

In the Matter of the Plan for the Merger of
Main Street America Group Mutual Holdings, Inc. with and
into American Family Insurance Mutual Holding Company,

FINAL DECISION

Case No. 18-C42636

Petitioners.

FINAL DECISION

I adopt the Hearing Examiner's Proposed Decision, including the findings of fact and conclusions of law, which is attached to this Final Decision and which was served on the Petitioners with an opportunity for submitting written objections.

Based upon these findings of fact and conclusions of law, I order that:

(14) The Petitioners' request for approval of the plan for the acquisition of control is approved, subject to the following conditions subsequent:

- a) American Family Insurance Mutual Holding Company shall conduct a membership vote concerning the proposed merger.
- b) American Family Insurance Mutual Holding Company shall ensure that voting procedures with respect to the Plan are in accordance with a voting protocol filed with the Commissioner. American Family Insurance Mutual Holding Company shall retain the services of a tabulation agent to assist it in the receipt, custody, safeguarding, verification and tabulation of proxy forms.
- c) Until the Plan is consummated, the Commissioner shall have the right to alter, suspend, or withdraw its approval should any material interim development warrant such action.
- d) American Family Insurance Mutual Holding Company and its successors in interest shall comply with the Plan as approved by the Commissioner herein.
- e) The Plan may not be amended without the prior written consent of the Commissioner.

NOTICE OF APPEAL INFORMATION

(Notice of rights for rehearing and judicial review,
the times allowed for each, and the identification
of the party to be named as respondent)

The following notice is served on you as part of the Final Decision:

1. Rehearing.

Any person aggrieved by this Final Decision may petition for a rehearing within 20 days after the service of this Final Decision, as provided in s. 227.49, Wis. Stat. A petition for rehearing is not a prerequisite for appeal directly to circuit court through a petition for judicial review.

A petition for rehearing must be filed with the Commissioner at the address below.

2. Judicial Review.

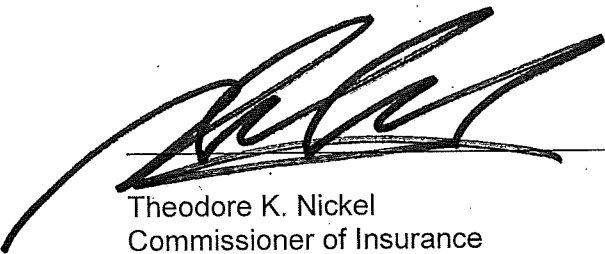
Any person aggrieved by this Final Decision has a right to petition for judicial review of this Final Decision as provided in s. 227.53, Wis. Stat. The petition must be filed in circuit court within 30 days after service of this Final Decision if there has been no petition for rehearing, or within 30 days after service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition by operation of law of any petition for rehearing.

A petition for judicial review must be served on, and name as the Respondent:

Commissioner of Insurance, Respondent
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, Wisconsin 53707-7873

A copy of the relevant statutory provisions is attached.

Dated at Madison, Wisconsin, this 31st day of July, 2018.



Theodore K. Nickel
Commissioner of Insurance

WISCONSIN STATUTES

At all times material, the relevant parts of s. 227.49, Wis. Stat., read as follows:

227.49 PETITIONS FOR REHEARING IN CONTESTED CASES.

(1) A petition for rehearing shall not be a prerequisite for appeal or review. Any person aggrieved by a final order may, within 20 days after service of the order, file a written petition for rehearing which shall specify in detail the grounds for the relief sought and supporting authorities. An agency may order a rehearing on its own motion within 20 days after service of a final order. . . .

(2) The filing of a petition for rehearing shall not suspend or delay the effective date of the order, and the order shall take

effect on the date fixed by the agency and shall continue in effect unless the petition is granted or until the order is superseded, modified, or set aside as provided by law.

(3) Rehearing will be granted only on the basis of:

(a) Some material error of law.

(b) Some material error of fact.

(c) The discovery of new evidence sufficiently strong to reverse or modify the order, and which could not have been previously discovered by due diligence.

