

September 27, 2018

**HAND DELIVERED**

Elena Vetrina  
Insurance Examiner Supervisor  
Bureau of Financial Analysis and Examinations  
125 South Webster Street  
P.O. Box 7873  
Madison, WI 53707-7873

Exh #	B-1-1
Date	10-2-18
Case	18-C42782
Ins. Comm.	

2018 SEP 27 PM 2:19

Re: Merger of Little Black Mutual Insurance Company into  
Farmington Mutual Insurance Company

Dear Ms. Vetrina:

This letter will provide a more thorough response to your letter of September 6, 2018 in which you posed several questions regarding the materials submitted in the Form A approval request for the above-captioned merger. This response is in the order of the questions posed in your September 6 letter:

1. We have previously provided you with an amendment to the Agreement and Plan of Merger with an effective date of December 31, 2018.
2. A marked copy of Farmington Mutual Insurance Company's amended Bylaws are enclosed with this letter so that you can readily see the changes. The amended Bylaws do not address the issues noted in your paragraph (2)2 and 3 (headquarters location and annual policyholder meeting). Those issues will be resolved at the first board meeting of the new board post-merger.
3. Section 3.2(a) has been amended to clarify that there are 16 directors on the board and that number will be reduced through attrition until it reaches nine. Thereafter, the number of directors may fluctuate between seven and sixteen at the board's discretion.
4. Section 4.1 has been amended to provide that the principal officers of the company are the President, one or more Vice Presidents, a secretary and a treasurer. Mike Soldan will



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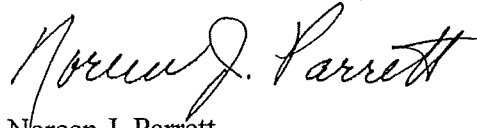
be the initial President/Chief Executive Officer and Tony Wilke will be the initial Vice President/Chief Financial Officer/Treasurer. Sections 3.7, 3.14 and 4.6 have been amended to accommodate the changes in officers.

Please let us know if you have any questions on the above information or on the enclosed Bylaws.

Thank you.

Sincerely,

PARRETT & O'CONNELL, LLP

A handwritten signature in black ink, appearing to read "Noreen J. Parrett". The signature is written in a cursive style with a large initial "N".

Noreen J. Parrett

Enclosure

cc: Mike Soldan (with encl.)  
Tony Wilke (with encl.)



**BYLAWS  
OF  
FARMINGTON MUTUAL INSURANCE COMPANY**

**ARTICLE I  
CORPORATE OFFICES**

Section 1.1. Name. Principal and Business Offices. The Company's principal and business offices will be located within the State of Wisconsin.

**ARTICLE II  
MEETINGS OF THE MEMBERSHIP**

Section 2.1. Annual Meetings. The annual meeting of Members of this Company ("Members") shall be held on the last Saturday in March at 1:00 p.m. or at such other time as shall be designated by the Board of Directors (the "Board") and fixed and stated in the notice thereof.

Section 2.2. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by law or by the Articles of Incorporation, may be called by the Board, and shall be called by the President or Secretary upon the written petition of one hundred (100) Members.

Section 2.3. Place of Meetings. Each annual meeting of the Members shall be held in East Farmington, Wisconsin, or such other place as shall be designated by the Board and fixed and stated in the notice thereof. Special meetings shall be held at such place as shall be designated by the Board and fixed and stated in the notice thereof.

Section 2.4. Notice of Meetings. Except as otherwise expressly required by law, notice of each meeting of the Members shall be given not less than ten (10) days and not more than fifty (50) days before the date of the meeting. Each such notice shall state the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called.

Section 2.5. Quorum and Voting.

(a) Quorum. At any meeting of the Members, ten (10) Members entitled to vote on the issue and present in person shall constitute a quorum for all purposes, unless the representation of a larger number shall be required by law or by the Articles of Incorporation.

(b) Voting. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members. No Member may vote by proxy.

