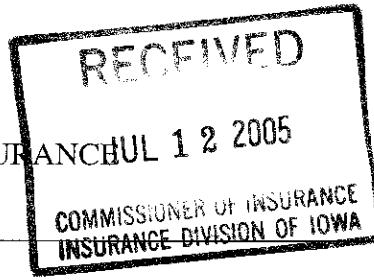


BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF IOWA



IN THE MATTER OF THE ELECTION)
OF PETROLEUM MARKETERS)
MUTUAL INSURANCE COMPANY TO)
BE ORGANIZED AS A MUTUAL)
INSURANCE COMPANY UNDER)
CHAPTER 491, 2005 CODE OF IOWA)
APPLICATION FOR APPROVAL
OF ELECTION TO BE ORGANIZED
AS A MUTUAL INSURANCE
COMPANY UNDER CHAPTER 491,
2005 CODE OF IOWA

COMES NOW Petroleum Marketers Mutual Insurance Company ("PMMIC") and states:

1. That PMMIC was organized on January 13, 2000, as a mutual insurance company nonprofit corporation under Chapter 504A, the Iowa Nonprofit Corporation Act ("Chapter 504A"), and Chapter 515, 2005 Code of Iowa, owned and operated by its insureds pursuant to the provisions of Section 455G.11, 2003 Code of Iowa.
2. That Section 455G.11, Code 2003, was repealed effective July 1, 2004.
3. That Chapter 504A was repealed effective July 1, 2005, and is replaced by Chapter 504 as enacted by Senate File 2274 of the Acts of the 80th General Assembly, the Revised Iowa Nonprofit Corporation Act ("Chapter 504").
4. That PMMIC has filed an application with the Commissioner of Insurance of the State of Iowa (the "Commissioner") for approval of proposed Amended and Restated Articles of Incorporation under the Revised Iowa Nonprofit Corporation Act, Chapter 504, Code of Iowa.
5. That PMMIC proposes to voluntarily elect to be organized as a mutual insurance company under Chapter 491, 2005 Code of Iowa, ("Chapter 491") pursuant to the provisions of Section 504.1108 of Chapter 504 and Section 514.23(1), 2005, Code of Iowa.
6. That Section 504.1108 of Chapter 504 provides:

"A corporation organized under this chapter that is an insurance company may voluntarily elect to be organized as a mutual insurance company under chapter 490 or 491 pursuant to the procedures set forth in section 514.23."
7. That Section 514.23(1), 2005 Code of Iowa, provides:

"1. A corporation . . . may become a mutual insurer under a plan approved by the commissioner of insurance. The plan shall state whether the insurer will be organized as a for-profit corporation pursuant to

Chapter 490 or 491 Upon consummation of the plan, the corporation shall fully comply with the requirements of law that apply to a mutual insurance company “

8. That attached to this Application for Approval of Election to be Organized as a Mutual Insurance Company under Chapter 491, 2005 Code of Iowa, (the “Chapter 491 Application”) is a copy of the Plan to be Organized as a Mutual Insurance Company Under Chapter 491 (the “Chapter 491 Plan”) and attached to the Plan is a copy of PMMIC’s proposed Amended and Substituted Articles of Incorporation electing to be subject to Chapter 491 which are hereby submitted to the Commissioner for approval under Section 504.108 of Chapter 504, Section 514.23(1), 2005 Code of Iowa, and Section 515.2, 2005 Code of Iowa.

9. That the memorandum of understanding dated May 31, 2000 (the “Memorandum of Understanding”), between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board and PMMIC provided that in the event PMMIC begins to operate on a for-profit basis prior to July 1, 2004, then all unencumbered funds of PMMIC shall be transferred to the Iowa Comprehensive Petroleum Underground Storage Tank Fund or the general fund of the State of Iowa. This provision is no longer applicable since July 1, 2004, has passed and Section 455G.11, which was the basis for the Memorandum of Understanding, was repealed effective July 1, 2004.

