

From: [Jose Mundo](#)
To: [OCI Company Licensing](#)
Subject: Comments on NGL Restructure to MHC
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Over more than one-hundred year, NGL has done a great job as a traditional mutual insurance company. Traditional mutual insurance companies are considered better for policyholders compared to mutual holding companies (MHC). So why change? I am skeptical of this change and view the following as some of the historical disadvantages in converting to an MHC.

- 1) Management and the board will have a new incentive to focus on maximizing shareholder value over policyholder benefits. It's human nature.
- 2) The MHC structure creates a fundamental conflict of interest between the policyholders' expectations with the profit expectation of shareholders. These goals may not always align. Again, human nature.
- 3) Allows executives to benefit from stock options and incentives not available under the mutual structure.
- 4) Erosion of policyholder dividends over stock investors.
- 5) Profits from the operating insurance company can be siphoned to the holding company, thus disproportionately benefiting shareholders while potentially weakening the financial strength of policyholders.
- 6) Although policyholders retain voting rights, their voting rights will be diminished.
- 7) These conversations are historically seen as a well intended guise to benefit management more favorably to policyholders' interests.
- 8) My perception is that all the "persuasive sweet talk" for a MHC conversion, regardless of how well-intended, may not be fully understood by mainstream, everyday policyholders. Stated differently, my perception is that the large majority of policyholders may not be sufficiently educated to understand the true negative potential of a traditional mutual company conversion to an MHC. They may, or may not, realize at a later time "Did I really vote for that? I should have cut through the "sweet talk" by doing my homework."
- 9) Traditional mutual insurance companies must be "By the Policyholders for the Policyholders" and not diluted with outside entities! As a policyholder, my vote to this conversion is NO.

Thank-you for the opportunity.

