

**INDEPENDENT INSURANCE
AGENTS
OF
SOUTH DAKOTA**

ASSOCIATION BY-LAWS



**305 Island Drive
Ft. Pierre, SD 57532**

**BY-LAWS
OF
INDEPENDENT INSURANCE AGENTS OF SOUTH DAKOTA**

ARTICLE I - NAME

SECTION 1: The name of the organization shall be Independent Insurance Agents of South Dakota. It is a non-profit corporation incorporated in the State of South Dakota, and is hereinafter referred to as the "IIASD".

ARTICLE II - OBJECTIVES

SECTION 1: To promote and support sound principles in the transaction of the business of insurance; to promote and encourage confidence and good will among its members; to maintain a high standard of integrity and service in such insurance business; to promote and support good public relations with our companies and the insurance-buying public.

SECTION 2: To promote and encourage the development of the American Agency System.

SECTION 3: To encourage the promotion and establishment of subsidiary local and regional associations of insurance agents.

SECTION 4: To work in conjunction with and as part of the Independent Insurance Agents & Brokers of America, Inc.

SECTION 5: To raise funds for the carrying out of its objects and purposes through assessment of its members, solicitation of voluntary contributions and negotiation of loans.

SECTION 6: To do any and all other things necessary, proper or expedient in order to carry out any or all of the objects and purposes of IIASD.

SECTION 7: To foster, encourage, assist and develop insurance education.

SECTION 8: To purchase, lease, hold, sell, develop, mortgage, convey or otherwise acquire or dispose of such real or personal property as may be necessary, proper or convenient for the carrying out of the purposes of IIASD.

SECTION 9: To have and exercise all the rights, powers and privileges which are now or may hereafter be conferred upon non-profit corporations, organized or existing under the laws of the State of South Dakota.

SECTION 10: To advise and counsel government agencies within the State of South Dakota with regard to insurance programs.

ARTICLE III - JURISDICTION

SECTION 1: The territorial jurisdiction of the IIASD shall be the entire state of South Dakota; and, the headquarters office of IIASD shall be established within the State of South Dakota.

SECTION 2: “Big “I” Logo - Inclusion and retention of the Registered Collective Membership Mark “Big I” in the name of IIASD shall be governed by the constitution and By-Laws of the Independent Insurance Agents & Brokers of America, Incorporated as from time to time amended.

ARTICLE IV - MEMBERSHIP

SECTION 1: Agency Membership - Any person, partnership or corporation operating as an independent agency may become an Agency Member of IIASD upon application and being approved by the Board of Directors.

A. The application shall be accompanied by the first year’s dues which shall be calculated on a pro-rata basis for the period of the date of original application to the end of the first fiscal year in which the membership is effective.

SECTION 2: Individual Membership - Any person officially associated with an Agency Member described in Section 1 above, shall be deemed to be an Individual Member without further payment of dues; and, shall be accorded all of the privileges of membership except for casting of the Agency Membership vote when actions require same.

SECTION 3: Associate, Student, Honorary and Lifetime Membership - This type of membership may be established and governed by the Board of Directors.

ARTICLE V - QUALIFICATION AND ELECTION

SECTION 1: Application - Application for Agency Membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to any qualified applicant of IIASD and the By-Laws and Code of Ethics of the Independent Insurance Agents & Brokers of America, Incorporated, and, the application shall provide space for acknowledgment by the applicant that he/she will abide by the By-Laws, Rules, Regulations and codes so described.

SECTION 2: Qualification - Any applicant for Agency Membership shall:

- A. Be a legally licensed producer or the corporation represented by them in the State of South Dakota operating a local insurance agency.
- B. Maintain an office for the transaction of insurance business within the State of South Dakota.
- C. Hold himself/herself out in good faith as an insurance producer in accordance with the provisions of the insurance laws of the State of South Dakota.
- D. Pay annual dues as determined by the Board of Directors of IIASD.
- E. Understand that membership in the IIASD includes membership in the Independent Insurance Agents and Brokers of America, Incorporated.

SECTION 3: Election - The procedure for election to membership shall be as follows:

- A.** Application for membership in IIASD shall be made in writing, on the approved forms, to the Executive Vice President of IIASD. All applications for membership shall be accompanied by the payment of dues computed in accordance with the criteria set forth in Articles IV and VII.
- B.** Upon receipt of a membership application, the Executive Vice President shall provide a copy thereof to the Board of Director members for approval or rejection of said application. The Board of Director members shall respond to the aforementioned request by returning to the Executive Vice President a written approval or rejection of said applicant. The document shall include the signature of the Board of Director member submitting the same. If there is but one negative vote received, the application shall be held for the purposes of discussion which shall take place at the regular scheduled meeting of the Board of Directors. The applicant shall be informed of the Board of Directors' decision in writing.