10. That the Board of Directors of PMMIC has approved and adopted the Chapter 491 Plan.

11. That a special meeting of the members of PMMIC will be held on Monday, August 29, 2005 at 4:00 p.m. to consider and vote upon the Chapter 491 Plan and the transactions contemplated thereby.

12. That immediately after filing this Chapter 491 Application, PMMIC will also file its application with the Commissioner for Approval of Conversion into a Stock Insurance Company pursuant to Chapter 515G, 2005 Code of Iowa (the “Chapter 515G Application”).

13. That this Chapter 491 Application for approval of the Chapter 491 Plan and the proposed Amended and Substituted Articles of Incorporation electing to be subject to Chapter 491 is not dependent upon approval of the Chapter 515G Application.

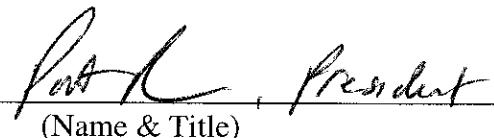
14. That it is appropriate that the Commissioner provide for a hearing on the Chapter 491 Plan and fix the date, time and place of the hearing.

15. That PMMIC requests the Commissioner:

- (i) order the hearing on the Chapter 491 Application and Chapter 491 Plan,
- (ii) combine the hearing on this Chapter 491 Application and Chapter 491 Plan and the hearing on the Chapter 515G Application (the “Combined Hearings”),

- (iii) fix the date, time and place for the Combined Hearings,
- (iv) prescribe the notice to the members of PMMIC of the Combined Hearings,
- (v) approve PMMIC's election to be organized as a mutual insurance company under Chapter 491,
- (vi) approve the Chapter 491 Plan pursuant to Section 504.1108 of Chapter 504 and Section 514.23(1), 2005 Code of Iowa, and
- (vii) approve the proposed Amended and Substituted Articles of Incorporation electing to be subject to Chapter 491.

**PETROLEUM MARKETERS MUTUAL
INSURANCE COMPANY**

By 
(Name & Title)

PLAN TO BE ORGANIZED AS A MUTUAL INSURANCE COMPANY
UNDER CHAPTER 491
OF
PETROLEUM MARKETERS MUTUAL INSURANCE COMPANY

PREAMBLE

WHEREAS, Petroleum Marketers Mutual Insurance Company (“PMMIC”) is an Iowa mutual property and casualty insurance company originally organized on January 13, 2000, under Chapter 504A, 2005 Code of Iowa, the Iowa Nonprofit Corporation Act, (“Chapter 504A”), and Chapter 515, 2005 Code of Iowa (“Chapter 515”), owned and operated by its insureds pursuant to the provisions of Section 455G.11, 2003 Code of Iowa; and

WHEREAS, Section 455G.11, Code 2003, was repealed July 1, 2004; and

WHEREAS, Chapter 504A was repealed effective July 1, 2005, and is replaced by the Revised Iowa Nonprofit Corporation Act, Chapter 504 as enacted by Senate File 2274 of the Acts of the 80th General Assembly (“Chapter 504”); and

WHEREAS, PMMIC proposes to amend and restate its Articles of Incorporation under Chapter 504; and

WHEREAS, PMMIC further proposes to voluntarily elect to be organized as a for-profit mutual property and casualty insurance company under Chapter 491, 2005 Code of Iowa, (“Chapter 491”) and Chapter 515 pursuant to the provisions of Section 504.1108 of Chapter 504 and Section 514.23(1), 2005 Code of Iowa, all in accordance with this Plan to be Organized as a Mutual Insurance Company under Chapter 491 (the “Plan”), (the “Reorganization”); and

WHEREAS, pursuant to the Plan, PMMIC will adopt Amended and Substituted Articles of Incorporation pursuant to Chapter 491 to indicate that it elects to be and is organized under Chapter 491 and Chapter 515; and

WHEREAS, the corporate existence of PMMIC will continue after the Reorganization without interruption as a mutual insurance company under Chapter 491 and Chapter 515 from the date of its original incorporation as a nonprofit mutual insurance company under Chapter 504A and Chapter 515; and

