

FREQUENTLY ASKED QUESTIONS

Below are brief answers to frequently asked questions about the proposed mutual insurance holding company (also referred to as a “mutual holding company” or “MHC”) conversion (the “MHC Conversion”) of Church Mutual Insurance Company (“CMIC” or the “Company”). You should carefully review the more detailed discussion about the proposed MHC Conversion that follows in the Policyholder Information Statement, which qualifies all of the information presented in these brief answers.

1. What is the change being proposed for CMIC?

The Board of Directors of CMIC is proposing that CMIC change its organizational structure from a mutual insurance company to a mutual holding company-owned stock insurance company. Under this structure, CMIC would convert to a stock insurer, to be re-named Church Mutual Insurance Company, S.I. (“Converted CMIC”), and would become a wholly-owned subsidiary of the newly-organized mutual holding company. CMIC policyholders, who are currently the members of CMIC, would no longer be members of CMIC but would instead become members of the new mutual holding company, with comparable member rights. There would be no change in CMIC’s insurance policies (except that they would confer membership in the mutual holding company rather than CMIC) and those policies would remain obligations of Converted CMIC as a stock insurance company. The MHC Conversion would take place in accordance with the Mutual Holding Company Plan (the “Plan”) which has been unanimously approved by CMIC’s Board of Directors and which you and the other policyholders of CMIC are being asked to approve at the Special Meeting of Members (the “Special Meeting”), of which you are being notified in the attached Notice of Special Meeting of Members.

2. What is a mutual insurance holding company? Have other mutual insurance companies adopted this form of organization?

A mutual insurance holding company is a legal entity organized under state law to serve as the parent company (*i.e.*, the controlling shareholder) of an insurance company that has been converted from a mutual company to a stock company. In the mid-1990s, laws enabling the mutual insurance holding company structure began to appear in various states as a means for a mutual insurance company to address certain disadvantages of the mutual insurance company organizational form by converting to a stock company, while still preserving policyholder ownership and control of the enterprise. Mutual insurance holding companies were first made available under Wisconsin law in 1997. More than half of the state insurance codes now include mutual holding company laws and many large property and casualty and life insurance companies have chosen to restructure as mutual holding companies. See also “**THE MHC CONVERSION TRANSACTION—The Mutual Insurance Holding Company Organizational Form**” on page 5 of the Policyholder Information Statement.

3. What are my current rights as a policyholder of CMIC, and how would the proposed MHC Conversion affect those rights?

As a policyholder of CMIC, you have two types of interest in CMIC: (i) contract rights arising from your insurance policy with CMIC and (ii) voting rights and rights in surplus arising from your status as a member of CMIC.

Your contract rights will not be affected in any way by the proposed MHC Conversion. Your insurance policy with CMIC will become a contractual obligation of Converted CMIC and there will be no changes to your insurance coverage, claims payments, premiums, or policy benefits as a result of the MHC Conversion.

On the effective date of the MHC Conversion, you will cease being a member of CMIC and you will instead become a member of the new mutual holding company. You will be entitled to voting rights and rights to participate in distributions of surplus by the mutual holding company which are comparable to the rights that you now have in CMIC, except that the proposed Articles of Incorporation of the mutual holding company can be amended by the vote of the lesser of: (i) three-fourths of the members present and voting in person or by proxy at a meeting of the members or (ii) a majority of the voting power held by the members, as opposed to only by a vote of three-fourths of the members voting at such a meeting, as is required in CMIC's current Amended and Restated Articles of Incorporation. See also "**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect On Contract Rights and Voting Rights/Rights in Surplus of CMIC Members/Policyholders**" on pages 15 through 18 of the Policyholder Information Statement.

4. Will anyone other than current CMIC policyholders be members of the new mutual holding company?

Only CMIC policyholders will be members of the new mutual holding company on the effective date of the MHC Conversion. In addition, future Converted CMIC policyholders will be members of the new mutual holding company. The Board of Directors will not be authorized to grant member status to the policyholders of other subsidiaries of the mutual holding company.

5. Will the proposed MHC Conversion affect the terms of my insurance policy with CMIC?

No. All insurance policies issued by CMIC will continue as obligations of Converted CMIC as a stock insurance company after the MHC Conversion. Your rights under your existing insurance policy, including your coverage, claims payments, premiums, and policy benefits, will not be changed as a result of the MHC Conversion. See also the information presented under the heading "Policy Rights" in the table found on page 17 of the Policyholder Information Statement.

6. How will the proposed MHC Conversion benefit CMIC and its policyholders?

CMIC's Board of Directors believes that the MHC Conversion of CMIC is desirable at the present time and will enhance CMIC's ability to grow and respond to future needs, challenges, and opportunities in a rapidly changing insurance industry, while preserving mutuality and the ability to operate with a focus on the long-term interests of policyholders.

