made there shall be elected, to the extent that the total number to be elected by Common Stockholders is divisible, such proportionate number from the persons so nominated as the shares of stock held by persons making such nominations bear to the whole number of shares issued; provided, the holder or holders of the minority shares of stock shall only be entitled to one-fifth, disregarding fractions, of the total number of Directors to be elected by the Common Stockholders of each one-fifth of the entire capital stock of such corporation so held by them; and provided further that this Section shall not be construed to prevent the holders of a majority of the stock or the corporation from electing the majority of the Directors to be elected by the Common Stockholders.
- (d) Vacancies. Vacancies in the Board of Directors occurring between annual meetings may be filled by the Board of Directors for the remainder of the unexpired term of the Director whose office is vacated.

"Section 2. Stockholders' Meetings.

- (a) Annual Meetings. The annual meeting of the Stockholders shall be held on the last Monday in the month of April in each year unless such day shall be a legal holiday, in which case said meeting shall be held on the day following.
- (b) Special Meetings. Special meetings of the Stockholders may be called at any time by the Chairman of the Board or the President upon giving notice as herein provided, and shall be called by him upon the written request of Stockholders representing at least fifty-one percent (51%) of the total Common Stock outstanding. In the event of the Chairman or the President's failure or refusal to issue a call upon such request, the Stockholders representing at least fifty-one percent (51%) of the total stock outstanding may join in issuing call to Stockholders for a special meeting.
- (c) Notices and Calls of Regular and Special Meetings. All calls or requests for regular or special Stockholders' meetings shall state what business is to be presented at the meeting, shall be in writing, and shall be made by the Chairman or the President of the corporation or under the signature of the owners of at least fifty-one percent (51%) of the total stock outstanding, giving ten (10) days written notice in person or by United States mail addressed to the Stockholders of record, which notice shall be considered given when addressed and mailed to the addressee at the address, as shown by the records of the corporation, of the person, firm or corporation appearing of record as a Stockholder.
- (d) Voting rights. The stockholders shall have no cumulative voting privileges and shall have no preemptive right to acquire additional or unissued or treasury shares of the corporation.

"Section 3. Place of Meetings. All meetings of the Stockholders shall be held at the office of the corporation in Galveston, Texas.

"Section 4. Amendments changing Section 1 of this Article VI. Any amendment changing any of the provisions of Section 1 of this Article VI shall require the affirmative vote of two-thirds (2/3) of the Common Stock of the corporation issued and outstanding."

G. Article VII is hereby amended to read:

"ARTICLE VII

BOARD OF DIRECTORS AND OFFICERS

"Section 1. Term of Office of Members of Board. The Directors elected by the Stockholders or Directors appointed to fill a vacancy shall serve until their successors have been elected and qualify.

"Section 2. Officers. The Board of Directors shall meet annually immediately following the annual meeting of the Stockholders. The Board of Directors shall elect a President, one or more Vice President, a Secretary, and a Treasurer, and such other officials, including an Executive Committee, as they may determine or as may be provided by the Bylaws of this corporation. Any person may hold one or more offices at the same time. No officer of the corporation need be a Stockholder or a Director.

"Section 3. Special Powers of Board. The Board of Directors may adopt, alter or repeal the Bylaws of the corporation and may generally do any act or thing deemed necessary for the conduct and management of the business of the corporation, subject only to the limitations imposed by law or by these Articles, including, without being limited thereto, the power to qualify the corporation for the transaction of business anywhere in the United States and Canada if it shall conclude that it is to the best interests of the corporation to do so, and shall be authorized to take whatever action may be necessary in premises, and in the event an Executive Committee is elected, said Board may vest said Executive Committee with the right to exercise any or all of the powers of Directors when the said Board is not in session, excepting the power to adopt, amend or alter Bylaws or fill vacancies on the Board of Directors or officers.

"Section 4. Quorum of Board. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

"Section 5. General Power of Officers. The officers elected by the Board of Directors shall have such power, perform such duties and shall be entitled to such compensation as may be prescribed by the Board of Directors, and the Board shall have the right to remove any officer with or without cause and to fill vacancies in office by a majority vote at a Directors' meeting.