WHEREAS, each policy of insurance which is in force and effect at the time of the Reorganization shall continue as a policy of PMMIC in accordance with its terms after the Reorganization; and

WHEREAS, each member of PMMIC at the time of the Reorganization shall continue as a member of PMMIC after the Reorganization so long as the policy of insurance by virtue of which the member’s membership is derived is in force and effect; and

WHEREAS, PMMIC believes that being organized as a mutual insurance company under Chapter 491 as a result of the Reorganization will be advantageous to PMMIC and its members in that PMMIC will then have the common corporate structure of other Iowa mutual insurers; will operate under a more familiar corporate structure for rating agencies, producers and potential insureds; will more easily expand its business from only Iowa to other States; and will be able to recognize its present members' equity interests by a subsequent proposed demutualization of PMMIC pursuant to chapter 515G, 2005 Code of Iowa, before PMMIC expands into other States thereby preventing the dilution of PMMIC's present Member's equity interests; and

WHEREAS, the Board of Directors of PMMIC has determined that the Reorganization is in the best interests of PMMIC and its present members and that it properly preserves and protects the interests of its present members; and

NOW, THEREFORE, this Plan is entered into by PMMIC.

ARTICLE I
ELECTION TO BE ORGANIZED
AS A MUTUAL INSURANCE COMPANY
UNDER CHAPTER 491

Section 1.1 The Reorganization. On the Effective Date in accordance with the Plan, Section 504.1108 of Chapter 504 and Section 514.23(1), 2005 Code of Iowa, PMMIC shall be organized as a for-profit corporation under Chapter 491 and continue as a mutual insurance company under Chapter 515, 2005 Code of Iowa.

Section 1.2 Continuation of Corporate Existence. The corporate existence of PMMIC before, on and after the Effective Date shall continue without interruption from the date of its initial incorporation, January 13, 2000, as a nonprofit corporation under the Iowa Nonprofit Corporation Act, Chapter 504A, 2005 Code of Iowa, and all of its rights, privileges, powers, permits and business and all of its duties, liabilities and obligations shall be, remain and continue unaffected. The Reorganization shall not be construed to result in any reinsurance or in any real or constructive issuance or exchange of any policy of insurance or any other transfer of any assets, rights or obligations of PMMIC.

Section 1.3 Continuation of Policies. Every policy of insurance of PMMIC which is in force and effect immediately before the Effective Date shall continue on and after the Effective Date in accordance with its terms as a policy of insurance of PMMIC.

Section 1.4 Continuation of Members. The members of PMMIC immediately before the Effective Date shall continue as members of PMMIC on and after the Effective Date in accordance with its Articles of Incorporation and Bylaws.

Section 1.5 Continuation of Directors. The directors of PMMIC immediately before the Effective Date shall continue to serve as directors of PMMIC on and after the Effective Date until the completion of their respective terms.

Section 1.6 Continuation of Officers. The officers of PMMIC immediately before the Effective Date shall continue to serve as officers of PMMIC on and after the Effective Date until their successors are elected and qualified unless sooner removed.

Section 1.7 Articles of Incorporation. On the Effective Date, the articles of incorporation of PMMIC shall be in substantially the form of the Amended and Substituted Articles of Incorporation attached hereto as Exhibit A, subject to the approval thereof by the Commissioner of Insurance of the State of Iowa (the “Commissioner”) and the Attorney General of the State of Iowa as provided in Section 515.2, 2005 Code of Iowa, (the “Articles”).

Section 1.8 Bylaws. The Bylaws as amended of PMMIC in effect immediately before the Effective Date shall continue to be the Bylaws of PMMIC on and after the Effective Date until amended as provided therein.

ARTICLE II APPROVAL, CONDITIONS AND EFFECTIVE DATE OF REORGANIZATION

Section 2.1 Approval by Commissioner.

