

**MILWAUKEE MUTUAL INSURANCE COMPANY**  
**250 North Sunnyslope Road, Suite 250**  
**Brookfield, Wisconsin 53005**

\_\_\_\_\_, 2001

To Our Policyholders:

This packet contains information about a proposed reorganization of the legal structure of Milwaukee Mutual Insurance Company ("MMIC"). Specifically, as you may remember from prior notices you received concerning a public hearing on the matter, MMIC is proposing to reorganize into what is known as a mutual holding company structure (the "Restructuring"). The proposed Restructuring is set forth in a Mutual Holding Company Plan (the "Plan"), which was unanimously adopted by MMIC's Board of Directors on May 17, 2001. The Plan was also the subject of a public hearing conducted by the Office of the Commissioner of Insurance for the State of Wisconsin (the "Wisconsin Commissioner" or "Commissioner"), about which you were previously notified. The Wisconsin Commissioner approved the Plan, on \_\_\_\_\_, 2001. The Commissioner's approval is neither an endorsement of the Plan nor a recommendation to vote in favor of the Plan.

The Board believes the Plan is fair and equitable to you, the policyholders, and the Board expects that the Plan will benefit policyholders and will not be contrary to your interests or the interests of the Wisconsin public. The Board believes that, 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. In its current structure as a mutual insurance company, MMIC has limited options to respond to change in the marketplace and to grow or solidify its business operations through acquisition activity and/or the investment of excess surplus. Reorganizing to a mutual holding company structure maximizes MMIC's ability to raise capital, pursue business acquisitions, and invest in the technologies and personnel necessary to improve the efficiency and competitiveness of its insurance operations. It does this without altering the contract rights or services you are entitled to as a policyholder under your policies with MMIC, including the premiums you pay and the benefits you receive. The Plan also maintains the Company's "mutuality" so as to preserve our customary focus upon the needs of our current and future policyholders.

Before the Restructuring can take place, the Plan must be approved by a majority of policyholders entitled to vote on the same and present (in person or by valid proxy) at a Special Meeting called for that purpose (the "Special Meeting"). MMIC has scheduled a Special Meeting to take place at \_\_\_\_\_.m. on \_\_\_\_\_, 2001 at the law offices of Foley & Lardner, 777 East Wisconsin Avenue, 40<sup>th</sup> Floor, Milwaukee, Wisconsin. To assist you in deciding and voting on whether to approve the Plan, I enclose the following materials:

- A Notice of a Special Meeting of Policyholders to be held on \_\_\_\_\_, 2001 for the purpose of considering and voting on the Plan;
- A Policyholder Information Statement, including a Summary at pages **Error! Bookmark not defined.** through 15, which describes the Plan and the proposed Restructuring;
- Attachments to the Policyholder Information Statement, including a copy of the Plan as it was approved by the Board of Directors and the Wisconsin Commissioner and the exhibits thereto, and a proxy card for your vote on the Plan, which we ask that you sign and return.

I encourage you to read this information carefully. It fully describes the reasons why MMIC's Board of Directors and management have concluded that a mutual holding company structure would best serve the long-term interests of the company and its policyholders, and certain additional steps we are considering if the Plan is approved. You are also cordially invited to attend the Special Meeting to vote on the Plan at that time. If you cannot or prefer not to attend, I encourage you to complete, sign and return your proxy card in the enclosed postage-paid envelope as soon as possible. Proxy cards must be received no later than 5:00 p.m., Central Time, on \_\_\_\_\_, 2001, in order to be counted as part of the vote at the Special Meeting.

**On behalf of the Board of Directors and the management of MMIC, I urge you to support the proposed Restructuring and to vote FOR the Plan.**

If you need assistance with your proxy vote, or if you have any questions about the Plan, please call us at 262-938-0046, Monday through Friday, from 9:00 a.m. to 4:00 p.m. Central Time.

We always appreciate and respect the confidence and trust you have placed in MMIC, and we look forward to continue serving your insurance needs.

Sincerely,

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Daniel R. Doucette,  
President and Chief Executive Officer