

[SECURA Insurance, A Mutual Company Logo]

**POLICYHOLDER
INFORMATION
BOOKLET**

Date: [_____], 2020

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SECURA INSURANCE, A MUTUAL COMPANY
1500 Mutual Way
Neenah, Wisconsin 54956

Notice of Special Meeting of Members
To be held on [_____], 2020

TO MEMBERS OF SECURA INSURANCE, A MUTUAL COMPANY:

NOTICE IS HEREBY GIVEN THAT a Special Meeting of Members of SECURA Insurance, A Mutual Company (“SECURA” or the “Company”) will be held at the Company’s headquarters at 1500 Mutual Way, Neenah, Wisconsin, on [_____], 2020 at [_____] Central Time (the “Special Meeting”), for the following purpose:

To consider and vote upon a proposal to approve the Mutual Holding Company Plan of SECURA Insurance, A Mutual Company (the “Plan”) and the transactions contemplated thereby, including the amendment and restatement of the Articles of Incorporation of the Company.

The full text of the Plan and the proposed Third Amended and Restated Articles of Incorporation of the Company, together with all exhibits to the Plan, are included in the Policyholder Information Booklet which accompanies this Notice. The Members will also consider and vote upon any matters as may properly come before the meeting, or any adjournments or postponements thereof.

THE BOARD OF DIRECTORS OF SECURA HAS APPROVED THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY AND BELIEVES THAT THE MUTUAL HOLDING COMPANY CONVERSION TRANSACTION PROVIDED FOR IN THE PLAN IS FAIR AND EQUITABLE TO THE POLICYHOLDERS OF SECURA AND WILL BENEFIT SECURA AND ITS POLICYHOLDERS. THE BOARD OF DIRECTORS RECOMMENDS THAT THE MEMBERS OF SECURA VOTE FOR APPROVAL OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

Under Wisconsin law, the Wisconsin Commissioner of Insurance (the “Wisconsin Commissioner”) must approve the Plan before it can take effect. Wisconsin law further provides that the Wisconsin Commissioner shall approve the Plan unless the Wisconsin Commissioner finds that the Plan violates the law, is not fair and equitable to policyholders, or is contrary to the interests of policyholders or the public. **Any such approval by the Wisconsin Commissioner is neither an endorsement of the Plan nor a recommendation to vote in favor of the Plan.**

Your vote must be cast in person at the Special Meeting or by a duly appointed proxy, in accordance with the instructions which accompany this Notice.

To Cast Your Vote by Proxy: To appoint a proxy to vote on your behalf at the Special Meeting, please complete, sign, and return the enclosed proxy form in the postage-paid envelope provided.

To Vote in Person: 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 cast your vote in person, any proxy you previously submitted will be invalidated.

YOUR VOTE IS IMPORTANT. IF YOU DO NOT PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE AND RETURN (USING THE POSTAGE-PAID ENVELOPE PROVIDED) THE PROXY FORM AS SOON AS POSSIBLE.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU CAST YOUR VOTE “FOR” THE PROPOSAL TO APPROVE THE PLAN.

Proxies must be received no later than [_____] on [_____] , 2020 in order to be voted at the Special Meeting.

By Order of the Board of Directors

Daniel P. Ferris, Secretary

Neenah, Wisconsin
[_____] , 2020

[INSERT OCI NOTICE OF HEARING]

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 SECURA Insurance, A Mutual Company (“SECURA” 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 SECURA?

The Board of Directors of SECURA is proposing that SECURA change its organizational structure from a mutual insurance company to a mutual holding company-owned stock insurance company. Under this structure, SECURA would convert to a stock insurer, to be re-named SECURA Insurance Company (“Converted SECURA”), and would become an indirect wholly-owned subsidiary of the newly-organized mutual holding company. SECURA policyholders, who are currently the members of SECURA, would no longer be members of SECURA but would instead become members of the new mutual holding company, with comparable member rights. There would be no change in SECURA’s insurance policies (except that they would confer membership in the mutual holding company rather than SECURA), and those policies would remain obligations of Converted SECURA as a stock insurance company. The MHC Conversion would take place in accordance with the Mutual Holding Company Plan (the “Plan”) which has been approved by SECURA’s Board of Directors and which you and the other policyholders of SECURA 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 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 6 of the Policyholder Information Statement.

3. How will the proposed MHC Conversion benefit SECURA and its policyholders?

SECURA’s Board of Directors believes that the MHC Conversion of SECURA is desirable to enhance SECURA’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 SECURA and its policyholders by, among other things, (i) giving the Company the opportunity to pursue 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, (iv) giving the Company enhanced access to capital and other forms of financing, (v) placing the Company in a more flexible position to take advantage of opportunities such as acquisitions of other mutual insurance companies, and (vi) increasing the Company's competitiveness by enhancing efficiency, management, and financial flexibility. See also "**THE MHC CONVERSION TRANSACTION—Benefits of Conversion to a Mutual Holding Company Structure**" on page 11 of the Policyholder Information Statement.

4. Will the proposed MHC Conversion affect the terms of my insurance policy with SECURA?

No. All insurance policies issued by SECURA will continue as obligations of Converted SECURA 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 "**Member Rights**" in the table found on page 18 of the Policyholder Information Statement.

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

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

Your contract rights will not be affected in any way by the proposed MHC Conversion. Your insurance policy with SECURA will become a contractual obligation of Converted SECURA 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 (the "Effective Date"), you will cease being a member of SECURA 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 SECURA. See also "**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders**" on page 16 of the Policyholder Information Statement.

As described in FAQ #6, as a result of the MHC Conversion, all persons who become policyholders of SECURA Supreme Insurance Company ("SECURA Supreme"), an indirect wholly-owned subsidiary of SECURA, after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become members of the new mutual holding company. The addition of SECURA Supreme policyholders as members of the new mutual holding company will result in the dilution of the aggregate voting control held by SECURA's members. It is difficult to estimate the amount of the dilution policyholders of SECURA will experience, but as

of the date hereof, policies in force of SECURA Supreme represented []% of the combined policies in force of SECURA and SECURA Supreme.

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

Yes. All persons who become policyholders of SECURA Supreme after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become members of the mutual holding company, along with the policyholders of SECURA. SECURA Supreme is a stock property and casualty insurance company established by SECURA as a second underwriting company. It is estimated that, if all current policyholders of SECURA Supreme were to become members of the new mutual holding company on the Effective Date, of the total number of members of the mutual holding company immediately after the MHC Conversion, approximately []% would be persons who were SECURA policyholders immediately before the MHC Conversion, and approximately []% (based on an assumed January 1, 2021, Effective Date) would be persons who were SECURA Supreme policyholders, and not SECURA policyholders, immediately before the MHC Conversion. The number of policyholders of SECURA Supreme relative to the number of policyholders of SECURA Insurance could go up or down after the Effective Date.

The Board of Directors will have the authority to grant member status to the policyholders of other stock insurance subsidiaries of the mutual holding company in the future.

In addition, if the mutual holding company were to merge with another mutual holding company in the future, the members of the merging company would become members of the SECURA mutual holding company.

7. How will the inclusion of policyholders of SECURA Supreme as members of the mutual holding company affect my voting rights?

After the MHC Conversion, you will have a smaller percentage of the total voting power in the new mutual holding company than you had in SECURA immediately prior to the MHC Conversion as a result of the inclusion of the SECURA Supreme policyholders as members of the mutual holding company. Please note that growth in SECURA's membership over time would also have a dilutive effect on voting power.

Your voting rights as a member of SECURA generally consist of the right to cast one vote on any matter which is subject to a vote of the members, including the right to vote for the election of directors, any proposed conversion of the Company from a mutual company to a stock company while simultaneously creating a mutual holding company as a parent, any proposed conversion of the Company to a stock company *without* simultaneously creating a mutual holding company as a parent (also known as "demutualization"), voluntary dissolution of the Company, or amendment of the articles of incorporation.

After the MHC Conversion, each member of the new mutual holding company will have substantially these same voting rights, except with respect to the dilution of voting control as discussed in FAQ #5. Each policyholder of Converted SECURA or SECURA Supreme will have the same mutual holding company member voting rights.

8. How will the inclusion of policyholders of SECURA Supreme as members of the mutual holding company affect my rights in surplus?

The inclusion of policyholders of SECURA Supreme as members of the mutual holding company will not have a material effect on your rights in surplus. See “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders**” on page 16 of the Policyholder Information Statement.

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

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

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

Yes. The Board of Directors considered, but rejected, other structural alternatives to the proposed MHC Conversion, including demutualization of SECURA. 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 SECURA 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 page 14 of the Policyholder Information Statement.

11. Will SECURA be regulated differently if the MHC Conversion is completed?

SECURA is currently regulated by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”). After the MHC Conversion, Converted SECURA 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 SECURA and the future regulation of the mutual holding company are described under the heading “**REGULATION**” on page 31 of the Policyholder Information Statement.

12. Does SECURA plan to issue stock in any entity following the proposed MHC Conversion?

No. SECURA 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.

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

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

14. Will any SECURA director or officer receive any stock or stock options in connection with the MHC Conversion?

No. SECURA’s directors and officers will not receive any stock or stock options in Converted SECURA or any other entity in connection with the MHC Conversion.

15. 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—Effects of the MHC Conversion—Special Considerations and Risk Factors**” on page 25 of the Policyholder Information Statement.

16. What approvals are required before SECURA can complete the proposed MHC Conversion?

The Plan must be approved by the Wisconsin Commissioner. Additionally, the Plan must be approved by the vote of two-thirds of the members present and voting in person or by proxy at the Special Meeting. See also “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 30 of the Policyholder Information Statement.

17. 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.

18. 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 the vote of two-thirds of the members present and voting in person or by proxy at the Special Meeting, it is expected that the MHC Conversion will be completed on January 1, 2021.

19. How can I vote on the Plan?

SECURA policyholders are being asked to vote on the Plan at the Special Meeting to be held at [_____] local time on [_____], 2020 at the Company’s offices at 1500 Mutual Way, Neenah, 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 proxy form we sent you 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 [_____], 2020 in order to be voted at the Special Meeting.

