



2026 South Dakota Legislature

House Bill 1119

Introduced by: **Representative Walburg**

1 **An Act to modify provisions regarding directors serving on a farm mutual insurer's**
 2 **board.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 58-35-8 be AMENDED:**

5 **58-35-8.** The articles of incorporation required by § 58-35-7 ~~shall~~ must state:

- 6 (1) The name of the corporation, which ~~shall~~ must include the words "farm mutual"
 7 and, if a county mutual insurer, the name of the county of its principal place of
 8 business;
- 9 (2) If a county mutual insurer, the name of the counties in which the corporation
 10 intends to do business and the address of its principal business office;
- 11 (3) If a state mutual insurer, the location of its principal business office, which must
 12 be located in this state;
- 13 (4) The purposes for which the corporation is formed;
- 14 (5) ~~If~~ Whether the corporation will transact business on a cash premium plan or an
 15 assessment plan;
- 16 (6) The duration of ~~its~~ the corporation's existence, which may be perpetual;
- 17 (7) The number of ~~its~~ the corporation's directors, which ~~shall be not~~ may not be less
 18 than five nor more than ~~eleven;~~ fifteen, and the names and addresses of the
 19 persons constituting the initial board of directors who shall serve until the first
 20 annual meeting of the members, and until their successors are elected and
 21 qualified; and
- 22 (8) The names, residences, and addresses of the incorporators and the value of their
 23 property desired to be insured.

24
 25 **Section 2. That § 58-35-26 be AMENDED:**

1 **58-35-26.** No individual ~~shall~~ may serve as a director of a farm mutual insurer
2 unless the individual is a member of the insurer or a member of one or more of the
3 insurer's affiliates.

4 For the purposes of this section, "affiliate" means any entity that directly, or
5 indirectly through one or more intermediaries, controls, is controlled by, or is under
6 common control with, the insurer at issue.