

BOARD LETTER TO POLICYHOLDERS

RESTRUCTURING TO BETTER SERVE OUR POLICYHOLDERS

Please use the enclosed Proxy Card to vote on Church Mutual Insurance Company's Mutual Holding Company Plan.

Dear valued Church Mutual policyholder:

As you know, Church Mutual is a mutual insurance company – that is, one in which each of its policyholders has an undivided ownership interest while a policyholder. The mutual structure has worked well during the 120 years that Church Mutual has provided policyholders with innovative insurance products and services.

With the support of its policyholders, Church Mutual has grown in size and financial strength. However, it is now time for Church Mutual to diversify its company structure to better position itself to compete in today's marketplace. The restructuring is not intended to lay the groundwork for a sale. We have no plans to sell Church Mutual.

The company's commitment to protecting the greater good remains of utmost importance, and future considerations are designed to support that commitment. The company will continue to focus on serving those who serve others.

To that end, Church Mutual's Board of Directors recently filed a Mutual Holding Company Plan with the Wisconsin Office of the Commissioner of Insurance (OCI), Church Mutual's regulator. The Plan seeks the OCI's approval to restructure Church Mutual from a mutual to a stock insurance company and to create a mutual insurance holding company to hold the stock of the converted insurance company.

Under the proposed plan, Church Mutual will form Church Mutual Holding Company, Inc., and Church Mutual will convert to a stock insurance company that will be wholly owned by Church Mutual Holding Company, Inc. All of Church Mutual's current policyholders will become members of Church Mutual Holding Company, Inc. and will have the same rights in the holding company they now have in Church Mutual. Church Mutual will change its name to Church Mutual Insurance Company, S.I. The OCI has approved the Plan. Church Mutual is now asking you, its valued policyholders, to approve the Plan as well.

The mutual holding company structure will permit Church Mutual to diversify its businesses, as well as the products and services it offers to its policyholders, while still maintaining mutuality with its policyholders. For example, the mutual holding company structure would permit Church Mutual Holding Company, Inc. to invest in or acquire non-insurance companies that could provide additional types of products and services beneficial to Church Mutual's policyholders.

The structure would also give Church Mutual Holding Company, Inc.'s insurance operations more flexibility to structure its companies and products in response to the marketplace and changing policyholder needs. In addition, a mutual holding company restructuring would permit Church Mutual to acquire other mutual insurance companies and retain their mutual structure and brand. Other benefits of the plan are described in the enclosed Policyholder Information Statement.

To help you with your voting decision, we have enclosed a Policyholder Information Statement that describes the Mutual Holding Company Plan in detail. It explains both the benefits and the ramifications of Church Mutual's conversion to a stock insurance company and the formation of Church Mutual Holding Company, Inc. It includes:

- Notice of the public hearing that will be held at the OCI, which is a regulatory hearing held before a hearing examiner.
- Notice of the Special Policyholders Meeting to be held at Church Mutual's offices at which policyholders will have the opportunity to vote on the Plan. The Notice of the Special Policyholders Meeting includes proxy information and voting instructions.
- Frequently Asked Questions that will give you answers to the most commonly asked questions on the mutual holding company process.
- Policyholder Information Statement, which addresses the Plan in more detail, including the expected benefits and ramifications of the restructuring, special voting considerations and other information.

Finally, we have enclosed a Proxy Card that will allow you to appoint a proxy to cast your vote for approval of this important restructuring decision. In lieu of voting by proxy, you may attend the Special Policyholder Meeting on _____, 2019. The meeting will begin at _____ and will be hosted at Church Mutual's office at 3000 Schuster Lane, Merrill, Wisconsin.

The same information that is in this packet can also be found at a special web page Church Mutual created for your convenience, churchmutual.com/mhc.

We urge you to carefully review the information in this packet or online. If you have any questions once you have reviewed the information, please call us at *1-844-503-6969*.

Church Mutual sincerely thanks you for trusting the company to meet your insurance needs over the years. A vote in favor of CMIC's Mutual Holding Company Plan will help ensure the company continues to provide innovative products and services far into the future.

Sincerely,

Chairperson of the Board
Church Mutual Insurance Company