20. 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.secura.net/mhc)] or contact [_____] at [PHONE] or [EMAIL].

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POLICYHOLDER INFORMATION STATEMENT
RELATING TO THE
PROPOSED MUTUAL HOLDING COMPANY PLAN
OF
SECURA INSURANCE, A MUTUAL COMPANY

Dated [_____], 2020

No Person has been authorized to give any information or to make any representations other than, or inconsistent with, those contained in this Policyholder Information Statement, with all Exhibits hereto, in connection with the Mutual Holding Company Plan referenced herein, and any such information or representation, if given or made, must not be relied upon as having been authorized by SECURA Insurance, A Mutual Company (“SECURA”) or any other Person representing SECURA. The delivery of this Policyholder Information Statement shall not under any circumstances create an implication that there have not been any changes in the affairs of SECURA since the date hereof or that the information herein is correct as of any time subsequent to its date.

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Directors and Officers of SECURA Insurance Mutual Holding Company, SECURA Holdings, Inc. and Converted SECURA..... Exhibit I

INTRODUCTION

This Policyholder Information Statement is being provided to Policyholders of SECURA INSURANCE, A MUTUAL COMPANY (“SECURA” or the “Company”) in connection with the Special Meeting of Members of SECURA to be held on [____], 2020 at [____] local time, at the Company’s offices at 1500 Mutual Way, Neenah, Wisconsin 54956 (the “Special Meeting”), and any adjournment thereof, at which the Members of SECURA will be asked to vote on the proposal to change the structure of SECURA from its current form as a mutual insurance company to that of a stock insurance company indirectly owned and controlled by a mutual insurance holding company organized under Chapter 644 of the Wisconsin Insurance Code (the “MHC Conversion”). Capitalized terms used in this Policyholder Information Statement are defined where first used herein or under the heading “**CERTAIN DEFINITIONS**” on page 35 of this Policyholder Information Statement.

The proposal described herein is based upon a Mutual Holding Company Plan (the “Plan”) approved by the Board of Directors of SECURA (the “Board”) on [____] 2020, a copy of which is attached hereto as **Exhibit A**, together with all exhibits thereto which are attached hereto as **Exhibit B** through **Exhibit I**. Prior to the vote of the Members of SECURA at the Special Meeting, the Plan will be the subject of a Public Hearing conducted by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”) on [____], 2020. The Plan will not take effect unless and until it has first been approved by order of the Wisconsin Commissioner after the Public Hearing and then by the requisite number of the Members of SECURA, and until certain other conditions described under the heading “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 30 of this Policyholder Information Statement have been satisfied.

ADDITIONAL AVAILABLE INFORMATION

Founded in 1900, SECURA is a mutual property and casualty insurance company domiciled in the State of Wisconsin which is licensed in 27 states and currently writes commercial, personal, farm-agriculture, and specialty lines of business in 12 states. SECURA is subject to the laws and regulations of the State of Wisconsin applicable to insurance companies and, accordingly, files annual and quarterly financial reports (“Annual Statements” and “Quarterly Statements”) prepared in accordance with statutory accounting principles and other information with the Wisconsin Commissioner.

In connection with obtaining approval of the Plan from the Wisconsin Commissioner, SECURA filed the Plan, together with all exhibits thereto and other related documents (collectively, the “Filing”), with the Wisconsin Commissioner pursuant to Chapter 644 of the Wisconsin Insurance Code. Policyholders of SECURA may inspect and obtain copies of the Filing, as well as the financial reports and other information filed by SECURA with the Wisconsin Commissioner, during normal business hours at the offices of SECURA located at 1500 Mutual Way, Neenah, Wisconsin 54956. Members of the public may inspect and make copies of the Filing, as well as the financial reports and certain other information filed by SECURA with the Wisconsin Commissioner, during normal business hours at the offices of the Wisconsin Commissioner located at 125 South Webster Street, Madison, Wisconsin 53703. Portions of the Filing are also available on the website maintained by the Wisconsin Commissioner at <https://oci.wi.gov/Pages/Companies/MrgsAcquConvRedom.aspx#Restructurings> (click on the

[“SECURA Insurance, A Mutual Company to a Mutual Holding Company and Stock Insurance Company”] hyperlink).

Any Policyholder who has questions about the Policyholder Information Statement, the Plan, or the Filing in general may visit our website [(www.secura.net /mhc)] or contact [_____] at [PHONE] or [EMAIL].

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

SECURA’s Annual Statements for the years ended December 31, 2019, 2018, and 2017, as filed by SECURA with the Wisconsin Commissioner, and any Quarterly Statements filed by SECURA with the Wisconsin Commissioner during 2020, are incorporated by reference in this Policyholder Information Statement.

Statements contained in this Policyholder Information Statement, or in any document incorporated herein by reference, as to the contents of any contract or other documents referred to herein, are not necessarily complete, and in each instance where reference is made to the copy of such contract or other document filed as an exhibit to the Filing or such other document, each such statement is qualified in all respects by such reference. For the purposes of this Policyholder Information Statement, the documents referred to herein and therein, including the Exhibits, the Annual and Quarterly Statements and the other financial reports and the Filing, are deemed incorporated by reference in their entirety.

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This Policyholder Information Statement has been approved for distribution to Eligible Members of SECURA by the Wisconsin Commissioner in accordance with Section 644.07(6)(b) of the Wisconsin Insurance Code. The Wisconsin Commissioner does not make a recommendation for or against the proposal set forth in this Policyholder Information Statement or the Plan, and no such recommendation should be inferred from the Wisconsin Commissioner's approval of this Policyholder Information Statement.

STATUS OF THE PLAN

The Board approved the Plan on [_____] 2020, and directed that it be submitted for approval by the Wisconsin Commissioner and the Members of SECURA. The Plan will be the subject of a Public Hearing conducted by the Wisconsin Commissioner on [_____] 2020, and if approved by the Wisconsin Commissioner, will be submitted for approval by the Members of SECURA at the Special Meeting. At any time prior to the Effective Date, the Board will have the discretion to amend or withdraw the Plan. Any amendment to the Plan, including its exhibits, would be subject to review by the Wisconsin Commissioner. If the Wisconsin Commissioner determines that the changes are materially disadvantageous to the Policyholders of SECURA, then the changes may be subject to an additional Public Hearing conducted by the Wisconsin Commissioner and will be subject to a separate approval by the Members of SECURA. If the Wisconsin Commissioner does not determine that the changes are materially disadvantageous to the Policyholders of SECURA, then neither an additional Public Hearing nor a separate approval by the Members of SECURA will be required. The Plan will not become effective until all of the closing conditions are satisfied; these closing conditions are summarized below under the heading “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 30 of this Policyholder Information Statement.

THE MHC CONVERSION TRANSACTION

The Mutual Insurance Holding Company Organizational Form

A mutual insurance holding company (also referred to herein as a “mutual holding company” or “MHC”) 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. Prior to the adoption of mutual holding company laws, the only means for a mutual insurance company to gain the flexibility and competitive advantages of a stock company was to “demutualize,” *i.e.*, convert from a mutual company to a stock company owned up to 100% by outside investors. Mutual insurance holding companies were first made available under Wisconsin law in 1997. In December of 1998, the Mutual Holding Company Working Group of the Financial Condition Subcommittee of the National Association of Insurance Commissioners issued a comprehensive “white paper” discussing the rationale for the mutual holding company form of organization as compared to existing alternatives, comparing existing state laws, and setting forth certain recommendations for future state regulation of mutual holding companies, among other topics. Subsequent to the issuance of this white paper, a number of additional states passed laws providing for the formation of mutual holding companies. Today, more than half of the state insurance codes now include mutual holding company laws, and increasing numbers of insurance

companies have chosen to restructure as mutual holding companies. Three other mutual property and casualty insurance companies domiciled in Wisconsin have restructured as mutual holding companies since January of 2017.

Description of the MHC Conversion Transaction

On the Effective Date, SECURA will form a new Wisconsin mutual holding company known as SECURA Insurance Mutual Holding Company (“SECURA Insurance MHC”). It will also form a new intermediate stock holding company known as SECURA Holdings, Inc. (“SECURA Holdings”), a direct wholly-owned subsidiary of SECURA Insurance MHC, to hold Converted SECURA (defined below).

On the Effective Date, SECURA will convert to, and continue its corporate existence as, SECURA Insurance Company, a Wisconsin stock insurance company (“Converted SECURA”). Converted SECURA will become a direct wholly-owned subsidiary of SECURA Holdings and an indirect wholly-owned subsidiary of SECURA Insurance MHC. The Voting Rights and Rights in Surplus of SECURA Policyholders will be extinguished in exchange for Voting Rights and Rights in Surplus in SECURA Insurance MHC.

Also on the Effective Date, SECURA Insurance Holdings, Inc., which is currently a direct wholly-owned subsidiary of SECURA, will be dissolved. As a result of the dissolution of SECURA Insurance Holdings, Inc., the ownership of SECURA Supreme Insurance Company (“SECURA Supreme”), which is currently a direct wholly-owned subsidiary of SECURA Insurance Holdings, Inc., will transfer to Converted SECURA.

In addition, all Policyholders of SECURA Supreme who renew or obtain a policy after the Effective Date will become Members of SECURA Insurance MHC in accordance with the Articles of Incorporation and Bylaws of SECURA Insurance MHC and the Wisconsin Insurance Code. The Board of Directors of SECURA Insurance MHC will have the authority to grant Member status in SECURA Insurance MHC to the Policyholders of other stock insurance company subsidiaries of SECURA Insurance MHC in the future.

A summary of the effect of the MHC Conversion on Voting Rights and Rights in Surplus of SECURA Members is found under the heading “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—*Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders***” on page 16 of this Policyholder Information Statement.

On the Effective Date, Converted SECURA will issue 100% of the stock of Converted SECURA to SECURA Holdings, and SECURA Holdings will issue 100% of the stock of SECURA Holdings to SECURA Insurance MHC.

As a result of the MHC Conversion, Converted SECURA will exist as a stock insurance company, 100% of the voting stock of which is indirectly owned by SECURA Insurance MHC, which will be 100% owned and controlled by, initially, the Policyholders of Converted SECURA and, over time, the Policyholders of Converted SECURA and SECURA Supreme.