(1) Application for Approval. PMMIC shall file an Application for Approval of Election to be Organized as a Mutual Insurance Company under Chapter 491 requesting that the Commissioner approve PMMIC’s election to be organized as a for-profit mutual insurance company under Chapter 491 pursuant to Section 505.1108 of Chapter 504 and Section 514.23(1), 2005 Code of Iowa and approve the Articles (the “Application”).

(2) Public Hearing. The Application is subject to approval by the Commissioner pursuant to Section 504.1108 of Chapter 504 and Section 514.23(1), 2005 Code of Iowa and PMMIC expects that the Commissioner will conduct a public hearing on the Application (the “Public Hearing”).

(3) Notice of Public Hearing. PMMIC shall mail notice of the Public Hearing as prescribed by the Commissioner not less than thirty days nor more than sixty days prior to the Public Hearing to all members who were shown on the records of PMMIC to be members on the Record Date. Such mailing shall be by first class mail to the address of each member as it appears on the records of PMMIC.

Section 2.2 Approval By Members.

(1) Special Meeting of Members. PMMIC shall hold a special meeting of the members of PMMIC at which every member of PMMIC on July 5, 2005 (the “Record Date”), shall be entitled to vote on the proposal to approve and adopt the Plan for PMMIC to elect to be organized as a for-profit mutual insurance company under Chapter 491 and to approve and adopt the Articles and the transactions necessary to accomplish the Reorganization.

(2) Vote. The proposal to approve and adopt the Plan for PMMIC to elect to be organized as a for-profit mutual insurance company under Chapter 491 and to approve and adopt the Articles and the transactions necessary to accomplish the Reorganization shall be approved by the members if two-thirds (2/3) of the votes validly cast in person or by proxy by the members at the special meeting are cast in favor of the proposals. Each member shall be entitled to one vote regardless of the number, amount or coverage of the policies owned by a member.

(3) Notice of Special Meeting. PMMIC shall mail notice of the Special Meeting not less than thirty nor more than sixty days prior to the special meeting to all members who were shown on the records of PMMIC to be members on the Record Date. Such mailing shall be by first class mail to the address of each member as it appears on the records of PMMIC. Such notice shall be accompanied by: (i) an information statement providing information relevant to the special meeting in form satisfactory to the Commissioner, (ii) a copy of this Plan with copies of the exhibits hereto, and (iii) a proxy to vote for or against the proposal to approve and adopt the Plan for PMMIC to elect to be organized as a for-profit mutual insurance company under Chapter 491 and to approve and adopt the Articles and the transactions necessary to accomplish the Reorganization.

Section 2.3 Conditions and Effective Date. After satisfaction of all conditions set forth in this Section 2.3 and within 180 days after the Commissioner's approval of the Application, unless such time period is extended by the Commissioner upon showing of good cause by PMMIC, PMMIC shall file with the Secretary of State of the State of Iowa the Articles electing to be organized as a mutual insurance company under Chapter 491. The Reorganization shall become effective on the time and date of such filing of the Articles and such time and date shall be the "Effective Date."

(1) Regulatory Approval. The Reorganization shall not become effective unless:

(a) the Application shall have been approved by the Commissioner as provided in Section 2.1.

(b) the Articles shall have been approved by the Commissioner and the Attorney General of the State of Iowa as provided in Section 1.7.

(2) Member Approval. The Reorganization shall not become effective unless the proposal to approve and adopt the Plan for PMMIC to elect to be organized as a for-profit mutual insurance company under Chapter 491 and to approve and adopt the Articles and the transactions necessary to accomplish the Reorganization shall have been approved and adopted by the members as provided in Section 2.2.

(3) Federal Income Tax Matters. The Reorganization shall not become effective unless PMMIC shall have obtained an opinion of independent tax counsel substantially to the effect that the reorganization of PMMIC from a nonprofit mutual insurance company into a for-profit mutual insurance company will constitute a reorganization within Section 368 of the

Internal Revenue Code and will not otherwise cause recognition of income or gain for income tax purposes by PMMIC.