(4) Copies of petitions for rehearing shall be served on all parties of record. Parties may file replies to the petition.

(5) The agency may order a rehearing or enter an order with reference to the petition without a hearing, and shall dispose of the petition within 30 days after it is filed. If the agency does not enter an order disposing of the petition within the 30-day period, the petition shall be deemed to have been denied as of the expiration of the 30-day period.

(6) Upon granting a rehearing, the agency shall set the matter for further proceedings as soon as practicable. . . .

At all times material, the relevant part of s. 227.52, Wis. Stat., read as follows:

227.52 JUDICIAL REVIEW; DECISIONS REVIEWABLE.

Administrative decisions which adversely affect the substantial interests of any person, whether by action or inaction, whether affirmative or negative in form, are subject to review as provided in this chapter. . . .

At all times material, the relevant parts of s. 227.53, Wis. Stat., read as follows:

227.53 PARTIES AND PROCEEDINGS FOR REVIEW. (1)

Except as otherwise specifically provided by law, any person aggrieved by a decision specified in s. 227.52 shall be entitled to judicial review thereof as provided in this chapter.

(a) 1. Proceedings for review shall be instituted by serving a petition therefor personally or by certified mail upon the agency or one of its officials, and filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings are to be held. . . .

2. Unless a rehearing is requested under s. 227.49, petitions for review under this paragraph shall be served and filed within 30 days after the service of the decision of the agency upon all

parties under s. 227.48. If a rehearing is requested under s. 227.49, any party desiring judicial review shall serve and file a petition for review within 30 days after service of the order finally disposing of the application for rehearing, or within 30 days after the final disposition by operation of law of any such application for rehearing. The 30-day period for serving and filing a petition under this paragraph commences on the day after personal service or mailing of the decision by the agency.

...

(b) The petition shall state the nature of the petitioner's interest, the facts showing that petitioner is a person aggrieved by the decision, and the grounds specified in s. 227.57 upon which petitioner contends that the decision should be reversed or modified. . . .

(c) A copy of the petition shall be served personally or by certified mail or, when service is timely admitted in writing, by first class mail, not later than 30 days after the institution of the proceeding, upon each party who appeared before the agency in the proceeding in which the decision sought to be reviewed was made or upon the party's attorney of record. . . .

(d) The agency . . . and all parties to the proceeding before it, shall have the right to participate in the proceedings for review. . . .

In the Matter of the Plan for the Merger of
Main Street America Group Mutual Holdings, Inc. with and
into American Family Insurance Mutual Holding Company,

PROPOSED DECISION

Case No. 18-C42636

Petitioners.

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Cari Lee, Division Administrator
Zach Bemis, Chief Legal Counsel
Elena Vetrina, Insurance Financial Examiner – Chief
Michael A. Mancusi-Ungaro, Insurance Financial
Examiner – Advanced
Steven J. Junior, Deputy Director
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioners:

American Family Insurance Mutual Holding Company

Anne E. Ross
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Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Daniel J. Kelly, Chief Financial Officer and Treasurer
David C. Holman, Chief Strategy Officer and Secretary
Mark V. Afable, Vice President and Chief Legal Officer
American Family Insurance Mutual Holding Company
American Family Mutual Insurance Company, S.I.
6000 American Parkway
Madison, Wisconsin 53783-0001

Main Street America Group Mutual Holdings, Inc.

Richard Fidei
Greenberg Traurig P.A.
401 East Las Olas Boulevard, Suite 2000
Fort Lauderdale, Florida 33301

Thomas M. Van Berkel, Chairman and President
Bruce R. Fox, Secretary
Kimberly Law, Assistant Secretary
Main Street America Group Mutual Holdings, Inc.
4601 Touchton Road East, Suite 3400
Jacksonville, Florida 32246

PRELIMINARY

Pursuant to a Notice of Hearing dated July 18, 2018, a hearing was held at 10:15 a.m. on July 31, 2018, to determine whether the Petitioners' application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) American Family Insurance Mutual Holding Company, 6000 American Parkway, Madison, Wisconsin 54401, is a Wisconsin mutual holding company incorporated effective January 1, 2017, pursuant to a mutual holding company plan approved by the members of American Family Mutual Insurance Company in a special meeting on December 7, 2016.

