



847620

HERITAGE INSURANCE

Heritage Mutual Insurance Company • Sheboygan, Wisconsin 53081

March 19, 2001

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

100003908421--4
-03/26/01--01007--005
*****96.25 *****61.25

Re: Corporate Name Change to
ACUITY, A Mutual Insurance Company

The Heritage Mutual Insurance Company wishes to change its corporate name to **ACUITY, A Mutual Insurance Company**. It is the only change requested. That is, the corporate address, management, etc., remain unchanged. The requested effective date for this change is **June 1, 2001**.

The attached documentation/information is provided to permit you to amend or reissue a New Certificate of Status.

If you require further documentation and/or information, please contact the undersigned at:

Heritage Mutual Insurance Company
2800 South Taylor Drive
P.O. Box 58
Sheboygan, WI 53082-0058

Thank you for your early attention to this matter.

Sincerely,

John P. Ball, CPCU, AIS
Marketing Project Director
Phone: (920) 458-9131 ext 1551
FAX: (920) 458-7843

EFFECTIVE DATE
6/1/2001

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
01 MAR 26 AM 11:46

Note: filed pursuant to SP
3/30

John P. Ball gave Authorization
to correct date authorized in fl.
B 4/4 B

N/C

V. SHEPARD APR 5 2001

Heritage Mutual Insurance Company
2800 S. Taylor Drive
Sheboygan, WI 53081

FLORIDA DEPARTMENT OF STATE

Based on the requirements provided by your department, the following documents and/or information is provided to permit you to amend/or reissue our current Certificate of Authority to read ACUITY, A Mutual Insurance Company:

- 1) Application by Foreign Profit Corporation to File Amendment to Application for Authorization to Transact Business in Florida
- 2) Certified copy of Amended Articles of Incorporation (certified by the Office of the Commissioner of Insurance of the state of WI - state of domicile)
- 3) A check for \$96.25 to cover the fees for the amendment

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

(1-3 must be completed)

3. December 3, 1980
Date authorized to do business in Florida

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
01 MAR 26 AM 11:46
EFFECTIVE DATE
6/6/2001

(4-7 complete only the applicable changes)

6. If the amendment changes the period of duration, indicate new period of duration.

New Duration

7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.

New Jurisdiction


Signature

Benjamin M. Salzman
Typed or printed name

March 6, 2001

Date _____

President

Tide



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor
Connie L. O'Connell, Commissioner

March 8, 2001

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

Wisconsin.gov

BENJAMIN M SALZMANN PRESIDENT
HERITAGE MUTUAL INSURANCE COMPANY
2800 S TAYLOR DRIVE
SHEBOYGAN WI 53081-8470

Re: Name change to ACUITY, A Mutual Insurance Company

Dear Mr. Salzmann:

The purpose of this letter is to document for the benefit of other state insurance regulators that Heritage Mutual Insurance Company will change its name to ACUITY, A Mutual Insurance Company, effective on June 1, 2001.

On March 6, 2001, the policyholders of Heritage Mutual adopted the name change, by approving an amendment to the Articles of Incorporation. Also on March 6, the board of directors adopted a resolution to change the name effective June 1, 2001, and approved an amendment to the Bylaws. Today, this office has approved the company's amended and restated Articles of Incorporation and Bylaws (to be effective June 1, 2001), and has certified copies of the new Articles that the company can file with other states.

This office will issue the company a Certificate of Authority in the name of ACUITY, A Mutual Insurance Company on the effective date, June 1, 2001. This office will certify copies of the new Certificate of Authority that the company can file with other states.

If any state regulators have questions about the name change or this letter, they are welcome to contact me at (608) 267-5030.

Sincerely,

Peter Medley
Insurance Examiner Supervisor
Bureau of Financial Analysis and Examinations



**State of Wisconsin
Office of the Commissioner of Insurance
P O Box 7873
Madison, Wisconsin 53703-7873**

Certification of the Authenticity of Copy of Document on File

The Commissioner of Insurance of the State of Wisconsin certifies that the attached copy of

AMENDED AND RESTATED ARTICLES OF INCORPORATION AND BYLAWS
(REVISED 06/01/01)

for HERITAGE MUTUAL INSURANCE COMPANY (TO BE KNOWN AS ACUTY, A
MUTUAL INSURANCE COMPANY EFFECTIVE JUNE 1, 2001)

is a true and correct copy of the original now on file with the Office of the Commissioner of Insurance.

