



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, Governor
Mark V. Afable, Commissioner

Wisconsin.gov

September 10, 2019

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ms. Noreen J. Parrett
Parrett & O'Connell, LLP
10 East Doty Street, Suite 615
Madison, Wisconsin 53703

Re: Case No. 19-C43126 – In the Matter of the Mutual Holding Company Plan of Jewelers Mutual Insurance Company

Dear Ms. Parrett:

Enclosed is a copy of the Proposed Decision, including findings of fact and conclusions of law.

In accordance with s. 227.46 (2), Wis. Stat., the Commissioner of Insurance is providing an opportunity for you to submit any written objections and arguments that you may have regarding the Proposed Decision, findings of fact, or conclusions of law. Each objection and argument should be brief and include the reasons and authorities for it. If you wish to make objections and arguments, send them in writing to Mark V. Afable, Commissioner of Insurance, State of Wisconsin, P. O. Box 7873, Madison, Wisconsin 53707-7873, within 30 days after the date of this letter.

When the Final Decision is issued, any appeal to circuit court for review must be served on the Commissioner of Insurance, 125 South Webster Street, Madison, Wisconsin 53703.

If you have any questions concerning any of the foregoing, you may contact me at (608) 261-8562.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amy J. Malm', with a long horizontal flourish extending to the right.

Amy J. Malm
Hearing Examiner

Enclosure

In the Matter of the Mutual Holding Company Plan
of Church Mutual Insurance Company

PROPOSED DECISION

Petitioner.

Case No. 19-C43126

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Michael Mancusi-Ungaro
Elena V. Vetrina
Steven J. Junior
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioner:

Present in person
Noreen J. Parrett
Parrett & O'Connell, LLP
10 East Doty Street, Suite 615
Madison Wisconsin 53703

Jed Roher
Godfrey & Kahn
One East Main Street, Suite 500
Madison, Wisconsin 53703

Kathryn Garrow, Corporate Controller
Mark K. Willson, Vice President, General Counsel
and Corporate Secretary*
Jewelers Mutual Insurance Company
24 Jewelers Park Drive
Neenah, Wisconsin 54956-3703

- * Mr. Willson is appearing at the hearing as an officer of his company, and not as legal counsel representing the company at the hearing.

PRELIMINARY

Pursuant to a Notice of Hearing dated June 19, 2019, a hearing was held on or about 10:00 a.m. on August 15, 2019, to determine whether the Petitioner's application for approval of its Mutual Holding Company Plan (the "MHC Plan") should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Petitioner, Jewelers Mutual Insurance Company, 24 Jewelers Park Drive, Neenah, Wisconsin 54956-3703, is a mutual insurance corporation organized and domiciled in Wisconsin.

(2) The Petitioner prepared and made representations in support of the MHC Plan orally and in writing.

(3) The Petitioner filed the MHC Plan with the Office of the Commissioner of Insurance (the "Commissioner"). The MHC Plan includes, among other things, the formation of a Wisconsin-domiciled mutual holding company to be known as Jewelers Mutual Holding Company and a Wisconsin-domiciled business corporation to be known as JM New Holdings, Inc. After the MHC Plan is effectuated, Jewelers Mutual Insurance Company will convert to a stock insurance corporation and be renamed Jewelers Mutual Insurance Company, SI and JM New Holdings, Inc. will own 100% of the shares of the converted insurance company, Jewelers Mutual Insurance Company, SI Jewelers Mutual Holding Company will own 100% of the shares of JM New Holdings, Inc.

(4) The Petitioner was served with a Notice of Hearing dated June 19, 2019.

(5) The Petitioner fulfilled the filing requirements of s. 644.07, Wis. Stat.

(6) The MHC Plan will not violate the law or be contrary to the interest of the insureds of Jewelers Mutual Insurance Company or of the public.

(7) The MHC Plan will not be unfair or inequitable to the policyholders of Jewelers Mutual Insurance Company with respect to their membership rights or rights in surplus.

(8) The MHC Plan would not be detrimental to the safety or soundness of the converting insurance company, Jewelers Mutual Insurance Company, or to the contractual rights and reasonable expectations of its policyholders on the effective date of the restructuring.

(9) After implementation of the MHC Plan, Jewelers Mutual Insurance Company, SI will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(10) The effect of the MHC Plan will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(11) There are no plans or proposals to liquidate the Petitioner following its conversion to a domestic stock insurance corporation, to sell its assets (other than investment portfolio transactions in the ordinary course of business), to consolidate or merge it with any person, or to make any other material change in its business, corporate structure, or management other than as described in the Policyholder Information Booklet that was approved by the Commissioner and distributed to the policyholders of Jewelers Mutual Insurance Company.

(12) The competence and integrity of the persons who will control the operation of the restructured domestic stock insurance corporation, Jewelers Mutual Insurance Company, SI, and its parent mutual holding company, Jewelers Mutual Holding Company, are such that it will be in the interest of the policyholders and the public to permit the restructuring, including the formation of a mutual holding company.

PROPOSED CONCLUSION OF LAW

(13) The proposed findings of fact set forth above establish that the requirements of chs. 227, 644, and 617, Wis. Stat., have been satisfied and approval of the MHC Plan should be granted.

(14) With the addition of certain conditions, the MHC Plan does not violate the law, and is not unfair or inequitable to policyholders with respect to their membership interests, rights

rights and reasonable expectations of the persons who are policyholders, nor to the public interest.

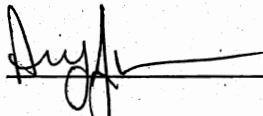
PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(15) The Petitioner's request for approval of the MHC Plan, including the formation of a mutual holding company, should be approved, subject to the following conditions subsequent:

- a. Petitioner consents to an order issued by the Commissioner under s. 601.41, Wis. Stat., which shall, at a minimum require that the MHC Plan be implemented in accordance with its terms and the Stipulation and Order in Case No. 19-C43143.
- b. Jewelers Mutual Holding Company and JM New Holdings, Inc. shall consent to the same Stipulation and Order to which the Petitioner consents pursuant to Section 15(a) of this Proposed Order.
- c. Jewelers Mutual Insurance Company and its successors in interest shall ensure that voting procedures with respect to the MHC Plan are in accordance with the voting protocol filed with the Commissioner on April 15, 2019, or such other voting protocols as may be approved by the Commissioner. Jewelers Mutual Insurance Company shall retain the services of a proxy agent to assist it in the receipt, custody, safeguarding, verification and tabulation of proxy forms.
- d. Until the MHC Plan is consummated, the Commissioner shall have the right to alter, suspend or withdraw its approval should any material interim development warrant such action.
- e. Jewelers Mutual Insurance Company and its successors in interest shall comply with the MHC Plan as approved by the Commissioner herein.
- f. The MHC Plan may not be amended without the prior written consent of the Commissioner.

Dated at Madison, Wisconsin, this 10th day of September, 2019.



Amy J. Malm
Hearing Examiner