ARTICLE III OTHER TRANSACTIONS

Section 3.1 Amendment and Restatement of Articles of Incorporation under Chapter 504. PMMIC will file an application with the Commissioner for approval of proposed amended and restated articles of incorporation under Chapter 504 immediately before filing the Application with the Commissioner.

Section 3.2 Demutualization. PMMIC will file an application with the Commissioner for approval of a plan of conversion from a mutual company under Chapter 491 to a stock company under Chapter 490, 2005 Code of Iowa, immediately after filing the Application with the Commissioner.

Section 3.3 Combined Public Hearings. The public hearing conducted by the Commissioner on the Application may be combined with the public hearing conducted by the Commissioner on the plan of conversion from a mutual company under Chapter 491 to a stock company under Chapter 490, 2005 Code of Iowa (“Chapter 490”) (the “Combined Public Hearings”).

Section 3.4 Combined Members’ Meeting. A single special meeting of the members of PMMIC will be held to (i) approve and adopt the amended and restated articles of incorporation under Chapter 504; (ii) to approve and adopt the Plan for PMMIC to elect to be reorganized as a for-profit mutual insurance company under Chapter 491 and to approve and adopt the Articles and the transactions necessary to accomplish the Reorganization; and (iii) to approve and adopt the plan of conversion from a mutual company under Chapter 491 to a stock company under Chapter 490 and the amended and restated articles of incorporation under Chapter 490 (the “Combined Members’ Meeting”).

Section 3.5 Combined Notices

- (1) A single notice of the Combined Public Hearings may be given by PMMIC.
- (2) A single notice of the Combined Members’ Meeting may be given by PMMIC.
- (3) Notice of the Combined Public Hearings may be given together with the notice of the Combined Members’ Meeting.

ARTICLE IV ADDITIONAL PROVISIONS

Section 4.1 Notices. If PMMIC complies substantially and in good faith with the requirements of this Plan, its Bylaws, the applicable provisions of the Code of Iowa and orders of the Commissioner with respect to the giving of any required notice to the members, its failure in

any case to give such notice to any member entitled thereto shall not impair the validity of the actions and proceedings taken under this Plan or the applicable provisions of the Code of Iowa or entitle such member to any injunctive or other equitable relief with respect thereto.

Section 4.2 Amendment or Withdrawal of this Plan. At any time prior to the Effective Date, PMMIC may withdraw or, with the Commissioner's approval, amend this Plan. Nothing herein shall be construed to prevent PMMIC from amending its Articles of Incorporation and Bylaws in accordance with their respective terms and applicable law.

Section 4.3 Corrections. PMMIC may, until the Effective Date, by an instrument filed with the Commissioner, make such modifications to this Plan as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in this Plan and the exhibits thereto.

Section 4.4 Interpretation of this Plan. The President of PMMIC or his designee shall have the power to interpret and construe this Plan and to determine all questions of eligibility, status and rights of policies, members, and others. It is recognized that unforeseen circumstances may occur and questions may arise that are not specifically addressed by any provision of this Plan or applicable law, and the President and his designees shall have the right to resolve such questions when they do arise. The determination of the President and his designees in all matters within their province shall be binding and conclusive.

Section 4.5 Governing Law. The terms of this Plan shall be governed by and construed in accordance with the law of the State of Iowa irrespective of any choice of law provisions thereof.

Section 4.6 Headings. Article and Section headings contained in this Plan are for convenience only and shall not be considered in construing or interpreting any of the provisions hereof.

IN WITNESS WHEREOF, PMMIC, by authority of its Board of Directors, has caused this Plan to be duly executed as of this 5th day of July, 2005.