Dated at Madison, Wisconsin, this 8th day of March, 2001.

A handwritten signature in cursive script that reads "Connie O'Connell".

Connie O'Connell
Commissioner of Insurance

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION**

ACUITY, A Mutual Insurance Company

**ARTICLE I
NAME**

The name of the corporation shall be ACUITY, A Mutual Insurance Company.

**ARTICLE II
ORGANIZATION AND PURPOSES**

The corporation is organized under Chapter 611 of the Wisconsin Statutes for the purpose of insuring its members upon the mutual plan of insurance against any of the hazards or risks as may be authorized or permitted for companies of its class under the laws of the State of Wisconsin, and with respect to policies issued elsewhere than in Wisconsin, the laws of the states in which it is licensed and to engage in such other business as is not prohibited by Section 610.21 of the Wisconsin Statutes or any successor statute. The corporation shall have all powers conferred upon corporations by the laws of the State of Wisconsin except those prohibited for mutual insurance companies.

**ARTICLE III
MEMBERS**

The corporation shall have members. Each person, firm, corporation, trust, limited liability company, partnership or other organization or entity holding a policy of insurance shall be a member of the corporation during the period such policy is in force. Each member shall have one vote at all regular or special meetings of members.

**ARTICLE IV
MANNER OF EXERCISING CORPORATE POWER**

The business and affairs of the corporation shall be managed by its Board of Directors, which shall be nominated and elected in accordance with the corporation's by-laws as in effect from time to time.

**ARTICLE V
DIRECTORS**

The number of directors shall be as specified from time to time in the by-laws, but not less than nine nor more than thirteen. The directors shall be divided into three classes, each consisting of at least three directors. The directors whose terms expire in 2000 shall constitute one class, those whose terms expire in 2001 shall constitute the second class and those whose

terms expire in 2002 shall constitute the third class. At each annual meeting of the members commencing with the 2000 meeting, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting.

ARTICLE VI OFFICERS

The corporation shall have such principal officers, with such duties, as from time to time required under Chapter 611.12 (3) of the Wisconsin Statutes and as specified in the corporation's by-laws.

ARTICLE VII EXISTING ARTICLES SUPERSEDED

These Amended and Restated Articles of Incorporation shall supersede and take the place of the existing Amended Articles of Incorporation and all amendments thereto.

ARTICLE VIII ADOPTION AND AMENDMENT OF BY-LAWS

The Board of Directors or Members may enact By-Laws for the conduct of the affairs of the Corporation, consistent with these Amended and Restated Articles of Incorporation and the laws of the State of Wisconsin and any By-Laws so enacted shall supersede and take the place of any existing By-laws. The Board of Directors may amend or repeal any By-Law, except for a By-law adopted by the Members which by its express terms provides that it may not be amended or repealed by the Board of Directors. Any By-law adopted by the Board of Directors may be amended or repealed by a vote of two-thirds of the Members voting in person or by proxy at any regular or special meeting at which a quorum is present.

ARTICLE IX AMENDMENT OF ARTICLES OF INCORPORATION

These Amended and Restated Articles of Incorporation may be amended by a vote of two-thirds of the Members voting in person or by proxy at any regular or special meeting of the Members at which a quorum is present.

**AMENDED AND RESTATED BY-LAWS
OF**

**ACUITY
A Mutual Insurance Company**

**INTRODUCTION
VARIABLE REFERENCES**

Date of Adoption of these by-laws:

0.01. The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year (See Section 7.02).

* 0.02. Date of annual members' meeting (See Section 2.02):

First	Tuesday	March	1:30 P.M.
(Week)	(Day)	(Month)	(Hour)

* 0.03. Required notice of members' meeting (See Section 2.05):

(a) Not less than seven (7) days for the annual meeting.

(b) Not less than ten(10) days nor more than sixty (60) days.

