



DATE: November 22, 2023

TO: Amy J. Malm
Mark McNabb

FROM: Christopher Martin

SUBJECT: The Proposed Merger of Henrietta, Greenwood & Union Mutual Fire Insurance Company with and into River Valley 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 ch. 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	Transmittal Letter
Ex. 2	A certified resolution of the RVMIC Board of Directors approving the Merger
Ex. 3	A certified resolution of the Henrietta Board of Directors approving the Merger
Ex. 4	The executed Agreement and Plan of Merger, including the following exhibits:
Ex. 4a	The articles of incorporation of RVMIC
Ex. 4b	The current bylaws of RVMIC
Ex. 4c	The form of Certificate of Assumption which RVMIC proposes to send to all Henrietta policyholders after the effective time of the merger
Ex. 4d1	"Cosmetic Damage Exclusion Exterior Wall Surfacing, Roof Surfacing, And/Or Exterior Door And Window Surfacing" Sample Exclusion Endorsement
Ex. 4d2	"Windstorm or Hail Deductible" Sample Exclusion Endorsement
Ex. 4d3	"Roof Limitation Endorsement" Sample Exclusion Endorsement
Ex. 4d4	"Personal Property Extension Endorsement" Sample Exclusion Endorsement

- Ex. 4d5 “Exclusion of Mismatched Property That is Undamaged” Sample Exclusion Endorsement
- Ex. 4e A listing of the proposed directors and officers of RVMIC after the effective time of the Merger.
- Ex. 5 A proposed summary of the merger to be sent to Henrietta policyholders with the Henrietta Notice of Special Policyholder Meeting
- Ex. 6 The following RVMIC related documents:
- Ex. 6a The most recent year end annual statement for RVMIC
- Ex. 6b 2023 second quarter financial statements for RVMIC
- Ex. 6c A proposed amended Notice of Special Policyholder Meeting to be sent to the RVMIC policyholders
- Ex. 6d The proposed policyholder resolution ballots to be presented (i) in person at the special meeting and (ii) to policyholders via mail pursuant to Wis. Stat. 612.12(a)(c)
- Ex. 6e The proposed report of policyholder votes to be submitted to the OCI following the special meeting
- Ex. 7 The following Henrietta related documents
- Ex. 7a The most recent year end annual statement for Henrietta
- Ex. 7b The most recent monthly unaudited financial statements for Henrietta
- Ex. 7d A proposed Notice of Special Policyholder Meeting to be sent to the Henrietta policyholders
- Ex. 7e The proposed policyholder resolution ballots to be presented (i) in person at the special meeting and (ii) to policyholders via mail pursuant to Wis. Stat. 612.12(a)(c)
- Ex. 7f The proposed report of policyholder votes to be submitted to the OCI following the special meeting

Executive Summary

On November 20, 2023, Henrietta, Greenwood & Union Mutual Fire Insurance Company (“Henrietta”), 612 town mutual insurer, filed a statement on behalf of the Applicants. River Valley Mutual Insurance Company (“RVMIC”), a 612 town mutual insurer, along with Henrietta, intend that Henrietta will merge with and into RVMIC. After the merger, in accordance with the agreement and plan of merger, Henrietta will cease to exist, and the surviving entity would be RVMIC.

Identity and Background of the Domestic Insurers

Identity of the Insurers:

Henrietta, Greenwood & Union Mutual Fire Insurance Company
E2064 St Rd 33
Wonewoc, WI 53968

River Valley Mutual Insurance Company

PO Box 646
Whitehall, WI 54773

Background of the Insurers:

Henrietta, Greenwood & Union Mutual Fire Insurance Company

Henrietta is a Wisconsin domestic town mutual insurance company and was incorporated on 11/01/1883. The company is licensed to write Property and Nonproperty insurance and is currently authorized to do business in Monroe, Richland, Sauk, Vernon, and Jeneau County.

River Valley Mutual Insurance Company

RVMIC is a Wisconsin domestic town mutual insurance company and was incorporated on 01/03/1871. The company is licensed to write Property and Nonproperty insurance and is currently authorized to do business in Monroe, Pepin, Pierce, Rusk, St. Croix, Trempealeau, Vernon, La Crosse, Dunn, Eau Claire, Jackson, Barron, Buffalo, Chippewa, Clark, and Juneau County.

Proposed Executive Officers and Directors of River Valley Mutual Insurance Company

<u>Name</u>	<u>Title</u>	<u>Term Expires:</u>
Daniel Lilla	Director, Chairperson	2024
Dean Boehne	Director	2024
Mark Denk	Director	2024
Donald Tuescher	Director	2024
Allen Bohac	Director	2025
Donald Hartung	Director, Vice Chairperson	2025
Melvin Berg	Director	2025
Timothy Wiff	Director	2025
Daniel Sitz	Director	2026
Leonard Schmidt	Director	2026
Robert Scharlau	Director	2026
William Weiss, Jr.	Director	2026
Daniel Swenson	Director	2026
Paul Rosenow	President, CEO	
Brent Olson	Executive Vice President, Chief Operating Officer	
Victoria Rotering	Secretary	
Sara Leffingwell	Treasurer	

The officers serve an annual term and elections will be held at each annual meeting subsequent to the transaction.

Nature, Source, and Consideration

Pursuant to the plans of merger, filed between Henrietta and RVMIC, Henrietta will be merged into RVMIC, with the surviving entity being RVMIC. Subject to the appropriate approvals and a vote held by the members of the Insurers, the effective time of the transaction is 12:01 am on January 1, 2024.

The estimated expenses related to the merger of Henrietta and RVMIC are approximately \$20,000. In the event that the merger is unsuccessful, the 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, RVMIC, also include that RVMIC will offer agency agreements to each agent who had appointments with Henrietta as of the date of the merger agreement.

RVMIC will offer employment to the manager of Henrietta to assist with the merger and to continue servicing Henrietta policyholders as an agent.

After the closing date, the principal place of business will be the current offices of RVMIC. No Henrietta space will be maintained.

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

The s. 612.21 Wis. Stats. Standard

Section 612.21 Wis. Stats incorporates the information gathering requirements of s. 612.02(4) (the application requirements for a town mutual certificate of authority) while directing the Commissioner to answer three broad questions contained in s. 612.21(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 Henrietta and RVMIC. 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, RVMIC, will be jointly converted to a 611 as part of a separate application. That surviving entity, as a 611 mutual insurer, will have the ability to write throughout the state.