SECTION 4: Removal -

- A:** The membership of any Agency Member failing to pay dues and/or the assessments may be canceled. The Executive Vice President of the IIASD shall forthwith notify the member and the National Association of such cancellation.
- B.** The membership of any Agency or Individual Member may be canceled by a vote of two-thirds of the total of the number of the Board of Directors present at a duly constituted Board meeting for failure to maintain the standards required by membership in IIASD or for any other cause deemed sufficient by the Board of Directors upon a written statement of grounds for cancellation and after a full hearing thereon. A copy of such statement shall be furnished to the member fifteen days before the time set for the hearing of the same, together with a notice of the time and place of such hearing. If the member whose membership is in question shall be on the Board of Directors, he/she shall not be permitted to act in his/her capacity as a Director in connection with any proposed cancellation of his/her membership. The member whose membership has been canceled may appeal to the membership at the next annual meeting provided that notice of intent of appeal is provided to the Executive Vice President ten days in advance of the annual meeting, and be reinstated by an affirmative vote of two-thirds of all of the Agency Members present. If there be a reinstatement, such member shall pay all dues and assessments which he/she would have paid had his/her membership not been canceled.

SECTION 5: Resignation - Any Agency Member may resign by filing a written resignation with the Executive Vice President, but such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges theretofore accrued and unpaid.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

SECTION 1: The privileges and obligations of the members, in addition to those otherwise provided in these By-Laws, shall be as specified in this Article.

SECTION 2: Agency and Individual Members -

- A.** Agency and Individual Members in good standing whose financial obligations to IIASD are paid in full shall be entitled to vote and hold elective office in IIASD, subject to other qualifying factors for election to office.
- B.** Agency and Individual Members may use the “Big I” logo which use shall be subject to the provisions of Article III, Section 2, and Article XVII, Sections 1 and 2.
- C.** Agency and Individual Members have the responsibility to safeguard and promote the standards, interests and welfare of IIASD and the property/casualty insurance profession.
- D.** Agency and Individual Members have the responsibility to uphold the standards outlined in the Code of Ethics of the Independent Insurance Agents & Brokers of America, Incorporated.

ARTICLE VII - DUES

SECTION 1: Establishment of Dues - Dues assessments and admission fees, if any, for all classes of membership shall be established by the Board of Directors.

SECTION 2: Dues Payable - Dues for all members shall be payable annually on the first day of January. The Board of Directors may promulgate rules regarding options for payment of dues other than annual.

- A.** If any Agency Member is canceled for non-payment of dues or for any other reason whatsoever, the Individual Members associated through that Agency Membership shall be deemed to be canceled also.

SECTION 3: Non-Payment of Dues or Charges - Any Agency Member who has not paid dues, assessments or other charges of the Board within thirty days of the due date, shall be notified by mail of the delinquency. If the delinquency continues to ninety days, the Executive Officer shall inform the Board for appropriate action.

ARTICLE VIII - MEETINGS OF MEMBERS AND VOTING

SECTION 1: The annual meeting of the membership shall be held each year at a time and place to be designated by the Board of Directors for the purpose of transaction of such business as may properly be brought before the meeting.

SECTION 2: Special meetings of the membership may be called at any time by the Board of Directors, and shall also be called by the President on the written request of twenty-five percent or more of the Agency Members.

SECTION 3: Notices of the annual and special meetings of the membership shall be sent at least thirty days prior to meetings. Such notices shall state specifically the purposes for which special meetings have been called and such business shall be limited to the purpose of the call.

SECTION 4: Each Agency Member whose dues and/or assessments are paid as provided by these By-Laws and who is otherwise in good standing, shall be entitled to vote in all questions at all meetings of the membership. Twenty-five percent of the votes eligible to be cast by the Agency Members shall constitute a quorum. Each Agency Member is entitled to cast votes according to the dues paid during the current fiscal year and according to the following schedule:

\$ 0 - \$ 280	= 1 votes
281 - 355	= 2 votes
356 - 540	= 3 votes
541 - 695	= 4 votes
696 - 845	= 5 votes
846 - 1095	= 6 votes
1096 - 1220	= 7 votes
1221 - 1400	= 8 votes
1401 - 1649	= 9 votes
1650 & over	= 10 votes

- A.** An Individual Member of a given Agency may cast the votes of his/her associated Agency Member if the Agency Member is absent and the Individual Member is present.
- B.** Proxy votes by whatever description, other than authorized in Paragraph A above, shall not be permitted.
- C.** Voting shall be only Agency Membership as defined in Article IV, Section 1, with the stipulation that each location shall be construed as an Agency for voting purposes.
- D.** In those cases where a member agency has branches located in more than one district, the member agency's votes can only be cast in the district where the member agency's principal office is located.