* 0.04. Authorized number of directors (See Section 3.02):

* 0.05. Required notice of special directors' meetings (See Section 3.05):

(a) Not less than three (3) days if by mail, and

(b) Not less than one (1) day if by facsimile, electronic mail, telegram, personal delivery, word of mouth, or telephone.

*

*These spaces are reserved for official notation of future amendments to these sections.

ARTICLE I. OFFICES

1.01. **Principal Office.** The corporation may have such principal and other offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the affairs of the corporation may require from time to time.

1.02. **Registered Office.** The address of the registered agent of the corporation required by law to be maintained in the State of Wisconsin may be, but need not be, identical with the address of the principal office of the corporation in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II. MEMBERS

2.01. **Qualifications.** Each person, firm, corporation, trust, partnership, limited liability company or other entity holding a policy of insurance issued by the corporation shall be a member of the corporation during the period while such policy is in force. Each policyholder shall have one vote at all meetings of members.

2.02. **Annual Meeting.** The annual meeting of the members shall be held in each year on the date and at the time set forth in Section 0.02 for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein or fixed as herein provided, for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as convenient.

2.03. **Special Meetings.** Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by either the President, Secretary, the Board of Directors, or by members of the corporation holding ten percent (10%) of the votes entitled to be cast at the meeting.

2.04. **Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by the members may designate any place, within or without the State of Wisconsin, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of Wisconsin or such other suitable place in the county of such principal office as may be designated by the person calling such meeting.

2.05. **Notice of Annual Meetings.** A statement setting forth the time and place of the holding of annual meetings of members shall be printed or stamped upon all policies of insurance issued by the corporation. A failure to include such statement on any policy shall not affect the validity of any annual meeting or of any action taken at any meeting. A notice setting forth the time

and place of the holding of annual meetings of members shall also be published one time at least seven (7) days in advance of the date upon which the meeting is to be held in a newspaper published near the principal office of the corporation.

2.06. Notice of Special Meetings. Written notice of special meetings of members stating the place, day and hour of the meeting and the matter or matter for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally by express courier, by mail, facsimile or electronic mail by or at the direction of the President, the Secretary, the Board of Directors, or the members calling the meeting, to each member entitled to vote at such meeting. If mailed through the United States Postal Service, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid. If notice is delivered by express courier service, then notice shall be deemed to be given when delivered to such courier, addressed to the member at his address as it appears on the records of the corporation, and the necessary fee is paid. If notice be given by facsimile or electronic mail, it shall be deemed delivered when transmitted. In lieu of the foregoing, notice of said special meeting may be made by publishing notice of the same in a newspaper of general state-wide circulation not more than sixty nor less than ten days prior to such meeting, setting forth the place, day and hour of the meeting and the purpose or purposes for which the meeting is called.

2.07. Proxies. At all meetings of the members, a member may, unless prohibited by the articles of incorporation, vote by proxy executed in writing by the member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

2.08. Waiver of Notice by Member. Whenever any notice whatever is required to be given to the members under the by-laws or articles of incorporation or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the members shall be deemed equivalent to the giving of such notice; provided that such waiver in respect to any matter of which notice is required under any provision of the Wisconsin Statutes, shall contain the same information as would have been required to be included in such notice except the time and place of meeting.

2.09. Conduct of Meetings. The President, and in his/her absence, the Vice President, shall call the meeting of the members to order and shall act as Chairman of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the members, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as Secretary of the meeting.

2.10. Voting. The members shall have the right to vote on all matters submitted to a vote of the members and such other additional rights and powers as set forth in these by-laws or conferred upon the members under the Wisconsin Statutes. In the absence of express notice of the designation of some other person by the Board of Directors or by-laws of a member corporation, a corporate member's vote may be cast by its President, or by any other officer or proxy appointed by the

President. Where more than one insured is named in a policy, all those named shall collectively constitute one member for the purpose of voting at meetings of members. If they vote by proxy all those so named shall execute the proxy. Ten percent (10%) of the votes entitled to be cast, in person or by proxy, shall constitute a quorum at all meetings of members, though less than a quorum may adjourn the meeting. Except as hereinafter set forth, a majority of the votes cast by the members, in person or by proxy, at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law or the articles of incorporation. A two-thirds (2/3) majority of the votes cast by the members, in person or by proxy, at a meeting at which a quorum is present, shall be necessary for the amendment of these by-laws or the articles of incorporation by the members.