The following diagrams illustrate SECURA’s organizational structure before and after consummation of the MHC Conversion contemplated by the Plan:

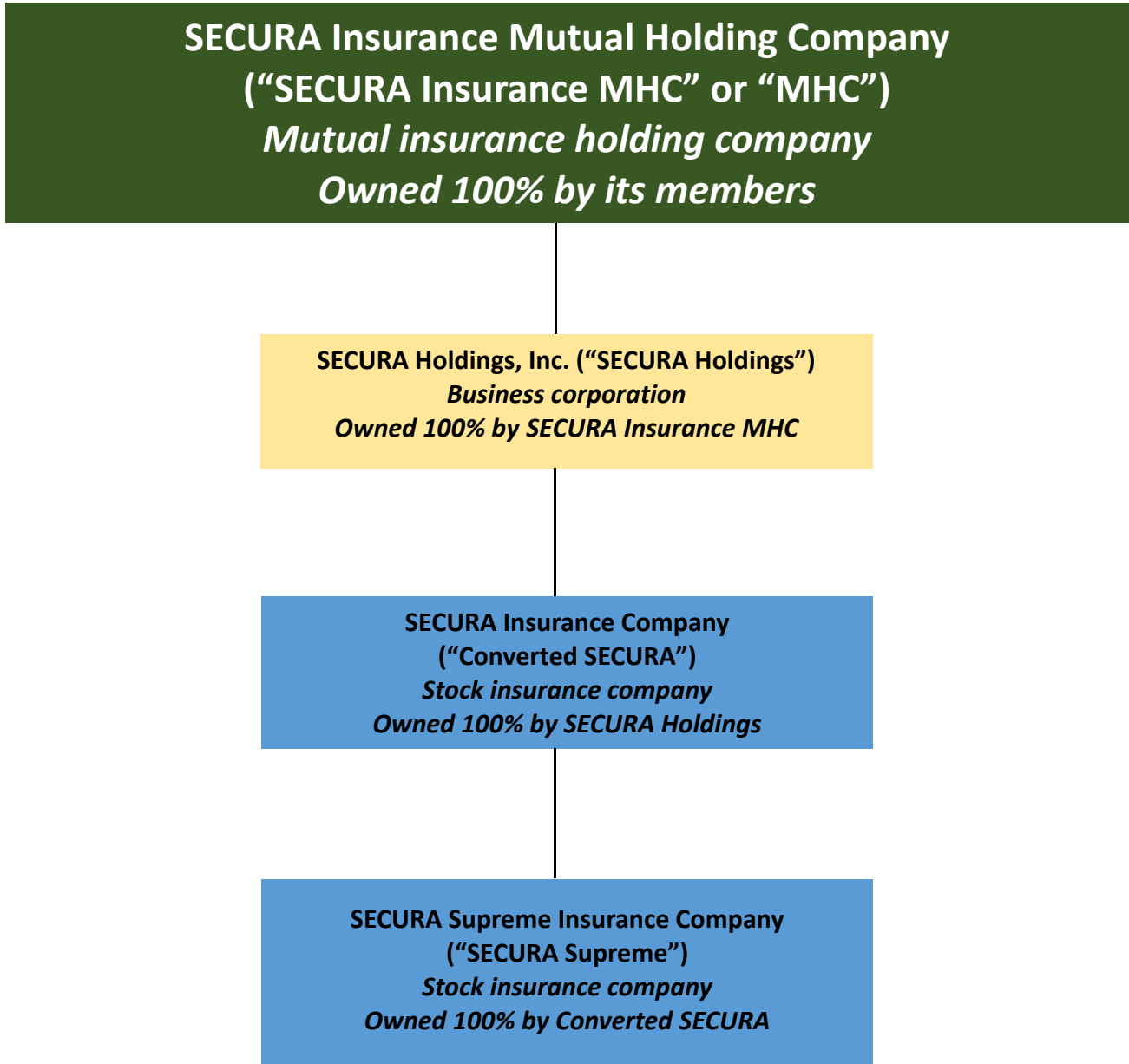
Before the MHC Conversion

SECURA Insurance, A Mutual Company
("SECURA" or the "Company")
Mutual insurance company
Owned 100% by its policyholders

SECURA Insurance Holdings, Inc.
Business corporation
Owned 100% by SECURA

SECURA Supreme Insurance Company
("SECURA Supreme")
Stock insurance company
Owned 100% by
SECURA Insurance Holdings, Inc.

After the MHC Conversion



Background of SECURA Insurance, A Mutual Company and Affiliates and Subsidiaries

SECURA is a Wisconsin mutual insurance company with its headquarters in Neenah, Wisconsin.

After a devastating windstorm ripped through the community surrounding Seymour, Wisconsin, a local farmer named Julius Bubolz saw an opportunity to ease the financial burden caused by future storms. Along with a group of fellow farmers and neighbors, Julius formed a mutual insurance company in which charter members agreed to share losses and expenses. This was the beginning of The Farmers Home Mutual Hail, Tornado and Cyclone Insurance Company of Seymour, Wisconsin—now known as SECURA Insurance, A Mutual Company. The Company was founded on March 1, 1900 in Bubolz’s 19th-century farmhouse. In the first year, the Company insured 135 charter members and paid \$78 in claims. Since then, the Company has evolved into a super-regional property and casualty insurance company licensed in 27 states and currently writing Commercial, Personal, Farm-Ag, and Specialty Lines business in 12 states.

SECURA’s group of subsidiary companies today consists of SECURA Insurance Holdings, Inc., a stock noninsurance company, and SECURA Supreme Insurance Company, a stock insurance company.

SECURA is rated A (Excellent) by A.M. Best and has been recognized as a Ward’s 50® Top Performer. SECURA is also certified by Forbes® as a Great Place to Work, achieved the WELCOA Well Workplace Platinum award, and received the “World’s Greatest” recognition for workplace culture. SECURA and its associates actively support SECURA’s local communities through donations, time and talent.

Strategic Challenges Facing SECURA

The Board wants to ensure SECURA has structural, financial and strategic flexibility to remain strong and competitive. The insurance industry is changing at an ever-increasing pace, and successful companies must be positioned to respond quickly and act decisively in the face of challenges and opportunities. Changes in underwriting, new and evolving technology, and increased access to sophisticated data and analytics are driving business and reinventing the way insurers do business. SECURA’s current structure limits the Company’s ability to respond and capitalize on the rapidly changing marketplace. Considerations include the following:

- *The Company’s ability to pursue product and state expansion through subsidiary companies while preserving and enhancing the Company’s commitment to mutual governance.*

Due to state regulatory requirements, new products are often restricted from being sold by the same insurance company that is selling the current generation of products. Insurance companies that want to sell their current generation of products and offer alternative products often form stock insurance company subsidiaries to enable this approach. The policyholders of these companies are not eligible for membership in the mutual insurance company parent organization.

- *The Company's ability to acquire and expand ancillary or non-insurance subsidiaries.*

State regulatory requirements limit the extent to which insurance companies can invest in ancillary and non-insurance subsidiaries. When a mutual insurance company is the ultimate parent, the entire family of companies is limited by these investment restrictions.

- *The Company's ability to pursue mergers and acquisitions.*

Mutual insurers cannot merge with or acquire other mutual insurers without one of the two insurers ceasing to exist. This prevents a mutual company from merging with or acquiring other mutual insurers in ways that allow for increased efficiencies and preservation of both organizations' goodwill and brand value. Further, mutual insurers have limited options to raise capital for possible mergers and acquisitions, and they cannot use stock as currency in acquisitions.

Benefits of Conversion to a Mutual Holding Company Structure

The Board has determined that the proposed MHC Conversion will benefit the Company and its Policyholders, including in the following ways:

Use of Stock Subsidiaries for Product and State Expansion While Preserving and Enhancing the Company's Commitment to Mutual Governance

In order to grow and stay competitive, property and casualty insurance companies must continually redesign their products to keep up with new developments in underwriting methodology and delivery of benefits to policyholders. Due to state regulatory requirements, new products are sometimes prohibited from being sold by the same insurance company that is selling the current generation of products. Mutual insurance companies are therefore compelled to form stock insurance company subsidiaries to sell the new products. The Policyholders of these companies are not eligible for membership in the mutual company parent.

As a mutual insurance company, SECURA focuses on the interests of its Policyholders, the owners of the Company. SECURA believes that its success as an insurance enterprise stems in large part from this ability to focus its business operations and objectives from the perspective of the Policyholder. As such, SECURA wishes to preserve its "mutuality" as much as possible while still being able to compete against stock insurance companies.

Wisconsin law permits the admission of Policyholders of downstream stock insurance companies as members of a mutual holding company. Under the current Wisconsin Insurance Code, these Policyholders are not entitled to share in any distributions upon any demutualization or dissolution of the mutual holding company, except to the extent they have paid premiums to the converted mutual insurance company within the five years preceding such an event. However, they do have the same rights as other mutual holding company members to vote on the election of directors, the amendment of the articles of incorporation, and certain other major decisions. This enables SECURA to continue to expand its product offerings and improved underwriting methodologies through newly formed stock subsidiaries. As an added benefit, Policyholders who are insured by SECURA Supreme, or any other downstream stock insurance company subsidiary whose Policyholder(s) receive Member status in SECURA Insurance MHC from the MHC Board of Directors, will have the opportunity to participate in the shared governance benefits of mutuality.

