

MILWAUKEE MUTUAL INSURANCE COMPANY

SECOND AMENDED AND RESTATED

RESOLUTIONS OF THE BOARD OF DIRECTORS

REGARDING THE RESTRUCTURING OF THE COMPANY

In satisfaction of Section 644.07 of the Wisconsin Insurance Code, the members of the Board of Directors (the "Board") of Milwaukee Mutual Insurance Company, a mutual insurance company organized under Chapter 611 of the Wisconsin Insurance Code (the "Company" or "MMIC"), hereby adopt the following second amended and restated resolutions:

WHEREAS, the Board, upon consideration, believes it would be in MMIC's best interests to restructure its operations into a mutual holding company structure whereby MMIC would convert into a stock insurance company, organized under Chapter 611 of the Wisconsin Insurance Code ("Converted MMIC"), and which would be a wholly-owned subsidiary of a mutual holding company named "Mutual Insurers Holding Company" ("MIHC"), to be organized under Chapter 644 of the Wisconsin Insurance Code (collectively, the "Restructuring");

WHEREAS, to the foregoing end, the Board held a meeting on May 17, 2001 and therein passed resolutions, among others, (i) finding that the Restructuring is fair and equitable to Policyholders and is expected to benefit Policyholders for the reasons and purposes set forth in the resolutions, (ii) adopting a Mutual Holding Company Plan dated May 17, 2001 (the "Original MHC Plan"), (iii) directing that the Original MHC Plan be submitted to the Office of the Commissioner of Insurance for the State of Wisconsin (the "Wisconsin Commissioner") for approval, and (iv) subject to approval by the Wisconsin Commissioner, directing that the Original MHC Plan be submitted to the Policyholders of MMIC for requisite approval, in each case as provided by Wis. Stat. § 644.07(4)-(8), respectively (collectively, the "Original Board Resolutions");

WHEREAS, pursuant to the Original Board Resolutions, the Officers of MMIC submitted the Original MHC Plan and related documentation to the Wisconsin Commissioner for approval;

WHEREAS, the Officers of MMIC subsequently recommended to the Board that the Original MHC Plan be withdrawn and replaced by an Amended and Restated Mutual Holding Company Plan dated October 18, 2002 (the "First Amended MHC Plan");

WHEREAS, the Board held a meeting on October 18, 2002, and therein passed resolutions, among others, (i) finding that the Restructuring is fair and equitable to Policyholders and is expected to benefit Policyholders for the reasons and purposes set forth in the resolutions, (ii) adopting the First Amended MHC Plan, (iii) directing that the First Amended MHC Plan be submitted to the Wisconsin Commissioner for approval, and (iv) subject to approval by the Wisconsin Commissioner, directing that the First Amended MHC Plan be submitted to the Policyholders of MMIC for requisite approval, in each case as provided by Wis. Stat. § 644.07(4)-(8), respectively (collectively, the "First Amended Board Resolutions");

WHEREAS, pursuant to the First Amended Board Resolutions, the Officers of MMIC submitted the First Amended MHC Plan and related documentation to the Wisconsin Commissioner for approval;

WHEREAS, the First Amended MHC Plan is still pending before the Wisconsin Commissioner, but the Officers of MMIC recommend to the Board that the First Amended MHC Plan be withdrawn and replaced by a Second Amended and Restated Mutual Holding Company Plan in substantially the form attached hereto (the “Second Amended MHC Plan”);

WHEREAS, the Board continues to believe that there are several reasons for pursuing the Restructuring at this time, including, but not limited to, the following:

1. In its current structure as a mutual insurance company, MMIC cannot merge with other mutual insurers without one of the two entities ceasing to exist as a separate insurer, which poses various difficulties for MMIC, including, but not limited to, the following:
 - a. Reduced options for merging, acquiring or affiliating with other mutual organizations in ways that allow for improved efficiencies while maintaining each organization’s goodwill and the value of their respective “brands;”
 - b. Limitations upon MMIC’s ability to merge, acquire or affiliate with non-insurers;
 - c. Restrictions on MMIC’s ability to put its excess surplus to more efficient use;
 - d. Sub-optimal positioning for long-term growth; and
 - e. A reduced ability to be a “first mover” during market consolidation;
2. An insurance company’s ability to be flexible and move quickly in its acquisition activities is increasingly important in light of the deregulation of financial services, which introduces new competitors to the market in which MMIC participates and may lead to significant consolidation within and/or between the banking, insurance, and securities industries;
3. In the future, the most successful insurance companies will be those that have the structural, financial and strategic flexibility to respond quickly and decisively to changes in the marketplace, both in terms of pursuing (or defending against) potential acquisition activity and in terms of making changes or improvements in existing operations; and
4. The Wisconsin Legislature specifically authorizes the restructuring of mutual insurance companies into mutual holding company structures, pursuant to Wis. Stat. § 644.07.