"Section 6. Present Directors. The following persons were duly elected as Directors of the corporation at the last annual meeting of the Stockholders, they are now serving as such, and their terms of office will continue until their successors have been elected and have qualified, to wit:

Kent Gilbert Baker
Earl Dean Fick
John Arthur Rife
Joseph Fellman Seinsheimer, III

Jack Barton Evans
John Scott McIntyre, Jr.
Byron George Riley

"Section 7. Present Officers. At the last annual meeting of the Board of Directors the following persons were elected to the offices set opposite their respective names, which offices they now hold pursuant to their said election and qualification:

John Arthur Rife	President
Helen Kathryn Lohec	Secretary
Shona Frese	Assistant Secretary
Kent Gilbert Baker	Treasurer
Roger Fan Briggs	Vice President
Mildred Lonnice Phillips	Vice President
Joseph Fellman Seinsheimer, III	Vice President
<u>Richard Byron Swain</u>	<u>Vice President</u>

"Section 8. Indemnification of Personal Liability Directors. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for act or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Texas code section, (iv) for any transaction from which the director derived an improper personal benefit. If the Texas Business Corporation Act, Article 2.02-1 is amended after approval by the shareholders of this article to authorize corporate action further eliminating or limiting the personal liability of the directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Texas Business Corporation Act, Article 2.02-1, as so amended. Any repeal or modification of the foregoing paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director or former director of the corporation for acts, errors, or omissions occurring prior to the date of repeal or modification."

H. Article VIII is hereby added to read:

"ARTICLE VIII

STOCKHOLDER'S PRIVATE PROPERTY EXEMPT FROM CORPORATE DEBTS

"The private property of the Stockholders of this corporation shall not be liable for corporate debts and this Article shall not be amended or changed except by the unanimous consent of all the Stockholders of the corporation in writing."

I. Article IX is hereby added to read:

"ARTICLE IX

EXECUTION OF WRITTEN INSTRUMENTS

"All deeds, mortgages, conveyances and contracts relating to real property of the corporation shall be signed on behalf of this corporation by its President, one of its Vice Presidents, or its Treasurer, and countersigned by its Secretary, or one of its Assistant Secretaries. All notes, bonds, stock certificates, or other contracts or evidences of indebtedness and all releases and assignments shall be signed by the President, one of its Vice Presidents, or its Treasurer, and countersigned by its Secretary, or one of its Assistant Secretaries. All releases of mortgage liens, liens, judgements or other claims that are required by law to be made of record shall be executed on behalf of the corporation by the President, or any one of its Vice Presidents, or the Secretary, or Treasurer of the corporation."

J. Article X is hereby added to read:

"ARTICLE X

CORPORATE SEAL

"This corporation shall have a corporate seal upon which shall be inscribed 'UNITED FIRE & INDEMNITY COMPANY, GALVESTON, TEXAS, CORPORATE SEAL.'"

K. Article XI is hereby added to read:

"ARTICLE XI

MERGER, CONSOLIDATION OR SALE OF ALL ASSETS

"The affirmative vote of two-thirds (2/3) of all outstanding shares of this corporation shall be required to approve any plan of merger, consolidation, or sale or exchange of all or substantially all of the assets of this corporation. If any shares of this corporation are held by or for any corporation with which this corporation is to be merged or consolidated or to which the assets are to be sold or exchanged, or by any person, firm, or corporation in control of or controlled by any such corporation, then the favorable vote of two-thirds (2/3) of all other shares shall be required to approve such plan."

L. Article XII is hereby added to read:

"ARTICLE XII

AMENDMENTS

"Except as otherwise provided herein or by law these Articles may be amended at any annual meeting of the Stockholders or special meeting of the Stockholders called for that purpose by a vote of two-thirds (2/3) of the shares of the corporation issued and outstanding."

ARTICLE THREE

Each such amendment made by these Restated Articles of Incorporation has been effected in conformity with the provisions of the Texas Business Corporation Act and such Restated Articles of Incorporation and each such amendment made by the Restated Articles of Incorporation were duly adopted by the shareholders of the corporation on the 6th day of February, 2001.

ARTICLE FOUR

The number of shares outstanding was 150,000, and the number of shares entitled to vote for Restated Articles of Incorporation as so amended was 150,000, the holders of all of which have signed a written consent to the adoption of such Restated Articles of Incorporation as so amended.

ARTICLE FIVE

The Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the following Restated Articles of Incorporation which accurately copy the entire text thereof and as amended as above set forth:

ARTICLE I

NAME

The name of this corporation shall be United Fire & Indemnity Company.

