

**FORM A**

**STATEMENT REGARDING THE ACQUISITION OF CONTROL  
OF OR MERGER WITH A DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin

**MAIN STREET AMERICA GROUP MUTUAL HOLDINGS, INC.**

merging with and into

**AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY**

Dated: May 25, 2018

Name, Title, Address and Telephone Number of Individual(s) to Whom Notices and  
Correspondence Concerning this Statement Should be Addressed:

David C. Holman  
Chief Strategy Officer and Secretary  
American Family Insurance Mutual Holding Company  
6000 American Parkway  
Madison, Wisconsin 53783  
(608) 249-2111

*With Copies to:*

Anne E. Ross  
Foley & Lardner LLP  
150 E. Gilman Street  
Madison, WI 53703  
(608) 258-4218

Thomas R. Hrdlick  
Foley & Lardner LLP  
777 E. Wisconsin Ave.  
Milwaukee, WI 53202  
(414) 297-5812

## ITEM 1. INSURER AND METHOD OF ACQUISITION

The name and address of the domestic entity to which this application (the “Form A”) applies is as follows:

**American Family Insurance Mutual Holding Company**  
6000 American Parkway  
Madison, WI 53783

The applicant in this transaction is American Family Insurance Mutual Holding Company (“AFI MHC” or the “Applicant”). AFI MHC is a Wisconsin mutual insurance holding company and is the ultimate and direct controlling entity to multiple domestic and foreign insurers specified in Schedule 2(c)(i).

Main Street America Group Mutual Holdings, Inc. (“MSA Holdings”) is a mutual insurance holding company domiciled in Florida.

Pursuant to the terms of that certain Agreement and Plan of Proposed Merger dated May 3, 2018 by and between MSA Holdings and AFI MHC (the “Merger Agreement”), and subject to receipt of all required regulatory approvals, including the approval of the transaction contemplated in the Merger Agreement by the Office of the Commissioner of Insurance in the State of Wisconsin (the “Commissioner”), and receipt of approval from the respective Members of MSA Holdings and AFI MHC (the “Member Approvals”), MSA Holdings will merge with and into AFI MHC (the “Proposed Merger”). A true and correct copy of the Merger Agreement (with exhibits) is attached hereto as Exhibit 1(a) and is hereby incorporated into this Form A by this reference. A true and correct copy of the Disclosure Schedules to the Merger Agreement is attached hereto as Exhibit 1(b) and is submitted under confidential seal.

Immediately upon the consummation of the Proposed Merger, the separate existence of MSA Holdings will cease and AFI MHC will continue as the “Surviving Corporation.” Accordingly, upon the consummation of the Proposed Merger, AFI MHC as the Surviving Corporation will have all of the rights, privileges, immunities and powers, and shall be subject to all of the duties, obligations, and liabilities granted or imposed by applicable law, as were previously held or borne by each of MSA Holdings and AFI MHC respectively.

The specific terms and conditions governing the Proposed Merger are set forth in the Merger Agreement, but subject to those specific terms and conditions, the material terms of the Merger Agreement are summarized as follows (terms not defined in the summary below shall have the meanings ascribed to them in the Merger Agreement):

- Immediately following the effective time of the Proposed Merger as defined in the Agreement (the “Effective Time”), each membership interest in MSA Holdings prior to the Effective Time will be converted into and become a membership interest in AFI MHC as the Surviving Corporation. The merger will not affect the membership rights of any member of AFI MHC prior to the Effective Time, and immediately following the Effective Time, each member of the Surviving Corporation will possess identical member

rights and privileges in each case subject to applicable law including, without limitation, administrative orders or other conditions or requirements (if any) issued or imposed by the Wisconsin Office of the Commissioner of Insurance and/or the Florida Office of Insurance Regulation in connection with their review and potential approval of the Proposed Merger.

