

## Our plan is focused on your future

Please use the enclosed Proxy Card to vote on a structure that will help us serve you

Dear American Family Mutual Insurance Company policyholder,

American Family Insurance is transforming to serve as your innovative partner in everything that we do and be even more relevant in your life.

Over the years, we have created and offered new products through our American Family agents. We have acquired companies to serve customers who prefer to conduct their insurance matters on their own, using the internet or their phone. And, we have worked with emerging organizations to advance technologies and programs that can proactively protect you and enrich your communities.

But we can do more.

I respectfully ask you to vote for an organizational structure change that will expand American Family's capabilities for customer-driven innovation, while preserving the concept of policyholder ownership that has been our heart and soul since we were founded in 1927.

American Family has filed a plan with the Wisconsin Office of the Commissioner of Insurance to form a mutual holding company. Subject to regulatory and policyholder approval, this mutual holding company will serve as the new parent company of American Family Mutual Insurance Company (AFMIC) and all other American Family subsidiaries.

This plan – unanimously approved by American Family's board of directors – is all about the future and our customers. It will position American Family to meet customer needs in an age of automated cars, smart homes and other advanced technologies that are already altering lives and the insurance industry.

A mutual holding company structure would eliminate restrictions on investing in or acquiring non-insurance companies that can provide important customer benefits, such as developing technologies or programs that can help prevent accidents and save lives. A mutual holding company would also better position American Family to consider acquiring other mutual insurance companies to serve more customers.

American Family would continue to operate under the principles and culture of a mutual company, owned by our policyholder-members. Policyholders of AFMIC would become members of the mutual holding company under the new structure, retaining the membership rights they have now. Customers who have policies through two other American Family subsidiaries would also receive mutual membership rights as permitted by law.

It's important to note that existing American Family insurance policies and rates would be unaffected by this structure change.



**Jack Salzwedel**  
*Chairman, Chief Executive Officer and President*

To help you better understand the plan to convert AFMIC to a stock insurer wholly owned by a mutual holding company, we've developed the enclosed Policyholder Information Booklet. It explains the reasons and ramifications of the conversion plan, and provides instructions on how you can vote on the plan. Sections in the booklet include:

- **Notice of Special Meeting of Members** that introduces the conversion plan and gives instructions on how to vote on the plan at a special policyholder meeting or by proxy.
- **Notice of a public hearing on the plan** by the Wisconsin Office of the Commissioner of Insurance.
- **Frequently Asked Questions** addressing elements of the proposed mutual holding company conversion.
- **A Policyholder Information Statement**, which is a detailed summary of the conversion plan, including the expected benefits and effects of the mutual holding company conversion, special voting considerations and other information.

The information in this packet – in addition to a short introductory video – is also available at a specially created website: [www.amfamplan.com](http://www.amfamplan.com). Please review the information in this packet and online. If at any time you have questions, please call us at (866) 521-4219.

Finally, we have enclosed a Proxy Card that allows you to appoint a proxy to cast your vote to approve the plan. You can also vote on the plan in person at the Special Meeting of Members on December 7, 2016. Please see your Proxy Card for more information. **Your vote is important. Please take the time to vote.**

Thank you for trusting American Family Insurance. Your vote supporting this plan will ensure American Family continues to offer high-quality, customer-driven products and services for generations to come.

Sincerely,

A handwritten signature in black ink that reads "Jack Salzwedel". The signature is written in a cursive style with a large initial "J".

Jack Salzwedel

Chairman, Chief Executive Officer and President  
American Family Mutual Insurance Company and its subsidiaries