

FREQUENTLY ASKED QUESTIONS

Below are brief answers to frequently asked questions about the proposed mutual insurance holding company (also referred to as a “mutual holding company” or “MHC”) conversion (the “MHC Conversion”) of Jewelers Mutual Insurance Company (“JMIC” or the “Company”). You should carefully review the more detailed discussion about the proposed MHC Conversion that follows in the Policyholder Information Statement, which qualifies all of the information presented in these brief answers.

1. What is the change being proposed for JMIC?

The Board of Directors of JMIC is proposing that JMIC change its organizational structure from a mutual insurance company to a mutual holding company-owned stock insurance company. Under this structure, JMIC would convert to a stock insurer, to be re-named Jewelers Mutual Insurance Company, SI (“Converted JMIC”), and would become an indirect wholly-owned subsidiary of the newly-organized mutual holding company. JMIC policyholders, who are currently the members of JMIC, would no longer be members of JMIC but would instead become members of the new mutual holding company, with comparable member rights. There would be no change in JMIC’s insurance policies (except that they would confer membership in the mutual holding company rather than JMIC), and those policies would remain obligations of Converted JMIC as a stock insurance company. The MHC Conversion would take place in accordance with the Mutual Holding Company Plan (the “Plan”) which has been unanimously approved by JMIC’s Board of Directors and which you and the other policyholders of JMIC are being asked to approve at the Special Meeting of Members (the “Special Meeting”), of which you are being notified in the attached Notice of Special Meeting of Members.

2. What is a mutual insurance holding company? Have other mutual insurance companies adopted this form of organization?

A mutual insurance holding company is a legal entity organized under state law to serve as the parent company (*i.e.*, the controlling shareholder) of an insurance company that has been converted from a mutual company to a stock company. In the mid-1990s, laws enabling the mutual insurance holding company structure began to appear in various states as a means for a mutual insurance company to address certain disadvantages of the mutual insurance company organizational form by converting to a stock company, while still preserving policyholder ownership and control of the enterprise. Mutual insurance holding companies were first made available under Wisconsin law in 1997. More than half of the state insurance codes now include mutual holding company laws, and many insurance companies have chosen to restructure as mutual holding companies. See also “**THE MHC CONVERSION TRANSACTION—The Mutual Insurance Holding Company Organizational Form**” on pages 5 and 6 of the Policyholder Information Statement.

3. How will the proposed MHC Conversion benefit JMIC and its policyholders?

JMIC’s Board of Directors believes that the MHC Conversion of JMIC is desirable to enhance JMIC’s ability to grow and respond to future needs, challenges, and opportunities in a rapidly changing insurance industry, while preserving mutuality and the ability to operate with a focus on the long-term interests of policyholders.

Specifically, the Board of Directors believes the new mutual holding company structure will benefit JMIC and its policyholders by (i) enhancing the Company's ability to acquire and grow ancillary or non-insurance businesses, (ii) giving the Company the opportunity to pursue product and state expansion through subsidiary companies while maintaining its mutuality, (iii) enhancing the Company's ability to pursue mergers with and acquisitions of other mutual insurance companies, and (iv) giving the Company enhanced access to capital and other forms of financing. See also "**THE MHC CONVERSION TRANSACTION—Benefits of Conversion to a Mutual Holding Company Structure**" on pages 10 through 12 of the Policy Information Statement.

4. Will the proposed MHC Conversion affect the terms of my insurance policy with JMIC?

No. All insurance policies issued by JMIC will continue as obligations of Converted JMIC as a stock insurance company after the MHC Conversion. Your rights under your existing insurance policy, including your coverage, claims payments, premiums, and policy benefits, will not be changed as a result of the MHC Conversion. See also the information presented under the heading "Member Rights" in the table found on pages 17 and 18 of the Policyholder Information Statement.

5. What are my current rights as a policyholder of JMIC, and how would the proposed MHC Conversion affect those rights?

As a policyholder of JMIC, you have two types of interest in JMIC: (i) contract rights arising from your insurance policy with JMIC and (ii) voting rights and rights in surplus arising from your status as a member of JMIC.

Your contract rights will not be affected in any way by the proposed MHC Conversion. Your insurance policy with JMIC will become a contractual obligation of Converted JMIC and there will be no changes to your insurance coverage, claims payments, premiums, or policy benefits as a result of the MHC Conversion.

