



DATE: November 13, 2024

TO: Amy J. Malm
Mark McNabb

FROM: Christopher Martin

SUBJECT: The Proposed Merger of Mt. Pleasant-Perry Middleton Mutual Insurance Company with and into Mt. Morris 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. 611, Wisconsin Statutes and Ins. 40.02 Wis. Adm. Code.

Form A Filing Contact(s)

Primary Contact:

Zachary P. Bemis
Godfrey & Kahn, S.C.
One East Main Street, Suite 500
Madison, WI 53703
(608) 284-2224
zbemis@gklaw.com

Exhibit(s)

<u>Exhibit:</u>	<u>Description:</u>
Ex. 1	Certified resolution of the Mt. Morris Board of Directors approving the Merger
Ex. 2	Written Consent of the MPPM 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 Mt. Morris which will be the articles of incorporation of the surviving entity
Ex. 3b	The current bylaws of Mt. Morris which will be the bylaws of the surviving entity
Ex. 3c	The form of Certificate of Assumption which Mt. Morris proposes to send to all MPPM policyholders after the effective time of the merger
Ex. 3d	A listing of directors and officers of the surviving entity
Ex. 4	The most recent year end annual statement for MPPM
Ex. 5	The most recent quarterly unaudited financial statements for MPPM
Ex. 6	The most recent year end annual statement for Mt. Morris
Ex. 7	The most recent Quarterly unaudited statement for Mt. Morris

Executive Summary

On November 5, 2024, Mt. Morris Mutual Insurance Company (Mt. Morris), a 611 mutual insurer, filed a statement on behalf of the Applicants. Mt. Morris, along with Mt. Pleasant-Perry Middleton Mutual Insurance Company (MPPM), a 611 mutual insurer, intend that MPPM will merge with and into Mt. Morris. After the merger, in accordance with the agreement and plan of merger, MPPM will cease to exist, and the surviving entity will be Mt. Morris.

Identity and Background of the Domestic Insurer(s)

Identity of the Insurer(s):

Mt. Morris Mutual Insurance Company

N1211 County Road B
Coloma, WI 54930

Mt. Pleasant-Perry Middleton Mutual Insurance Company

239 N Main St.
Monticello, WI 53570

Background of the Insurer(s):

Mt. Morris Mutual Insurance Company

Mt. Morris is a Wisconsin domestic mutual insurance company and was incorporated on 01/27/1876. The company is licensed to write (2)(a) Fire, inland marine, and other property insurance, (2)(d) Liability and incidental medical expense insurance (other than automobile), (2)(e) Automobile and aircraft insurance, and (2)(n) Miscellaneous. As a 611 mutual insurer, Mt. Morris is authorized to do business in all counties.

Mt. Pleasant-Perry Middleton Mutual Insurance Company

MPPM is a Wisconsin domestic Ch. 611 mutual insurance company and was incorporated on 05/01/1876. The company is licensed to write (2)(a) Fire, inland marine, and other property insurance, (2)(d) Liability and incidental medical expense insurance (other than automobile), (2)(e) Automobile and aircraft insurance. As a 611 mutual insurer, Mt. Morris is authorized to do business in all counties.

Proposed Executive Officers and Directors of Mt. Morris:

<u>Name</u>	<u>Title</u>
Robert Ebben	Director, Chairman
Chris Leker	Director
Daniel Fenske	Director, President, CEO
Connie Weber	Director, Secretary, COO, VP – Operations
Raymond Hutchinson	Director
Robert Zimpel	Director
Jeffrey Nichols	Director
Greg Walker	Director
Robert Bennot	Director
Glenn Thalacker	Director
Thomas Riemer	Director
Myron Daniels	Director
Danielle Loeffler	VP – Policy Services
Cathy Atkinson	VP – Claims

Nature, Source, and Consideration

Pursuant to the plan of merger, filed between Mt. Morris and MPPM, MPPM will be merged into Mt. Morris, with the surviving entity being Mt. Morris. Subject to the appropriate approvals, the effective date of the transaction is expected to be December 31, 2024. 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, Mt. Morris, also include that all employees of MPPM will also be offered employment with similar roles and salaries as prior to the merger. Additionally, Mt. Morris will offer agency agreements to each agent of MPPM who does not already have an agency agreement with Mt. Morris.

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

The s. 611.73 Wis. Stats. Standard

Section 611.73 Wis. Stats. incorporates the information gathering requirements of s. 611.20 (the application requirements for a certificate of authority) while directing the Commissioner to answer two broad questions contained in s. 611.73(3)(a).

1. Is the Plan contrary to the law
2. Is the plan contrary to the interest of the insureds any participating corporation or the Wisconsin insureds of any participating nondomestic corporation

Conclusion

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.