ARTICLE II

PRINCIPAL PLACE OF BUSINESS

The principal place of business of this corporation shall be at Galveston, in the county of Galveston, state of Texas."

ARTICLE III

CORPORATE PERIOD

The corporate period of this corporation began on the date of the issuance of a Certificate of Incorporation, to wit: October 29, 1936. It shall have perpetual existence from said date unless and until dissolved by the vote of two-thirds (2/3) of the voting stock outstanding and entitled to vote at any annual meeting of the Stockholders or at any special meeting called for that purpose.

ARTICLE IV

OBJECTS, PURPOSES, AND GENERAL NATURE OF BUSINESS

Section 1. General Nature of Business. The general nature of the business of this corporation shall be that of insurance and reinsurance business on the stock plan, and it shall operate as a stock company as authorized by Chapter Article 2.03 of the Texas Insurance Code of 1951 as amended with all the rights, powers and privileges granted by Article 2.03 of the Texas Insurance Code of 1951 and Article 4 of the Texas Business Corporations Act as amended or which may now or hereafter be conferred upon such corporations by law.

Section II. Objects and Purposes. Without in any manner limiting the rights, powers and privileges conferred by law, the objects and purposes of this corporation shall be that of conducting and carrying on insurance and reinsurance business of the kinds specified in Article 2.03 of the Texas Insurance Code of 1951, as heretofore or hereafter amended, and the insuring of any additional risk not specifically included within any

of the classes specifically described in said article and which is a proper subject of insurance, is not prohibited by law, or contrary to sound public policy and which is approved by the Texas Commissioner of Insurance in the manner as provided in the said article, provided, however, that the authority of this corporation to insure certain risks specified in Article 2.03, Texas Insurance Code, 1951, as amended, is limited in the respects provided in Article 2.03 of said code.

ARTICLE V

CAPITAL STOCK

Section 1. Authorized Capital Stock. The authorized capital stock of this corporation is Two Million Dollars divided into two hundred thousand shares of Ten Dollars each; the par value of each share shall be Ten Dollars. Of which authorized shares there are presently issued an outstanding One Hundred and Fifty Thousand shares.

Section 2. Preemptive Rights Denied. No holder of the Common Stock shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration.

Section 3. Voting Rights. Each share of Common Stock shall entitle the holder thereof to one vote upon all matters as to which a vote of the Stockholders is to be taken at any annual or special meeting of Stockholders.

Section 4. Closing Transfer Books – Record Date. For the purpose of determining Stockholders entitled to notice of, or to vote at, any meeting of Stockholders, or any adjournment thereof, or entitled to receive payment of any dividends, or in order to make a determination of Stockholders for any purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period, not exceeding fifty (50) days. If the stock transfer books shall be closed for such purchase, such books shall be closed for at least ten (10) days immediately preceding such meeting.

For the purpose of determining stockholders entitled to vote at a meeting of stockholders or to receive dividends or for other proper purposes, the Bylaws may provide or, in the absence of an applicable Bylaw, the Directors may fix, in lieu of the closing of the stock transfer books, the record date for any such determination of stockholders, which record date shall be, in any case, not more than fifty (50) days and, in case of a meeting of stockholders, not less than ten (10) days prior to the date upon which the particular action requiring such determination of stockholders is to be taken. If the stock record books are not closed and no record date is fixed, the record date shall be the date ten (10) days after the mailing of the notice of the stockholders meeting or after the declaration of the dividend, as the case may be. When a determination of Stockholders entitled to vote at any meeting of Stockholders has been made as herein provided; such determination shall apply to any adjournment thereof.

Section 5. Dividends. Out of any earned surplus or net profits or other fund legally available for the declaration of dividends of this corporation after making such provision, if any, as the Board of Directors may deem necessary for working capital, dividends may be declared and paid upon Common Stock, share and share alike.

Section 6. Quorum. A majority of the Common Stock outstanding represented in person or by written proxy shall constitute a quorum for the transaction of business.

Section 7. Transfer of Stock. All shares of stock shall be transferable but only by assignment in writing and such assignment shall not be complete as against the corporation until entered upon the records of the corporation.