ARTICLE III. BOARD OF DIRECTORS

3.01. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

3.02. Number, Tenure, Qualifications and Election. The number of directors of the corporation shall be as set forth in Section 0.04. Directors need not be members. Commencing with those persons who are first elected as directors after the year 2000 annual meeting of members, only persons who are under the age of seventy years old shall be eligible to serve as directors and if any director attains the age of seventy years old, his or her office shall immediately become vacant without any action by the corporation or its members. Each director shall hold office for the term he or she was elected, and until his/her successor shall have been elected, or until his/her prior death, resignation or removal. A director may be removed from office for cause by a vote of the members or directors taken at a meeting of the members or directors called for that purpose. Except as set forth in the preceding sentence, the provisions of Sections 181.0808 (1) through (7) of the Wisconsin Statutes shall not apply. A director may resign at any time by filing a written resignation with the Secretary of the corporation. The directors shall be divided into three equal classes. The directors whose terms expire in 2000 shall constitute one class, those whose terms expire in 2001 shall constitute the second class, and those whose terms expire in 2002 shall constitute the third class. At each annual meeting of the members commencing with the 2000 meeting, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting.

3.03 Nominating Committee. The Board of Directors may appoint from its membership a Nominating Committee. At least ninety (90) days prior to the annual meeting of members, the Nominating Committee of the Board of Directors (or if no members have been appointed to a Nominating Committee, the Executive Committee of the Board of Directors) shall recommend to the Board of Directors candidates for the office of director to succeed the directors whose terms of office will expire on the day of such annual meeting and shall file the names of such candidates with the Secretary of the corporation. Upon approval by the Board of Directors, at least sixty (60) days prior to the annual meeting of members, such candidates shall be so nominated. A group consisting of ten percent (10%) or more of the members may also nominate candidates to succeed the directors whose terms will expire by filing with the Secretary of the corporation at least forty days before such

annual meeting a certificate signed by each of such members setting forth the full names and addresses of such members and the names and addresses of the candidates nominated and by filing with such certificate the written acceptance of such nomination by each nominee named in the certificate. The names of all nominees shall be made known by the Secretary to any member upon his written request. Candidates not nominated by the Board of Directors or by the members as herein provided shall not be voted upon at any such annual meeting or adjournment thereof, except in case of the death or resignation or disability of any candidate for the office of director, and in that event, the members present in person or by proxy may by majority vote of the members so present nominate a candidate to fill such vacancy.

3.04. Annual and Regular Meetings. The annual meeting of the Board of Directors shall be held in each year without other notice than this by-law immediately after the annual meeting of the members, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The place of such annual meeting shall be the same as the place of the meeting of the members which precedes it, or such other suitable place as may be announced at the meeting of the members. The Board of Directors may provide, by resolution, the time and place either within or without the State of Wisconsin, for the holding of additional regular meetings without other notice than such resolution.

3.05. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board (if the Board of Directors determines to elect one), the President, the Secretary or any two (2) directors. The Chairman of the Board, President, Secretary or directors calling any special meeting of the Board of Directors may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors called by them, and if no other place is fixed, the place of meeting shall be the principal office of the corporation in the State of Wisconsin.

3.05. Notice; Waiver. Notice of each meeting of the Board of Directors (unless otherwise provided in or pursuant to Section 3.04) shall be given to each director (i) by written notice delivered personally, delivered by express courier service, mailed through the U.S. mail, given by facsimile, electronic mail, or telegram, to such director at his business address or at such other address as such director shall have designated in writing and filed with the Secretary, or (ii) by word of mouth, or telephone personally to such director, in each case not less than that number of days prior thereto as set forth in Section 0.05. If mailed or delivered by courier, such notice shall be deemed to be delivered when deposited in the United States mail or presented to the courier so addressed, with postage thereon prepaid or the delivery fee otherwise paid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the transmitting agency. If notice be given by facsimile or electronic mail, it shall be deemed delivered when transmitted. Whenever any notice whatever is required to be given to any director of the corporation under the articles of incorporation or by-laws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.06. Quorum. Except as otherwise provided by law or by the articles of incorporation or these by-laws, a majority of the number of directors set forth in Section 0.04 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a majority of the directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.