Section 2.6. Waiver of Notice. Whenever any type of notice is required to be given to any member of the Company under the Articles of Incorporation, Bylaws or any provision of law, a written waiver of such notice signed at any time, whether before or after the time of the meeting by the Member entitled to such notice, shall be deemed equivalent to the giving of such notice, provided that such waiver contains the same information as would have been required by law to be included in such notice, except for the time and place of meeting. The attendance of any Member at a meeting, in person or by proxy shall constitute a waiver of notice of such meeting, except where the Member attends a meeting and at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting.

Section 2.7. Action without Meeting. Any action required or permitted by the Articles of Incorporation, by the Bylaws, or by any provision of law to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Separate counterparts of any such consent may be signed by the Members entitled to vote, with the same force and effect as if all signatures were appended to one original document.

Section 2.8. Presiding Officer. If present, the President shall preside at all meetings of the Members. In the Presidents absence, the Vice President shall preside and in the absence of the President and Vice President, any person chosen by the Members present shall preside at the meeting of the Members. The Secretary of the Company 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.

## ARTICLE III BOARD OF DIRECTORS

Section 3.1. General Powers. All corporate powers shall be exercised by or under the authority of, and its business and affairs of this Company shall be controlled by, the Board.

Section 3.2. Number; Term of Office; Qualification; Nomination and Election.

(a) Number and Classes; Term. ~~The initial Board shall consist of seven (7) Directors. Thereafter, the exact number of Directors shall be fixed by a resolution adopted by a majority of the Directors then in office and shall not be less than seven (7) nor more than fifteen initially consist of sixteen (16). The directors 16.~~ Thereafter, unless a majority of the Board of Directors at any time by resolution adopts a different number of Directors, which shall be no fewer than seven (7) and no more than sixteen (16), the number of Directors shall be reduced by one for each Director who retires or resigns from the Board or for each vacancy created on the Board by the death or disability of a Director until there are nine (9) Directors remaining on the Board. The Directors shall be evenly divided (to the extent possible) into three classes. At each annual meeting, one of the classes shall be elected for a term of three years. In the event that the number of Directors is less than nine (9), there will be two classes, each elected for a two-year term. Each Director shall hold office until his or her successor shall have been elected and qualified, or until his or her prior death, resignation or removal.

(b) Qualifications. Directors shall be chosen from among the Members of the Company. A Member of the Company shall be eligible to serve as a Director as long as that Member meets all eligibility requirements for such a position as defined in the Wisconsin Statutes and Wisconsin Administrative Code, and has not attained the age of eighty (80) years. A Director attaining the age of eighty (80) years during a term may complete that term, but shall not be eligible for reelection.

(c) Nomination and Election. Directors shall be elected by the members of the Company at each annual meeting.

(1) Nominations to the Board of Directors may be made only in the following manner:

(i) By the Board of Directors;

(ii) By petition signed by at least one hundred (100) members in the way and manner provided in these bylaws.

(2) The petition signed by at least one hundred (100) members shall be filed with the Secretary of the corporation not more than ninety (90) nor less than sixty (60) days prior to the annual meeting of members. The petition shall include the name, occupation and address of each candidate nominated, together with a statement signed by each such candidate that he/she will accept office if elected.

Section 3.3. Resignations. Any ~~director~~ Director of the company may resign at any time by giving written notice to the President or to the Secretary of the Company. Such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.4. Removal. A Director may be removed by the Members only at a meeting called for the purpose of removing such Director and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is to remove a Director.

Section 3.5. Vacancies. Whenever any vacancy on the Board shall occur by death, resignation, removal or otherwise, including a vacancy created by an increase in the number of Directors, the remaining members of the Board at a meeting called for that purpose or at any regular meeting shall, by vote of a majority of the Directors then in office, elect a Director or Directors to fill such vacancy or vacancies. Each replacement Director so elected shall hold office until the next annual meeting of members. A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs as provided above but the new Director may not take office until the vacancy occurs.

Section 3.6. Annual and Regular Meetings. The Board shall hold an annual meeting of Directors which shall take place immediately following and at the same place as the annual meeting of the members, and shall hold regular



meetings at such times and places as the Board shall from time to time determine.

