

**SUMMARY OF  
AGREEMENT AND PLAN OF MERGER BETWEEN  
RIVER FALLS MUTUAL INSURANCE COMPANY  
AND TRADE LAKE MUTUAL INSURANCE COMPANY**

The Boards of Directors of River Falls Mutual Insurance Company (“River Falls”) and Trade Lake Mutual Insurance Company (“Trade Lake”) have determined that it would be in the best interests of both companies for Trade Lake to merge with and into River Falls Mutual, and the companies have entered into an Agreement and Plan of Merger (the “Plan”) to effectuate the same.

Both companies are financially sound, with River Falls Mutual year-end 2022 policyholder surplus at \$3,825,112 and Trade Lake 2022 year-end policyholder surplus at \$1,083,633. Advantages to the policyholders include an improved surplus, better spread of risk, and reduced total operating expenses. Also, all insurance companies need reinsurance to operate. Availability of affordable reinsurance for smaller mutual insurance companies has become more limited. The merger results in a larger, stronger local mutual that has more reinsurance availability.

The Plan has been submitted for approval to the Commissioner of Insurance, which approval is required before the merger can be consummated. We are now asking for the approval of our policyholders. The Plan is summarized below.

Trade Lake will merge into River Falls Mutual (the “Merged Company”), effective no sooner than July 1, 2023 and no later than January 1, 2024. The Merged Company will be authorized to write in 14 counties of Wisconsin, and it will have its home office at 218 North Main Street, River Falls, Wisconsin. The Trade Lake Staff will remain employed and will continue to serve policyholders and agents out of the current Trade Lake office at 11733 Hwy 48 in Frederic, Wisconsin.

On the effective date of the merger, all property owned by Trade Lake will become the property of the Merged Company and all liabilities of Trade Lake will become liabilities of the Merged Company. All Trade Lake policyholders will automatically become members and policyholders of the Merged Company. Each member of Trade Lake will be sent a Certificate of Assumption formally confirming that status.

As of the effective date of the merger, the Board of Directors of the Merged Company will be seven. At each annual meeting of the policyholders of the Merged Company after the effective date of the merger, the policyholders will elect the directors to fill the positions of the directors whose terms expire.

As soon as possible, after the effective date of the merger, Trade Lake policies (upon renewal) will be rewritten using the forms, rates, and underwriting guidelines of the Merged Company.

A complete copy of the Agreement and Plan of Merger is available for your inspection at both the River Falls Mutual and Trade Lake Offices. Please contact either of the following individuals if you have any questions or if you would like to review a complete copy of the Plan.

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