PETROLEUM MARKETERS MUTUAL
INSURANCE COMPANY

By *Bob K.*, *President*
(Name & Title)

EXHIBIT A

AMENDED AND SUBSTITUTED ARTICLES OF INCORPORATION OF PETROLEUM MARKETERS MUTUAL INSURANCE COMPANY

**TO THE SECRETARY OF STATE
OF THE STATE OF IOWA:**

Petroleum Marketers Mutual Insurance Company, an Iowa mutual insurance company organized under Chapters 504 and 515, 2005 Code of Iowa, does hereby voluntarily elect to be organized as a mutual insurance company under Chapter 491, 2005 Code of Iowa, pursuant to Section 504.1108 of the Revised Iowa Nonprofit Corporation Act and does hereby adopt the following Articles of Incorporation.

ARTICLE I NAME

Section 1.1. The name of the Corporation is Petroleum Marketers Mutual Insurance Company.

ARTICLE II PLACE OF BUSINESS

Section 2.1. The principal place of business of the Corporation shall continue to be 465 Alice's Road, Suite H, Waukee, Iowa 50263.

ARTICLE III PURPOSE AND POWERS

Section 3.1. The purpose and object of the Corporation is and it shall have full power to engage in the business of an insurance company other than life on the mutual plan under Chapter 515, 2005 Code of Iowa, and to insure all risks and issue policies, contracts and forms authorized for an insurance company other than life by Title XIII, subtitle 1, 2005 Code of Iowa, and all acts amendatory thereof or additional thereto and to transact and engage in any and all lawful businesses for which corporations may be organized under the Act, and Chapter 490, 2005 Code of Iowa which, directly or indirectly arise therefrom, are incidental thereto, are associated therewith, are in furtherance thereof or which facilitate the foregoing.

Section 3.2. The Corporation has the same power as an individual to do all things necessary or convenient to carry out its business and affairs, including without limitation, power to do all the following:

- (1) Sue and be sued, complain, and defend in its corporate name;
- (2) Have a corporate seal, which may be altered at will, and use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it;
- (3) Make and amend bylaws, not inconsistent with its articles of incorporation or with the laws of this State, for managing the business and regulating the affairs of the Corporation;
- (4) Purchase, receive, lease, or otherwise acquire, and own, hold, improve, use and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located;
- (5) Sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property;
- (6) Purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interests in, or obligations of, any other entity;
- (7) Make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations and secure any of its obligations by mortgage or pledge or any of its property, franchises, or income;
- (8) Lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment;
- (9) Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity;
- (10) Conduct its business, locate offices, and exercise its powers as a corporation within or without this State;
- (11) Elect directors and appoint officers, employees, and agents of the Corporation, define their duties and fix their compensation;
- (12) Pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, and benefit or incentive plans for any or all of its current or former directors, officers, employees, and agents;
- (13) Make donations for the public welfare or for charitable, scientific, or educational purposes;

- (14) Transact any lawful business that will aid governmental policy;
- (15) Make payments or donations, or do any other act, not inconsistent with law, that furthers the business and affairs of the Corporation;

and all other powers of a business corporation as if this Corporation was incorporated pursuant to the Iowa Business Corporation Act, Chapter 490, 2005 Code of Iowa, and all acts amendatory thereof or additional thereto.

ARTICLE IV MUTUAL CORPORATION

Section 4.1. The Corporation is a mutual corporation and shall not have capital stock.

ARTICLE V COMMENCEMENT AND PERPETUAL EXISTENCE

Section 5.1. The corporate existence of the Corporation commenced January 13, 2000, as a nonprofit corporation under the Iowa Nonprofit Corporation Act, Chapter 504A, 2005 Code of Iowa. The corporate existence of the Corporation has continued and shall continue without interruption from that date.

Section 5.2. The Corporation shall have perpetual existence unless sooner dissolved as provided by law or these Articles of Incorporation.

ARTICLE VI MEMBERS

Section 6.1. Each individual; corporation; joint venture; limited liability company; partnership; association; trust; estate; trustee; executor; administrator; government or governmental subdivision, agency or department thereof; or any other legal entity, to whom a policy of insurance has been issued, or may hereafter be issued by the Corporation, shall be a Member of the Corporation, and be entitled to the rights and privileges of such membership as defined in these Amended and Substituted Articles of Incorporation and the Bylaws of the Corporation so long as such policy of insurance is in force and effect.