On the effective date of the MHC Conversion, you will cease being a member of JMIC and you will instead become a member of the new mutual holding company. You will be entitled to voting rights and rights to participate in distributions of surplus by the mutual holding company which are comparable to the rights that you now have in JMIC. See also "**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of JMIC Members/Policyholders**" on pages 15 through 18 of the Policyholder Information Statement.

As described in FAQ #6, the MHC Conversion will also result in all policyholders of JM Specialty Insurance Company ("JM Specialty"), an indirect wholly-owned subsidiary of JMIC, becoming members of the new mutual holding company. The addition of JM Specialty policyholders as members of the new mutual holding company will result in the dilution of the aggregate voting control held by JMIC's members. Although JM Specialty is not currently writing insurance policies, it will start doing so in 2019. This makes it difficult to estimate the amount of the dilution policyholders of JMIC will experience, but over time, JM Specialty is expected to grow, particularly with respect to the offering of personal insurance policies.

6. Will anyone other than current JMIC policyholders be members of the new mutual holding company?

Yes. All policyholders of JM Specialty will become members of the mutual holding company, along with the policyholders of JMIC. JM Specialty is a newly-formed stock property and casualty insurance company established to write insurance policies in the individual market, although it has not written any policies as of the date of this Policyholder Information Booklet. It is estimated that, of the total number of members of the mutual holding company immediately after the MHC Conversion, approximately []% will be persons who were JMIC policyholders immediately before the MHC Conversion, and approximately []% (based on an assumed January 1, 2020, effective date for the MHC Conversion and the admission of the policyholders of JM Specialty on the effective date) will be persons who were JM Specialty policyholders, and not JMIC policyholders, immediately before the MHC Conversion.

The Board of Directors will have the authority to grant member status to the policyholders of other stock insurance subsidiaries of the mutual holding company in the future.

7. How will the inclusion of policyholders of JM Specialty as members of the mutual holding company affect my voting rights?

After the MHC Conversion, you will have a smaller percentage of the total voting power in the new mutual holding company than you had in JMIC immediately prior to the MHC Conversion as a result of the inclusion of the JM Specialty policyholders as members of the mutual holding company. Please note that growth in JMIC's membership over time would also have a dilutive effect on voting power.

Your voting rights as a member of JMIC generally consist of the right to cast one vote on any matter which is subject to a vote of the members, including the right to vote for the election of directors, any proposed conversion of the Company from a mutual company to a stock company while simultaneously creating a mutual holding company as a parent, any proposed conversion of the Company to a stock company *without* simultaneously creating a mutual holding company as a parent (also known as "demutualization"), voluntary dissolution of the Company, or amendment of the articles of incorporation.

After the MHC Conversion, each member of the new mutual holding company will have substantially these same voting rights, except with respect to the dilution of voting control as discussed in FAQ #5. Each policyholder of Converted JMIC or JM Specialty will have the same mutual holding company member voting rights.

8. How will the inclusion of policyholders of JM Specialty as members of the mutual holding company affect my rights in surplus?

The inclusion of policyholders of JM Specialty as members of the mutual holding company will not have a material effect on your rights in surplus. See "**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of JMIC Members/Policyholders**" on pages 15 through 18 of the Policyholder Information Statement.

9. Has JMIC’s Board of Directors approved the proposed MHC Conversion, and does it have a recommendation for policyholders on voting?

After careful consideration and thorough deliberation in a series of meetings over a lengthy period, the JMIC Board of Directors has unanimously approved the Plan and the transactions contemplated thereby. Accordingly, the JMIC Board of Directors unanimously recommends that policyholders vote FOR the Plan at the Special Meeting. See also “**THE MHC CONVERSION TRANSACTION—Recommendation of Board of Directors**” on pages 14 and 15 of the Policyholder Information Statement.

10. Did the Board consider any alternatives to the MHC Conversion?

The Board of Directors considered, but rejected, other structural alternatives to the proposed MHC Conversion, including demutualization of JMIC. The Board of Directors determined not to pursue any of these alternatives and has no plans to do so following the MHC Conversion. In addition, the proposed MHC Conversion does not involve any changes to the existing workforce, operations, or office locations of JMIC and its subsidiaries, and the Board of Directors has no plans to make any such changes after the MHC Conversion. See also “**THE MHC CONVERSION TRANSACTION—Consideration of Alternatives**” on pages 13 and 14 of the Policyholder Information Statement.