Section 3.7. Special Meetings of the Board. Special Meetings of the Board shall be held whenever called by the Chairperson of the Board, the President, or by such other officer of the Company as may be designated by resolution adopted by the Board, or by any two Directors then in office.

Section 3.8. Place of Meetings. Except as otherwise provided by law, the Directors may hold their meetings and may have an office and keep the books of the company in such place or places within the State of Wisconsin as the Board may determine. If no place is fixed for a meeting, the place of the meeting shall be the principal business office of the Company in the State of Wisconsin.

Section 3.9. Notice. Annual meetings of the Board of Directors may be held with or without notice. Notice of any regular and special meeting shall be mailed to each Director addressed to the Director at his or her residence or usual place of business at least two (2) days before the date on which the meeting is to be held, or shall be sent to him or her at such place by telegraph, teletype, facsimile or be delivered personally or by telephone, not later than twenty-four (24) hours before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Unless otherwise provided by law, by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

#### Section 3.10. Quorum and Voting.

(a) Quorum. Except as otherwise provided by law or by the Articles of Incorporation or by these Bylaws, a majority of the number of Directors fixed in accordance with these Bylaws shall constitute a quorum for the transaction of affairs and business of the Company. If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(b) Voting. Except as otherwise provided by law or by the Articles of Incorporation or by these Bylaws, the act of a majority of ~~directors~~ Directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 3.11. Waiver of Notice. Whenever any type of notice is required to be given to any Director of the Company under the Articles of Incorporation or Bylaws 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~~ 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, unless that ~~director~~ Director objects at the beginning of such meeting or promptly upon arrival at such meeting to the transaction of any business because the meeting was not lawfully called or convened and thereafter does not vote or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

Section 3.12. Meetings by Electronic Communication. Meetings of the Board may be conducted through the use of any means of communication (i) by which all participating Directors may simultaneously hear each other during the meeting or (ii) by which all communication is immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors. Prior to beginning such meeting, all Directors shall be informed that a meeting is being conducted at which official business may be transacted. A Director participating in such meeting is deemed to be present in person at the meeting.

Section 3.13. Unanimous Consent without Meeting. Any action required or permitted by the Articles of Incorporation or by these Bylaws or by any provision of law to be taken by the Board of Directors 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 entitled to vote with respect to such action.

Section 3.14. Conduct of Meetings. The ~~President~~ Chairperson of the Board, or in his or her absence ~~the Vice President~~, the Vice Chairperson of the Board (both of whom shall be elected annually by a majority vote of the Directors then in office), or in his or her absence any Director chosen by the Directors present, shall preside at a meeting of the Board. The Secretary of the Company shall act as Secretary of all meetings of the Board, but in the Secretary's absence the ~~Presiding~~ presiding officer of the meeting may designate an assistant secretary or any other officer of the Company to act as secretary of the meeting.

Section 3.15. Compensation. The Board, by affirmative vote of a majority of the Directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all Directors for services to the Company as Directors, officers or otherwise, or may delegate such authority to an appropriate committee. The Board also shall have authority to provide for or to delegate authority to an appropriate committee to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to Directors, officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered to the Company by such Directors, officers and employees.

Section 3.16. Committees. The ~~board~~ Board may, by resolution adopted by a majority of the Directors fixed in accordance with these Bylaws, designate one or more committees. Each such committee shall consist of three or more Directors. The Board may designate one or more ~~directors~~ Directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. The Board shall have the power to change the members of any such committee at any time, to fill vacancies on such committee and to discharge any committee, either with or without cause, at any time. Except as otherwise provided by law, or to the extent provided in the resolution of the Board or in these Bylaws a committee designated pursuant to this section 3.16 may exercise all powers and authority of the Board in managing the business and affairs of the Company. Each such committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of its activities as the Board may request.

## ARTICLE IV OFFICERS

Section 4.1. Number. The principal officers of the Company shall consist of a President (who may also be designated as the Chief Executive Officer), one or more Vice Presidents (who may be designated Executive Vice President, Chief Operating Officer or Chief Financial Officer.) a Secretary and a Treasurer. One person may hold two or more offices, except that the offices of President and Secretary and the offices of President and Vice President shall not be held by the same person. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. The duties of the officers shall be those enumerated herein and any further duties designated by the President or by the Board.

