

MERGER OF
HELENVILLE MUTUAL INSURANCE COMPANY
WITH AND INTO
CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

HMIC ADDITIONAL STATEMENT TO POLICYHOLDERS

Filed with the Wisconsin Office of the Commissioner of Insurance

November 17, 2023



As many of you know, we have been unable to procure reinsurance for 2024. Of the 44 town mutuals in Wisconsin at the beginning of 2023, only approximately 8 will remain going into 2024. The majority of the rest, like us, will need to merge. This was brought about by the financial collapse of the Wisconsin Reinsurance Corporation (WRC), HMIC's current reinsurer and the reinsurer of a majority of the town mutuals in Wisconsin.

On June 28, 2023, as a result of the WRC rehabilitation and the HMIC status as a WRC policyholder for 2023, the Commissioner issued an order to the HMIC notifying us that we had to find alternative reinsurance coverage for 2024 or take other action to maintain our certificate of authority and compliance with Wisconsin law including, without limitation, merging with another company.

Since the OCI Order, the Commissioner has since filed a petition to place WRC and its wholly-owned subsidiary, 1st Auto into liquidation. HMIC has exhausted all options to obtain reinsurance coverage for 2024 or otherwise maintain its independent certificate of authority and compliance with Wisconsin law, which means merging with another company has become our only option.

Today we are mailing information to our policyholders regarding a merger with Central Wisconsin Mutual Insurance Company. The main office of Central Wisconsin Mutual Insurance Company is located in Waupun, Wisconsin. The office of Helenville Mutual Insurance Co (HMIC) will remain open for a period of time as we transition policyholders to Central Wisconsin Mutual Insurance Company.

Attached is the following information we are mailing so you can review it:

1. Summary of the Merger – This document summarizes the Merger and addresses changes to your policy on the effective date of the merger (i.e., January 1, 2024) and the potential for policy nonrenewals at the expiration of your current policy term.
2. HMIC Emergency Policyholder Meeting Notice – **Our policyholder meeting will be held at 10:00am on Wednesday, December 20, 2023 at the Helenville Meeting Hall, located at N4751 N Helenville Rd, Helenville Wisconsin.**
3. HMIC Ballot – Policyholders can choose to vote by mail in lieu of attending the in-person meeting. Ballots must be received in our office by 5 p.m. on December 26th. We included a self-addressed stamped envelope; however, we can accept completed ballots by email.

Voting guidelines –

- Insureds may vote by mail-in-ballot or in-person at the policyholder meeting.
- Insureds with multiple policies may only vote one time.
 - Example – John and Jane Smith have a homeowner policy and a dwelling fire policy as a rental.
- Both are named insured on both policies. John may vote on the homeowner policy ballot. Jane may vote on the dwelling fire ballot. But John cannot vote using both ballots.

As noted in the cover letter we are encouraging a "yes" vote from policyholders. We think it is very important for you to understand that if the policyholders do not approve the proposed merger, HMIC will likely be subject to additional regulatory orders or enforcement actions by the Wisconsin Office of the Commissioner of Insurance, including potential liquidation, dissolution, and/or cancellations of ALL policies. This could also result in the need for HMIC to assess policyholders to pay any outstanding claims not covered by reinsurance. Therefore, approval of the proposed conversion is crucial for policyholder of HMIC to maintain their current insurance policies in effect beyond December 31, 2023. A "yes" vote will ensure that HMIC will avoid liquidation and your policy will not be terminated.

We are really trying to drive the ‘yes” mail-in votes as policyholder meetings are lightly attended.

Thank you for your understanding as we continue to work towards a resolution to protect the policyholders of HMIC.

We appreciate all of you!

Earl Reu, President