

August 26, 2016

Office of the Wisconsin Commissioner of Insurance
Bureau of Financial Analysis and Examinations
GEF 3, Second Floor
125 South Webster Street
Madison, Wisconsin 53702

Attn: Kristin L. Forsberg
Insurance Financial Examiner/
Company Licensing Specialist

Re: American Family Mutual Insurance Company
Mutual Holding Company Plan

Dear Ms. Forsberg:

This letter will respond to your supplemental request for information, dated August 15, 2016, regarding the above-referenced Mutual Holding Company Plan (the "Plan").

1. *Pro Forma Financial Statements:*

- a) *Please discuss: Do the pro forma consolidated financial statements for American Family Mutual Insurance Company, S.I. include all property and casualty subsidiaries? If not, please identify the excluded subsidiaries.*

The pro forma consolidated financial statements for American Family Mutual Insurance Company, S.I. include the property and casualty underwriting companies that are included in the combined annual statement of American Family Mutual Insurance Company. As such, the pro forma consolidated financial statements include all property and casualty underwriting companies in the group, excluding the property and casualty underwriting companies that are part of "The General" (as those underwriting companies are not part of the 100% Intercompany Quota Share Reinsurance Agreement with American Family Mutual Insurance Company).

- b) *Please provide the actual and projected premium writings of AFMIC, AFIC, ASICO and ASICW for 2015 — 2020 (please respond using the chart provided as Attachment A).*

See Attachment A.

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- c) *Please provide the number of actual and projected policies in-force for AFMIC, AFIC, ASICO and ASICW for 2015 — 2020 (please respond using the chart provided as Attachment B).*

See Attachment B.

2. *Newly Admitted Members: In response to OCI's July 14, 2016 follow-up letter item #14, the Applicant stated that ASICW is primarily engaged in the business of assumed reinsurance, and that this is the reason why ASICW's policyholders will not be granted membership interests. However, review of ASICW's 2015 financial statement indicates that 58.5% of ASICW's gross premiums were direct (only 41.5% were assumed). In addition, ASICW's direct writings for 2015 (\$232.3M) far exceeded ASICO's direct writings for 2015 (\$32.9M). In light of the fact that ASICW's direct premiums far exceed direct premiums written by ASICO, please explain the rationale as to why ASICO's policyholders will be granted membership interests, but not ASICW's policyholders.*

As alluded to in our August 3, 2016 letter, in our response to item #14, the proposal to include policyholders of certain AFMIC subsidiaries as members of AFI MHC will make the benefits of membership available to those policyholders who obtain newly designed "Advance" American Family branded property and casualty policies. These are policies that would likely have been issued by AFMIC, but for AFMIC's decision to continue offering its traditional "Classic" property and casualty products to existing policyholders, after introducing the Advance products to the market, so that existing customers have an ongoing choice between the two product designs.

In light of certain regulatory restrictions, AFMIC determined that the new Advance products should be issued by a company or companies other than AFMIC. AFIC and ASICO have been identified as the vehicles for issuing the new Advance property and casualty policies as these products are rolled out to each of the geographic markets in which American Family does business.

In contrast to AFIC and ASICO, on a forward-looking basis, ASICW will primarily be engaged in the business of assumed reinsurance, which is outside the scope of business which American Family has historically conducted in the mutual company model. While approximately 58% of ASICW's 2015 gross premiums were direct, this percentage has trended downward in recent years as ASICW's core focus shifts to assumed reinsurance (e.g. 69% of gross premiums were direct in 2014, 75% in 2013, and 98% in 2010). This trend is expected to continue in the future, particularly as new Advance products are issued by AFIC and ASICO and minimal new business, including no new Advance business, will be written out of ASIC.

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3. Private Letter Ruling or Tax Opinion (7/14/16 Letter - #11): The filing states that the Plan shall not become effective, and the restructuring shall not be consummated, until AFMIC receives a private letter ruling issued by the IRS, or an opinion of Foley & Lardner LLP or other independent tax counsel to AFMIC, in either case or in combination, substantially to the effect that: (a) Neither the members nor the newly admitted members will recognize taxable gain or loss in connection with the restructuring, and (b) Neither AFI MHC, AmFam Holdings, Inc., nor AFMIC will recognize taxable gain or loss in connection with the restructuring. Please provide a copy of this Private Letter Ruling (or Tax Opinion) (when available).

Pending.

4. Securities Law Opinion (7/14/16 Letter - #12): The filing states that the Plan shall not become effective, and the restructuring shall not be consummated, until AFMIC receives a “no action” letter from the SEC, or an opinion from Foley & Lardner LLP or other independent legal counsel in form and substance satisfactory to the duly authorized officers of AFMIC with respect to federal and state securities law matters. Please provide a copy of this Securities Law Opinion (when available).

Pending.

5. Other Regulatory Approvals (7/14/16 Letter - #13): The filing states that the Plan shall not become effective, and the restructuring shall not be consummated, until AFMIC has received all other regulatory approvals that the duly authorized officers of AFMIC deem to be necessary or appropriate. Please discuss the ‘other regulatory approvals’ deemed necessary or appropriate by AFMIC, and provide a copy of the other regulatory approval letters (when available).

AFMIC has determined that it is necessary or appropriate to request a waiver of the requirement to file a Form A – Statement Regarding the Acquisition of Control of Or Merger With a Domestic Insurer from the insurance commissioners or comparable state insurance regulatory authorities of certain states. Attachment C lists each of the states in which AFMIC has filed a request for waiver of the requirement to make a Form A filing in connection with the Plan, and includes the filing date of the request. We will provide OCI with copies of the requested waiver letters upon receipt.

6. Electronic Filing (7/14/16 Letter - #19): Please provide an electronic copy of the complete filing on a flash drive for posting to OCI’s public website. [Note: If there are portions of the filing for which confidential treatment is being requested, please provide an electronic file with the complete public (redacted) version of the filing for posting to OCI’s public website, and a separate electronic file with the confidential portions of the filing, along with a cover letter identifying the portions of the filing for which confidentiality is being requested, the

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legal basis for the request for confidentiality, and the name and contact information of the Applicant's attorney (in the event there is a Freedom of Information Act request for the confidentially-designated materials).]

Pending.

We would be happy to discuss AFMIC's responses with you after you have had an opportunity to review them.

Thank you in advance for your review and consideration of AFMIC's responses.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anne E. Ross", with a long horizontal line extending to the right.

Anne E. Ross

Enclosures

cc: Mark V. Afable
Scott J. Seymour
Noreen J. Parrett

Redacted--Confidential Trade Secret Information

Redacted--Confidential Trade Secret Information

Attachment C

FORM A WAIVER CONTACT LIST

STATE	FLILING DATE	CALIFORNIA	CONNECTICUT	GEORGIA	ILLINOIS	KANSAS	NORTH DAKOTA	OHIO	NEW YORK	TEXAS
		August 18, 2016	August 17, 2016	August 17, 2016	August 16, 2016	August 16, 2016	August 17, 2016	August 17, 2016	August 5, 2016	August 17, 2016