Section 6.2. The membership interests of a Member of the Corporation shall consist of the right to vote as provided by these Articles of Incorporation and the Bylaws of the Corporation for the election of directors and the right to vote as provided by these Articles of Incorporation and the Bylaws of the Corporation at an annual or special meeting of the Corporation on any proposition submitted to a vote of the Members of the Corporation and such other rights as provided by law. A Member may vote by proxy as provided by the Bylaws of the Corporation. The voting rights of the Members shall be equal. A Member shall have only one vote regardless of the number, amount or coverage of the policies of insurance owned by that Member. Rights of Members, other than the right to vote, shall be ratable as provided by law, the Bylaws of the Corporation or as determined by the Board of Directors.

Section 6.3. A Member's membership in the Corporation shall automatically follow and shall not be severable from the policy of insurance by virtue of which the Member's membership in the Corporation is derived. A Member's membership in the Corporation shall automatically terminate and cease when such policy is no longer in force and the former Member of the Corporation and anyone claiming by, through, under or as a representative of the former Member of the Corporation shall not be entitled to receive any distribution or compensation for the former Member's membership in the Corporation.

Section 6.4. A Member's membership in the Corporation, or any rights appertaining thereto or derived therefrom, shall not be conveyable, transferable, assignable, salable (including judicial sale), devisable, inheritable, or be alienable in any manner whatsoever, including transfer by operation of law, except as the ownership of the policy of insurance by virtue of which the Member's membership in the Corporation is derived is conveyed, transferred, assigned, sold, devised, or distributed under the statutes of intestate succession.

Section 6.5. A Member's membership in the Corporation, or any rights appertaining thereto or derived therefrom, shall not, separate from the policy of insurance by virtue of which the Member's membership in the Corporation is derived, be subject to attachment, execution or levy, or be subject to a lien, mortgage, security interest or in any manner be used as collateral or otherwise be hypothecated.

Section 6.6. In the event a policy of insurance from which a Member's membership in the Corporation is derived has more than one owner then only the person or entity whose name appears first on the records of the Corporation as an owner of the policy shall be a Member of the Corporation by virtue of that policy.

ARTICLE VII **EXEMPTION FROM CORPORATE DEBT AND LIABILITIES**

Section 7.1. The private property of the Members, officers and directors of the Corporation shall in no case be liable for the debts of the Corporation but shall be exempt therefrom.

Section 7.2. Members shall not be personally liable for the acts, debts or liabilities of the Corporation.

Section 7.3. The policies of insurance issued by the Corporation shall be nonassessable and a policyholder shall not be liable for assessments to pay obligations of the Corporation.

ARTICLE VIII **BOARD OF DIRECTORS**

Section 8.1. The management of the Corporation shall be vested in the Board of Directors. The Board of Directors shall consist of not less than five nor more than seven directors the number to be determined from time to time by a majority of the entire Board of Directors. Each director shall serve a term of approximately three years, except those three initial directors serving six-year terms as provided in the Bylaws of the Corporation. The term of office of each director shall begin at the annual meeting of the Members of the Corporation at which such director is elected or at the time elected by the Board of Directors. No decrease in the number of directors shall shorten the term of any incumbent director. Each director shall serve until a successor is duly elected and qualified, or until his or her death, resignation, removal or termination of office. The Board of Directors shall have the power to fill any vacancy in its number for the unexpired portion of the term to which such vacancy relates. If the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of the remaining directors. No person shall be elected a director by the Members at any meeting except an annual meeting of the Members of the Corporation and then only if duly nominated in compliance with the procedures provided in the Bylaws of the Corporation and named in the notice of the annual meeting of the Members of the Corporation as a candidate for the class of director to be so elected.

ARTICLE IX **OFFICERS**

Section 9.1. The officers of the Corporation shall consist of a Chairman of the Board, President, one or more Vice Presidents, Secretary, Treasurer, and such other officers as may be provided in the Bylaws of the Corporation. Each officer shall be elected by the Board of Directors (and may be removed by the Board of Directors) at such time and in such manner as may be prescribed by the Bylaws of the Corporation.