11. Will JMIC be regulated differently if the MHC Conversion is completed?

JMIC is currently regulated by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”). After the MHC Conversion, Converted JMIC will continue to be regulated by the Wisconsin Commissioner. In addition, the mutual holding company will be subject to the Wisconsin Commissioner’s oversight. Certain anticipated differences between the current regulation of JMIC and the future regulation of the mutual holding company are described under the heading “**REGULATION**” on pages 30 and 31 of the Policyholder Information Statement.

12. Does JMIC plan to issue stock in any entity to a third party following the proposed MHC Conversion?

JMIC does not have any plans to issue stock in any entity to third parties after the proposed MHC Conversion is completed. In any event, an initial sale of voting stock would require the prior approval of the Wisconsin Commissioner and the members of the new mutual holding company.

13. Will the proposed MHC Conversion result in any changes in the compensation of JMIC’s directors or officers?

No. The proposed MHC Conversion will not result in any changes in the compensation of JMIC’s directors and officers.

14. Will any JMIC director or officer receive any stock or stock options as a result of the MHC Conversion?

No. JMIC’s directors and officers will not receive any stock or stock options in Converted JMIC, the new intermediate stock holding company (discussed in the Policyholder Information Statement) or any other entity.

15. Are there any potential disadvantages or risks in adopting the proposed mutual holding company structure?

There are potential disadvantages and risks associated with the proposed MHC Conversion that are discussed in greater detail under the heading “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Special Considerations and Risk Factors**” on pages 24 through 28 of the Policyholder Information Statement.

16. What approvals are required before JMIC can complete the proposed MHC Conversion?

The Plan must be approved by the Wisconsin Commissioner. Additionally, the Plan must be approved by the vote of the lesser of (i) two-thirds of the members present and voting in person or by proxy at a meeting of the members or (ii) a majority of the voting power held by the members. See also “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on pages 29 and 30 of the Policyholder Information Statement.

17. If I vote at the Special Meeting by proxy, will the proxies have authority to vote on any matter other than the approval of the MHC Conversion?

The proxies will have authority to vote only on those matters which are germane to the purpose of the Special Meeting as stated in the Notice of Special Meeting. For example, in addition to casting votes “For” and “Against” the approval of the Plan, the proxies would have authority to vote on any proposal to adjourn the Special Meeting and reconvene at a later date.

18. When will the proposed MHC Conversion be completed, if all conditions are satisfied?

Provided the Plan has been approved by the Wisconsin Commissioner and by the vote of the lesser of (i) two-thirds of the members present and voting in person or by proxy at a meeting of the members or (ii) a majority of the voting power held by the members, it is expected that the MHC Conversion will be completed in the first quarter of 2020.

19. How can I vote on the Plan?

JMIC policyholders are being asked to vote on the Plan at the Special Meeting to be held at [] local time on [], 2019 at the Company’s offices at 24 Jewelers Park Drive, Neenah, Wisconsin. Your vote must be cast in person at the Special Meeting, or by a duly appointed proxy.

To cast your vote by proxy:

Please complete and return the proxy we sent you. If you received the proxy form electronically because of your choice to accept e-delivery from JMIC, then please follow the instructions for e-submission of your proxy vote; if you received your policyholder information packet in the mail, please return your proxy in the postage-paid envelope provided.

In lieu of appointing a proxy, you may vote in person at the Special Meeting.

Submitting a proxy will not prevent a member from attending the Special Meeting and voting in person. If you attend the Special Meeting and vote in person, any previously submitted proxy will not be counted.

Proxies must be received no later than [_____] on [_____], 2019 in order to be voted at the Special Meeting.

20. What should I do if I have other questions about the proposed MHC Conversion?

If your question is not answered in these Frequently Asked Questions, the Policyholder Information Statement or the additional available information described in the Policyholder Information Statement, please visit our website [(www.jewelersmutual.com/mhc)] or contact [_____] at [PHONE] or [EMAIL].