- As of the Effective Time, AFI MHC as the Surviving Corporation shall have all of the rights, privileges, immunities and powers, and shall be subject to all of the duties, obligations, and liabilities granted or imposed by applicable law. The Surviving Corporation shall thereupon and thereafter possess all the rights, privileges, immunities, powers and franchises of a public as well as of a private nature of each of the Parties; and all property, real, personal, and mixed, and all debts due on whatever account, including subscriptions to shares, assessments payable from members or policyholders, and all other choses in action and all and every other interest of, or belonging to or due to, each of the Parties shall be deemed to be transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real estate, or any interest therein, under applicable law vested in any of such Parties shall not revert or be in any way impaired by reason of the Proposed Merger. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of the Parties; any claim existing or action or proceeding pending by or against any of the Parties may be prosecuted to judgment as if the Proposed Merger had not taken place, or the Surviving Corporation may be substituted in its place; neither the rights of creditors nor any liens upon the property of any of the Parties shall be impaired by the Proposed Merger, but such liens shall be limited to the property upon which there were liens immediately prior to the time of the Proposed Merger, unless otherwise provided in the Agreement.
- At the Effective Time, by virtue of the Proposed Merger and without any additional action on the part of AFI MHC, MSA Holdings, or the Members of either of the foregoing, the articles of incorporation of AFI MHC as the Surviving Corporation shall be amended and restated in their entirety in the form attached as Exhibit A to the Merger Agreement (the “Surviving Articles”).
- At the Effective Time, the bylaws of AFI MHC in the form attached as Exhibit B to the Merger Agreement (the “Surviving Bylaws”) shall continue as the Bylaws of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and applicable law.
- Upon completion of the Proposed Merger, the Board of Directors of the Surviving Corporation will be comprised of those persons who were directors of AFI MHC immediately prior to the Effective Time, plus two individuals who were directors of MSA Holdings immediately prior to the Effective Time (the “MSA Designees”). One of the MSA Designees will be Thomas M. Van Berkel (“Van Berkel”) in his capacity as the Chief Executive Officer of MSA Holdings immediately prior to the Effective Time. A recent biographical affidavit for Van Berkel dated as of November, 2017 is already on file with the Commissioner in connection with a Wisconsin expansion application filed by Main Street America Protection Insurance Company (“MSAPIC”), an MSA Group

Company, and is thus incorporated here by this reference. The other MSA Designee will be an individual who was a nonemployee director of MSA Holdings immediately prior to the Effective Time, to be selected by the Board of Directors of AFI MHC from among a panel of two (2) or more candidates identified by mutual agreement of the Parties. The MSA Designees shall each be (i) appointed by action of the Board of Directors of the Surviving Corporation to fill vacancies on the Surviving Corporation's Board of Directors (which shall, if and as necessary, be created by Board action increasing the number of Directors) for a term commencing at the Effective Time and ending on the date of the first annual meeting of the Members of the Surviving Corporation after the Effective Time, (ii) nominated for reelection at such annual meeting for a three (3)-year term, and (iii) thereafter given due consideration for nomination for one or more additional terms.

- All of the current individuals on the boards of directors of all of the MSA Group Companies downstream of MSA Holdings, including the boards of directors for the Domestic Insurers, will resign their respective positions on such boards in connection with the closing of the Proposed Merger.
- Effective as of the Effective Time, to the extent possible, and consistent with applicable law and the articles and bylaws of Main Street America Group, Inc. (“MSAGI”), (i) the bylaws of MSAGI will be amended to, among other potential changes, remove the current requirement that “[a] majority of the board shall consist of independent directors, who shall have no material relationship with the company,” and (ii) the vacancies on the MSAGI board created by the above-referenced resignations will be filled with Jack C. Salzwedel (“Salzwedel”), Daniel J. Kelly (“Kelly”), David C. Holman (“Holman”), William B. Westrate (“Westrate”), Jessica J. Stauffacher (“Stauffacher”), and Van Berkel. The officers of MSAGI following the closing shall be Van Berkel as President, Kelly as Treasurer, Holman as Secretary, Bruce R. Fox (“Fox”) and Ann F. Wenzel (“Wenzel”) as Assistant Secretaries, and Troy Van Beek (“Van Beek”) and May Vang (“Vang”) as Assistant Treasurers.
- Effective as of the Effective Time, to the extent possible, and consistent with applicable law and the articles and bylaws of each remaining MSA Group Company (other than Austin Mutual Insurance Company (“AMIC”) and Spring Valley Mutual Insurance Company (“SVMIC”)), (i) the respective bylaws of such companies will be amended to, among other potential changes, remove the current requirement that “[a] majority of the board shall consist of independent directors, who shall have no material relationship with the company,” and (ii) the vacancies on the boards of such companies created by the above-referenced resignations will be filled by a subset of the individuals currently serving as officers of NGM Insurance Company. Note, however, that the AFI MHC board presiding at the top of the AFI MHC organization currently consists of sixteen (16) directors, thirteen (13) of whom are independent directors, and all of the current committees of the AFI MHC board consist of at least a majority of independent directors.

