

12. PROPOSED SUMMARY OF PLAN OF CONVERSION

GREEN COUNTY MUTUAL PLAN OF CONVERSION TO 611 DOMESTIC MUTUAL

PLAN SUMMARY

On October 12, 2023, the Board of Directors of Green County Mutual Insurance Company (“Company”) unanimously approved a resolution to accept a plan to convert the Company to a domestic non-assessable mutual organized under Wisconsin Stats 611 effective 1/1/2024. The Wisconsin Commissioner of Insurance has also approved the plan on DATE. All Green County policyholders have a right to vote on the Conversion under Wis. Stat. § 612.12. Policyholders may cast their vote in person at a Special Meeting that will be held at (ADD LOCATION) at (ADD TIME AND DATE).

Summary of the conversion plan: For years, Green County Mutual has obtained our required reinsurance from Wisconsin Reinsurance Corporation of Madison Wisconsin. Due to financial and weather-related issues, Wisconsin Reinsurance has been placed into rehabilitation by the Wisconsin Commissioner of Insurance (the “Commissioner”) and will not be able to provide reinsurance in 2024. The reinsurance market has also tightened, and the special “unlimited aggregate” reinsurance required for Town Mutuals organized under Wisconsin Stats 612 is not available for Green County Mutual from other providers for 2024. The reinsurance required for a mutual organized under Wisconsin Stats 611 is available if Green County converts to a 611 mutual by January 1, 2024. We are fortunate that Green County Mutual has grown and is financially strong enough to meet the requirement to convert to a 611 mutual.

Additionally, as a 611 mutual, Green County Mutual will no longer be an assessable mutual and will participate in the Wisconsin Insurance Security Fund which provides more security for our policyholders. Mutuals organized under Wisconsin Stats 611 are also potentially able to provide additional products such as Umbrella coverage. Also 611 mutuals are allowed to expand into more counties than 612 mutuals if we decide to expand further at a future date.

Key reasons for the conversion to a 611 mutual:

- The reinsurance required for 611 Mutuals is more readily available in today’s market. Green County is not able to obtain required reinsurance for 2024 if it stays a 612 mutual.
- Improve the Company’s competitive market position in order to provide better opportunities for growth. The Conversion will permit the Company to grow and to improve its services and products so as to fulfill the expectations of its insurance customers.
- Expansion of the Company’s territory. While the Company does not intend to write outside of its current territory at this point, the Conversion will allow it to do so in the future. • To achieve greater spread of risk. Expanding outside of the current authorized territory will allow for a greater spread of risk.
- To eliminate assessability of policyholders. After the Conversion, the Company’s policies will be nonassessable.

For these reasons the Board of Directors of Green County Mutual unanimously recommends that policyholders approve the conversion plan. The proposed effective date of the plan is January 1, 2024.

A complete copy of the Agreement and Plan of Conversion is available for your inspection at the Company Office located at 326 6th Street, Monroe WI 53566. Please contact the office if you have any questions or if you would like to review a complete copy of the Plan.

Sincerely,

Craig Shager, Company Manager
Green County Mutual Insurance

Tom Rowe, Board President
Green County Mutual Insurance