Section 8. Issuance Only for Cash or Property. No stock shall be issued until the corporation has received the payment in full therefore in cash or property, provided, however, that when stock is to be issued for anything other than money such issue of stock must be approved by the insurance commission of the State of Texas, as provided in sections of the code of Texas. Without action by or consent of the Stockholders, the Board of Directors may issue all or so much of the authorized Common Stock for such consideration as it shall determine, but not less than par value thereof, and any and all such stock so issued, when the consideration therefore is so fixed by said Board has been fully paid or delivered, shall be fully paid stock and not liable to any further call or assessment.

Section 9. Increase of Capital. Subject to the limitations and restrictions herein before provided for, the capital stock hereby authorized may be increased by a vote of two-thirds (2/3) of the Common Stock of the corporation then issued and outstanding.

ARTICLE VI

STOCKHOLDERS' MEETINGS

Section 1. Election and Composition of Board of Directors.

- (a) Election by Shareholders. The business and affairs of this corporation shall be conducted by a Board of Directors consisting of not less than five (5) nor more than eleven (11) members, to be elected by the stockholders in the manner hereinafter provided.
- (b) Number Fixed by Board. At least fifteen (15) days prior to each annual meeting of the stockholders the Board of Directors shall fix the number of directors, which shall comprise the Board of Directors for the ensuing year and give notice thereof to stockholders.
- (c) Proportionate Representation. The holder or holders, jointly or severally, of not less than one-fifth but less than a majority of the shares of the Common Stock of the corporation shall be entitled to nominate Directors for election at the annual Stockholders' meeting. In the event such nomination is made there shall be elected, to the extent that the total number to be elected by Common Stockholders is divisible, such proportionate number from the persons so nominated as the shares of stock held by persons making such nominations bear to the whole number of shares issued; provided, the holder or holders of the minority shares of stock shall only be entitled to one-fifth, disregarding fractions, of the total number of Directors to be elected by the Common Stockholders of each one-fifth of the entire capital stock of such corporation so held by them; and provided further that this Section shall not be construed to prevent the holders of a majority of the stock or the corporation from electing the majority of the Directors to be elected by the Common Stockholders.
- (d) Vacancies. Vacancies in the Board of Directors occurring between annual meetings may be filled by the Board of Directors for the remainder of the unexpired term of the Director whose office is vacated.

Section 2. Stockholders' Meetings.

- (a) Annual Meetings. The annual meeting of the Stockholders shall be held on the last Monday in the month of April in each year unless such day shall be a legal holiday, in which case said meeting shall be held on the day following.
- (b) Special Meetings. Special meetings of the Stockholders may be called at any time by the Chairman of the Board or President upon giving notice as herein provided, and shall be called by him upon the written request of Stockholders representing at least fifty-one percent (51%) of the total Common Stock outstanding. In the event of the Chairman or the President's failure or refusal to issue a call upon such request, the Stockholders representing at least fifty-one percent (51%) of the total stock outstanding may join in issuing call to Stockholders for a special meeting.
- (c) Notices and Calls of Regular and Special Meetings. All calls or requests for regular or special Stockholders' meetings shall state what business is to be presented at the meeting, shall be in writing, and shall be made by the Chairman or the President of the corporation or under the signature of the owners of at least fifty-one percent (51%) of the total stock outstanding, giving ten (10) days written notice in person or by United States mail addressed to the Stockholders of record, which notice shall be considered given when addressed and mailed to the addressee at the address, as shown by the records of the corporation, of the person, firm or corporation appearing of record as a Stockholder.
- (d) Voting rights. The stockholders shall have no cumulative voting privileges and shall have no preemptive right to acquire additional or unissued or treasury shares of the corporation.

Section 3. Place of Meetings. All meetings of the Stockholders shall be held at the office of the corporation in Galveston, Texas.

Section 4. Amendments changing Section 1 of this Article VI. Any amendment changing any of the provisions of Section 1 of this Article VI shall require the affirmative vote of two-thirds (2/3) of the Common Stock of the corporation issued and outstanding.

ARTICLE VII

BOARD OF DIRECTORS AND OFFICERS

Section 1. Term of Office of Members of Board. The Directors elected by the Stockholders or Directors appointed to fill a vacancy shall serve until their successors have been elected and qualify.

Section 2. Officers. The Board of Directors shall meet annually immediately following the annual meeting of the Stockholders. The Board of Directors shall elect a President, one or more Vice President, a Secretary, and a Treasurer, and such other officials, including an Executive Committee, as they may determine or as may be provided by the Bylaws of this corporation. Any person may hold one or more offices at the same time. No officer of the corporation need be a Stockholder or a Director.