3.07. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the articles of incorporation or these by-laws.

3.08. Conduct of Meetings. The Board of Directors may elect from among their members a director who shall serve as the Chairman of the Board. The Chairman of the Board shall preside over the meetings of the Board of Directors. The position of Chairman of the Board shall not be an officer position of the corporation. In the event the Board of Directors determines not to elect a Chairman of the Board, or in his/her absence, the President, and in his/her absence, a Vice President in the order provided under Section 4.06, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as Chairman of the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any Assistant Secretary or any director or other person present to act as secretary of the meeting. The board may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

(a) All participating directors may simultaneously hear each other during the meeting.

(b) All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

If a meeting will be conducted through the use of any means described in subparagraphs (a) or (b), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in subparagraphs (a) or (b) is considered to be present in person at the meeting.

3.09 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled until the next succeeding annual election by the affirmative vote of a majority of the directors then in office, though less than a quorum of the Board of Directors; provided, that in case of a vacancy created by the removal of a director by vote of the members, the members shall have the right to fill such vacancy at the same meeting or any adjournment thereof.

3.10. Compensation. The Board of Directors, by affirmative vote of a majority of the directors then in office, may establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee.

3.11. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee thereof of which he/she is a member at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she files his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

3.12. Committees. The Board of Directors by resolution adopted by the affirmative vote of a majority of the number of directors set forth in Section 0.04 shall designate an Executive Committee, an Audit Committee and a Finance Committee and may designate one or more other committees, including a Compensation Committee, each committee to consist of three or more directors elected by the Board of Directors. The other committees, if any, shall have and may exercise such powers as are provided in the Resolution of the Board of Directors designating such committee, as such resolution may from time to time be amended and supplemented. The Board of Directors may elect one or more of its members as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the President or upon request by the chairman of such meeting. Each such committee shall elect a presiding officer from its members, shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

(a) Executive Committee. The Executive Committee shall be composed primarily of directors who are not employees or officers of the corporation and shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the corporation, provided that in no case shall the Executive Committee or any other committee act in respect to dividends to policy holders, the election of principal officers or the filling of vacancies in the Board of Directors or committees created pursuant to this section or any matter described in Section 611.56(3) of the Wisconsin Statutes.

(b) Audit Committee. The Audit Committee shall be composed primarily of, and chaired by, directors who are not officers or employees of the corporation. In addition to any authority expressly granted to the Audit Committee by the Board of Directors, the Audit Committee shall be responsible for: recommending to the Board of Directors an independent auditing firm to conduct an annual audit of the corporation's financial statements; reviewing the terms of the independent auditor's engagement; reviewing the performance of the corporation's senior internal audit staff; serve as the liaison between the Board of Directors and the independent auditor; review the adequacy of the corporation's internal financial controls; review the independent auditor's report and make recommendations to the Board of Directors concerning any of the foregoing.

(c) **Finance Committee.** In addition to any authority expressly granted to the Finance Committee by the Board of Directors, the Finance Committee shall be responsible for the general oversight of the corporation's investments and the investments of any retirement plans sponsored by the corporation; communication between the Board of Directors and the corporation's senior officers responsible for the corporation's investments; communication between the Board of Directors and the corporation's independent investment advisors and consultants, if any; and recommendations to the Board of Directors regarding any of the foregoing.

(d) **The Compensation Committee.** The Compensation Committee, if one is designated by the Board of Directors, shall be composed primarily of, and be chaired by, directors who are not employees of the corporation. In addition to any authority expressly granted to the Compensation Committee by the Board of Directors, the Compensation Committee shall be responsible for reviewing and recommending to the Board of Directors the annual salary, bonus, and other direct and indirect benefits of the corporation's senior executives. The Compensation Committee shall periodically review the corporation's executive compensation programs to determine whether they are properly coordinated and sufficient to recruit, retain and reward executives for the benefit of the corporation. The Compensation Committee shall make recommendations to the Board of Directors concerning the foregoing. If no Compensation Committee has been designated by the Board of Directors, the duties of the Compensation Committee shall be performed by the Executive Committee.