Ability to Acquire and Grow Ancillary or Non-Insurance Subsidiaries

Regulatory restrictions place limits on the extent to which insurance companies can invest in ancillary and non-insurance subsidiaries. Many property and casualty insurance companies are increasingly focusing on investments in synergistic non-insurance businesses and technologies to provide critical support and enhancements to their insurance operations. The benefit of the mutual holding company structure with the inclusion of an intermediate stock holding company is that the intermediate stock holding company is well suited to acquire and grow ancillary or non-insurance entities as subsidiaries of the intermediate stock holding company, without being subjected to the regulatory restrictions that could limit SECURA's ability to take advantage of certain strategic opportunities. For example, SECURA Holdings will be better positioned to invest in or acquire non-insurance subsidiaries that can provide important customer benefits, such as technologies that can help prevent thefts or accidents and save lives, thereby also reducing potential claims and costs for the insurance companies in the group. Note that any distribution of funds or the provision of any other form of financial support from Converted SECURA to SECURA Holdings for purposes of such investments, or for other purposes, that falls within the definition of an "extraordinary dividend" under the Wisconsin Insurance Code will be subject to the requirement that the Wisconsin Commissioner be notified not less than 30 days prior to such distribution and not have disapproved the distribution within such time. In addition, the claims-paying ability of Converted SECURA, after taking into account the effects of any such distributions or financial support, will be subject to ongoing regulatory scrutiny and independent review by industry rating agencies.

Mergers and Acquisitions

SECURA cannot acquire or merge with other mutual insurers without one of the two mutual entities ceasing to exist as a separate insurer. As a result, the valuable "brand" recognition and goodwill of the mutual insurer that ceases to exist is effectively a lost or diminished asset. By contrast, an insurance enterprise structured as a mutual holding company at the top of the organizational chart has a broader range of options for pursuing mergers and acquisitions in a manner that may preserve the separate identity, brand recognition and goodwill of the insurer or other entity being acquired. For example, a mutual holding company can acquire stock companies as subsidiaries. Alternatively, a mutual holding company can acquire mutual insurers through sponsored conversions, whereby the mutual insurance company being acquired undergoes its own mutual holding company conversion in which the Policyholders of the mutual insurance company being acquired cease being members of that mutual insurance company and instead become members of the acquiring mutual holding company, and the mutual insurance company undergoing the sponsored conversion becomes a stock insurance company owned by the acquiring mutual holding company. In addition, two existing mutual holding companies can merge, without affecting the unique identity of any downstream insurance companies in either organization. These options are not available to SECURA in its current mutual insurance company structure.

Because the MHC Conversion includes within its framework an intermediate stock holding company as well as a stock insurance company, SECURA Insurance MHC will have multiple options available to raise capital for merger and acquisition purposes through public or private markets, and to use stock of the stock companies as currency in acquisitions.

Access to Capital

Mutual insurance companies have no stock which can be sold to raise capital to grow the enterprise. The only way for mutual insurance companies to raise capital is through profitable

operations over time, through the sale of “surplus notes,” which is a relatively expensive form of financing due to regulatory restrictions on repayments to the purchasers of the notes, or through the sale of stock of a “downstream holding company” which, as stock issued by a subsidiary of the mutual insurance company parent, does not reflect the valuation of the mutual company. Once a mutual insurance company has been converted to a stock company through a mutual holding company conversion, voting or nonvoting stock or debt securities issued by the former mutual company, or by an intermediate stock holding company, can be sold through an initial public offering, giving the company access to the public capital markets, or sold to private investors. The mutual holding company must still retain a majority of voting shares in the intermediate stock holding company or the former mutual company, as the case may be, thereby preserving mutuality.

Note that the access to capital provided through an intermediate stock holding company or the former mutual company is subject to the requirement of obtaining regulatory and mutual holding company member approval for the initial sale of voting stock. The Plan that is being submitted for approval by the Wisconsin Commissioner and the Members of SECURA at this time does not provide for the sale of voting stock, and there is no plan for the sale of stock or debt securities of any kind. However, circumstances may arise where the availability of such financing may be a benefit to the Company. An initial sale of voting stock to provide such financing would be subject to the receipt of approvals as described in this paragraph.

Protections Provided to Policyholders

The Plan affords the following protections to Policyholders:

- *Continuation of Policy Rights.* The benefits and rights of Policyholders under their Policies will not be reduced or altered in any way by the adoption of the Plan. Premiums required to be paid as specified in all Policies will not be increased or otherwise changed by the MHC Conversion.
- *Business Operations Unchanged.* The MHC Conversion will not result in any material changes to the business operations of SECURA.
- *Continuation of Voting Control of SECURA.* SECURA Insurance MHC will, on the Effective Date, indirectly own 100% of the voting stock of Converted SECURA. In addition to requiring the approval of both the Wisconsin Commissioner and the Members of SECURA Insurance MHC, any sale of voting stock of Converted SECURA to outside investors would be subject to the requirement that SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of such voting stock. As a result of this majority ownership interest, Members of SECURA Insurance MHC, who will have voting control over SECURA Insurance MHC, will at all times have indirect voting control over Converted SECURA.
- *No Sales of Voting Stock without Additional Approvals.* The Plan does not provide for any sale of voting stock of Converted SECURA or SECURA Holdings. As a result, no such voting stock may be sold to investors unless there is a subsequent approval by the Wisconsin Commissioner and the Members of SECURA Insurance MHC of the terms of such offering. SECURA has no plans to request approval for a sale of voting stock.
- *Voting Rights/Rights in Surplus.* The MHC Conversion will result in SECURA Policyholders becoming Members of SECURA Insurance MHC with associated rights,

including: (i) the right to vote at annual meetings of SECURA Insurance MHC for the election of directors of SECURA Insurance MHC and on such other matters as may be presented to Members of SECURA Insurance MHC, from time to time; (ii) the right to receive distributions from SECURA Insurance MHC in the unlikely event of its dissolution or liquidation; and (iii) the right to receive payment in the form of stock, cash, policy credits or other kinds of consideration if SECURA Insurance MHC were ever to demutualize, which is not now contemplated.

Consideration of Alternatives

The principal alternatives to the MHC Conversion are for SECURA to either (i) preserve the status quo and remain a mutual insurance company, or (ii) undergo a demutualization.

Preserving the Status Quo

While SECURA's current structure provides the benefits of mutuality to its current Members and allows for organic growth through insurance operations, as described above in this Policyholder Information Statement, continuing to operate as a mutual insurance company imposes limits upon SECURA's ability to respond to significant opportunities for strategic growth. The Board has concluded that, in the future, it will be increasingly important to have the structural, financial and strategic flexibility to respond quickly and decisively to changes in the marketplace, both in terms of pursuing potential acquisition activity and in terms of making investments in new technology, new distribution channels, and synergistic non-insurance businesses. The Board believes that if SECURA remains in its current structure as a mutual insurance company, these limitations will prevent SECURA from realizing its full potential as compared to competitors who are not similarly restricted.

Demutualization

A demutualization would convert SECURA from a mutual insurance company into a stock insurance company without simultaneously creating a mutual holding company as a parent. In essence, SECURA would transition from a company owned by its Policyholders to one that is owned by shareholders. There would be certain benefits of a demutualization to SECURA and/or its Members, such as the following:

- Policyholders, as Members of SECURA, would receive cash, stock or other consideration in exchange for their Voting Rights and Rights in Surplus in SECURA.
- Stock of the demutualized company could be used by the demutualized company as acquisition currency.
- The value of SECURA's stock after a demutualization might be higher than it would be after reorganizing to a mutual holding company structure, insofar as, under Wisconsin law, the mutual holding company will always have to own, directly or indirectly, at least 51% of the shares of Converted SECURA. Investors may place a lower value on the stock of Converted SECURA as a result of their inability to acquire a controlling interest in the entity.

However, the Board has concluded that maintaining the "mutuality" of SECURA in some form is important in order to preserve the Company's focus on the best interests of the

Policyholders. In addition, the Board deems it important that SECURA retain and enhance its ability to merge with, acquire, or affiliate with other mutual entities, particularly in ways that preserve the separate insurance operations and “brands” of such organizations, including SECURA. Demutualization is inconsistent with both of these goals, as it would terminate SECURA’s existence as a “mutual” organization ultimately owned by its Policyholders, and would eliminate SECURA’s practical ability to merge with other mutual insurers (other than through a sponsored demutualization, which can be a difficult process and a relatively inefficient use of acquisition capital), thus limiting the number and types of strategic acquisition opportunities available to SECURA. Other potential disadvantages of demutualization as an alternative to the mutual holding company structure include the following:

- Demutualization would not eliminate the regulatory restrictions that place limits on the extent to which SECURA can invest in ancillary and non-insurance subsidiaries.
- Demutualization would subject the Company to the future demands of investors focused on short term market performance, rather than the Company’s current focus on long term objectives benefitting current and future Policyholders.
- Under the proposed MHC Conversion, ultimate voting control of the enterprise remains with the Policyholders of SECURA together with the Policyholders of SECURA Supreme. Under a demutualization, Members of SECURA who acquire shares of stock in exchange for their Voting Rights and Rights in Surplus would continue to have voting rights in the demutualized company, but other Persons besides Members could acquire sufficient shares of stock to become the controlling shareholders.
- Historically, demutualizations are more difficult to structure, more time consuming, and more expensive than mutual holding company reorganizations.
- Demutualization may be an inefficient way to raise capital. In a demutualization under Wisconsin law, SECURA would be required to distribute cash, stock or other forms of consideration to current and former (within the five years preceding the demutualization) Policyholders in exchange for their Voting Rights and Rights in Surplus in SECURA, with an aggregate value up to 100% of all premiums paid by such Policyholders, together with interest at the legal rate, compounded annually. While this could be viewed as a benefit to those Policyholders who paid premiums to SECURA within the five years preceding the demutualization, the actual value of the distributed stock could be substantially depressed if there is no public trading market established for the stock, and/or if the demand to sell the stock significantly exceeds the demand to purchase.

Recommendation of Board of Directors

On [____], 2020, the Board adopted the Plan and approved the transactions contemplated thereby. The Board is submitting the Plan to a vote of the Eligible Members after careful review and consideration, including advice from the Company’s outside legal counsel. The Board believes that the MHC Conversion is fair and equitable to SECURA Policyholders, and the Board expects that the MHC Conversion will benefit SECURA Policyholders.

As required by Chapter 644 of the Wisconsin Insurance Code, the Company has submitted the Plan to the Wisconsin Commissioner for review and approval. The Wisconsin Commissioner will conduct and preside over a public hearing on the plan on [____], 2020, as further

described under the heading “**SPECIAL MEETING OF MEMBERS**” on page 30 of this Policyholder Information Statement.