ARTICLE IX - OFFICERS

SECTION 1: Elected Officers - The officers of IIASD shall be President, President-Elect, Vice President, Secretary/Treasurer, Past President and State National Director.

- A:** The above named officers, with the exception of the Past President and the State National Director, shall be elected by and from the Board of Directors. The election of officers, other than the State National Director, shall take place at a special meeting of the Board of Directors immediately following the Annual Membership Meeting. The State National Director shall be elected tri-annually by the Membership at the Membership Meeting.

SECTION 2: Elected officers shall serve for one year with the exception of the State National Director who shall serve for three years.

SECTION 3: Vacancies, Removal - Vacancies in any elective office may be filled for the balance of the term thereof by the Board of Directors at any regular or special meeting. The Board of Directors, at its discretion, by a two-third vote of all its members, may remove any officer from office for just cause.

- A: Replacement Director for the President and Vice President-** After the President-Elect assumes the office of President, and the Vice President assumes the office of President-Elect a vacancy shall exist on the Board of Directors. That vacant position shall be filled by the Membership of said districts at the regular meeting. Such District Director so elected shall serve the remainder of the term of the President and President-Elect whom he/she replaced.
- B.** Officers elected by the Board of Directors, other than the President and President-Elect, may continue to serve out their terms as District Directors as well as their “Table Officer” position.

ARTICLE X - DUTIES OF OFFICERS

SECTION 1: President - The President shall serve as Chairman of both the Board of Directors and the Executive Committee. He/she shall also serve as a member, ex-officio, with right to vote, on all committees. He/she shall make all required appointments of standing and special committees with the approval of the Board of Directors. He/she shall perform such other duties as are necessarily incidental to the office of President or as may be prescribed by the Board of Directors.

SECTION 2: The President-Elect - The President-Elect shall succeed to the Presidency in the event of a vacancy in the office of President. The President-Elect shall automatically ascend to the office of the President in the year when the President’s term of office is concluded. The President-Elect shall perform the duties of the President in his/her absence or disability.

SECTION 3: Vice President - The Vice President shall succeed to the office of President-Elect in the event of a vacancy in the office of President-Elect. The Vice President shall automatically ascend to the office of President-Elect in the year when the President-Elect takes the office of President.

SECTION 4: Secretary/Treasurer -

- A.** The Secretary/Treasurer will work with the Executive Vice President to accurately account for all funds and records of IIASD and its subsidiaries. The Secretary/Treasurer, working under the direction of the Board of Directors, shall arrange for an annual financial review by a CPA with a full CPA audit required every third year. The Secretary/Treasurer will report the financial status of the IIASD at each Board of Directors meeting and at such other times requested by the President.
- B.** The Secretary/Treasurer shall oversee the proper recording of all meetings of the IIASD and the Board of Directors and ensure that accurate records are kept of all members. In addition, the Secretary/Treasurer shall provide for the recording of all actions taken by the Board of Directors, which record shall be reviewed annually at the first meeting of the newly constituted Board following the membership’s annual meeting.
- C. Budget** - The Secretary/Treasurer, working with the President, President-Elect and the Executive Vice President, shall prepare an annual budget immediately following the close of each fiscal year. It shall be presented to the Board of Directors for their review and adoption prior to December 15th of each year. The budget shall be for the pending fiscal year.

SECTION 5: Past President – The Past President shall serve on the Board of Directors for the period of one year, which shall follow his/her year as President. He/she will serve as a member-at-large representing the membership as a whole.

SECTION 6: State National Director - The State National Director shall represent IIASD at meetings of the Independent Insurance Agents & Brokers of America, Inc. He/she shall report on such meetings to the Board of Directors, in writing, on at least a quarterly basis. In the event of the inability of the State National Director to attend meetings of the Independent Insurance Agents & Brokers of America, Inc. the President or President-Elect shall be empowered to act in his/her behalf.

ARTICLE XI - BOARD OF DIRECTORS

SECTION 1: Authority and Responsibility - The governing body of IIASD shall be the Board of Directors. The Board of Directors shall have responsibility, supervision, control and direction of the affairs of IIASD, its committees and publications; shall determine its policies or changes therein; shall actively prosecute its objectives and supervise the disbursements of its funds and protection of its assets. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may in the execution of the powers granted, delegate certain of its authority and responsibility to the Executive Committee. A member agency or agency system will be limited to not more than two representatives on the Board of Directors.