3.13. Unanimous Consent Without Meeting. Any action required or permitted by the articles of incorporation or by-laws or any provision of law to be taken by the Board of Directors or any committee thereof at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or members of such committee entitled to vote with respect to such action.

ARTICLE IV. OFFICERS

4.01. Number. The principal officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. The President and Vice President shall be members of the corporation. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. At least three offices must be held by three separate individuals, however, any two or more offices may be held by the same person, except the offices of President and Vice President and President and Secretary. The duties of the officers shall be those enumerated herein and any further duties designated by the Board of Directors. The duties herein specified for particular officers may be transferred to and vested in such other officers as the Board of Directors shall elect or appoint, from time to time and for such periods or without limitation as to time as the Board of Directors shall order.

4.02. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as

conveniently may be. Each officer shall hold office until his/her successor shall have been duly elected or until his/her prior death, resignation or removal.

4.03. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

4.04. Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

4.05. President. The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the affairs of the corporation, including the investments of the assets of the corporation. He/she shall, when present, preside at all meetings of the Board of Directors unless the Board of Directors shall have elected a Chairman of the Board of Directors and designated such person to do so. He/she shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he/she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He/she shall have authority to sign, execute and acknowledge, on behalf of the corporation, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, all deeds, mortgages, bonds, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular affairs, or which shall be authorized by resolution of the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and except as otherwise provided by law or the Board of Directors, he/she may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his/her place and stead. In general he/she shall perform all duties incident to the office of the chief executive officer and such other duties as may be prescribed by the Board of Directors from time to time. In the event the Board of Directors determines not to elect a Chairman of the Board or in the event of his/her absence or disability, the President shall perform the duties of the Chairman of the Board and when so acting shall have all the powers of and be subject to all of the duties and restrictions imposed upon the Chairman of the Board.

4.06. Vice Presidents. In the absence of the President or in the event of his/her death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Vice President, or if more than one, the Vice Presidents in the order designated at the time of their election, or in the absence of any such designation, then in the order of their initial election, shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such duties as from time to time may be assigned to him/her by the President or the Board of Directors.

4.07. Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and the corporate seal and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) have authority to sign, with the President or any other proper officer of the corporation thereunto authorized by the Board of Directors, all deeds, mortgages, bonds, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular affairs, or which shall be authorized by resolution of the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and (e) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him/her by the President or by the Board of Directors.

4.08. Treasurer. The Treasurer shall: (a) have charge and custody and be responsible for all funds and securities of the corporation except that the President shall have the full responsibility as to the investment of the assets of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5.04; and (c) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him/her by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

4.09. Other Assistant and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or as agent for the corporation in his/her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors shall have the power to perform all the duties of the office to which he/she is so appointed to be assistant, or as to which he/she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

4.10. Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that he/she is also a director of the corporation.

ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS

5.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made

by the corporation shall be executed in the name of the corporation by the President or one of the Vice Presidents; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

5.02. Loans. No indebtedness for borrowed money shall be contracted on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

5.03. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner, including by means of facsimile signatures, as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

5.04. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

ARTICLE VI. LIABILITY AND INDEMNITY OF OFFICERS AND DIRECTORS

6.01 Liability of Directors and Officers. Except as otherwise provided by law, no director or officer shall be liable to the corporation, its members, or any person asserting rights on behalf of the corporation or its members, for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his/her status as a director or officer, unless the person asserting liability proves that the breach or failure to perform constitutes (a) a willful failure to deal fairly with the corporation in connection with the matter in which the director or officer has a material conflict of interest, (b) a violation of criminal law, unless the director or officer had reasonable cause to believe his/her conduct was lawful or no reasonable cause to believe his/her conduct was unlawful, (c) a transaction from which the director or officer derived an improper personal profit, or (d) willful misconduct.