The Wisconsin Commissioner may request that SECURA, Converted SECURA, SECURA Holdings and/or SECURA Insurance MHC enter into a Stipulation and Order or other agreement(s) with the Wisconsin Commissioner containing various covenants and/or undertakings binding upon such parties as a condition to the approval of the Plan. The Board has authorized the officers of SECURA to represent SECURA in all negotiations with the Wisconsin Commissioner related to the review and approval of the Plan and has further authorized the officers of SECURA to negotiate and execute, on behalf of SECURA and, if necessary, Converted SECURA, SECURA Holdings and/or SECURA Insurance MHC, any such Stipulation and Order or other agreement(s) with the Wisconsin Commissioner which, in the officers’ sole judgment and discretion, are reasonable and necessary to secure the Wisconsin Commissioner’s approval of the Plan; should any proposed changes to the Plan as a result of such negotiations be deemed by the officers of SECURA to be material, however, then the officers of SECURA will so notify the Wisconsin Commissioner and seek the Board’s approval of such changes as a condition of final agreement to such changes.

THE BOARD OF DIRECTORS OF SECURA RECOMMENDS THAT ELIGIBLE MEMBERS OF SECURA VOTE “FOR” APPROVAL OF THE PLAN AT THE SPECIAL MEETING.

Effects of the MHC Conversion

The MHC Conversion will have the following effects upon SECURA and its Members/Policyholders:

Operations and Business of SECURA

The MHC Conversion will not result in any material changes in SECURA’s existing insurance operations or its services to Policyholders, except that such operations and services will in the future be conducted or provided by a mutual holding company-owned stock insurance company rather than a mutual insurance company. In addition, the MHC Conversion of SECURA into a stock insurance company will in no way annul, modify or change any of SECURA’s existing suits, rights, property interests, contracts, or liabilities, except with respect to the extinguishment and replacement of Members’ Voting Rights/Rights in Surplus as described below. Converted SECURA will exercise all of the rights and powers, and perform all of the duties, conferred or imposed by law upon insurers writing the types of insurance written by SECURA before the Effective Date, except with respect to the extinguishment and replacement of Members’ Voting Rights/Rights in Surplus as described below.

Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders

Currently, Members of SECURA have both contract rights as Policyholders of the Company and Voting Rights/Rights in Surplus as Members of the Company. Upon the MHC Conversion, a Member’s contract rights and Voting Rights/Rights in Surplus will effectively be separated, as further explained and illustrated below.

The principal contract right of Policyholders is the right to receive the type and amount of insurance coverage specified in a Policyholder's Policy (or Policies) in accordance with the terms and provisions thereof. On the Effective Date, the contract rights of a Policyholder will continue to flow between such Policyholder and Converted SECURA. Every Policy that has been issued by SECURA which is in force on the Effective Date will remain in force at the Effective Date and continue as a Policy of Converted SECURA. The premiums currently required to be paid as specified in the Policies will not be increased or otherwise changed as a result of the MHC Conversion.

The Voting Rights/Rights in Surplus of Members of SECURA can be summarized as follows:

Voting Rights:

- The right to elect the directors of SECURA;
- The right to approve or disapprove proposed changes in the SECURA Articles of Incorporation; and
- The right to vote (or grant proxies to vote) on any plan of conversion, voluntary dissolution or such other matters as may come before the Members at an annual or special meeting of SECURA's Members.

Rights in Surplus:

- The right to receive a *pro rata* share (based on premiums paid to SECURA within the past five years) of cash, stock, or such other consideration as is approved by the Wisconsin Commissioner in the event of the demutualization of SECURA (which would require approval by the Board, the Members of SECURA, and the Wisconsin Commissioner); and
- The right to share in any distribution of, or to receive consideration based upon, the assets of SECURA remaining after satisfaction of all third party obligations (including obligations to Policyholders under insurance contracts in force), in the event of SECURA's ultimate voluntary or involuntary dissolution (*i.e.*, if SECURA were to become insolvent or go out of business) (which would likewise require approval by the Board and the Members of SECURA, in the case of a voluntary dissolution, and the Wisconsin Commissioner).

As a matter of law, distributions to a Member of SECURA in the case of either a demutualization or dissolution would be capped at the amount of premiums such Member has paid to SECURA, together with interest at the legal rate compounded annually. Any excess over this amount would be required to be distributed according to the provisions of Chapter 611 of the Wisconsin Insurance Code.

On the Effective Date, the foregoing Voting Rights/Rights in Surplus of Members of SECURA will be replaced with Voting Rights/Rights in Surplus as Members of SECURA Insurance MHC. Members will not receive any cash, stock or other consideration in exchange for their Voting Rights/Rights in Surplus in SECURA. Rather, the Members' Voting Rights/Rights in Surplus in SECURA will be extinguished and replaced with Voting Rights/Rights in Surplus in

SECURA Insurance MHC, as summarized in the chart below under the heading “After MHC Conversion.” Also, persons who obtain or renew a policy issued by SECURA Supreme subsequent to the Effective Date will become Members of SECURA Insurance MHC, with Voting Rights/Rights in Surplus as summarized in the chart below.

Holders of Policies issued by Converted SECURA or SECURA Supreme on or after the Effective Date will automatically become Members of SECURA Insurance MHC.

The contract rights and Voting Rights/Rights in Surplus of the then-current Members of SECURA and SECURA Insurance MHC, respectively, before and after the MHC Conversion, are summarized in the table below:

Contract Rights		Before MHC Conversion	After MHC Conversion
	<i>Right to insurance coverage</i>	Insurance coverage is provided by Policies which are obligations of SECURA.	Policy obligations to provide insurance coverage continue unchanged for SECURA Policyholders, who are now Policyholders of Converted SECURA. Converted SECURA is the same company as SECURA except that it is reorganized as a stock insurance company. The Plan will not increase premiums, decrease policy benefits or alter policy obligations.
Member Rights		Before MHC Conversion	After MHC Conversion
Voting Rights	<i>Right to vote for election of directors and on other corporate matters</i>	Each SECURA Member is entitled to one vote on all matters subject to Member vote. Only Policyholders of SECURA are Members of SECURA.	Each SECURA Insurance MHC Member is entitled to one vote on all matters subject to Member vote. All Policyholders of Converted SECURA and SECURA Supreme will ultimately be Members of SECURA Insurance MHC.
Rights in Surplus	<i>In the event of a dissolution or liquidation</i>	Any surplus remaining after payment of all liabilities of SECURA will be distributed according to a plan of dissolution approved by the Members, but in no event will a Member be entitled to receive assets with a value in excess of the value of all insurance premiums paid by such Member to SECURA, together with interest on such amounts at the legal rate compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.	Any surplus remaining after payment of all liabilities of SECURA Insurance MHC will be distributed according to a plan of dissolution approved by the Members, but in no event will a Member be entitled to receive assets with a value in excess of the value of all insurance premiums paid by such Member to SECURA/Converted SECURA, together with interest on such amounts at the legal rate compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State

			Treasury to the credit of the Common School Fund.
	<i>In the event of a reorganization to a stock insurer (also called a demutualization)</i>	Persons who have been Policyholders of SECURA at some time during the 5 years prior to demutualization are entitled to receive, without additional payment, her or his proportional share of stock in the reorganized stock insurer (or cash or other assets), determined by the net premium such Person paid to SECURA over such five-year period, as a percentage of all net premiums received by SECURA over the same period, capped at the value of all insurance premiums paid by such Person to SECURA, together with interest on such amounts at the legal rate compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.	Persons who have been Policyholders of SECURA/Converted SECURA at some time during the 5 years prior to demutualization are entitled to receive, without additional payment, her or his proportional share of stock in the reorganized mutual holding company (or cash or other assets), determined by the net premium such Person paid to SECURA/Converted SECURA over such five-year period, as a percentage of all net premiums received by SECURA/Converted SECURA over the same period, capped at the value of all insurance premiums paid by such Person to SECURA/Converted SECURA, together with interest on such amounts at the legal rate, compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.

Directors and Executive Officers

On the Effective Date (i) the Board of Directors of SECURA Insurance MHC will consist of the same directors that comprise the Board of Directors of SECURA immediately prior to the Effective Date, (ii) the Principal Officers of SECURA Insurance MHC will be the same individuals serving in those positions for SECURA immediately prior to the Effective Date, (iii) the Board of Directors of Converted SECURA will consist of the same directors that comprise the Board of Directors of SECURA Insurance MHC, (iv) the Principal Officers of Converted SECURA will be the same individuals serving as the Principal Officers of SECURA Insurance MHC, (v) the Board of Directors of SECURA Holdings will consist of the same directors that comprise the Board of Directors of SECURA Insurance MHC, and (vi) the Principal Officers of SECURA Holdings will be the same individuals serving as the Principal Officers of SECURA Insurance MHC. For more information regarding the proposed directors and executive officers of SECURA Insurance MHC, Converted SECURA and SECURA Holdings, see “**DIRECTORS AND OFFICERS OF SECURA INSURANCE MUTUAL HOLDING COMPANY, SECURA HOLDINGS, INC., AND CONVERTED SECURA**” attached hereto as **Exhibit I**.

Corporate Governance

SECURA is not authorized, as a mutual insurance company, to issue capital stock and, therefore, has no shareholders. Instead, SECURA operates under the direction of its Board of Directors, which is elected by the Members of SECURA.

After the MHC Conversion, Converted SECURA will operate under the direction of its Board of Directors and all voting rights, including the election of the Board of Directors of Converted SECURA, will be vested exclusively in the holder(s) of its outstanding voting stock, specifically SECURA Holdings. All of the voting rights of SECURA Holdings, in turn, will be vested exclusively in the holder(s) of its outstanding voting stock, specifically SECURA Insurance MHC. Accordingly, SECURA Insurance MHC, as sole shareholder of SECURA Holdings, will have indirect voting control over the outcome of all matters presented to the shareholders of Converted SECURA for resolution by vote, including the election of the Board of Directors for Converted SECURA. SECURA Insurance MHC will operate under the direction of its Board of Directors. All voting rights, including the election of the Board of Directors of SECURA Insurance MHC, will be vested exclusively in the Members of SECURA Insurance MHC, *i.e.*, the Policyholders of Converted SECURA and SECURA Supreme. These Members will be entitled to vote on all matters requiring action by the Members, including the election of the directors of SECURA Insurance MHC.

