



DATE: June 17, 2024  
TO: Amy J. Malm  
Mark McNabb  
FROM: Christopher Martin  
SUBJECT: Form A - Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer

**Filing Contact(s)**

**Primary Contact(s):**

Michael M. Smith  
Senior Vice President, Secretary, and General Counsel  
Church Mutual Insurance Company, S.I.  
3000 Schuster Lane  
Merrill, WI 54452  
715-536-5577  
msmith@churchmutual.com

**Secondary Contacts(s):**

Zachary P. Bemis  
Godfrey & Kahn, S.C.  
One East Madison Street, Suite 500  
Madison, Wisconsin  
608-284-2224  
zbemiz@gklaw.com

**Exhibit(s)**

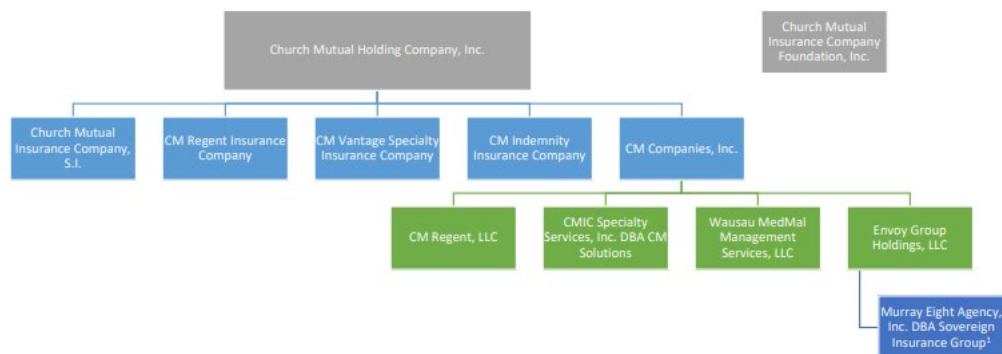
<b><u>Exhibit:</u></b>	<b><u>Description:</u></b>
Ex. 1	Transmittal Letter
Ex. 2	Form A Filing
Ex. 3	Articles of Incorporation of CM Regent
Ex. 4	Articles of Incorporation of CM Vantage
Ex. 5	Articles of Incorporation of CM Indemnity
Ex. 6	Bylaws of CM Regent
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Ex. 9	Pre Acquisition Organizational Chart for the Domestic Insurers and Their Affiliates
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Ex. 15	CMIC and Affiliated Property and Casualty Companies Combined Audited Financial Statements for the Fiscal Year Ended December 31, 2022 and 2021
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- Ex. 17 Audited Financial Statements of CMIC for the Fiscal Year Ended December 31, 2019
- Ex. 18 Audited Financial Statements of CM Regent for the Fiscal Year Ended December 31, 2019
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- Ex. 21 List of Directors and Officers
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- Ex. 23 Three Year Financial Projections of CM Regent
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- Ex. 25 Three Year Financial Projections of CM Indemnity
- Ex. 26 Business Plan