Section 3. Special Powers of Board. The Board of Directors may adopt, alter or repeal the Bylaws of the corporation and may generally do any act or thing deemed necessary for the conduct and management of the business of the corporation, subject only to the limitations imposed by law or by these Articles, including, without being limited thereto, the power to qualify the corporation for the transaction of business anywhere in the United States and Canada if it shall conclude that it is to the best interests of the corporation to do so, and shall be authorized to take whatever action may be necessary in premises, and in the event an Executive Committee is elected, said Board may vest said Executive Committee with the right to exercise any or all of the

powers of Directors when the said Board is not in session, excepting the power to adopt, amend or alter Bylaws or fill vacancies on the Board of Directors or officers.

Section 4. Quorum of Board. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Section 5. General Power of Officers. The officers elected by the Board of Directors shall have such power, perform such duties and shall be entitled to such compensation as may be prescribed by the Board of Directors, and the Board shall have the right to remove any officer with or without cause and to fill vacancies in office by a majority vote at a Directors' meeting.

Section 6. Present Directors. The following persons were duly elected as Directors of the corporation at the last annual meeting of the Stockholders, they are now serving as such, and their terms of office will continue until their successors have been elected and have qualified, to wit:

Kent Gilbert Baker	Jack Barton Evans
Earl Dean Fick	John Scott McIntrye, Jr.
John Arthur Rife	Byron George Riley
Joseph Fellman Seinsheimer, III	

Section 7. Present Officers. At the last annual meeting of the Board of Directors the following persons were elected to the offices set opposite their respective names, which offices they now hold pursuant to their said election and qualification:

John Arthur Rife	President
Helen Kathryn Lohec	Secretary
Shona Frese	Assistant Secretary
Kent Gilbert Baker	Treasurer
Roger Fan Briggs	Vice President
Mildred Lonnie Phillips	Vice President
Joseph Fellman Seinsheimer, III	Vice President
<u>Richard Byron Swain</u>	<u>Vice President</u>

Section 8. Indemnification of Personal Liability Directors. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for act or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Texas code section, (iv) for any transaction from which the director derived an improper personal benefit. If the Texas Business Corporation Act, Article 2.02-1 is amended after approval by the shareholders of this article to authorize corporate action further eliminating or limiting the personal liability of the directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Texas Business Corporation Act, Article 2.02-1, as so amended. Any repeal or modification of the foregoing paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director or former director of the corporation for acts, errors, or omissions occurring prior to the date of repeal or modification.

ARTICLE VIII

STOCKHOLDER'S PRIVATE PROPERTY EXEMPT FROM CORPORATE DEBTS

The private property of the Stockholders of this corporation shall not be liable for corporate debts and this Article shall not be amended or changed except by the unanimous consent of all the Stockholders of the corporation in writing.

ARTICLE IX

EXECUTION OF WRITTEN INSTRUMENTS

All deeds, mortgages, conveyances and contracts relating to real property of the corporation shall be signed on behalf of this corporation by its President, one of its Vice Presidents, or its Treasurer and countersigned by its Secretary, or one of its Assistant Secretaries. All notes, bonds, stock certificates, or other contracts or evidences of indebtedness and all releases and assignments shall be signed by the President, one of its Vice Presidents, or its Treasurer and countersigned by its Secretary, or one of its Assistant Secretaries. All releases of mortgage liens, liens, judgements or other claims that are required by law to be made of record shall be executed on behalf of the corporation by the President, or any one of its Vice Presidents, or the Secretary, or Treasurer of the corporation.

ARTICLE X

CORPORATE SEAL

This corporation shall have a corporate seal upon which shall be inscribed "UNITED FIRE & INDEMNITY COMPANY, GALVESTON, TEXAS, CORPORATE SEAL."

ARTICLE XI

MERGER, CONSOLIDATION OR SALE OF ALL ASSETS

The affirmative vote of two-thirds (2/3) of all outstanding shares of this corporation shall be required to approve any plan of merger, consolidation, or sale or exchange of all or substantially all of the assets of this corporation. If any shares of this corporation are held by or for any corporation with which this corporation is to be merged or consolidated or to which the assets are to be sold or exchanged, or by any person, firm, or corporation in control of or controlled by any such corporation, then the favorable vote of two-thirds (2/3) of all other shares shall be required to approve such plan.