- Effective as of the Effective Time, to the extent possible, and consistent with applicable law and the articles and bylaws for each of AMIC and SVMIC, the vacancies on the board of each of AMIC and SVMIC created by the above-referenced resignations will be filled with the following individuals: Londa J. Dewey (independent director), Leslie A. Howard (independent director), Rakesh Khurana (independent director), Michael M. Knetter (independent director), Paul S. Shain (independent director), Thomas M. Teft (independent director), Thomas J. Zimbrick (independent director), Jeffrey B. Kusch, the current President of AMIC and SVMIC (“Kusch”), Van Berkel, the current Chairman, President and Chief Executive Officer of MSA Holdings as well as the current Chairman of AMIC and SVMIC, Holman, Kelly, and Westrate.
- All of the current officers of the MSA Group Companies (other than MSAGI) will remain in their current officer positions after the closing of the Proposed Merger, except that Van Beek will be added as an Assistant Treasurer of such companies.
- Recent biographical affidavits dated as of November, 2017, for two of the current officers of NGM Insurance Company – Fox and Edward J. Kuhl (“Kuhl”) – are already on file with the Commissioner in connection with the afore-mentioned Wisconsin expansion application of MSAPIC and are incorporated here by this reference. MSA Holdings is obtaining updated biographical affidavits from all remaining officers of NGM Insurance Company and this Form A will be supplemented with those biographical materials, as well as the names of the individuals selected to fill the vacancies on the boards of the MSA Group Companies, as soon as the information is available. The Commissioner already has current biographical affidavits on file in respect of Salzwedel, Kelly, Holman, Stauffacher, Wenzel, Van Beek and Vang, which are also incorporated here by this reference.
- For a period commencing at the Effective Time and ending on the third anniversary of the Effective Time (the “Advisory Board Term”), there shall be established an advisory board (jointly and not severally; and acting collectively, not individually; the “Advisory Board”) initially comprised of the persons (other than the MSA Designees to the board of the Surviving Corporation) who currently serve as directors of MSA Holdings. The Advisory Board shall be governed by and act in accordance with the Advisory Board Charter attached as Exhibit C to the Merger Agreement (the “Advisory Board Charter”). The Advisory Board shall consult with and provide advice to the Board of Directors of the Surviving Corporation, AFI Management, and MSA Group Management with respect to the business and operations of the MSA Subsidiaries and their integration with the business and operations of the other Subsidiaries of the Surviving Corporation, and Advisory Board members shall be compensated for their service in accordance with the terms set forth in the Advisory Board Charter. The Advisory Board shall not have the authority to approve, initiate, or disapprove any actions on behalf of any entity, and neither the Board of Directors of the Surviving Corporation, AFI Management, nor MSA Group Management shall be under any obligation to accept any recommendations of the Advisory Board. Further, during the Advisory Board Term, the Advisory Board shall have the authority to enforce, waive, or modify the provisions of the Merger Agreement

that survive the Effective Time pursuant to Section 6.7 of the Merger Agreement, summarized below. The authority granted thereunder may only be exercised by the collective action of the Advisory Board, acting in accordance with the Advisory Board Charter. No member of the Advisory Board, acting in his or her individual capacity, is granted any authority thereunder.

- For a period of not less than five (5) years after the Effective Time, the Surviving Corporation will not take any action to prevent MSA Group Management from maintaining and continuing to use the trademarks and brands associated with the products and services of the MSA Subsidiaries immediately prior to the Effective Time.
- For a period of not less than five (5) years after the Effective Time, NGM Insurance Company (an MSA Group Company) (“NGM”) will continue to operate out of its Jacksonville, Florida and Keene, New Hampshire offices provided, however, that, within such five (5)-year period, MSA Group Management will be entitled to exercise its business judgment to make such changes to the size or location of such offices as it deems necessary and appropriate, based upon business needs.
- For a period of three (3) years after the Effective Time, the Surviving Corporation will not cause any of the MSA Subsidiaries to cease operations in any of their office locations in existence at the Effective Time, unless, prior to such cessation of operations, AFI Management has provided MSA Group Management with the business justification for such change, and given MSA Group Management the opportunity to discuss with AFI Management any concerns or objections to such change.
- Except as set forth in Section 6.7.4(ii) of the Merger Agreement, for a period of three (3) years after the Effective Time, the Surviving Corporation will not take any unilateral action which prohibits the MSA Subsidiaries from continuing to generally offer employment on substantially similar terms to the full-time, permanent employees of the MSA Subsidiaries who are employed at the Effective Time and have been employed continuously thereafter. After the Effective Time, MSA Group Management and representatives of the Surviving Corporation will conduct periodic joint operational reviews to identify and achieve organizational efficiencies in management of the operations of the Surviving Corporation and all of its Subsidiaries and Affiliates, to identify opportunities for employees of the MSA Subsidiaries to advance and move into new positions, and to design an incentive compensation plan for employees of the MSA Subsidiaries that aligns employee performance with desired strategic objectives. Except as set forth in Section 6.7.4(ii) of the Merger Agreement, any involuntary change in the terms of employment or employment status of such employees shall be as jointly determined by MSA Group Management and AFI Management, based on the outcome of such joint operational reviews, subject to the ultimate authority of the Board of Directors of AFI MHC with respect to the management and control of the Surviving Corporation.
- After the Effective Time, the Surviving Corporation will use commercially reasonable efforts to have the MSA Insurance Company Subsidiaries included in the Surviving Corporation’s A.M. Best ratings group and its National Association of Insurance Commissioners group number including in such efforts, if and as necessary, the