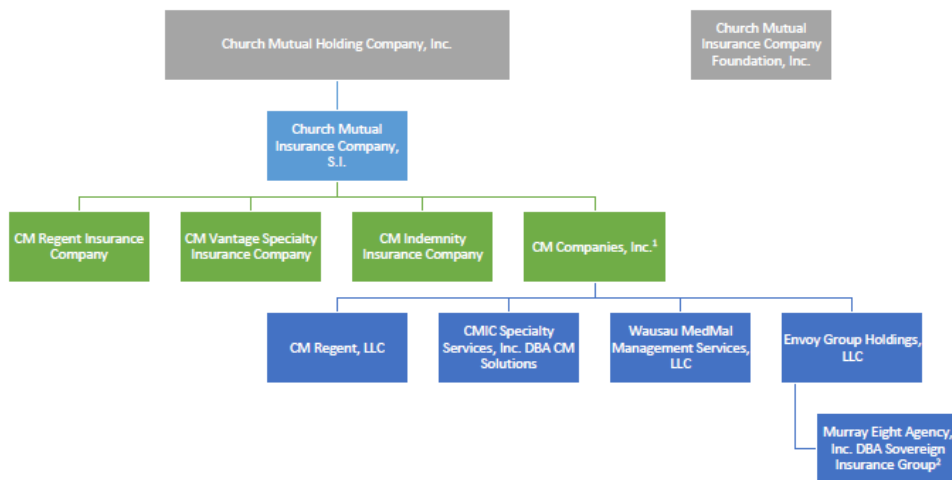
**Executive Summary**

On May 10, 2024, Church Mutual Insurance Company, S.I. (CMIC, the “Applicant”), submitted a Form A filing, in the matter of the acquisition of control of CM Regent Insurance Company (CM Regent), CM Vantage Specialty Insurance Company (CM Vantage), and CM Indemnity Insurance Company (CM Indemnity). As described further in the contribution agreement, Church Mutual Holding Company, Inc. (CMHC), will contribute all of its rights, title, and interest in and equity to each of CM Regent, CM Vantage, and CM Indemnity to CMIC.

**Organizational Chart Before Proposed Transaction:**



**Organizational Chart After Proposed Transaction:**



<b>Identity and Background of the Domestic Insurer(s)</b>
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**Identity of the Domestic Insurer(s):**

**CM Regent Insurance Company**

3000 Schuster Lane  
Merrill, Wisconsin 54452

**CM Vantage Specialty Insurance Company**

3000 Schuster Lane  
Merrill, Wisconsin 54452

**CM Indemnity Insurance Company**

3000 Schuster Lane  
Merrill, Wisconsin 54452

**Background of the Domestic Insurer(s):**

**CM Regent Insurance Company**

The NAIC number of CM Regent is 12356. CM Regent is a Wisconsin stock insurance company organized and existing under Chapter 611 of the Wisconsin Statutes and is also licensed in 49 states and the District of Columbia but primarily writes in Pennsylvania, and the major products marketed by the company include commercial multiple peril, worker's compensation, other liability, and commercial auto liability.

**CM Vantage Specialty Insurance Company**

The NAIC number of CM Vantage is 15872. CM Vantage is a Wisconsin stock insurance company organized and existing under Chapter 611 of the Wisconsin Statutes and authorized to write in all 50 states and the District of Columbia, and it writes excess and surplus (E&S) lines coverage business through licensed surplus lines brokers in the market segments compatible with the religious institutional marketplace.

**CM Indemnity Insurance Company**

The NAIC number of CM Indemnity is 16646. CM Indemnity is a Wisconsin stock insurance company organized and existing under Chapter 611 of the Wisconsin Statutes and is also licensed in California, Colorado, Georgia, Louisiana, Missouri, North Carolina, Tennessee, Texas, and Washington.

<b>Identity and Background of the Applicant(s)</b>
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**Identity of the Applicant(s):**

**Church Mutual Insurance Company, S.I.**

3000 Schuster Lane  
Merrill, Wisconsin 54452

**Background of the Applicant(s):**

**Church Mutual Insurance Company, S.I.**

CMIC was organized in 1897 as the Wisconsin Church Mutual Fire Insurance Association. The company was founded for the purpose of providing insurance under the mutual plan to any church, church society, or pastor of one of the synods constituting the Evangelical Lutheran Synodical Conference, or the Norwegian Evangelical Church of America. In 1947, the name of the company was changed to the Wisconsin Church Mutual Fire Insurance Company, and the company began providing insurance coverage to religious organizations of all denominations. In 1952 the name was changed to Church Mutual Insurance Company.

Effective January 1, 2020, CMIC converted into a stock insurance company owned by a newly formed mutual insurance holding company and changed its name to Church Mutual Insurance Company, S.I. As part of the reorganization, CMIC formed CMHC and transferred its equity in CM Regent, CM Vantage and CM Indemnity to CMHC.