Comparison of Articles of Incorporation and Bylaws of SECURA Insurance MHC with Current Articles of Incorporation and Bylaws of SECURA

SECURA Insurance MHC will be organized as a mutual holding company under Chapter 644 of the Wisconsin Insurance Code. The proposed Articles of Incorporation of SECURA Insurance MHC (the “Proposed SECURA Insurance MHC Articles”) and the proposed Bylaws of SECURA Insurance MHC (the “Proposed SECURA Insurance MHC Bylaws”) are attached to this Policyholder Information Statement as **Exhibits E and F**, respectively, and are incorporated herein by reference. You are encouraged to read the Proposed SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC Bylaws in their entirety.

Certain provisions of the Proposed SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC Bylaws are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Insurance Code and the entirety of the Proposed SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC Bylaws.

Purpose

SECURA Insurance MHC is formed for the purpose of owning, at all times, directly or indirectly, at least fifty-one percent (51%) of the voting stock of Converted SECURA and engaging in all lawful activities permitted to mutual holding companies under Wisconsin law. SECURA Insurance MHC will not be engaged in the business of insurance. By contrast, SECURA is a mutual insurance company formed for the purpose of insuring its Members against all hazards authorized or permitted for a mutual insurance company.

Membership

Every Policyholder of SECURA will become a Member of SECURA Insurance MHC on the Effective Date, and every person who becomes a Policyholder of SECURA Supreme after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become a Member of SECURA Insurance MHC. The Board of Directors of SECURA Insurance MHC is also authorized to admit Policyholders of additional stock insurance company subsidiaries of SECURA Insurance MHC as future Members of SECURA Insurance MHC. In addition, if another mutual insurance holding company were to merge into SECURA Insurance MHC, the

members of such other mutual insurance holding company would become members of SECURA Insurance MHC. Each Member of SECURA Insurance MHC will have one vote on all matters subject to a Member vote, including the election of directors of SECURA Insurance MHC. Each Member of SECURA Insurance MHC will also have certain Rights in Surplus, but only to the extent such Members have paid premiums to SECURA and/or Converted SECURA within the past five years. Further discussion of SECURA Insurance MHC Members' Rights in Surplus is found under the heading "**THE MHC CONVERSION TRANSACTION--Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders**" on page 16 of this Policyholder Information Statement.

Board of Directors

Pursuant to the Current SECURA Articles and Bylaws, SECURA is governed by a Board of Directors that must include no fewer than nine and no more than eleven individuals who serve staggered three-year terms to ensure continuity in Board service. There are currently eleven individuals serving on SECURA's Board. The provisions with respect to the Board of Directors in the Proposed SECURA Insurance MHC Articles and the Proposed SECURA Insurance MHC Bylaws are substantially similar to the provisions in the Current SECURA Articles and the Current SECURA Bylaws, except that the Proposed SECURA Insurance MHC Bylaws provide that the Board of Directors must include no fewer than the minimum number of directors required under Wisconsin law, with the exact number to be designated annually.

Officers

The Proposed SECURA Insurance MHC Bylaws authorize the election by SECURA Insurance MHC's Board of Directors of corporate officers, including President, one or more Vice Presidents, Secretary and Treasurer. The provisions with respect to officers in the Proposed SECURA Insurance MHC Bylaws are substantially similar to those in the Current SECURA Bylaws.

Member Meetings

The Proposed SECURA Insurance MHC Articles and the Proposed SECURA Insurance MHC Bylaws provide for annual and special meetings of the Members of SECURA Insurance MHC. The Current SECURA Bylaws also provide for annual and special meetings of the Members of SECURA. The provisions of the Proposed SECURA Insurance MHC Bylaws for the calling of special meetings of Members of SECURA Insurance MHC are substantially similar to those provisions in the Current SECURA Bylaws.

Dividends

The Proposed SECURA Insurance MHC Articles do not provide authority for SECURA Insurance MHC to pay dividends to Members of SECURA Insurance MHC. The Current SECURA Articles likewise do not provide authority for SECURA to pay dividends to Members of SECURA. Nevertheless, the Current SECURA Articles permit SECURA to pay dividends to holders of an insurance Policy in accordance with the Wisconsin Insurance Code Wis. Stat. § 631.51.

Amendment of Articles of Incorporation and Bylaws

The Current SECURA Articles can be amended by the vote of at least two-thirds of the votes entitled to be cast by Members present in person or represented by proxy at a meeting of the Members. The Proposed SECURA Insurance MHC Articles can be amended by the vote of the lesser of (i) two-thirds 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.

The Current SECURA Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members of SECURA. The Proposed SECURA Insurance MHC Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members voting at the meeting.

Comparison of Articles of Incorporation and Bylaws of Converted SECURA with Current Articles of Incorporation and Bylaws of SECURA

Converted SECURA will be organized as a stock insurance corporation under Chapter 611 of the Wisconsin Insurance Code. The proposed Third Amended and Restated Articles of Incorporation of Converted SECURA (the “Proposed Converted SECURA Articles”) and proposed Third Amended and Restated Bylaws of Converted SECURA (the “Proposed Converted SECURA Bylaws”) are attached to this Policyholder Information Statement as **Exhibits C and D**, respectively. You are encouraged to read the Proposed Converted SECURA Articles and Proposed Converted SECURA Bylaws in their entirety.

Certain provisions of the Proposed Converted SECURA Articles and Proposed Converted SECURA Bylaws are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Statutes and the entirety of the Proposed Converted SECURA Articles and the Proposed Converted SECURA Bylaws.

Purpose

Converted SECURA is being converted into a stock insurance corporation to continue the existence of SECURA after the consummation of the MHC Conversion, and, like SECURA, will have the purpose of insuring its Policyholders against all hazards authorized or permitted for a property and casualty insurance company by Wisconsin law. After the Effective Date, Converted SECURA will be a direct, wholly-owned subsidiary of SECURA Holdings, which in turn will be a direct, wholly-owned subsidiary of SECURA Insurance MHC. As such, SECURA Insurance MHC Members will indirectly control Converted SECURA through the right to elect the directors of SECURA Insurance MHC, which in turn has the right to elect the directors of SECURA Holdings, which in turn has the right to elect the directors of Converted SECURA. Converted SECURA will continue the insurance business currently conducted by SECURA. Pursuant to the Plan, SECURA Supreme, currently an indirect, wholly-owned subsidiary of SECURA and wholly-owned subsidiary of SECURA Insurance Holdings, Inc., will continue as an indirect, wholly-owned subsidiary of SECURA Holdings and wholly-owned subsidiary of Converted SECURA following the Effective Date.

Membership; Ability to Issue Stock

Because SECURA is a mutual insurance company, it is not authorized by Wisconsin law to issue any stock or other equity securities. Its Members are the Policyholders of SECURA. Each SECURA Member is entitled to one vote regardless of the number of SECURA Policies she or he owns. By contrast, Converted SECURA will be authorized by the Proposed Converted SECURA Articles to issue common stock, and will not have any members. Each share of common stock will confer one vote per share for purposes of each matter voted on at a meeting of Converted SECURA shareholders. SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of the voting stock of Converted SECURA.

Election of the Board of Directors and Voting Generally

Under the Proposed Converted SECURA Bylaws, each share of common stock of Converted SECURA will confer one vote for the election of directors and all other matters subject to a vote of Converted SECURA shareholders. Accordingly, the number of shares of common stock held by a shareholder of Converted SECURA will determine the relative voting power of that shareholder. By contrast, under the Current SECURA Bylaws, each Policyholder is entitled to one vote for the election of directors and all other matters subject to a vote of SECURA Members, regardless of the number of Policies such Policyholder owns.

Quorum at Meetings of Members/Shareholders

The Current SECURA Bylaws provide that a quorum at all meetings of Members consists of at least ten Members present and voting in person or by proxy. Under the Proposed Converted SECURA Bylaws, holders of a majority of votes entitled to be cast on a matter by a voting class shall constitute a quorum with respect to that class and that matter. Note that the Proposed Converted SECURA Articles provide for only one voting class of stock, the common stock, so holders of a majority of the shares of common stock present in person or by proxy will constitute a quorum.

Amendment of Articles of Incorporation and Bylaws

The Current SECURA Articles can be amended by the vote of at least two-thirds of the Members present and voting in person or by proxy at a meeting of the Members. The Proposed Converted SECURA Articles can be amended in certain respects (as permitted by Chapter 611 of the Wisconsin Insurance Code) by a majority of the Converted SECURA Board of Directors without shareholder approval, and in all respects by majority vote of the shareholders of Converted SECURA.

The Current SECURA Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members of SECURA. The Proposed Converted SECURA Bylaws can be amended by (i) by the vote of a majority of the directors present at a meeting at which a quorum is present, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the shareholders entitled to vote present at any meeting of the shareholders at which a quorum is present.

Summary of Articles of Incorporation and Bylaws of SECURA Holdings

SECURA Holdings will be organized as a stock corporation under Chapter 180 of the Wisconsin Statutes. The Articles of Incorporation of SECURA Holdings (the “SECURA Holdings”

Articles”) and the Bylaws of SECURA Holdings (the “SECURA Holdings Bylaws”) are attached to this Policyholder Information Statement as **Exhibits G** and **H**, respectively, and are incorporated herein by reference. You are encouraged to read the SECURA Holdings Articles and SECURA Holdings Bylaws in their entirety.

Certain provisions of the SECURA Holdings Articles and the SECURA Holdings Bylaws are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Statutes and the entirety of the SECURA Holdings Articles and the SECURA Holdings Bylaws.

Purpose

SECURA Holdings, which will be formed as a Wisconsin business corporation in order to hold the voting stock of Converted SECURA, will after the Effective Date be a direct, wholly-owned subsidiary of SECURA Insurance MHC. As such, SECURA Insurance MHC Members will indirectly control SECURA Holdings through the right to elect the Board of Directors of SECURA Insurance MHC, which in turn has the right to elect the Board of Directors of SECURA Holdings. SECURA Holdings will not be engaged in the insurance business, but it will directly own Converted SECURA and indirectly own SECURA Supreme (which will be directly owned by Converted SECURA), and will directly and indirectly own certain other subsidiaries of SECURA Insurance MHC, including insurance and noninsurance subsidiaries.