(2) Main Street America Group Mutual Holdings, Inc., 4601 Touchton Road East, Suite 3400, Jacksonville, Florida 32246, is a Florida mutual holding company incorporated on October 27, 2005, pursuant to a Plan of Reorganization of National Grange Mutual Insurance Company, which has since been renamed NGM Insurance Company, approved by the Florida Office of Insurance Regulation.

(3) American Family Insurance Mutual Holding Company, on behalf of itself and Main Street America Group Mutual Holdings, Inc. (the Petitioners) filed with the Office of the Commissioner of Insurance (the Commissioner) a plan for the merger of Main Street America Group Mutual Holdings, Inc. with and into American Family Insurance Mutual Holding Company (the Plan).

(4) The Petitioners were served with a Notice of Hearing.

(5) The Petitioners fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(6) Representatives of Main Street America Group Mutual Holdings, Inc. and American Family Insurance Mutual Holding Company attended the hearing, and provided testimony that confirmed these parties' consent to the plan filed by American Family Insurance Mutual Holding Company on behalf of both parties.

(7) Under ss. 644.27 and 611.73, Wis. Stat., the plan to merge Main Street America Group Mutual Holdings, Inc. with and into American Family Insurance Mutual Holding Company would not violate the law or be contrary to the interest of the insureds of any participating domestic corporation or of the Wisconsin insureds of any participating nondomestic corporation.

(8) After the merger, none of the participating Wisconsin domestic insurers will experience a change that would cause any of them to become unable to satisfy the requirements for the issuance of a license to write the lines of insurance for which they are presently licensed.

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

(10) The Plan does not result in a change in control for any participating Wisconsin domestic insurer, apart from a change in the composition of the members that indirectly own and ultimately govern the insurance corporations currently owned by or affiliated with the Petitioners and the addition of two directors to the board of directors of American Family Insurance Mutual Holding Company. There are no plans or proposals to liquidate any Wisconsin domestic insurer, to sell any of their respective assets (other than investment portfolio transactions in the ordinary course of business), to consolidate or merge any of them with any other person, or to make any other material change in their respective businesses, corporate structures, or managements other than described in the Plan.

(11) The competence and integrity of the persons who would control the operation of American Family Insurance Mutual Holding Company are such that it is in the interest of the members of its Wisconsin domestic insurance subsidiaries and of the public to permit the Plan.

PROPOSED CONCLUSION OF LAW

(12) The proposed findings of fact set forth above establish that the requirements of ss. 644.27 and chs. 227, 611 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

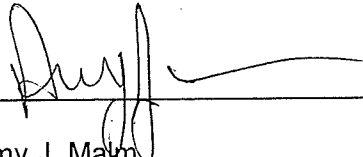
PROPOSED ORDER

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

(13) The Petitioners' request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a) American Family Insurance Mutual Holding Company shall conduct a membership vote concerning the proposed merger.
- b) American Family Insurance Mutual Holding Company shall ensure that voting procedures with respect to the Plan are in accordance with a voting protocol filed with the Commissioner. American Family Insurance Mutual Holding Company shall retain the services of a tabulation agent to assist it in the receipt, custody, safeguarding, verification and tabulation of proxy forms.
- c) Until the Plan is consummated, the Commissioner shall have the right to alter, suspend, or withdraw its approval should any material interim development warrant such action.
- d) American Family Insurance Mutual Holding Company and its successors in interest shall comply with the Plan as approved by the Commissioner herein.
- e) The Plan may not be amended without the prior written consent of the Commissioner.

Dated at Madison, Wisconsin, this 31st day of July, 2018.



Amy J. Malm
Hearing Examiner