

**MERGER OF  
FARMERS TOWN MUTUAL INSURANCE COMPANY  
INTO  
ARLINGTON MUTUAL INSURANCE COMPANY**

**PROPOSED NOTICE OF SPECIAL POLICYHOLDER MEETING**

**September 29, 2022**

[Joint Letterhead/logos of Companies]

To: All Policyholders of Arlington Mutual Insurance Company & Farmers Town Mutual Insurance Company

Re: Notice of Special Policyholder Meeting – Ballots Due November 10, 2022

Date: October \_\_, 2022

A Joint Special Policyholder Meeting of Arlington Mutual Insurance Company (“Arlington Mutual”) and the Farmers Town Mutual Insurance Company (“Farmers Town Mutual”) policyholders will be held via mail to vote on the proposed merger (the “Plan of Merger”) of Farmers Town Mutual into Arlington Mutual.

Enclosed with this correspondence is a Summary of the Plan of Merger and Policyholder Resolution Ballot. **Please review these materials and return this ballot as instructed below no later than November 10, 2022.**

Please note, Farmers Town Mutual was placed under an Order Limiting Operations by the Wisconsin Office of the Commissioner of Insurance (the “Commissioner”) on July 20, 2022, relating to the expiration of Farmers Town’s statutorily required reinsurance on December 31, 2022. The effect of the Order was to require Farmers Town Mutual to procure a new reinsurance policy, pursue a merger, or face dissolution. Farmers Town Mutual elected to pursue a merger with Arlington Mutual.

The Boards of Directors of both Arlington Mutual and Farmers Town Mutual have determined that a merger of Farmers Town Mutual into Arlington Mutual will benefit the current and future policyholders of both companies. By combining the assets and reserves of the companies, the merger will provide greater financial strength and stability for the surviving company and ensure the continued availability of reinsurance coverage mandated under Wisconsin law, which will result in greater security to the members of both companies. The merger will also assist in spreading the risk of loss and reducing the cost of company operation. The Boards of Directors have determined that the merger is fair and equitable to both Arlington Mutual and Farmers Town Mutual policyholders.

All Arlington Mutual and Farmers Town Mutual policyholders have a right to vote on the Plan of Merger under Section 612.12 of Wisconsin Statutes. Policyholders of each company will vote separately on whether to approve the proposed merger. **Please note, all ballots must be returned by November 10, 2022, at 5:00 pm.**

**A summary of the Agreement and Plan of Merger entered into by both companies is enclosed for your review.** The Agreement and Plan of Merger was filed by both companies with the Office of the Commissioner of Insurance (the “OCI”), which has approved the Plan of Merger. Arlington Mutual and Farmers Town Mutual now require policyholder approval of the Plan of Merger.

**Failure to approve the Plan of Merger may result in further administrative action by the Commissioner limiting Farmers Town Mutual's authority, including insolvency proceedings and the eventual cancellation of Farmers Town Mutual policies.**

A complete copy of the Agreement and Plan of Merger is available for your inspection, if you wish, during business hours at either Arlington Mutual Insurance Company, 203 Main Street, Arlington, Wisconsin, or Farmers Town Mutual Insurance Company, 400 East Street, Suite 105, Wilton, Wisconsin.

Additionally, please find enclosed the proposed Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws that are included as exhibits to the Plan of Merger and submitted for approval as part of the Plan of Merger.

**Please contact the designated representatives of Arlington Mutual or Farmers Town Mutual if you have any questions relating to the proposed merger and this important policyholder resolution.** Arlington Mutual policyholders should contact Teri Krysa at [teri@arlingtonmutualinsurance.com](mailto:teri@arlingtonmutualinsurance.com) or 608-635-4754. Farmers Town Mutual policyholders should contact Michael Haight at [farmers005@centurytel.net](mailto:farmers005@centurytel.net) or 608-435-6901.

**Please be sure to return your ballot by mail (in the enclosed envelope) or email no later than November 10, 2022, at 5:00 pm:**

**CliftonLarsonAllen LLP  
8215 Greenway Boulevard, Suite 600  
Middleton, WI 53562  
[Lisa.Eid@claconnect.com](mailto:Lisa.Eid@claconnect.com)**

**Arlington Mutual  
Insurance Company**

Kurt Breunig  
President  
203 Main Street  
Arlington, WI 53911  
Telephone: (608) 635-4754

**Farmers Town Mutual  
Insurance Company**

Phil Flock  
President  
400 East Street, Suite 105  
Wilton, WI 54670  
Telephone: (608) 435-6901