

MILWAUKEE MUTUAL INSURANCE COMPANY

RESOLUTIONS OF THE BOARD OF DIRECTORS

In satisfaction of Wis. Stat. § 644.07, 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 (“MMIC”), hereby adopt the following 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, the Board contemplates that the Restructuring will be one of a series of transactions whereby MMIC and First Nonprofit Mutual Insurance Company, an Illinois property and casualty insurer, will each form mutual holding companies under the laws of their respective states and, with the approval of the Wisconsin Commissioner and the Illinois Department of Insurance, merge those mutual holding companies into a single entity subsequent to the Restructuring;

WHEREAS, the Board believes 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 recent 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 believes 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 Mutual Holding Company Plan, attached hereto as Exhibit A ("Mutual Holding Company Plan"));

WHEREAS, the Board believes 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 Mutual Holding Company 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, 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 Mutual Holding Company 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, and (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 Mutual Holding Company Plan) for their review and approval.

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 Mutual Holding Company 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 Mutual

Holding Company Plan and any other agreements, certificates, instruments and documents as may be required in connection therewith, including, but not limited to, any policyholder information or disclosure statement (ii) perform the obligations and carry out the duties of MMIC under the Mutual Holding Company Plan and other such agreements, certificates, instruments and documents required in connection therewith, and (iii) take such other further action as may be contemplated by the Mutual Holding Company Plan;

RESOLVED, that the Mutual Holding Company 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, subject to the approval of the Wisconsin Commissioner, the Mutual Holding Company Plan, together with all other relevant documents including, but not limited to, a 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 Mutual Holding Company Plan;

RESOLVED, that MMIC form MIHC, a mutual holding company organized under Chapter 644 of the Wisconsin Insurance Code, and appoint the current Board of Directors and Officers of MMIC as the directors and officers of MIHC 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 Mutual Holding Company Plan as Exhibits C and D, respectively, are approved, in each case effective as of the date contemplated in the Mutual Holding Company Plan;

RESOLVED, that the Board finds it desirable, as part of the Mutual Holding Company Plan, that the Articles of Incorporation of MMIC be amended and restated in the form attached to the Mutual Holding Company Plan as Exhibit A (the "Amended and Restated Articles of Incorporation") and that the Bylaws of MMIC be amended and restated in the form attached to the Mutual Holding Company Plan as Exhibit B (the "Amended and Restated Bylaws");

RESOLVED, that the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws are approved, in each case effective as of the date contemplated in the Mutual Holding Company 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, agreements, documents, instruments, receipts, plan amendments, plan withdrawals, or other papers, (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 forgoing resolutions and each of the transactions contemplated thereby.