WHEREAS, relative to the foregoing concerns, the Board continues to believe that the Restructuring will serve the following purposes:

1. It will allow MMIC to merge with other mutual organizations while preserving the separate insurance operations and “brands” of each organization as stock subsidiaries of the mutual holding company;
2. It will maximize MMIC’s ability to merge, acquire or affiliate with non-insurers without the costs and delays associated with formal regulatory approval;
3. It will maximize MMIC’s options and flexibility to merge, acquire or affiliate with other mutual, mutual holding or stock companies, thereby achieving efficiencies of scale and diversification of assets; and
4. It will allow MMIC to obtain the foregoing benefits while retaining its “mutuality” through the creation of a mutual holding company, thereby preserving MMIC’s historical focus on the interests and benefits of its current and future Policyholders (as that term is defined in the Second Amended MHC Plan);

WHEREAS, the Board continues to believe that the Restructuring is fair and equitable to Policyholders, and the Board expects that the Restructuring will benefit Policyholders and will not be contrary to their interests or the interests of the Wisconsin public, for the following reasons:

1. It will preserve the Policyholders’ Equity Rights (as that term is defined in the Second Amended MHC Plan) in MMIC by transforming the same into Equity Rights in MIHC. MIHC will, in turn, own 100% of the voting stock of Converted MMIC;
2. It will enhance the value of the Policyholders’ Equity Rights in the following ways:
 - a. Relative to the existing MMIC, MIHC and Converted MMIC will be better able to realize efficiencies of scale through the acquisition of, or merger with, other mutual, mutual holding or stock companies;
 - b. Relative to the existing MMIC, MIHC and Converted MMIC will be better able to make the capital purchases and allocations necessary to enhance the efficiency and long-term growth of the insurance operations, which are important components of the value of those operations as an enterprise;
3. It will increase the financial strength and flexibility of the insurance operations, thereby enhancing the long-term stability of the insurance operations and the Policyholders’ security that MMIC will have the funds necessary to meet its current and future policy obligations;

4. It will enhance the efficiency and management of the insurance operations, thereby making MMIC's insurance products more competitive;
5. It will not substantially lessen competition in any line of insurance business within the State of Wisconsin; and
6. It is expressly authorized by, and will comply in all respects with, the provisions of Chapter 644 of the Wisconsin Insurance Code.

WHEREAS, MMIC is required, in order to convert to a mutual holding company structure under Chapter 644 of the Wisconsin Insurance Code and the current Amended and Restated Articles of MMIC ("Current MMIC Articles"), to (i) adopt a mutual holding company plan, (ii) file the mutual holding company plan and related documents with the Wisconsin Commissioner (as that term is defined in the Second Amended MHC Plan) for his or her review and/or approval, (iii) make such other filings with governmental entities which may be necessary to consummate the mutual holding company plan, (iv) subject to approval by the Wisconsin Commissioner, submit the mutual holding company plan to the Eligible Members (as that term is defined in the Second Amended MHC Plan) for their review and approval, and (v) subject to approval by the Wisconsin Commissioner, submit the Amended and Restated Articles of Milwaukee Insurance Company (the "Amended and Restated Articles") to the Eligible Members for their review and approval; and

WHEREAS, the Wisconsin Commissioner may request that MMIC, Converted MMIC and MIHC, among others, enter into a Stipulation and Order or other form of agreement(s) with the Wisconsin Commissioner containing various covenants and/or undertakings binding upon such parties as a condition of the approval of the Second Amended MHC Plan by the Wisconsin Commissioner; and

WHEREAS, Wis. Stat. § 644.07(9) authorizes MMIC to withdraw and/or amend the First Amended MHC Plan upon resolution of the Board.

