

**MERGER OF**  
**NEW HOPE MUTUAL INSURANCE COMPANY**  
**WITH AND INTO**  
**SENECA, SIGEL MUTUAL INSURANCE COMPANY**  
**PROPOSED POLICYHOLDER SUMMARY OF MERGER**  
*Filed with the Wisconsin Office of the Commissioner of Insurance*  
**August 28, 2023**

**[Joint Logo/Letterhead]**

To: All Policyholders of Seneca, Sigel Mutual Insurance Company and New Hope Mutual Insurance Company

Re: Summary of Proposed Merger of New Hope Mutual Insurance Company with and into Seneca, Sigel Mutual Insurance Company

Date: September [●], 2023

The Boards of Directors of New Hope Mutual Insurance Company (“NHMIC”) and Seneca, Sigel Mutual Insurance Company (“SSMIC”) have determined that it would be in the best interests of both companies to merge and the companies have entered into an Agreement and Plan of Merger (the “Plan of Merger”).

NHMIC’s reinsurer, Wisconsin Reinsurance Corporation (“WRC”), was placed into rehabilitation by the Wisconsin Office of the Commissioner of Insurance (the “Commissioner” or “OCI”) on June 21, 2023. Town mutuals organized under Chapter 612 of Wisconsin Statutes are required by law to maintain certain reinsurance coverage. As a current reinsurance policyholder of WRC, NHMIC was issued an order from the Commissioner on June 28, 2023 (the “OCI Order”). The OCI Order directed NHMIC to confirm its plans for obtaining reinsurance for 2024 or otherwise maintaining its certificate of authority to continue in business in 2024.

In order to comply with the OCI Order and limit the disruption to the NHMIC policyholders and members, the Board of Directors of NHMIC has elected to pursue a merger with SSMIC (the “Merger”).

After the Board of Directors of each company voted and determined that the Merger is fair and equitable to each company and their respective policyholders, the Plan of Merger was filed by the companies with the Commissioner, which must approve the Merger prior to it being submitted to a vote of the companies’ policyholders. The Commissioner has approved the merger and the companies are now ready to seek policyholder approval. The Board of Directors of each company recommends that their respective members vote to approve the Merger.

**Please note, if the Merger is not approved by the policyholders of a company and NHMIC is unable to comply with the OCI Order, then NHMIC may be subject to additional regulatory orders or enforcement actions by the OCI, including potential liquidation, dissolution, and/or cancellation of policies. Therefore, approval of the Merger by policyholders is crucial for policyholders of NHMIC to maintain their current insurance policies in effect beyond December 31, 2023.**

Below is a summary of the Plan of Merger and the effect of the Merger which is proposed to be effective on January 1, 2024:

- NHMIC policyholders will become members of SSMIC and NHMIC will cease to exist as a separate corporation. Each former member of NHMIC will be sent a Certificate of Assumption formally confirming such status.

- SSMIC, as the surviving merged company, all of the assets, rights, privileges, and business of NHMIC, of every character and description, including all real property, all policies of insurance, all debts due on whatever account, premiums and assessments payable from members, all rights to bring any suit or action and all and every other interest of, or belonging to or due to NHMIC, shall accrue to, be merged into and become the absolute property of the Surviving Corporation.
- SSMIC, as the surviving merged company, shall assume all liabilities and obligations of NHMIC, including insurance policy liabilities.
- As a Chapter 612 town mutual insurance company, the merged company may only write insurance policies in up to 16 counties. The merged company will continue to continue servicing, renewing, and writing new policies in the Wisconsin counties of Adams, Chippewa, Clark, Columbia, Juneau, Langlade, Lincoln, Marquette, Marathon, Oneida, Portage, Sauk, Shawano, Taylor, Waupaca, and Wood (the “Authorized Territory”). [The surviving merged company has received authorization from the OCI to continue servicing and renewing existing policies for its policyholder in Waushara County, but the surviving merged company will not be authorized to issue new policies outside of its Authorized Territory.]<sup>1</sup> [Beginning with the first renewal or anniversary date after January 1, 2024, the merged company will issue a nonrenewal notice to the policyholder of NHMIC in Waushara County. However, the surviving merged company will assist such policyholder with obtaining replacement coverage.]<sup>2</sup>
- Upon the effective date, the merged company will have a board comprised of eleven (11) members: SSMIC’s current directors will continue to serve on the board of the merged company, along with Mr. Dean Onan and Ms. Diane Trost of NHMIC. At each annual meeting of the policyholders of SSMIC after the effective date of the Merger, the policyholders will elect the directors to fill the positions of the directors whose terms expire, as provided in the merged company’s articles of incorporation and bylaws.
- The officers of SSMIC in office immediately prior to the effective date will continue to serve as the officers of the merged company, who shall serve until the next annual meeting of the Board of Directors of the merged company or until their successors shall have been elected and shall qualify for office.
- The merged company will offer its current agency agreement to each agent who has an appointment with NHMIC prior to the effective date of the merger and who does not already have an agency agreement in force with SSMIC.
- The merged company will offer employment to all employees of NHMIC with substantially similar roles and salaries to their roles and salaries immediately prior to the Merger, subject to satisfactory job performance to SSMIC, participation in training relating SSMIC’s business processes and servicing SSMIC’s other line(s) of business.

---

<sup>1</sup>**Note to OCI:** Bracketed language is to be included if the request to the OCI is approved.

<sup>2</sup>**Note to OCI:** Bracketed language is to be included if the request to the OCI is denied.

- Business will be transacted from SSMIC's current headquarters in Vesper, Wisconsin and the merged company will continue operations at the current NHMIC office located in Iola for the foreseeable future.
- Various changes to the SSMIC's articles of incorporation and bylaws are also proposed as part of the Plan of Merger, including specifically changes related to the authorized territory of the merged company and the board of directors (as described above). Copies of the proposed documents and the Merger Agreement are available for your review upon request.
- No changes to the policies or premiums of NHMIC policyholders will occur immediately upon the consummation of the Merger. However, effective on the first renewal or anniversary date of each NHMIC policy following the effective date of the Merger, policies will be rewritten using SSMIC forms, rates, and underwriting guidelines.

A complete copy of the Agreement and Plan of Merger (and related exhibits) is available for your inspection at both the NHMIC and SSMIC offices. Please contact the individuals identified below at any of the companies if you have any questions or if you would like to review a complete copy of the Plan of Merger.

**Seneca, Sigel Mutual Insurance Company**

Dawn Look, General Manager  
6541 Cameron Avenue  
P.O. Box 27  
Vesper, WI 54489  
(715) 569-4775  
seneca@tds.net

**New Hope Mutual Insurance Company**

Dawn Johnson, Manager  
N11311 Cty Hwy P  
Iola, WI 54945  
(715) 677-3833  
newhopemutual@wi-net.com