establishment of a quota share reinsurance or reinsurance pooling arrangement among one or more MSA Group Insurance Companies and one or more AFI Insurance Company Subsidiaries.

- For a period of five (5) years after the Effective Time, the Surviving Corporation will not seek to effect a transaction resulting in a sale or other transfer to a third party of substantially all of the assets of NGM or Main Street America Group, Inc., or a sale or other transfer to a third party of more than fifty percent (50%) of the voting stock of NGM or Main Street America Group, Inc.
- For a period of five (5) years after the Effective Time, MSA Group Management and representatives of the Surviving Corporation will conduct periodic joint operational reviews to identify any opportunities to strengthen the Surviving Corporation by adding to or reducing business operations conducted by the MSA Group Companies. Any sale or other transfer to a third party of substantially all of the assets or sale or other transfer to a third party of more than fifty percent (50%) of the voting stock of one or more of the MSA Group Companies, shall be as jointly determined by MSA Group Management and AFI Management, based on the outcome of such joint operational reviews and subject to the ultimate authority of the Board of Directors of AFI MHC with respect to the management and control of the Surviving Corporation.
- Provided that: (i) there is no material change in applicable Laws, regulations, or circumstances outside the Surviving Corporation's control affecting the programs described in subsections (A) or (B) below, and (ii) the programs described in subsections (A) and (B) below are adequately funded and comply with all applicable Laws and regulations, then for not less than ten (10) years after the Effective Time the Surviving Corporation will: (A) allow the MSA Subsidiaries to continue to fund their qualified and non-qualified pension plans in accordance with the policies in place prior to the Effective Time, and in compliance with ERISA; and (B) allow the MSA Subsidiaries to continue to support and preserve their deferred compensation program. In the event the Surviving Corporation determines that a material change in applicable Laws, regulations, or circumstances outside of the Surviving Corporation's control is affecting any of the programs described in subsections (A) and (B) above during such ten (10) year period, changes may be made to the such programs only to the extent comparable changes are made to comparably affected programs of the Surviving Corporation.
- The Parties intend for the Proposed Merger to qualify as a tax-free reorganization under Section 368(a) of the Code, and will use commercially reasonable efforts to cause the Proposed Merger to so qualify and will obtain legal opinions to this effect from their respective outside legal counsel.
- The Parties agree that MSA Holdings shall engage an independent actuarial firm, selected by mutual agreement of the Parties, to provide an actuarial opinion regarding the sufficiency of the reserves held by the MSA Group Insurance Companies. Such actuarial opinion shall be required to be delivered prior to the Effective Time, and to set forth a range quantifying such reserves. Prior to the Effective Time, MSA Holdings shall cause

the MSA Group Companies to take action to establish their reserves in an amount not less than the midpoint in such range.

- The Merger Agreement contains representations and warranties by the parties, and imposes certain pre-closing covenants on the parties, in each case that are either customary for mergers of this nature or otherwise suitable for this particular Proposed Merger.
- The closing of the Proposed Merger is subject to closing conditions that are either customary for mergers of this nature or otherwise suitable for this particular Proposed Merger, including, without limitation, conditions relating to the receipt of regulatory and corporate approvals, the accuracy at the Effective Time of certain representations and warranties made in the Merger Agreement, compliance with pre-closing covenants, the absence of any Material Adverse Effect (as that term is defined in the Merger Agreement), and the delivery of certain closing deliverables.
- The parties would prefer to be in a position to close the Proposed Merger on or before October 31, 2018, and in no case later than December 31, 2018. The Merger Agreement provides for the Proposed Merger to be closed after the satisfaction or due waiver of all of the closing conditions set forth in the Merger Agreement, including the approval of the Proposed Merger by the Commissioner.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