Ability to Issue Stock

SECURA Holdings is authorized by the SECURA Holdings Articles to issue one class of common stock. Each share of common stock will confer one vote per share on matters subject to a vote of SECURA Holdings shareholders. SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of the voting stock of SECURA Holdings.

Election of the Board of Directors and Voting Generally

Under the SECURA Holdings Bylaws, each share of common stock of SECURA Holdings will confer one vote for the election of directors and all other matters subject to a vote of SECURA Holdings shareholders. Accordingly, the number of shares of common stock held by a shareholder of SECURA Holdings will determine the relative voting power of that shareholder.

Quorum at Meetings of Shareholders

Under the SECURA Holdings Bylaws, a majority of the votes of a class of stock entitled to be cast on a matter shall constitute a quorum of the voting group for action on that matter. Therefore, a majority of the votes of common stock holders entitled to be cast on a matter will constitute a quorum.

Amendment of Articles of Incorporation and Bylaws

The SECURA Holdings Articles can be amended in certain respects (as permitted by Chapter 180 of the Wisconsin Statutes) by the SECURA Holdings Board of Directors, and in all respects by majority vote of the shareholders of SECURA Holdings.

The SECURA Holdings Bylaws can be amended (i) by the shareholders if the votes cast favoring the amendment exceed the votes cast opposing the amendment, or entitled to vote present

at any meeting of the shareholders at which a quorum is present or (ii) by a vote of a majority of the directors present at any meeting of the Board of Directors at which a quorum is present, unless the Bylaw specifically states that it may not be amended by the Board.

Federal Tax Consequences

This Policyholder Information Statement does not purport to describe all tax consequences that may be relevant to a Member or to SECURA. For example, it does not discuss federal estate tax or excise tax considerations, or state, local and foreign tax considerations. Additionally, the Internal Revenue Code of 1986, as amended, regulations promulgated by the U.S. Treasury Department, and judicial and administrative rulings and decisions are all subject to change, possibly with retroactive effect. *Accordingly, each Member is urged to consult his or her own tax advisor regarding the specific tax consequences of the MHC Conversion that may be applicable.*

The consummation of the MHC Conversion is subject to the condition that SECURA obtain an opinion of a qualified law firm or other independent tax counsel to SECURA substantially to the effect that neither SECURA, SECURA Holdings, SECURA Insurance MHC nor SECURA's Policyholders will recognize gain or loss for U.S. federal income tax purposes in connection with the MHC Conversion. It is anticipated that such legal opinion will reflect the following:

- On the Effective Date, Voting Rights/Rights in Surplus in SECURA currently held by SECURA Members will be extinguished and such former SECURA Members will automatically receive Voting Rights/Rights in Surplus in SECURA Insurance MHC. Such Policyholders' contract rights and obligations under their Policies will remain with Converted SECURA. The terms and provisions of SECURA Policies in force at the Effective Date will not be changed.
- The extinguishment of Members' Voting Rights/Rights in Surplus in SECURA in exchange for a grant of Voting Rights/Rights in Surplus in SECURA Insurance MHC pursuant to the Plan is anticipated to qualify as a non-recognition transfer under the Code, meaning that Members will not recognize any gain or loss for U.S. federal income tax purposes. The tax basis of the Voting Rights/Rights in Surplus in SECURA Insurance MHC received by Members whose SECURA Voting Rights/Rights in Surplus are extinguished will be zero.

Federal Securities Law Consequences

The consummation of the MHC Conversion is subject to the condition that SECURA obtain either a "no action" letter from the Securities and Exchange Commission relating to matters pertaining to the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, or an opinion of a qualified law firm or other independent legal counsel to SECURA in form and substance satisfactory to the Board with respect to federal and state securities law matters.

Special Considerations and Risk Factors

In addition to the benefits of the mutual holding company structure and the pros and cons of the alternatives discussed above, you should consider the following risks and special considerations in connection with the proposed MHC Conversion:

- *No Distribution of Cash or Stock.* No cash consideration or stock will be distributed to the SECURA Members in the MHC Conversion, as would occur if SECURA were to demutualize. In the case of a conversion to a mutual holding company structure, Members of the mutual insurance company receive non-transferable Voting Rights and Rights in Surplus in the mutual holding company. In a demutualization, members receive cash or stock consideration upon the extinguishment of their Voting Rights and Rights in Surplus.
- *Potential for Increased Debt.* After the MHC Conversion, Converted SECURA and SECURA Holdings could issue debt in amounts greater than SECURA would be permitted to issue if SECURA were to remain a mutual insurance company, so it might be possible for the SECURA Mutual group of companies to become financially leveraged to a greater extent than is now possible for SECURA.
- *Benefits May Not Be Achieved.* It is possible that any or all of the anticipated benefits of the mutual holding company structure may never be achieved.
- *Risks Associated with Growth.* There can be no assurance that SECURA will grow more efficiently and cost-effectively as part of a mutual holding company structure than it would if it remained a mutual insurance company. Moreover, faster growth can mean greater risks - for example, if liabilities are assumed in the acquisition of other companies or books of business.
- *Risks Associated with Investments in/Operation of Non-Insurance Subsidiaries.* SECURA's Board, officers, and other management employees have a track record of profitable operation of a variety of insurance and related companies. SECURA's management has more limited experience in the operation of non-insurance businesses. Further, such non-insurance businesses are not likely to be subject to the same degree of government regulation and scrutiny by independent risk analysts and rating agencies as are insurance companies, and therefore may be subject to greater risk of operating at a loss. Profitable investment in and/or operation of such non-insurance businesses will be somewhat dependent upon the recruitment and retention of executives and managers who have relevant experience and knowledge.
- *Acquisitions May Not Be Forthcoming.* SECURA Insurance MHC may not take advantage of the expanded opportunity to make acquisitions, or acquisition opportunities may be limited.
- *Restrictions on Movement of Funds.* The ability of SECURA Insurance MHC to engage in certain transactions may depend in part upon its ability to receive sufficient funds from Converted SECURA and/or SECURA Holdings in the form of shareholder dividends or asset transfers, and there are regulatory limitations on such dividends and asset transfers.
- *Risks of Litigation.* Some mutual insurance companies that have reorganized or proposed to reorganize to a mutual holding company structure have been sued by Persons alleging, among other things, that the mutual holding company structure, although expressly authorized by statute, is unfair to Policyholders. The Board has concluded that the MHC Conversion is fair and equitable to SECURA Policyholders and that implementing the MHC Conversion is in the best interests of SECURA and its Policyholders. In addition, the MHC Conversion cannot proceed without the Wisconsin Commissioner's determination

that the MHC Conversion is fair and equitable to, and not contrary to the interests of, SECURA's Policyholders or the public. However, there can be no assurance that litigation, if brought, would not entail significant cost, divert the efforts and resources of Company management, and/or delay or impede consummation of the MHC Conversion.

- *Dilution of Share Value.* Although SECURA has no plans to sell any stock to third parties, if shares of stock of Converted SECURA and/or SECURA Holdings were ever approved for sale by the Wisconsin Commissioner and the SECURA Insurance MHC Members in the future and were sold at a per share price less than the per share book value of such shares of stock, then the per share book value of shares owned by SECURA Insurance MHC would be reduced, and the book value of SECURA Insurance MHC Members' indirect aggregate ownership percentage in Converted SECURA or SECURA Holdings, as the case may be, would be diluted.
- *Dilution of Voting Rights.* It is currently anticipated that the MHC Conversion will, over time, result in the dilution of the ultimate voting control held by SECURA's Members as a result of the admission of Policyholders of SECURA Supreme as Members of SECURA Insurance MHC. However, it is difficult to estimate the amount of the dilution Policyholders of SECURA will experience. In the future, dilution could occur more quickly than it would have solely as a result of sales of new Policies by SECURA or SECURA Supreme and renewals of existing Policies by SECURA Supreme, if the SECURA Insurance MHC Board of Directors takes action to admit Policyholders of any future stock insurance company subsidiaries as Members of SECURA Insurance MHC, if the Board of Directors and Members of SECURA Insurance MHC approve a merger with another MHC, or if the Board of Directors of SECURA Insurance MHC proposes, and the Wisconsin Commissioner and the Members approve, a sale of voting stock of SECURA Holdings or Converted SECURA.
- *Potential Conflicts among SECURA Insurance MHC Members.* SECURA Insurance MHC Members who are admitted as Members as a result of their status as Policyholders of SECURA Supreme may have certain conflicts with the interests of SECURA Insurance MHC Members who are admitted as Members as a result of their status as SECURA Policyholders, in light of the different equitable shares in the proceeds of a demutualization or dissolution of SECURA Insurance MHC to which each such Member would be entitled and their status as Policyholders of different companies. For example, Members who are not (and who have not, within the past five years, been) SECURA Policyholders may be less likely to vote in favor of any future proposed demutualization in which they would have no entitlement to an equitable share of any distributions of cash or stock. Additionally, such Members may exercise their Voting Rights to elect individuals to the Board of Directors of SECURA Insurance MHC who they deem likely to manage the overall enterprise in a manner favorable to the interests of Members who are not Policyholders of Converted SECURA. Over time, as more Policies are renewed and/or sold by SECURA Supreme, and/or if the Board of Directors of SECURA Insurance MHC admits the Policyholders of any additional stock insurance company subsidiaries as Members of SECURA Insurance MHC, Policyholders of Converted SECURA could come to represent a minority of the voting power of SECURA Insurance MHC.
- *Transfer of Assets Out of Converted SECURA.* The mutual holding company structure creates an opportunity for the future distribution of assets out of Converted SECURA to

one or more affiliates which are not directly or indirectly owned by Converted SECURA. Any such distribution which involves assets with a value such that it qualifies as an “extraordinary” dividend or distribution meeting certain thresholds set forth in the Wisconsin Insurance Code would be subject to the prior approval of the Wisconsin Commissioner. Any future distribution of cash or other assets of Converted SECURA to SECURA Insurance MHC or SECURA Holdings could result in a reduction of Converted SECURA’s assets and earnings (although Converted SECURA will be required to maintain sufficient assets to meet all obligations to Policyholders following the MHC Conversion).