Specifically, the Board of Directors believes the new mutual holding company structure will benefit CMIC and its policyholders by: (i) giving the Company the opportunity to pursue product and state expansion through subsidiary companies while maintaining its mutuality, (ii) enhancing the Company's ability to acquire and grow ancillary or non-insurance businesses, (iii) enhancing the Company's ability to pursue mergers with and acquisitions of other mutual insurance companies, and (iv) giving the Company enhanced access to capital and other forms of

financing. See also “**THE MHC CONVERSION TRANSACTION—Benefits of Conversion to a Mutual Holding Company Structure**” on pages 10 through 12 of the Policy Information Statement.

7. Has CMIC’s Board of Directors approved the proposed MHC Conversion, and does it have a recommendation for policyholders on voting?

After careful consideration and thorough deliberation in a series of meetings over the past three years, the CMIC Board of Directors has unanimously approved the Plan and the transactions contemplated thereby. Accordingly, the CMIC Board of Directors unanimously recommends that policyholders vote FOR the Plan at the Special Meeting. See also “**THE MHC CONVERSION TRANSACTION—Recommendation of Board of Directors**” on pages 14 and 15 of the Policyholder Information Statement.

8. Did the Board consider any alternatives to the MHC Conversion?

The Board of Directors considered, but rejected, other structural alternatives to the proposed MHC Conversion, including demutualization of CMIC. The Board of Directors determined not to pursue any of these alternatives and has no plans to do so following the MHC Conversion. In addition, the proposed MHC Conversion does not involve any changes to the existing workforce, operations, or office locations of CMIC and its subsidiaries, and the Board of Directors has no plans to make any such changes after the MHC Conversion. See also “**THE MHC CONVERSION TRANSACTION—Consideration of Alternatives**” on pages 13 and 14 of the Policyholder Information Statement.

9. Will CMIC be regulated differently if the MHC Conversion is completed?

CMIC is currently regulated by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”). After the MHC Conversion, Converted CMIC will continue to be regulated by the Wisconsin Commissioner; in addition, the mutual holding company will be subject to the Wisconsin Commissioner’s oversight. Certain anticipated differences between the current regulation of CMIC and the future regulation of the mutual holding company are described under the heading “**REGULATION**” on page 28 and 29 of the Policyholder Information Statement.

10. Does CMIC plan to issue stock following the proposed MHC Conversion?

CMIC does not have any plans to issue stock in any entity after the proposed MHC Conversion is completed. In any event, an initial sale of voting stock would require the prior approval of the Wisconsin Commissioner and the members of the new mutual holding company.

11. Will the proposed MHC Conversion result in any changes in the compensation of CMIC’s directors or officers?

No. The proposed MHC Conversion will not result in any changes in the compensation of CMIC’s directors and officers.

12. Will any CMIC director or officer receive any stock or stock options as a result of the MHC Conversion?

No. CMIC's directors and officers will not receive any stock or stock options in Converted CMIC, the new intermediate stock holding company (discussed in the Policyholder Information Statement) or any other entity.

13. Are there any potential disadvantages or risks in adopting the proposed mutual holding company structure?

There are potential disadvantages and risks associated with the proposed MHC Conversion that are discussed in greater detail under the heading "**THE MHC CONVERSION TRANSACTION—Special Considerations and Risk Factors**" on pages 23 through 26 of the Policyholder Information Statement.

14. What approvals are required before CMIC can complete the proposed MHC Conversion?

The Plan must be approved by the Wisconsin Commissioner and potentially also by other state insurance regulators in those states in which a CMIC subsidiary insurance company is domiciled.

Additionally, the Plan must be approved by three-fourths (3/4) of CMIC members as of the record date for the Special Meeting who are present and voting in person or by proxy at the Special Meeting. See also "**CONDITIONS TO CLOSING OF MHC CONVERSION**" on pages 27 and 28 of the Policyholder Information Statement.

15. If I vote at the Special Meeting by proxy, will the proxies have authority to vote on any matter other than the approval of the MHC Conversion?

The proxies will have authority to vote only on those matters which are germane to the purpose of the Special Meeting as stated in the Notice of Special Meeting. For example, in addition to casting votes "For" and "Against" the approval of the Plan, the proxies would have authority to vote on a proposal to adjourn the Special Meeting and reconvene at a later date.

16. When will the proposed MHC Conversion be completed, if all conditions are satisfied?

Provided the Plan has been approved by the Wisconsin Commissioner and by at least three-fourths (3/4) of CMIC's policyholders at the Special Meeting, it is expected that the MHC Conversion will be completed in the first quarter of 2020.

17. How can I vote on the Plan?

CMIC policyholders are being asked to vote on the Plan at the Special Meeting to be held at [] local time on [], 2019 at the Company's offices at 3000 Schuster Lane, Merrill, Wisconsin. Your vote must be cast in person at the Special Meeting, or by a duly appointed proxy.