### **(a) *The Applicant***

The name and address of the Applicant is as follows:

American Family Insurance Mutual Holding Company  
6000 American Parkway  
Madison, Wisconsin 53783

### **(b) *The Applicants' Business Operations***

AFI MHC is a Wisconsin mutual insurance holding company incorporated under Chapter 644 of the Wisconsin Statutes on January 1, 2017, in connection with the simultaneous conversion of American Family Mutual Insurance Company, S.I. ("AFMIC SI") from a Wisconsin domestic mutual insurance company to a Wisconsin stock insurance company that is an indirect, wholly-owned subsidiary of AFI MHC. AFI MHC's principal business is to operate as the ultimate parent and mutual holding company for purposes of owning, directly or indirectly, the issued and outstanding shares of capital stock of its direct and indirect downstream subsidiaries ("AFI MHC Affiliated Companies"). AFI MHC is controlled by its various members, consisting of all of the policyholders of AFMIC SI, American Standard Insurance Company of Ohio ("ASICO") and American Family Insurance Company ("AFIC").

The principal business of the AFI MHC Affiliated Companies is, and after the Proposed Merger shall continue to be, underwriting insurance. AFMIC SI, a wholly-owned subsidiary of AmFam Holdings, Inc., which in turn is a wholly-owned subsidiary of AFI MHC, has been underwriting insurance since 1927 and, together with the AFI MHC Affiliated Companies, is America’s thirteenth-largest property and casualty insurance group in the U.S. The AFI MHC Affiliated Companies offer personal lines auto, home, life and annuity policies, as well as commercial lines business, farm and ranch insurance, in all 50 states and the District of Columbia. AFI MHC and/or its affiliates employ more than 11,300 full-time equivalent employees and, as of March 31, 2018, have approximately \$24.4 billion in aggregate assets under management and approximately \$8.08 billion in aggregate policyholder surplus.

Following the Proposed Merger, AFI MHC and the AFI MHC Affiliated Companies intend to maintain their current business operations, and the current business operations of the MSA Group Companies, for the foreseeable future. AFI MHC has no other current plans or proposals for the conduct of business or employment of the assets and surplus of the MSA Group Companies.

- (c) The chart attached hereto as Exhibit 2(c)(i) lists the identities of and the interrelationships among AFI MHC and all affiliates of AFI MHC. All ownership relationships shown in that chart consist of ownership or control of 100% of the voting securities of the legal entity at issue. There are no court proceedings looking towards a reorganization or liquidation of any such person. The chart attached hereto as Exhibit 2(c)(ii) lists the identities of and interrelationships among AFI MHC (as the Surviving Corporation) and all persons controlled by AFI MHC or by any such person immediately after the Proposed Merger. Any “straight line” indication of ownership in this chart reflects ownership or control of 100% of the voting securities of the legal entity at issue; any “dashed line” indication of ownership in this chart reflects control by means of a mutual affiliation or other arrangement not involving the ownership of voting securities.

**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT**

- (a) The following are the names and titles of the directors and executive officers of the Applicant at the Effective Date of the Acquisition:

**AFI MHC Officers**

Name	Title
Jack C. Salzwedel	CEO and Chairman of the Board of Directors
Daniel J. Kelly	Chief Financial Officer, Treasurer
David C. Holman	Chief Strategy Officer, Secretary
William B. Westrate	President
Jessica J. Stauffacher	Chief Operating Officer – American Family Agency
Kristin R. Kirkconnell	Chief Information Officer
Mark V. Afable	Chief Legal Officer, Vice President

Gerry W. Benusa	Chief Sales Officer, Vice President
Peter C. Gunder	Chief Business Development Officer, Vice President
David A. Graham	Chief Investment Officer, Vice President
Telisa L Yancy	Chief Marketing Officer
Christopher R. Listau	President, Commercial Farm/Ranch
Mary Anne Theilen	President, Personal Lines
Richard M. Steffen	President, Life
Ann F. Wenzel	Assistant Secretary
Troy P. Van Beek	Assistant Treasurer
May D. Vang	Assistant Treasurer