NOW, THEREFORE, BE IT RESOLVED, that for the reasons, purposes and findings set forth above, the Board concludes that (i) the Restructuring is fair and equitable to Policyholders, (ii) the Restructuring is expected to benefit Policyholders, and (iii) the Restructuring will not be contrary to the interests of the Policyholders or the Wisconsin public;

RESOLVED, that the Officers of MMIC be, and each of them individually hereby is, authorized and directed, in the name and on behalf of MMIC, to withdraw the First Amended MHC Plan from consideration by the Wisconsin Commissioner;

RESOLVED, that the Second Amended MHC Plan and the transactions contemplated thereby, be and they hereby are authorized, approved and adopted by the Board in all respects, and that the Officers of MMIC be, and each of them individually hereby is, authorized and directed, in the name and on behalf of MMIC, to (i) execute the Second Amended MHC Plan and any other agreements, certificates, instruments and documents as may be required in connection therewith, including, but not limited to, amendments to documents filed with the Wisconsin Commissioner and related to the First Amended MHC Plan such as the policyholder

information or disclosure statement, notice of special meeting of policyholders, proxy, ballot, etc., (ii) perform the obligations and carry out the duties of MMIC under the Second Amended MHC Plan and other such agreements, certificates, instruments and documents required or executed in connection therewith, and (iii) take such other further action as may be contemplated by the Second Amended MHC Plan;

RESOLVED, that the Second Amended MHC Plan, together with all other relevant documents, be submitted to the Wisconsin Commissioner for his or her approval, and that all other regulatory filings be made on behalf of MMIC with the appropriate governmental entities;

RESOLVED, that the Officers of MMIC be, and each of them individually hereby is, authorized and directed, in the name and on behalf of MMIC and, if necessary, Converted MMIC, to negotiate and execute any Stipulation and Order or other form of agreement(s) with the Wisconsin Commissioner containing various covenants and/or undertakings binding upon MMIC and Converted MMIC which, in the Officers' sole judgment and discretion, are reasonable and necessary to secure regulatory approval of the Second Amended MHC Plan by the Wisconsin Commissioner;

RESOLVED, that, subject to the approval of the Wisconsin Commissioner, the Second Amended MHC Plan, together with all other relevant documents including, but not limited to, an amended policyholder information or disclosure statement prepared by the Officers, be submitted for review and approval by a vote of the Eligible Members at any regular or special meeting of the Policyholders, and that in connection with the same, the Board recommends to the Eligible Members that they approve the Second Amended MHC Plan;

RESOLVED, that MMIC form MIHC, a mutual holding company organized under Chapter 644 of the Wisconsin Insurance Code, and appoint the current Officers of MMIC to serve as the officers of MIHC, and appoint Daniel R. Doucette, Philip R. Warth, Jr., Richard C. Vie, David F. Bengston, Donald G. Southwell, Eric J. Draut, Joseph C. Branch, Terry L. Van Der Aa and Richard A. Hemmings to serve as the directors of MIHC, in each case until their successors have been duly elected and qualified;

RESOLVED, that the proposed Articles of Incorporation and the proposed Bylaws of MIHC, in the form attached to the Second Amended MHC Plan as Exhibits C and D, respectively, are approved, in each case effective as of the date contemplated in the Second Amended MHC Plan;

RESOLVED, that the Board finds it desirable, as part of the Second Amended MHC Plan, that the Current MMIC Articles be amended and restated in the form of the Amended and Restated Articles, the latter of which are attached to the Second Amended MHC Plan as Exhibit A, and that the current Bylaws of MMIC (the "Current MMIC Bylaws") be amended and restated in the form attached to the Second Amended MHC Plan as Exhibit B (the "Amended and Restated Bylaws");

RESOLVED, that in accordance with Article VI of the Current MMIC Articles, the Amended and Restated Articles be submitted for review and approval by a vote of the Eligible Members entitled to vote on the same at any regular or special meeting of the Policyholders, and that in connection with the same, the Board recommends to the Eligible Members that they approve the Amended and Restated Articles;

RESOLVED, that the Amended and Restated Bylaws are approved, as of the date contemplated in the Second Amended MHC Plan;

RESOLVED, that any Officer of MMIC individually is authorized and directed in the name and on behalf of MMIC, to (i) take or cause to be taken any and all such further actions and to prepare, execute and deliver or cause to be prepared, executed and delivered, and where necessary or appropriate, file or cause to be filed, all such other instruments and documents, including but not limited to, all policyholder information or disclosure statements, certificates, bonds, stipulations and orders, agreements, documents, instruments, receipts, plan amendments, plan withdrawals, or other papers, including, without limitation, amended versions of the foregoing documents, (ii) incur and pay or cause to be paid all fees and expenses, and (iii) engage such persons as it shall determine to be necessary or appropriate to carry out fully the intent and purposes of the foregoing resolutions and each of the transactions contemplated thereby.