Composition - The Board of Directors shall be composed of the eight (8) District Directors elected from the eight (8) districts, and four at-large directorships consisting of the President, the President-Elect, the Past President and the State National Director. The officers of the Board of Directors shall be elected by the Board as outlined in Article IX.

SECTION 2: Authority and Responsibility - The Board of Directors shall exercise discretion, supervise and control all activities of IIASD and its committees. The Board of Directors may delegate responsibility and direction of certain affairs to the Executive Vice President. The Board of Directors shall determine policy and set objectives and goals for IIASD. The Board of Directors may adopt special rules for staff, committees and Members. The Board of Directors may delegate specific responsibilities to the Executive Committee.

SECTION 3: Manner of Election -

- A. District Directors may be elected from only the district in which their office is located.
- B. **Term of Office** - The term of office for District Directors shall be for two (2) years. The At-Large Directors term of office shall correspond to the term of the office held.
- C. **Election** - Elections shall be conducted each year.
- D. **Alternate Directors** - Each district may also elect an Alternate Director in the same manner as that which is used for District Directors.
 1. **Duties of Alternate District Directors** - Alternate District Directors may act in the absence of the District Director. All rights and privileges of District Directors are granted to an Alternate District Director when acting as a District Director under the authority of this

section.

- E. Election Procedures - District Directors - The incumbent District Director or Directors will convene a meeting of the district, prior to or during the annual membership meeting and conduct an election accordingly. Nominations will be received from the floor at the time of said district meeting. Such nominees must have indicated their willingness to serve.

SECTION 4: Qualification - Any person elected to office in IIASD shall be an Agency or Individual Member in good standing with IIASD.

SECTION 5: Districts - The state shall be divided into eight (8) districts which shall be designated and numbered as follows:

- District 1:** Campbell, Corson, Dewey, Edmunds, Faulk, Hand, Hughes, Hyde, McPherson, Potter, Stanley, Sully, Walworth
- District 2:** Beadle, Brookings, Clark, Codington, Deuel, Hamlin, Kingsbury
- District 3:** Clay, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Turner, Union, Yankton
- District 4:** City of Sioux Falls
- District 5:** Aurora, Bon Homme, Brule, Buffalo, Charles Mix, Davison, Douglas, Gregory, Hanson, Hutchinson, Jerauld, Lyman, Sanborn, Tripp
- District 6:** Brown, Day, Grant, Marshall, Roberts, Spink
- District 7:** Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Jones, Lawrence, Meade, Mellette, Pennington, Perkins, Shannon, Todd, Washabaugh, Ziebach
- District 8:** City of Rapid City

SECTION 6: Quorum - At any meeting of the Board of Directors, a majority of the Board shall constitute a quorum for the transaction of business of IIASD.

SECTION 7: Meetings -

- A. Regular Meetings - Regular meetings of the Board of Directors shall be held at least three times each year at such time and place as may be designated by the Board of Directors or the President in the event that the Board does not so designate. Written notice of such meetings shall be given to the Directors not less than fifteen days before the meeting is held.

SECTION 8: Voting - Voting rights of a Director shall not be delegated to another or exercised by proxy, except an Alternate Director, when serving in lieu of a Director, may exercise the Director's voting rights.

SECTION 9: Absence - Any elected Officer or Director who shall have been absent from two consecutive regular meetings of the Board of Directors during a single administrative year shall automatically vacate the seat on the Board of Directors and the vacancy shall be filled in accordance with Article IX, Section 3, and Article XI, Section 10; however, the Board of Directors shall consider each absence of an elected Officer or Director as a separate circumstance and may expressly waive such absence by affirmative vote of a majority of its members.

SECTION 10: Vacancies and Removal - Any vacancy occurring on the Board of Directors in the District Director membership between annual meetings shall be filled by the Board of Directors. A Director so elected to fill a vacancy shall serve the unexpired term of his/her predecessor.

SECTION 11: Compensation and Expenses -

- A. Directors and elected officers shall not receive any compensation for their services.
- B. The Board of Directors may authorize the reimbursement of its members for expenses incurred on behalf of the IIASD or in attendance of IIASD meetings.

SECTION 12: Indemnification - Every director, officer, employee, and appointed official of the IIASD shall be indemnified by the IIASD against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of being or having been a director, officer, employee, or appointed official of IIASD or any settlement thereof, whether the person is a director, officer, employee, or appointed official at the time such expenses are incurred, except in such cases where the director, officer, employee, or appointed official is adjudged guilty of willful misfeasance or malfeasance in the performance of duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which the indemnified may be entitled.