### AFI MHC Directors

Name	Title, Employment History and Business Address
Jack C. Salzwedel	Chairman of the Board of Directors American Family Insurance Mutual Holding Company 6000 American Parkway Madison, Wisconsin 53783-0001 (608) 249-2111, Ext. 30204
Kathleen S. Barclay	Senior Vice President - Retired The Kroger Co. 1188 Riverside Drive Cincinnati, OH 45202 (313) 969-2251
Christine M. Cumming	First Vice President & COO – Retired Federal Reserve Bank of New York 161 Henry Street, Apartment 9B Brooklyn, NY 11201 (917) 951-5019
Londa J. Dewey	President QTI Management Services, Inc., d/b/a The QTI Group 702 E. Washington Avenue Madison, Wisconsin 53703 (608) 257-1057
Fabian J. Fondriest	President & Chief Executive Officer Homesite Group Incorporated One Federal St., Suite 400 Boston, MA 02110-2003 (617) 832-1300
Leslie A. Howard	Senior Advisor to the CEO United Way Worldwide 4110 Euclid Ave. Madison, Wisconsin 53711 (608) 233-3109

Ted D. Kellner	CEO T&M Partners; The Kelben Foundation 100 E. Wisconsin Avenue, Suite 2280 Milwaukee, Wisconsin 53202-4110 (414) 909-9097
Rakesh Khurana	Dean Harvard College University Hall, First Floor Center Boston, Massachusetts 02138 (617) 495-4601
Michael M. Knetter	President & CEO University of Wisconsin Foundation 1848 University Avenue Madison, Wisconsin 53726 (608) 263-4545
R. Scott Malmgren	Senior Partner – Retired 36750 US 19 North Palm Harbor, Florida 34684 (630) 561-3934
Eliot G. Protsch	President Wapsie Investment and Advisory, LLC 15547 Monterosso Lane, #201 Naples, Florida 34110 (319) 551-9380
Paul S. Shain	President and CEO Singlewire Software, LLC 2601 W. Beltline Highway, Suite 510 Madison, Wisconsin 53713 (608) 661-1141
Dimitri L. Stockton	Special Advisor to Chairman; Senior Vice President – Retired GE Company 11001 Soco Gap Ct. Raleigh, NC 27613 (203) 252-0647
Thomas M. Teft	President, Neuromodulation – Retired Medtronic, Inc. 7 High Point Rd. Dellwood, MN 55110 (651) 260-3149
William B. Westrate	President American Family Insurance Mutual Holding Company 6000 American Parkway Madison, WI 53783-0001

	(608) 240-2111
Thomas J. Zimbrick	CEO and Board Member Zimbrick, Inc. 1601 W. Beltline Highway Madison, Wisconsin 53713 (608) 230-0900
Thomas M. Van Berkel	Chairman, President and CEO of MSA Holdings and all affiliates of MSA Holdings 4601 Touchton Road East Jacksonville, FL 32246
MSA DESIGNEE – TBD	The identification of this additional MSA Designee to the board of the Surviving Corporation is subject to an ongoing selection process between the parties, which includes (among other things) utilization of AFI MHC’s existing corporate governance nomination process and procedures. Once this process is completed and the individual is identified, we will supplement this application to identify the individual and provide the requisite biographical affidavit and background investigation.

During the past five years, all of the above named individuals were employed by the organization with which they are currently affiliated, except for Ms. Howard, who was employed as President & CEO of the United Way of Dane County until 2015, and Mr. Kellner, who was employed as the CEO and Chairman of Fiduciary Management, Inc. until June, 2017. Except if and as stated in their respective biographical affidavits on file with the Commissioner, no such position required licensing by or registration with any federal, state, or municipal government agency. Except if and as stated in their respective biographical affidavits on file with the Commissioner, no director or executive officer of AFI MHC has been convicted of any crime or misdemeanor other than traffic violations not involving death or injury during the past 10 years, and no director or officer has ever been a defendant in any lawsuit involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach of contract.

As noted in Item 1 above, recent biographical affidavits for Van Berkel (of the Surviving Corporation) and for Kuhl and Fox (of the MSA Group Companies) dated as of November, 2017 are already on file with the Commissioner in connection with a Wisconsin expansion application filed by MSAPIC and is incorporated here by this reference. Biographical Affidavits for each of the remaining directors and officers of the Surviving Corporation are already on file with the Commissioner in their current capacity as directors and/or officers of AFI MHC and are incorporated here by this reference. As also noted in Item 1 above, MSA Holdings is obtaining updated biographical affidavits from all remaining officers of NGM Insurance Company and this Form A will be supplemented with those biographical materials, as well as the names of the individuals selected to fill the vacancies on the boards of the MSA Group Companies, as soon as the information is available.