6.02. Indemnity of Directors and Officers. The corporation shall indemnify a director or officer, to the extent he/she has been successful on the merits or otherwise in the defense of any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the corporation or by any other person, for all reasonable expenses, including fees, costs, charges, disbursements and attorney fees, incurred in the proceeding, provided the director or officer was a party because he/she is a director or officer of the corporation, and in all other cases, the corporation shall indemnify a director or officer against liability, including judgments, settlements, penalties, assessment, forfeitures, fines and reasonable expenses, incurred by the director or officer in the proceeding, provided the director or officer was a party because he/she is a director or officer of the corporation, unless the liability was incurred

because the director or officer breached or failed to perform a duty he/she owes to the corporation and the breach or failure to perform constitutes (a) a willful failure to deal fairly with the corporation in connection with the matter in interest, (b) a violation of criminal law, unless the director or officer had reasonable cause to believe his/her conduct was lawful or no reasonable cause to believe his/her conduct was unlawful, (c) a transaction from which the director or officer derived an improper personal profit, or (d) willful misconduct.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, shall not, by itself, create a presumption that indemnification of the director or officer is not required under this by-law. No indemnification is required under this by-law to the extent the officer or director has previously received indemnification or allowance of expenses from any person, including the corporation, in connection with the same proceeding. Determination of whether indemnification is required under this by-law shall be made by the means provided pursuant to Section 181.0873 of the Wisconsin Statutes.

The corporation, by its Board of Directors, may indemnify in a like manner, or with any limitations, any employee or agent of the corporation who is not a director or officer with respect to any action taken or not taken in his/her capacity as such employee or agent. The foregoing rights of indemnification shall be in addition to all rights to which directors, officers, employees or agents may be entitled as a matter of law, by resolution of the Board of Directors, or by written agreement with the corporation. All terms used in this Section 6.02 for which a definition is provided in Section 181.0871 of the Wisconsin Statutes and not otherwise herein defined shall have the meaning set forth in said statute.

6.03. Maintenance of Insurance. The corporation may, by its Board of Directors, purchase and maintain insurance on behalf of any person who is a director, officer, employee or agent of the corporation against liability asserted against and incurred by the person in his/her capacity as a director, officer, employee or agent, or arising from his/her status as a director, officer, employee or agent, regardless of whether the corporation is required or authorized to indemnify the person against the same liability.

6.04. Transactions With the Corporation. No contract or other transaction between the corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his, her or their votes are counted for such purpose, if (a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or (b) the contract or transaction is fair and reasonable to the corporation. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

ARTICLE VII. GENERAL

7.01. **Seal.** The Board of Directors may provide for a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the corporation and the words "Corporate Seal".

7.02. **Fiscal Year.** The fiscal year of the corporation shall be as provided in Section 0.01.

7.03. **Dividends.** The corporation may return on all or any policies savings or dividends in such amounts and such classifications as the Board of Directors shall determine is fair and reasonable, but such refund of savings or dividends shall in no case be made contingent upon the continuance of premium payments or maintenance of the policy.

7.04. **Previously Existing By-laws.** From and after their adoption, these amended by-laws shall supersede and take the place of the theretofore existing by-laws of the corporation and amendments thereto, however adopted.

7.05 **Interpretation.** To the extent not governed by other specific provisions of the Wisconsin Statutes, these amended by-laws shall be interpreted in accordance with the provisions of Chapter 611 and, to the extent applicable to mutual insurance companies, Chapter 181 of the Wisconsin Statutes and the case law thereunder.

ARTICLE VIII. AMENDMENTS

8.01. **By Members.** Members shall have the right to vote to approve any amendment to these by-laws to the extent required or permitted by Wisconsin Statutes or as requested by the Board of Directors, and such amendment shall be effective only upon obtaining the member approval required by these by-laws.

8.02. **By Directors.** These by-laws may, except as provided to the contrary under the laws of the State of Wisconsin, be altered, amended or repealed and new by-laws may be adopted by the Board of Directors by affirmative vote of a majority of the number of directors present at any meeting at which a quorum is in attendance; however, no by-law adopted by the members shall be amended or repealed by the Board of Directors if the by-law so adopted so provides or if, pursuant to Chapter 611 of the Wisconsin Statutes, the approval of the members is required to amend such by-law.

8.03. **Implied Amendments.** Any action taken or authorized by the Board of Directors, which would be inconsistent with the by-laws then in effect but is taken or authorized by affirmative vote of not less than the number of directors required to amend the by-laws so that the by-laws would be consistent with such action, shall be given the same effect as though the by-laws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.