### **Executive Officers and Directors of CMHC**

<b><u>Name</u></b>	<b><u>Title</u></b>
John B. Williams*	Director, Chairperson
Gregory A. Smith*	Director, Vice Chairperson, Chairperson – Audit Committee
Rhonda S. Brandon*	Director
Michael Concannon, III*	Director, Chairperson – Risk Management Committee
Judith P. Greffin*	Director, Chairperson – Investment Committee
Allen L. Leverett*	Director, Chairperson – Nomination and Governance Committee
Robin Jessica Saperstein*	Director
Lori A. Weyers*	Director, Chairperson – Human Capital Committee
Adam L. Stanley*	Director
Alan S. Oglivie*	Director, Chairperson – Executive Committee, President, Chief Executive Officer
Pamela J. Rushing*	President
Michael M. Smith*	SVP, Secretary, and General Counsel
Dwayne A. Gantz*	SVP – Chief Financial Officer
Pamela W. Stampen*	SVP – Chief People Officer
Kevin D. Root*	SVP – Sales and Customer Experience
Scott M. Names*	SVP – Shared Services
Stephanie I. Lynn*	VP – Enterprise Risk Management, Chief Risk Officer
Jeff A. Zehr*	SVP – Underwriting, Admitted Business
Open	VP – Chief Claims Officer
Craig S. Huss*	VP – Chief Information Officer
Randall W. Oja*	VP – Chief Actuary
Janet L. Selnes*	VP – Broker Distribution
Guy A. Russ*	VP – Innovation and Data
Peter J. Mahler*	VP – Religious Markets Underwriting
Kurtis L. Brandau*	VP – Underwriting Operations
Dean J. Jarnow*	VP – Strategic Resource Management
Douglas D. Sippel*	AVP – Treasurer, Corporate Controller

### **Executive Officers and Directors of CMIC**

<b><u>Name</u></b>	<b><u>Title</u></b>
John B. Williams*	Director, Chairperson
Gregory A. Smith*	Director, Vice Chairperson
Rhonda S. Brandon*	Director
Michael Concannon, III*	Director
Judith P. Greffin*	Director
Allen L. Leverett*	Director
Robin Jessica Saperstein*	Director
Lori A. Weyers*	Director
Adam L. Stanley*	Director
Alan S. Oglivie*	Director, President, Chief Executive Officer
Pamela J. Rushing*	President – Subsidiaries and Chief Underwriting Officer

Michael M. Smith*	SVP, Secretary, and General Counsel
Dwayne A. Gantz*	SVP – Chief Financial Officer
Pamela W. Stampen*	SVP – Chief People Officer
Kevin D. Root*	SVP – Sales and Customer Experience
Scott M. Names*	SVP – Shared Services
Stephanie I. Lynn*	VP – Enterprise Risk Management, Chief Risk Officer
Open	VP – Chief Claims Officer
Craig S. Huss*	VP – Chief Information Officer
Randall W. Oja*	VP – Chief Actuary
Janet L. Selnes*	VP – Broker Distribution
Guy A. Russ*	VP – Innovation and Data
Peter J. Mahler*	VP – Religious Markets Underwriting
Kurtis L. Brandau*	VP – Underwriting Operations
Dean J. Jarnow*	VP – Strategic Resource Management
Douglas D. Sippel*	AVP – Treasurer, Corporate Controller

### **Executive Officers and Directors of CM Regent**

<b><u>Name</u></b>	<b><u>Title</u></b>
Alan S. Oglivie*	Director, Chairperson, Chief Executive Officer
Pamela J. Rushing*	President
Dwayne A. Gantz*	Director, SVP – Chief Financial Officer and Treasurer
Scott M. Names*	Director, SVP – Shared Services
Kevin D. Root*	SVP – Sales and Customer Experience
Michael M. Smith*	Director, SVP, Secretary, and General Counsel
Pamela W. Stampen*	SVP – Chief People Officer
Open	VP – Chief Claims Officer
Craig S. Huss*	VP – Chief Information Officer
Stephanie I. Lynn*	VP – Enterprise Risk Management, Chief Risk Officer
Randall W. Oja*	VP – Chief Actuary
Brett E. Eater*	VP – Chief Underwriting Officer