ARTICLE XII - EXECUTIVE COMMITTEE

SECTION 1: Authority and Responsibility - It shall be the duty of the Executive Committee to conduct the affairs of IIASD at such time as the Board of Directors is not in session, except those affairs specifically reserved to the Board by these By-Laws, pursuant to delegation of authority to such committee by the Board of Directors.

SECTION 2: Composition - There shall be an Executive Committee consisting of six (6) members, which shall include the President, President-Elect, Vice-President, Secretary/Treasurer, Past President and the State National Director. The Executive Vice President shall be a member ex-officio without vote.

SECTION 3: Quorum, Call of Meetings - A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee. The President shall call such meetings of the Executive Committee as the business of the IIASD may require, or a meeting shall be called by the Executive Vice President on request of three members of the Executive Committee.

ARTICLE XIII - COMMITTEES

SECTION 1: Standing and Special Committees - The President may appoint from among the total membership, subject to confirmation by the Board of Directors, standing and special committees including, but not limited to: Education, Government Affairs, Legislative, Industry Relations, Membership, Technical and Research, Administrative, Youth Golf Classic and Young Agents. Special Committees and Task Forces may be appointed from time to time as needs and so declared by the President and subject to the approval of the Board of Directors.

SECTION 2: President - Ex-Officio - The President shall be an ex-officio member of all committees and have the right to vote.

SECTION 3: Act - Any action by a committee shall be subject to final approval by the Executive Committee.

ARTICLE XIV - EXECUTIVE AND STAFF

SECTION 1: Appointment - The Board shall employ a salaried staff head who shall have the title of Executive Vice President. Terms and conditions of his/her employment shall be determined by the Board of Directors. The Executive Committee is hereby delegated the authority to determine the ongoing compensation and other financial arrangements of the Executive Vice President.

SECTION 2: Authority and Responsibility - The Executive Vice President as chief operating officer, shall manage and direct all activities of the IIASD subject to the policies of the Board of Directors. The Executive Vice President shall employ and may terminate the employment of members of the staff necessary to carry on the work of the IIASD and fix their compensation within the approved budget. The Executive Vice President shall perform the work and conduct the affairs of the Association in line with the Personnel Manual prepared by the Board of Directors and at the direction of the Board.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

SECTION 1: The fiscal and elective year shall be January 1st through December 31st.

ARTICLE XVI - SEAL

SECTION 1: The seal of IIASD shall be the words “Independent Insurance Agents of South Dakota, Inc.”, arranged in a circle, with the word, “Seal”, in the center of the circle

ARTICLE XVII - USE OF THE “BIG I” TRADEMARK

SECTION 1: Use of the “Big I” trademark by members shall at all times be subject to the provisions of the Constitution of the Independent Insurance Agents & Brokers of America, Incorporated, and to the rules and regulations prescribed by the National Board of Directors. The IIASD shall have authority to control, jointly and in full cooperation with the Independent Insurance Agents & Brokers of America, Incorporated, use of the logo within its jurisdiction.

SECTION 2: Members of IIASD shall have the privilege of using the “Big I” trademark in connection with their places of business within the jurisdiction of IIASD so long as they remain members in good standing.

SECTION 3: Members in good standing of IIASD have the exclusive use of the following trade names: 1) Independent Insurance Agent; and 2) Your Independent Insurance Agent “Serves You First”.

ARTICLE XVIII - RULES OF ORDER

SECTION 1: The rules contained in the most recent edition of Robert's Rules of Order shall govern the conduct of meetings of IIASD in all cases to which they are applicable and in which they are not inconsistent with the By-Laws and any special rules the IIASD may adopt.

ARTICLE XIX - DISSOLUTION

SECTION 1: The IIASD shall use its funds/assets only to accomplish the objectives and purposes specified in these By-Laws and no part of said funds shall inure or be distributed to the members of IIASD. On dissolution of IIASD, any funds/assets remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

ARTICLE XX - AMENDMENTS

SECTION 1: Amendments to or a repeal of these By-Laws must be proposed by the Board of Directors on its own initiative or upon petition by twenty-five percent of the agency members. The Board of Directors shall present all such proposals to the membership with or without endorsement.

SECTION 2: Approval - Amendments to or a repeal of these By-Laws may be approved by a two-thirds affirmative vote of the Agency Members present and voting at any annual business meeting or special meeting of IIASD, duly called, provided written notice of proposed changes have been sent to the Agency Members thirty days prior to such meeting.