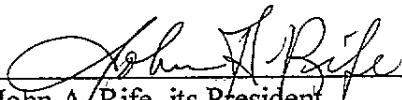
ARTICLE XII

AMENDMENTS

Except as otherwise provided herein or by law these Articles may be amended at any annual meeting of the Stockholders or special meeting of the Stockholders called for that purpose by a vote of two-thirds (2/3) of the shares of the corporation issued and outstanding.

Dated February 6, 2001.

BY: United Fire & Indemnity Company f/k/a American Fire and Indemnity Company


John A. Rife, its President

And


Helen Kay Lohec, its Secretary

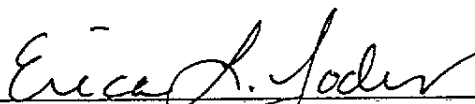
STATE OF IOWA)
) ss:
COUNTY OF LINN)

Before me, a notary public, on this day personally appeared John A. Rife, known to me to be the person whose name is subscribed to the foregoing document, and being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 6th day of February, 2001.

[SEAL]



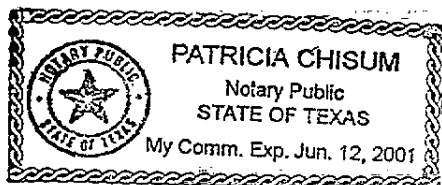

Notary Public, State of Iowa

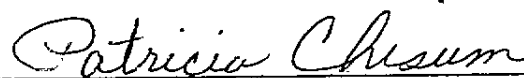
STATE OF TEXAS)
) ss:
COUNTY OF GALVESTON)

Before me, a notary public, on this day personally appeared Helen K. Lohec, known to me to be the person whose name is subscribed to the foregoing document, and being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 6th day of February, 2001.

[SEAL]




Notary Public, State of Texas

No. 01-0261

OFFICIAL ORDER
of the
COMMISSIONER OF INSURANCE
of the
STATE OF TEXAS
AUSTIN, TEXAS

Date: MAR 22 2001

Subject Considered:

AMERICAN FIRE AND INDEMNITY COMPANY
Galveston, Texas
TDI No. 07-02550

AMENDMENT AND RESTATEMENT OF THE ARTICLES OF INCORPORATION

CONSENT ORDER
DOCKET NO. C-01-0163

General remarks and official action taken:

On this day came on for consideration by the Commissioner of Insurance, pursuant to TEX. INS. CODE ANN. art. 3.05 and TEX. BUS. CORP. ACT art. 4.02 and art. 4.04, the application of AMERICAN FIRE AND INDEMNITY COMPANY, Galveston, Texas, hereinafter referred to as "APPLICANT", for approval of the Amendment and Restatement of its Articles of Incorporation changing its name to UNITED FIRE & INDEMNITY COMPANY and adding reinsurance on all lines APPLICANT is authorized to write on a direct basis.

Staff for the Texas Department of Insurance and the duly authorized representative of the APPLICANT, have consented to the entry of this order and request the Commissioner of Insurance informally dispose of this matter pursuant to the provisions of TEX. INS. CODE ANN. §36.104, TEX. GOV'T CODE ANN. §2001.056, and 28 TEX. ADMIN. CODE §1.47.

FINDINGS OF FACT

Based upon the express consent of APPLICANT, and the recommendation of the Texas Department of Insurance staff, the Commissioner of Insurance makes the following findings of fact:

1. APPLICANT is a domestic property and casualty insurance company.
2. Action by the Board of Directors and Shareholders of APPLICANT authorizing the proposed Amendment and Restatement of the Articles of Incorporation, as required and permitted by TEX. INS.

01-0261

COMMISSIONER'S ORDER

AMERICAN FIRE AND INDEMNITY COMPANY

PAGE 2 of 3

CODE ANN. art. 3.05 and TEX. BUS. CORP. ACT art. 4.02 and art. 4.04 has been evidenced to the Commissioner of Insurance.

3. As a result of the Amendment and Restatement of the Articles of Incorporation, APPLICANT will change its name to UNITED FIRE & INDEMNITY COMPANY.
4. APPLICANT'S Certificate of Authority will also be amended to include reinsurance on the lines is authorized to write on a direct basis.
5. The proposed capital and surplus of the APPLICANT is equal to or exceeds the minimum requirements of capital and surplus required by the Texas Insurance Code for a domestic property and casualty insurance company, and is the bona fide, unconditional, and unencumbered property of the company.
6. APPLICANT represents to the Commissioner of Insurance that its officers, directors and managing executives possess sufficient insurance experience, ability, and standing to render the continued success of the company probable.
7. APPLICANT is acting in good faith.

