



DATE: August 23, 2023

TO: Amy J. Malm
Mark McNabb

FROM: Christopher Martin

SUBJECT: The Proposed Merger of Bristol Town Insurance Company with and into Forward Mutual Insurance Company

The purpose of this memo is to summarize the results of OCI's analysis with respect to the above-referenced filing performed in accordance with the competitive standard criterion set-forth in s. 612, Wisconsin Statutes and Ins. 40.02 Wis. Adm. Code.

Form A Filing Contact(s)

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Exhibit(s)

<u>Exhibit:</u>	<u>Description:</u>
Ex. 1	A certified resolution of the Bristol Town Board of Directors approving the Merger and establishing a tentative date for the special meeting of policyholders
Ex. 2	Certified resolution of the Forward Mutual Board of Directors approving the Merger
Ex. 3	The executed agreement and plan of merger, including the following exhibits:
Ex. 3a	The current articles of incorporation of Forward Mutual which will be the articles of incorporation of the surviving entity
Ex. 3b	The current bylaws of Forward Mutual which will be the bylaws of the surviving entity
Ex. 3c	The form of Certificate of Assumption which Forward Mutual proposes to send to all Bristol Town policyholders after the effective date of the merger
Ex. 3d	A listing of Forward Mutual's current directors and officers which will be the directors and officers of the surviving entity
Ex. 4	A proposed Notice of Special Policyholder Meeting to be sent to the Bristol Town policyholders
Ex. 5	A proposed summary of the Merger to be sent to the Bristol Town policyholders with the Notice of Special Policyholder Meeting

- Ex. 6 Proposed policyholder resolution ballots to be presented at the special meeting and to policyholders via mail pursuant to Wis. Stat. 612.12(4)(c)
- Ex. 7 The proposed report of policyholder vote to be submitted to the OCI following the special meeting
- Ex. 8 2022 annual statement of Bristol Town
- Ex. 9 2022 annual statement of Forward Mutual
- Ex. 10 Forward Mutual's quarterly statement for the quarter ended June 30, 2023

Executive Summary

On August 11, 2023, Bristol Town Insurance Company ("Bristol Town"), a 612 town mutual insurer, filed a statement on behalf of the Applicants. Bristol Town along with Forward Mutual Insurance Company ("Forward Mutual"), a 611 mutual insurer, intend that Bristol Town will merge with and into Forward Mutual. After the merger, in accordance with the agreement and plan of merger, Bristol Town will cease to exist, and the surviving entity would be Forward Mutual.

Identity and Background of the Domestic Insurers

Identity of the Insurers:

Bristol Town Mutual Insurance Company

6338 Highway VV
Sun Prairie, WI 53590

Forward Mutual Insurance Company

W1202 Glenview Avenue
Ixonia, WI 53036

Background of the Insurers:

Bristol Town Mutual Insurance Company

Bristol Town is a Wisconsin domestic town mutual insurance company and was incorporated on 04/15/1875. The company is licensed to write Property and Nonproperty insurance and is currently authorized to do business in Columbia, Dane, Dodge, and Jefferson County.

Forward Mutual Insurance Company

Forward Mutual is a Wisconsin domestic mutual insurance company and was incorporated on 11/06/1875. The company is currently licensed to write Fire, Inland Marine, and Other Property Insurance, Liability and Incidental Medical Expense Insurance (other than automobile), and Automobile Insurance. As a 611 mutual insurer, Forward Mutual is authorized to do business in all counties.

Proposed Executive Officers and Directors of Forward Mutual:

<u>Name</u>	<u>Title</u>	<u>Term Expires:</u>
Mark D. Mallow	Director, Vice Chairman	2024
Dale H. Zastrow	Director	2024
David W. Blank	Director, Secretary/Treasurer	2025
Randall L. Wegner	Director	2025
Roger L. Degner	Director, Chairman	2025

Scott R. Rupnow
Randall L. Tietz
Sarah R. Mueller

Director
Director
President/CEO

2026
2026

Nature, Source, and Consideration

Pursuant to the plans of merger, filed between Bristol Town and Forward Mutual, Bristol Town will be merged into Forward Mutual, with the surviving entity being Forward Mutual. Subject to the appropriate approvals and a vote held by the members of the Insurers, the effective date of the transaction is expected to be as soon as possible after approval, and no later than December 31, 2023.

The estimated expenses related to the merger of Bristol Town and Forward Mutual are approximately \$20,000. In the event that the merger is unsuccessful, the two insurers will split the cost equally. No consideration will be transferred to any party as part of this merger.

The Applicant's Future Plans

Besides combining operations and combining assets and liabilities under one structure, the future plans of the surviving entity, Forward Mutual, also include that the current manager, secretary, and treasurer for Bristol Town, Bruce P. Krebs, who is also the sole agent, will be offered an agent agreement with Forward Mutual.

After the closing date, Forward Mutual will not continue the Bristol Town lease, which is currently a space located in Mr. Krebs home.

Articles and Bylaws of the surviving corporation will be those as provided by Forward Mutual in Exhibit A and Exhibit B to the merger agreement.

The s. 612.22 Wis. Stats. Standard

Section 612.22 Wis. Stats. incorporates the information gathering requirements of s. 612.02(4) (the application requirements for a certificate of authority) while directing the Commissioner to answer three broad questions contained in s. 612.22(3).

1. Is the Plan contrary to the law; or,
2. That the surviving or new corporation would not satisfy the requires for a certificate of authority under s. 612.02 (6); or
3. That the plan would be contrary to the interest of the insureds or the public.

Conclusion

After reviewing the information provided by the Applicants, the OCI believes that approving this merger is in the best interest of the policyholders of Bristol Town and Forward Mutual. It is the OCI's opinion that the plan cannot be said to be contrary to the law because it provides the necessary information required by statute, the surviving entity would be able to satisfy the requirement for a certificate of authority, and the plan would not be contrary to the interest of the insureds or the public. Therefore, the transaction should be approved.

After the transaction closes the surviving entity, Forward Mutual, will continue to be authorized in all counties throughout the state.