

**SUMMARY OF
AGREEMENT AND PLAN OF MERGER BETWEEN
MUTUAL OF WAUSAU INSURANCE CORPORATION
AND PELLA MUTUAL INSURANCE COMPANY**

The Boards of Directors of Mutual of Wausau Insurance Corporation (“Mutual of Wausau”) and Pella Mutual Insurance Company (“Pella”) have determined that it would be in the best interests of both companies for Pella to merge with and into Mutual of Wausau, and the companies have entered into an Agreement and Plan of Merger (the “Plan”) to effectuate the same. Both companies are financially sound, with Mutual of Wausau year-end 2021 policyholder surplus at \$20,474,599 and Pella 2021 year-end policyholder surplus at \$1,173,795. Advantages to the policyholders include an improved spread of risk, reduced total operating expenses, and less dependence on reinsurance since larger premium volume will allow higher retentions.

The Plan has been submitted for approval to the Commissioner of Insurance, which approval is required before the merger can be consummated. We are now asking for the approval of our policyholders. The Plan is summarized below.

Pella will merge into Mutual of Wausau (the “Merged Company”), effective January 1, 2023, with Todd Lentz as President of the Merged Company. The Merged Company will be authorized to write in all counties of Wisconsin, and it will have its home office at 3910 Stewart Ave, Wausau, WI 54401. On the effective date of the merger, all property owned by Pella will become the property of the Merged Company and all liabilities of Pella will become liabilities of the Merged Company. All Pella policyholders will automatically become members and policyholders of the Merged Company. Each member of Pella will be sent a Certificate of Assumption formally confirming that status.

As of the effective date of the merger, the Board of Directors of the Merged Company will be eight. At each annual meeting of the policyholders of the Merged Company after the effective date of the merger, the policyholders will elect the directors to fill the positions of the directors whose terms expire.

Effective on the first renewal date of each Pella policy following the effective date of the merger, Pella policies will be rewritten using the forms, rates, and underwriting guidelines of the Merged Company, or of the Merged Companies’ affiliated companies, if common agent already exists.

A complete copy of the Agreement and Plan of Merger is available for your inspection at both the Mutual of Wausau and Pella Offices. Please contact either of the following individuals if you have any questions or if you would like to review a complete copy of the Plan.

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