Section 4.2. Election, Term of Office, Qualification. Any person may serve as an officer of the Company. The officers of the Company shall be elected or appointed annually by the Board at the annual meeting of the Board held after each annual meeting of the Members. If the election or appointment of officers shall not be held at such meeting, such election or appointment shall be held as soon thereafter as is convenient. Each officer shall hold office for the term of one year, or until his or her successor is elected or appointed by the Board, or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3. Removal of Officers. Any officer or agent of the Company may be removed by the Board, with or without cause, whenever in the judgment of the Board the best interests of the Company 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 such contractual rights.

Section 4.4. Vacancies. A vacancy in any office by reason of death, resignation, removal, or disqualification of an officer, or of any other cause shall be filled by the Board for the unexpired portion of the term.

Section 4.5. President. The President shall be the chief executive officer of the Company and, subject to the control of the Board, shall in general supervise and control the day to day business affairs of the Company. The President shall, when present, preside at all meetings of the Board and the members. The President shall have authority, subject to such rules as may be prescribed by the Board, to appoint such agents and employees of the Company as the ~~president~~ President shall deem necessary, to prescribe the powers, duties and compensation of such agents and employees, and to delegate authority to them. Such agents and employees shall continue in their positions with the Company at the discretion of the ~~president~~ President. The President shall have authority to sign, execute and acknowledge, on behalf of the Company, all deeds, mortgages, bonds, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the normal and regular course of the Company's business, or which shall be authorized by resolution of the Board; and except as otherwise provided by law or the Board, the President may authorize any Vice President or other officer or agent of the Company to sign, execute and acknowledge such documents or instruments in the President's place or stead. In general, the President shall perform all duties incident to the office of the chief executive officer and such other duties as may be prescribed by the Board from time to time.

~~Section 4.6. Vice President. The Vice Presidents, including any Executive Vice Presidents, in the order designated by the Board or, lacking such a designation, by~~

~~the President, shall in the absence or disability of the President perform such duties and exercise the powers of the president and shall perform such other duties as the Board or the President shall prescribe.~~

Section 4.6. Vice President. The Vice President (in the order designated by the Board or by the President if the Board does not so designate) shall, in the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, 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. The execution of any instrument of the corporation by the vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President. The Vice President shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors.

Section 4.7. Secretary. The Secretary shall attend all meetings of the Board and all meetings of the Members and record all votes and minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees of the Board when required. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law. The Secretary shall be custodian of the corporate records and shall keep or arrange for the keeping of a register of the post office address of each member of the Company which shall be furnished to the Secretary by such Member. The Secretary shall, in general, perform all duties incident to the office of the Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to the Secretary by the President or by the Board.

Section 4.8. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Company. The Treasurer shall receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositories as the Board may designate. The Treasurer shall in general perform all of the duties incident to the office of the Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to the Treasurer by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board shall determine.

Section 4.9. Assistants. The Assistant Secretaries and Assistant Treasurers (if any), respectively (in the order designated by the Board or, lacking such

designation, by the President), in the absence of the Secretary or the Treasurer, as the case may be, shall perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such other duties as the Board or the President shall prescribe.

Section 4.10. Other Officers. Such other officers, agents and clerks as the Board may appoint shall perform such duties as may be assigned to them by the Board or by the officers of the Company.

Section 4.11. Salaries. The salaries of the principal officers shall be fixed from time to time by the Board or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of also being a Director of the Company.

## **ARTICLE V INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES**

Section 5.1. Indemnification. The Company shall, to the extent required by secs. 181.041 to 181.051, Wis. Stats., as they may be amended from time to time, indemnify its Directors, officers and employees against expenses they reasonably and actually incur in connection with threatened, pending or completed legal actions, suits or proceedings to which they are or may be made a party because they are or were a Director, officer or employee of the Company.

Section 5.2. Determination of Indemnity. Any indemnification under Section 5.1 (unless otherwise ordered by a court) shall be made by the Company only as authorized in the specific case upon determination that indemnification of the Director, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the applicable provision of Wisconsin law. Such determination shall be made in accordance with Sec. 180.0855, Wis. Stats.