### **Executive Officers and Directors of CM Vantage**

<b><u>Name</u></b>	<b><u>Title</u></b>
Alan S. Oglivie*	Director, Chairperson, Chief Executive Officer
Pamela J. Rushing*	President
Dwayne A. Gantz*	Director, SVP – Chief Financial Officer and Treasurer
Scott M. Names*	Director, SVP – Shared Services
Kevin D. Root*	SVP – Sales and Customer Experience
Michael M. Smith*	Director, SVP, Secretary, and General Counsel
Pamela W. Stampen*	SVP – Chief People Officer
Open	VP – Chief Claims Officer
Craig S. Huss*	VP – Chief Information Officer
Stephanie I. Lynn*	VP – Enterprise Risk Management, Chief Risk Officer
Randall W. Oja*	VP – Chief Actuary
Michael L. York, II*	VP – Chief Underwriting Officer

### **Executive Officers and Directors of CM Indemnity**

<b><u>Name</u></b>	<b><u>Title</u></b>
Alan S. Oglivie*	Director, Chairperson, Chief Executive Officer
Pamela J. Rushing*	President

Dwayne A. Gantz*	Director, SVP – Chief Financial Officer and Treasurer
Scott M. Names*	Director, SVP – Shared Services
Kevin D. Root*	SVP – Sales and Customer Experience
Michael M. Smith*	Director, SVP, Secretary, and General Counsel
Pamela W. Stampen*	SVP – Chief People Officer
Open	VP – Chief Claims Officer
Craig S. Huss*	VP – Chief Information Officer
Stephanie I. Lynn*	VP – Enterprise Risk Management, Chief Risk Officer
Randall W. Oja*	VP – Chief Actuary

Note: \* following an individual's name indicates that the biographical affidavit was provided for the individual and there are no outstanding significant concerns after OCI review.

Rebecca Hudzik-Presson has resigned from CM with a final day of June 21, 2024. Her position is listed as Open above, as she will not be an officer as of the effective date of the transaction.

### **Nature, Source, and Consideration**

The purposed of this transaction is to restructure the CMHC system. Currently CMHC holds all of the issued and outstanding shares of CM Regent, CM Vantage, and CM Indemnity. CMHC intends to contribute all of the rights, title, and interest in and the equity of each of the three domestic insurers to CMIC. The contribution will occur in accordance with the Contribution Agreement.

The Applicants stated in the Form A that there has not been any recent purchase of any voting securities in the Domestic Insurers in the past 12 months and there have been no other recommendations to purchase voting shares in the past 12 months.

### **Applicants Future Plans**

Subsequent to the effective date of the transaction, CM Regent, CM Vantage, and CM Indemnity will continue to operate in the same manner as they do prior to the transaction. No changes to management or operations were discussed as part of the restructuring. Review of the confidential business plan provided by the Applicant further shows the expectation that the Domestic Insurers' will continue to operate in a substantially similar manner post transaction. The Applicants have no plans to declare an extraordinary dividend, other than that made in the request filed on May 3, 2024, liquidate the Domestic Insurers, sell the Domestic Insurers assets, or merge it with any person or to make any other material changes in the Domestic Insurers' business operations, corporate structure, or management.

### **Financial Highlights**

#### **Highlighted Financial Data of CMIC:**

Financial Highlights (in thousands)	Consolidated Financial Statements			
	2023	2022	2021	2020
Total Admitted Assets	2,375,167	2,376,376	2,360,135	2,245,711
Total Liabilities	1,852,973	1,612,530	1,569,466	1,502,525
Total Net Assets	522,194	763,846	790,669	743,186
Total Revenue	1,095,524	999,973	907,378	847,666
Underwriting Gain	(298,350)	(21,278)	13,263	(25,193)
Net Income	(215,508)	4,116	50,293	94,194
Net Cash Provided by Operations	(53,200)	96,110	114,127	69,275

## **Financial Projections of the Domestic Insurer(s):**

### **CM Regent**

The financial projections of the Domestic Insurer(s) are confidential. OCI reviews these projections as part of the Form A review process.