#### **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

As set out in the Merger Agreement, MSA Holdings will merge with and into AFI MHC, with AFI MHC as the Surviving Corporation. Immediately following the Effective Time of the Proposed Merger, each member of MSA Holdings will automatically receive a membership interest in AFI MHC in exchange for their membership interest in MSA Holdings, as MSA Holdings (and any membership interests in MSA Holdings) will cease to exist as of the Effective Time. No other consideration will be paid for the membership interests currently held in MSA Holdings. The Proposed Merger will not affect the membership rights of any member of AFI MHC prior to the Effective Time, and immediately following the Effective Time, each member of AFI MHC will possess identical member rights and privileges in each case subject to applicable law.

#### **ITEM 5. FUTURE PLANS OF INSURER**

Following the Proposed Merger, AFI MHC as the Surviving Corporation may review the corporate structure of the combined organization and may undertake various internal processes to re-position the MSA Group Companies within the organizational chart of the Surviving Corporation so as to preserve the ratings of the MSA Group Companies, maximize organizational flexibility and facilitate the efficient deployment of capital within the combined organization.

Also, see Item 1 above relative to changes in the officers and directors of the MSA Group Companies in connection with the Proposed Merger.

Other than the foregoing items, and except as may arise in the ordinary course of business or as otherwise described herein in connection with the Proposed Merger, AFI MHC as the Surviving Corporation has no present plans or proposals to cause any of the MSA Group Companies or any of the AFI MHC Affiliated Companies to declare an extraordinary dividend, liquidate, sell their assets, or merge or consolidate with any other person or entity, or otherwise make any material changes to their current business plans as a result of, or in connection with, the Proposed Merger.

#### **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

As described in this Form A, the Proposed Merger is structured as a merger transaction involving two mutual insurance holding companies and, therefore, involves no exchange of shares of voting securities between the parties.

#### **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

Other than as set forth in the Merger Agreement, neither AFI MHC nor any of its affiliates nor any of the persons listed in Item 3 above has a beneficial ownership of, or the right to acquire beneficial ownership of, the voting securities (if any) of MSA Holdings or any MSA Group Company.

**ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Other than as described herein and in the associated exhibits filed herewith, there are no contracts, arrangements or understandings in which AFI MHC or any person filing biographical affidavits in connection with Item 3 of this Application is involved with respect to any voting security, security convertible into or evidencing a right to acquire a voting security of MSA Holdings or any MSA Group Company, including, but not limited to, any transfer of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies.

**ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

There have been no purchases of any voting securities of MSA Holdings or any MSA Group Company by AFI MHC, its affiliates, or any person listed in Item 3 during the twelve calendar months preceding the filing of this Form A.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Except for the Merger Agreement, neither AFI MHC, any of its affiliates, anyone acting on its or their behalf, or any person listed in Item 3, has made any recommendations to purchase any voting security of MSA Holdings or any MSA Group Company in the twelve calendar months preceding the filing of this Form A.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

There are no agreements, contracts or understandings made by AFI MHC, its affiliates, or any person listed in Item 3 with any broker-dealer as to the solicitation of voting securities of MSA Holdings or any MSA Group Company for tender.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) Audited Consolidated Financial Statements for AFI MHC and its affiliated property and casualty insurers for the preceding five fiscal years, and the corresponding certification of such financial statements by an independent accountant, in addition to consolidated unaudited information covering the period from the end of each such person's last fiscal year, are attached to this Form A as Exhibit 12, as noted below. Additionally, a three-year consolidated financial projection of the Surviving Corporation is attached to this Statement as Exhibit 12(a) (submitted under seal of confidentiality).

<b>Entity</b>	<b>Exhibit</b>
AFI MHC's 2017 and 2016 Fiscal Years Audited Consolidated Property and Casualty Statements and Certificates	12-1

American Family Mutual Insurance Company's 2016 and 2015 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates	12-2
American Family Mutual Insurance Company's 2015 and 2014 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates	12-3
American Family Mutual Insurance Company's 2014 and 2013 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates	12-4
American Family Mutual Insurance Company, S.I.'s Unaudited Quarterly Statement as of March 31, 2018	12-5
AFI MHC's Unaudited Consolidated GAAP Highlights as of March 31, 2018	12-6