Section 5.3. Advance Payments. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding if authorized in the manner provided in Section 5.2 above upon receipt of an undertaking by or on behalf of the ~~director~~Director, officer or employee to repay such amount unless it shall

ultimately be determined that such person/s is entitled to be indemnified by the Company pursuant to these Bylaws.

Section 5.4. Maintenance of Insurance. The Board may purchase and maintain insurance on behalf of any person who is a Director, officer, employee or agent of the Company against liability asserted against and incurred by the person in that person's capacity as a Director, officer, employee or agent, or arising from that person's status as a Director, officer, employee or agent, regardless of whether the Company is required or authorized to indemnify the person against the same liability.

## **ARTICLE VI CONTRACTS, LOANS, CHECKS AND DEPOSITS, SPECIAL CORPORATE ACTS**

Section 6.1. Execution of Contracts. The Board shall designate the officers, employees and agents of the Company who shall have power to execute and deliver deeds, leases, contracts, mortgages, bonds, debentures, checks, drafts and other orders for the payment of money and other documents for and in the name of the Company and may authorize such officers, employees and agents to delegate such power (including authority to re-delegate) by written instrument to other officers, employees or agents of the company. In the absence of such designation or delegation, such documents shall be executed by the President.

Section 6.2. Bank Accounts and Deposits. All funds of the Company shall be deposited from time to time to the credit of the Company with such banks, trust companies, or other depositories as the Board may select or as may be selected by any officer or officers, agent or agents of the Company to whom such power may be delegated from time to time by the Board. Endorsements for deposit to the credit of the Company in any of its duly authorized depositories may be made without countersignature by the President or any Vice President, or the Treasurer or any Assistant Treasurer, or by any other officer or agent of the Company to whom the Board, by resolution, shall have delegated such power, or by hand-stamped impression in the name of the Company.

Section 6.3. Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Company, shall be signed or endorsed by such person or persons and in such manner, including by means of facsimile signature, as shall be determined from time to time by or under the authority of a resolution of the Board.

Section 6.4. Loans. No loans shall be contracted on behalf of the Company and no evidence of indebtedness shall be issued in the Company's name unless authorized by or under the authority of a resolution of the Board. Such authority may be general or confined to specific instances.

Section 6.5. Voting of Securities Owned by This Company. Subject always to the specific directions of the Board, (a) any shares or other securities issued by any other corporation and owned or controlled by this Company may be voted at any meeting of security holders of such other corporation by the President of this Company if the President is present, or in the President's absence by any Vice President of this company who may be present, and (b) whenever, in the judgment of the President, or in the Presidents absence, of any Vice President, it is desirable for this Company to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Company, such proxy or consent shall be executed in the name of this Company by the President or one of the Vice Presidents of this Company without necessity of any authorization by the Board or any countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Company shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Company the same as such shares or other securities might be voted by this Company.

## **ARTICLE VII MISCELLANEOUS**

Section 7.1. Fiscal Year. The fiscal year of the Company shall begin on January 1 and end on December 31.

Section 7.2. Seal. The Company shall have no seal.

## **ARTICLE VIII AMENDMENTS TO BYLAWS**

Section 8.1. By Members. Unless provided otherwise in the Articles of Incorporation or these Bylaws, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Members by affirmative vote of



not less than a majority of Members present or represented at any annual or special meeting of the Members at which a quorum is present.

Section 8.2. By Directors. Unless provided otherwise in the Articles of Incorporation or these Bylaws, these Bylaws may also be altered, amended or repealed and new Bylaws may be adopted by the Board at any meeting at which a quorum is present; but no Bylaw adopted by the Members shall be amended or repealed by the Board if the Bylaw adopted by the Members expressly prohibits amendment by the Board.

Section 8.3. Implied Amendments. Any action taken or authorized by Members or by the Board, which would be inconsistent with the Bylaws then in effect, but is taken or authorized by affirmative vote of not less than the number of Members or the number of Directors required to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