### **CM Vantage**

The financial projections of the Domestic Insurer(s) are confidential. OCI reviews these projections as part of the Form A review process.

### **CM Indemnity**

The financial projections of the Domestic Insurer(s) are confidential. OCI reviews these projections as part of the Form A review process.

## **611.72 (3) Standard**

Wisconsin Statute s. 611.72(3)(am) creates a five-part test for the Commissioner to use when evaluating the merger or acquisition of a domestic stock insurance company. It reads, in relevant part:

**(am)** The commissioner shall approve the plan if the commissioner finds...that it would not violate the law or be contrary to the interests of the insureds of any participating domestic corporation or of the Wisconsin insureds of any participating nondomestic corporation and that:

1. After the change of control, the domestic stock insurance corporation or any domestic stock insurance corporation controlled by the insurance holding corporation would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
2. The effect of the merger or other acquisition of control would not be to create a monopoly or substantially to lessen competition in insurance in this state;
3. The financial condition of any acquiring party is not likely to jeopardize the financial stability of the domestic stock insurance corporation or its parent insurance holding corporation, or prejudice the interests of its Wisconsin policyholders;
4. The plans or proposals which the acquiring party has to liquidate the domestic stock insurance corporation or its parent insurance holding corporation, sell its assets, merge it with any person or make any other material change in its business or corporate structure or management, are fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest; and
5. The competence and integrity of those persons who would control the operation of the domestic stock insurance corporation or its parent insurance holding corporation are such that it would be in the interest of the policyholders of the corporation and of the public to permit the merger or acquisition of control.

These five requirements are analyzed below.

**s. 611.72(3)(am)1:** After reviewing the documents provided by the Applicant in their Form A filing, OCI Staff believes that the Applicant is able to satisfy s. 611.72(3)(am)1. In reaching this decision, OCI staff has relied heavily on the proposed business plan and financial projections.

**s. 611.72(3)(am)2:** OCI's determined that a Form E analysis was not necessary. OCI's examination of the potential competitive effects concluded that approving the acquisition would not violate the competitive standards set forth in s. Ins 40.025(4), Wis. Adm. Code.

**s. 611.72(3)(am)3:** Paragraph three requires that the financial condition of any acquiring party is not likely to jeopardize the financial stability of the domestic insurance corporation or its parent insurance corporation, or prejudice the interest of its Wisconsin policyholders. After reviewing the documents provided by the Applicants, the concern that affiliated non-insurance operations would jeopardize the financial condition is deemed minimal. OCI, however, will monitor compliance with s. 611.72(3)(am)3, Wis. Stat., going forward.

**s. 611.72(3)(am)4:** Paragraph four requires that the post-transaction plans to change the business structure be “fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest.” The Form A filing notes that the Applicants have no current plans or proposals to declare any extraordinary dividend, to liquidate the Domestic Insurer, or to sell the assets of the Domestic Insurer. Additional review of the filing by OCI staff do not indicate any significant changes to the operation of the Domestic Insurer. Compliance with s. 611.72(3)(am)4, Wis. Stat., is expected.

**s. 611.72(3)(am)5:** Paragraph 5 requires that OCI review the Biographical Affidavits of the proposed officers and directors of the Applicants. This review did not raise significant concerns.

<b>Recommendation</b>
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The Acquisition of Control in the above-referenced Form A filing will not violate the law or be contrary to the interests of the insureds, and it does not meet any of the disqualifying criteria outlined in s. 611.72 (3), Wis. Stat. Therefore, the transaction should be approved.