ARTICLE X **LIABILITY OF DIRECTORS**

A director of the Corporation shall not be liable to the Corporation or its Members for money damages for any action taken, or any failure to take any action, as a director, except liability for any of the following: (1) the amount of a financial benefit received by a director to which the director is not entitled; (2) an intentional infliction of harm on the Corporation or the Members; (3) a violation of section 490.833 of the Iowa Business Corporation Act; or (4) an intentional violation of criminal law. If the Iowa Business Corporation Act is hereafter amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be eliminated or limited to the extent of such amendment, automatically and without any further action, to the fullest extent permitted by law. Any repeal or modification of this Article by the Members of the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability or any other right or protection of a director of the Corporation with respect to any state of facts existing at or prior to the time of such repeal or modification.

ARTICLE XI **INDEMNIFICATION OF DIRECTORS**

The Corporation shall indemnify a director for liability (as such term is defined in section 490.850(5) of the Iowa Business Corporation Act) for any action taken, or any failure to take any action, as a director, except liability for any of the following: (1) receipt of a financial benefit received by a director to which the director is not entitled; (2) an intentional infliction of harm on the Corporation or the members; (3) a violation of the unlawful distribution provision of the Iowa Business Corporation Act; or (4) an intentional violation of criminal law. Without limiting the foregoing, the Corporation shall exercise all of its permissive powers as often as necessary to indemnify and advance expenses to its directors to the fullest extent permitted by law. If the Iowa Business Corporation Act is hereafter amended to authorize broader indemnification, then the indemnification obligations of the Corporation shall be deemed amended automatically and without any further action to require indemnification and advancement of funds to pay for or reimburse expenses of its directors to the fullest extent permitted by law. Any repeal or modification of this Article shall not adversely affect any indemnification obligations of the Corporation with respect to any state of facts existing at or prior to the time of such repeal or modification.

ARTICLE XII **AMENDMENTS**

Section 12.1. These Articles of Incorporation may be amended at any annual meeting of the Members, or at any special meeting duly called and held for that purpose, upon an affirmative vote of two-thirds of the Members present in person or represented by proxy, and voting thereon.

Section 12.2. Amendments to these Articles of Incorporation shall be proposed by the Board of Directors.

Section 12.3. Amendments to these Articles of Incorporation are subject to the approval of the Commissioner of Insurance of the State of Iowa and the Attorney General of the State of Iowa and are not effective until so approved.

ARTICLE XIII **DISSOLUTION**

Section 13.1. The Corporation may be dissolved at any time upon the affirmative vote of three-fourths of the Members present in person, or represented by proxy, and voting thereon, at any regular or special meeting of the Members duly called and held. Provided, no action to dissolve the Corporation shall be sufficient unless written notice that such action is to be considered shall have been given to all of the Members by the President and Secretary of the Corporation at least sixty days prior to the meeting.

Section 13.2. Upon voluntary dissolution of the Corporation the remaining assets of the Corporation, after provision for the payment of all of the Corporation's liabilities, shall be distributed to the Members of the Corporation ratably as determined by the Board of Directors.

Section 13.3. The Corporation shall not voluntarily dissolve without the approval of the Commissioner of Insurance of the State of Iowa.

ARTICLE XIV **GENERAL**

Section 14.1. These Amended and Substituted Articles of Incorporation: (1) correctly set forth the provisions of the Articles of Incorporation of the Corporation as heretofore and hereby amended; (2) have been duly adopted as required by law; and (3) supersede the original Articles of Incorporation under Chapter 504A, 2005 Code of Iowa, the Amended and Restated Articles of Incorporation under Chapter 504, 2005 Code of Iowa, and all amendments thereto.

Dated this _____ day of _____, 2005.

**PETROLEUM MARKETERS MUTUAL
INSURANCE COMPANY**

By: _____

Its: _____