

40-1201. Authority for formation; directors and officers; elections. (a) Any number of persons, not less than 20, a majority of whom shall be citizens of this state, by complying with the provisions of this code, may become a body corporate for the purpose of carrying on the business of mutual insurance as herein provided.

(b) The affairs of any such mutual insurance company, now existing or hereafter organized under the laws of this state, shall be managed by a board of not more than 25 nor less than five directors. Any vacancy in the board shall be filled by the remaining members until the next annual meeting of the policyholders, at which time a successor shall be elected to fill the unexpired term.

(c) Unless written balloting is required by the bylaws, directors shall be elected by voice vote. Each person who is a policyholder shall be entitled to one vote. A policyholder may vote by proxy, signed by the person legally entitled to vote such proxy.

(d) A majority of the total number of directors shall constitute a quorum for the transaction of business.

(e) Every such mutual insurance company, now existing or hereafter organized under the laws of this state, shall have such officers with such titles and duties as shall be stated in the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws. Officers shall be chosen in such manner and shall hold their offices for such terms as are prescribed by the bylaws or determined by the board of directors or other governing body.

History: L. 1927, ch. 231, 40-1201; L. 2007, ch. 30, § 4; July 1.