(b) Note that there have been no tender offers for, requests or invitations for, tenders of, exchange orders for and agreements to acquire or exchange any voting securities of any MSA Group Company. Pursuant to the terms of the Merger Agreement, AFI MHC, MSA Holdings, and Thomas M. Van Berkel, the current Chairman, President and Chief Executive Officer of MSA Holdings ("Van Berkel"), have agreed to negotiate in good faith an employment agreement for Van Berkel to be effective post-closing. In addition, an employment agreement to be effective post-closing is expected to be entered into with Jeffrey B. Kusch, a current Executive Vice President of NGM ("Kusch"). Last, employment agreements to be effective post-closing are expected to be entered into with each of the regional presidents of MSA Holdings organization, i.e., David Randle ("Randle"), Steven Berry ("Berry"), Christopher L. Cox ("Cox"), Jonathan Spacher ("Spacher"), and Tiffany Daly ("Daly") (collectively, the "Regional Presidents"). Negotiations for all of the foregoing agreements (collectively, the "Personnel Agreements") are ongoing and not yet completed. It is anticipated that all of the Personnel Agreements will be entered into between these individuals and NGM, but AFI MHC is participating in the drafting and negotiation of the Personnel Agreements as well. Once all of the Personnel Agreements are in final form, AFI MHC will supplement this Form A to include a description (or copies) of those agreements, in each case under confidential seal.

The MSA Holdings board of directors has approved the payment of project bonuses to certain key employees of the MSA Group Companies, payable upon the successful closing of the Proposed Merger, as set forth in Schedule 4.19.1A of the MSA Disclosure Schedule to the Merger Agreement. In addition, payments in an aggregate amount of approximately \$1.76M will be due and payable to the independent directors of MSA Holdings pursuant to an existing Equity Incentive Plan, which provides for acceleration of outstanding awards under the Plan upon a change in control. These amounts will be paid by NGM after the Effective Time.

Other than the foregoing proposed agreements and bonuses, and/or as otherwise disclosed in this Form A, there are no other existing or proposed contracts, arrangements, or

understandings between AFI MHC and any present or former director, officer, or employee of the Domestic Insurer.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

Applicant agrees to provide, to the best of its knowledge and belief, the information required by form F within fifteen (15) days after the end of the month in which the Proposed Merger occurs.

[SIGNATURES ON THE FOLLOWING PAGE]

**ITEM 14. SIGNATURE AND CERTIFICATION**

**SIGNATURE**

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, American Family Insurance Mutual Holding Company has caused this application to be duly signed on its behalf in the city of Madison and state of Wisconsin on the 25<sup>th</sup> day of May, 2018.



AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY

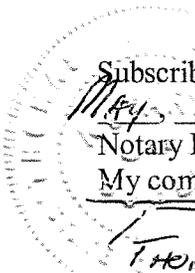
By: [Signature]  
David C. Holman  
Chief Strategy Officer and Secretary

Attest: [Signature]  
Ann F. Wenzel  
Assistant Secretary

**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached application dated May 25<sup>th</sup>, 2018, for and on behalf of American Family Insurance Mutual Holding Company; that he is the Chief Strategy Officer and Secretary of American Family Insurance Mutual Holding Company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

[Signature]  
David C. Holman



Subscribed and sworn to this 25<sup>th</sup> day of

May, 2018.

Notary Public

My commission expires on 12/31/2018.

[Signature]  
THOMAS R. HUDCLIC

## LIST OF EXHIBITS

<b>Exhibit 1(a)</b>	Merger Agreement (with exhibits)
<b>Exhibit 1(b)</b>	Disclosure Schedules to the Merger Agreement (submitted separately under seal of confidentiality)
<b>Exhibit 2(c)(i)</b>	Present Organization Chart of American Family Insurance Mutual Holding Company and its Affiliates
<b>Exhibit 2(c)(ii)</b>	Post-Acquisition Organization Chart of American Family Insurance Mutual Holding Company (as the Surviving Corporation) and its Affiliates
<b>Exhibit 12(a)</b>	Three-year Financial Projections (submitted separately under seal of confidentiality)
<b>Exhibit 12-1</b>	AFI MHC's 2017 and 2016 Fiscal Years Audited Consolidated Property and Casualty Statements and Certificates
<b>Exhibit 12-2</b>	American Family Mutual Insurance Company's 2016 and 2015 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates
<b>Exhibit 12-3</b>	American Family Mutual Insurance Company's 2015 and 2014 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates
<b>Exhibit 12-4</b>	American Family Mutual Insurance Company's 2014 and 2013 Fiscal Years Audited Consolidated Property and Casualty Financial Statements and Certificates
<b>Exhibit 12-5</b>	American Family Mutual Insurance Company, S.I.' s Unaudited Quarterly Statement as of March 31, 2018
<b>Exhibit 12-6</b>	AFI MHC's Unaudited Consolidated GAAP Highlights as of March 31, 2018
<b>Exhibit 12(c)</b>	2017 AFI MHC Annual Report to Members and 2016 AFMIC SI Annual Report to Members