CONCLUSIONS OF LAW

Based upon the foregoing findings of fact, the Commissioner of Insurance makes the following conclusions of law:

1. The Commissioner of Insurance has authority and jurisdiction over this application under TEX. INS. CODE ANN. art. 3.05.
2. The Commissioner of Insurance has authority to dispose of this matter under TEX. GOV'T CODE ANN. §2001.056, TEX. INS. CODE ANN. §36.104 and 28 TEX. ADMIN. CODE §1.47.
3. APPLICANT and staff have knowingly and voluntarily waived all procedural requirements for the entry of this order, including, but not limited to, notice of hearing, a public hearing, a proposal for decision, rehearing by the Commissioner of Insurance, and judicial review of the order as provided for in TEX. GOV'T CODE ANN. §§2001.051, 2001.052, 2001.145 and 2001.146, and TEX. INS. CODE ANN. §§36.201 - 36.205.
4. Action by the Board of Directors and the Shareholders of APPLICANT authorizing the proposed Amendment and Restatement as required and permitted by TEX. INS. CODE ANN. art. 3.05 and TEX.

01-0261

COMMISSIONER'S ORDER
AMERICAN FIRE AND INDEMNITY COMPANY
PAGE 3 of 3

BUS. CORP. ACT art. 4.02 and art. 4.04 has been evidenced to the Commissioner of Insurance.

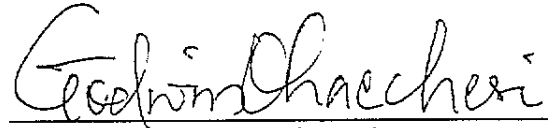
5. The proposed Amendment and Restatement of the Articles of Incorporation of APPLICANT is properly supported by the required documents.

IT IS, THEREFORE, THE ORDER of the Commissioner of Insurance that the Amendment and Restatement of the Articles of Incorporation of AMERICAN FIRE AND INDEMNITY COMPANY, Galveston, Texas, changing its name to UNITED FIRE & INDEMNITY COMPANY and adding reinsurance on all lines APPLICANT is authorized to write on a direct basis and the same is hereby, approved.

It is further ORDERED that a Certificate of Authority be issued to UNITED FIRE & INDEMNITY COMPANY, Galveston, Texas, evidencing the change effected by the amendment and that thereupon the prior Certificate of Authority No. 9411, dated November 8, 1990, be canceled.

JOSE MONTEMAYOR
COMMISSIONER OF INSURANCE

BY:


Godwin Ohaechesi, Director
Company Licensing & Registration
Order 94-0580

Recommended by:


Andrés Télles III
Insurance Specialist
Company Licensing & Registration

01-0261

March 12, 2001

Andrés Télles
Company Licensing and Registration MC305-2C
Texas Department of Insurance
PO Box 149104
Austin, TX 78714-9104

Re: Amendment and Restatement of Articles of Incorporation

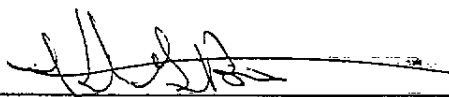
Mr. Télles,

American Fire and Indemnity Company hereby consents to the entry of the attached Commissioner's Order, and agrees to the informal disposition of this matter pursuant to the provisions of TEX. INS. CODE ANN. § 36.104 (former Article 1.33(e)), TEX. GOV'T. CODE ANN. § 2001.056 and 28 TEX. ADMIN. CODE § 1.47. Moreover, American Fire and Indemnity Company knowingly and voluntarily waives all procedural requirements for the entry of this order, including, but not limited to, notice of hearing, a public hearing, a proposal for decision, rehearing by the Commissioner, and judicial review of this order as provided for in TEX. INS. CODE ANN. § § 36.201-36.205 (former Article 1.04) and TEX. GOV'T. CODE ANN. § § 2001.051 and 2001.052.

By the signature below, the undersigned represents that he/she has the authority to execute this agreement and consent on behalf of the insurance company.

American Fire and Indemnity Company

Dated: 3/12/01

By: 

Kent G. Baker, Treasurer
(Type Name)