To cast your vote by proxy:

Please complete, sign and return the enclosed proxy card in the postage-paid envelope provided.

In lieu of appointing a proxy, you may vote in person at the Special Meeting.

Submitting a proxy will not prevent a member from attending the Special Meeting and voting in person. If you attend the Special Meeting and vote in person, any previously submitted proxy will not be counted.

Proxies must be received no later than [_____] on [_____] , 2019 in order to be voted at the Special Meeting.

18. What should I do if I have other questions about the proposed MHC Conversion?

If your question is not answered in these Frequently Asked Questions, the Policyholder Information Statement or the additional available information described in the Policyholder Information Statement, please visit our website (www.churchmutual.com/mhc) or contact Michael Smith at (844) 503-6969 or msmith@churchmutual.com.

Mutual Insurance Holding Company

Frequently Asked Questions

Church Mutual Insurance Company hopes to reorganize its legal structure, based on a unanimous recommendation by its board of directors. The following questions and answers provide general information about this proposed restructuring, including the long-term business benefits.

Q: What is the change being proposed for Church Mutual Insurance Company (CMIC)?

A: CMIC's board of directors is proposing that the company change the way it is organized. Currently, CMIC is organized as a mutual insurance company. With the proposed change, CMIC would convert to a stock insurance company that is wholly owned by a newly organized mutual insurance holding company (MHC). CMIC's new name would be Church Mutual Insurance Company, S.I. (CMIC, S.I.)

Q: What is a mutual insurance holding company?

A: An MHC is a legal entity organized under state law to serve as the parent company of an insurance company that has been converted from a mutual company to a stock company.

Q: How will this impact CMIC's current workforce?

A: The proposed MHC conversion will not involve any changes to the existing workforce, operations or office locations of CMIC.

Q: Will the proposed restructuring affect CMIC policyholder rights?

A: Policyholder contract rights will not be effected in any way. There will be no changes to policyholders' insurance coverage, premiums, benefits or service as a result of the proposed change.

When the MHC restructuring becomes effective, policyholders will no longer be members of CMIC. Rather, they will automatically become members of the new mutual insurance holding company. As members of the MHC, policyholders will have rights in the MHC that are comparable to the rights they have now in CMIC.

Q: Will anyone other than policyholders of CMIC be members of the new mutual insurance holding company?

A: No. Only CMIC policyholders who are policyholders on the effective date of the restructuring will automatically become members of the MHC. In addition, all future new policyholders of CMIC, S.I., will automatically become members of the MHC. CMIC, S.I., policyholders remain members of the MHC until they are no longer policyholders of CMIC, S.I.

Q: How will the proposed MHC restructuring benefit CMIC and its policyholders?

A: The restructuring will enhance CMIC's ability to grow and respond to future needs, challenges and opportunities in a rapidly changing insurance industry. It will preserve the company's mutuality and the ability to operate with a focus on the long-term interests of policyholders. More specifically, the Board

of Directors and CMIC's management believe that the restructuring to a mutual insurance holding company will:

- Enhance the company's ability to acquire new businesses, if desired, and grow business in compatible markets.
- Allow the company to expand through subsidiaries, if desired, while remaining a mutual company.
- Strengthen the company's position with banks and other finance channels, making it easier to access financial resources for business opportunities, expansion and other improvements.
- Help the company continue to protect the greater good and focus on serving those who serve others and improve the human condition.
- Support the company's efforts to create and maintain a top workplace.

Ultimately, the Board of Directors and management believe that the MHC structure will help ensure that CMIC and its affiliates have the best chance to grow and succeed while the insurance industry continues to mature and evolve. As with any other business, insurance has changed dramatically since CMIC was founded more than 120 years ago. The proposed MHC structure will provide flexibility and position CMIC for continued success in the next 120 years.

Q: Has CMIC's board of directors approved the proposed MHC restructuring?

A: After carefully considering the proposed restructuring and other alternatives for more than three years, the board has unanimously approved the restructuring to an MHC.

Q: Will CMIC be regulated differently as a stock insurance company owned by an MHC?

A: CMIC will continue to be regulated by the Wisconsin Office of the Commissioner of Insurance (OCI) in the same way as it has been in the past. The newly organized MHC will also be regulated by the OCI.

Q: Does CMIC plan to sell stock.

A: No, the company does not have any current plans to sell stock after the restructuring is complete.

Q: What happens next?

A: The creation of an MHC as a holding company to hold the stock of converted CMIC must be approved by the Wisconsin OCI as well as three-fourths of CMIC members (policyholders). Members will have the opportunity to vote via proxy or at a special meeting to be held mid-2019. If the proper approvals and votes are secure, the restructuring should become effective by Jan. 1, 2020.

Q: Where can I go for additional information?

A: Visit churchmutual.com/mhc. This special page contains all relevant information about the proposed restructuring, including documentation submitted to the Wisconsin OCI and policyholders.