- *Certain Assets May Not Be Available to Satisfy Policyholder Claims.* Assets held by SECURA Insurance MHC and/or SECURA Holdings, whether as a result of distributions of such assets from Converted SECURA to SECURA Insurance MHC or SECURA Holdings (which distributions would be subject to regulatory limitations on the payment of dividends or other distributions to shareholders of a Wisconsin stock insurance company) or the accumulation of such assets through the profitable operations of other subsidiaries of SECURA Insurance MHC, may not be available to pay claims of Converted SECURA Policyholders. This could, in turn, under certain extreme circumstances, contribute to pressure for Converted SECURA to increase premiums in order to pay claims, or an inability of Converted SECURA to pay claims as they come due.
- *Potential Conflicts between Interests of Members and Possible Future Shareholders.* The current duties and obligations of the Board are to act in the best interests of SECURA and its Members, who are the Policyholders of SECURA. After the MHC Conversion, the duties and obligations of the Board of Directors of SECURA Insurance MHC will be to act in the best interests of SECURA Insurance MHC and its Members. There may be conflicts among the interests of the Members of SECURA Insurance MHC in connection with certain types of transactions. Furthermore, if Converted SECURA or SECURA Holdings were to undertake an initial public offering or other issuance of stock, the obligations and duties of the Board of Directors of the issuer of such stock would extend to outside investors in addition to the majority shareholder of such issuer (*i.e.*, SECURA Holdings, in the case of Converted SECURA, and SECURA Insurance MHC, in the case of SECURA Holdings). Accordingly, there would be the potential for the development of conflicting interests between the Members of SECURA Insurance MHC and the minority shareholders of Converted SECURA or SECURA Holdings (collectively, the “Shareholders”). One potential conflict would be between the interests of the Members of SECURA Insurance MHC in receiving insurance with the greatest possible value and the interests of Shareholders in receiving the highest return on their investment. Additionally, there may be conflicts over how the growth of, and profit from, the business should be apportioned between growing the enterprise and distributions to the Shareholders. These conflicts could be exacerbated if incentive stock or options were awarded to the officers or directors of such companies.
- *Market Conditions.* Any future decision to issue capital stock or debt securities would depend upon, among other factors, the then-current needs of the enterprise for additional capital, then-prevailing market conditions, the financial performance and business prospects of the enterprise, and the interests of the Members of SECURA Insurance MHC. There can be no assurance as to if, when, or on what terms any such capital raising efforts would take place.

- *No Fairness Opinion from an Investment Banker.* In connection with its approval of the Plan, the Board did not seek a fairness opinion of an investment banker. No opinion was deemed necessary in this case because, among other reasons, (i) no sale of stock to outside investors is being undertaken or is presently contemplated, (ii) any initial stock offering would require the approval of the Wisconsin Commissioner and the SECURA Insurance MHC Members, and (iii) the Plan is generally similar to plans for forming mutual holding companies which have been approved and adopted in Wisconsin and other states.
- *Provision of Legal Advice by Related Party.* Anne E. Ross, one of our directors, is a partner in the law firm of Foley & Lardner LLP, which has assisted SECURA and other outside legal advisors to SECURA in the preparation of documents related to the proposed MHC Conversion, and has represented SECURA in various other aspects of the proposed MHC Conversion.
- *Uncertain Regulatory Environment.* Certain activities that are regulated by the Wisconsin Commissioner under the present structure may not be regulated, or may be regulated differently, under the mutual holding company structure. Uncertainty in this area is heightened by the fact that there have been only five Wisconsin mutual insurance companies that have completed a mutual holding company conversion in Wisconsin, one of which is no longer domiciled in Wisconsin.
- *Absence of Implementing Regulations.* The Wisconsin Insurance Code provides that the Wisconsin Commissioner may issue regulations to implement the mutual holding company laws set forth in Chapter 644 of the Wisconsin Insurance Code and establish applicable procedures thereunder. Although no regulations or procedures have been promulgated to date, the Wisconsin Commissioner may at some future point propose and/or promulgate regulations or procedures that may adversely affect SECURA Insurance MHC and/or its Members. Converted SECURA Policyholders will receive Voting Rights/Rights in Surplus in SECURA Insurance MHC that may be subject to different insurance regulatory oversight from that of an insurance company. There can be no assurances that any regulations adopted by the Wisconsin Commissioner will not affect the future operations of SECURA Insurance MHC.
- *Differences in Insolvency Laws.* A Wisconsin mutual insurer, such as SECURA, is subject to the jurisdiction of the Wisconsin Commissioner in the event of the insolvency of the Company. While it is not clear, a Wisconsin mutual holding company may be under the jurisdiction of the federal bankruptcy laws. There can be no assurance that federal bankruptcy laws will not reduce the priority (if any) of the claims of Policyholders of SECURA, or preempt Wisconsin law and/or make it difficult for the Wisconsin Commissioner to recover assets of the mutual holding company for the benefit of the Policyholders of Converted SECURA.

The Board has concluded that these special considerations and possible disadvantages/risks are outweighed by the potential benefits of the MHC Conversion for the reasons discussed above.

SPECIAL MEETING OF MEMBERS

Date, Time and Place

This Policyholder Information Statement is being furnished to Eligible Members of SECURA in connection with the solicitation of proxies by the Board for use at the Special Meeting to be held on [____], 2020 at [____], Central Time, at the Company's headquarters at 1500 Mutual Way, Neenah, Wisconsin. See the **NOTICE OF SPECIAL MEETING OF MEMBERS** included with this Policyholder Information Statement for more details.

Matters to be Considered

At the Special Meeting, Eligible Members will be asked to consider and vote upon the proposal to approve the Plan and the transactions contemplated thereby, including the amendment and restatement of the Second Amended and Restated Articles of Incorporation of the Company in the form of the Third Amended and Restated Articles of Incorporation of Converted SECURA.

Eligibility to Vote; Voting; Proxies

If you are an Eligible Member, you will be entitled to one vote regarding the Plan. Each Eligible Member will be entitled to vote either by ballot cast in person at the Special Meeting, or by proxy. Without regard to whether you are receiving these materials, if you are not an Eligible Member, you will not be entitled to vote at the Special Meeting, by ballot cast in person or by proxy. The Plan will be deemed approved if it is approved by the vote of two-thirds of the Members present and voting in person or by proxy at the Special Meeting.

Proxies must be received before [____] on [____], 2020 in order to be counted. The Special Meeting requires a quorum of at least ten Eligible Members present in person or represented by proxy. Any proxy given pursuant to this solicitation may be revoked by the Eligible Member at any time prior to the voting thereof on the matter to be considered at the Special Meeting by filing with the Secretary of SECURA a written revocation. Attending the Special Meeting and voting in person will constitute a revocation of an Eligible Member's prior proxy.

CONDITIONS TO CLOSING OF MHC CONVERSION

The consummation of the MHC Conversion is subject to the prior satisfaction of several conditions, as described below.

Approval of Wisconsin Commissioner and Receipt of Other Regulatory Approvals

As required by the Plan and the Wisconsin Insurance Code, the Plan must be approved by the Wisconsin Commissioner. Any other required regulatory approvals must also be received.

Approval of Eligible Members of SECURA

As required by the Plan, the Wisconsin Insurance Code, and applicable provisions of the Current SECURA Articles and Current SECURA Bylaws, the Plan and the transactions contemplated thereby must be approved by the vote of at least two-thirds of the Members present and voting in person or by proxy at the Special Meeting

Receipt of Tax Opinion

SECURA must receive an opinion of a qualified law firm or other independent tax counsel to SECURA substantially to the effect that:

- None of the Policyholders of SECURA will recognize taxable gain or loss in connection with the MHC Conversion; and
- Neither SECURA Insurance MHC, SECURA Holdings nor SECURA will recognize taxable gain or loss in connection with the MHC Conversion.

U.S. Federal Securities Matters

SECURA must receive either a “no action” letter from the Securities and Exchange Commission relating to matters pertaining to the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, or an opinion of a qualified law firm or other independent legal counsel to SECURA in form and substance satisfactory to the Board with respect to federal and state securities law matters.

Issuance of New Certificates

The Wisconsin Commissioner must issue a new certificate of authority to Converted SECURA and a certificate of incorporation to SECURA Insurance MHC.

Amendment or Withdrawal of the Plan

At any time prior to the Effective Date, the Board may amend the Plan or any related documents. If an amendment to the Plan is made after the approval of the Plan at the Special Meeting, and if the Wisconsin Commissioner determines that such amendment is materially disadvantageous to any of SECURA’s Policyholders, the amended Plan must be submitted for reconsideration by the Policyholders. If the amendment is made after the Public Hearing, and the Wisconsin Commissioner determines that the amendment is materially disadvantageous to any Policyholder of SECURA, the Wisconsin Commissioner may require a further Public Hearing on the Plan. The Board also may withdraw the Plan at any time prior to the Effective Date, notwithstanding prior approval thereof by SECURA’s Policyholders or the Wisconsin Commissioner, or both.

REGULATION

SECURA is licensed to transact the business of insurance in, and is therefore subject to regulation and supervision by the insurance regulatory agencies of, Wisconsin and all other insurance regulators in various states in which it is licensed to do business. The degree of regulation and supervision varies by jurisdiction, but Wisconsin and the other jurisdictions with regulatory authority over SECURA have similar laws and regulations governing the financial health of insurers, including standards for solvency, required reserves, reinsurance, capital adequacy, and the business conduct and sales operations of insurers.

After consummation of the MHC Conversion, Converted SECURA will continue to be subject to the same degree of insurance regulation and supervision in each of the states where SECURA is currently licensed to transact the business of insurance, except that Converted

SECURA will be regulated as a stock insurance company whereas SECURA is currently regulated as a mutual insurance company. Additionally, certain provisions of Chapter 644 of the Wisconsin Insurance Code will apply to Converted SECURA that do not currently apply to SECURA.

As a Wisconsin mutual holding company, SECURA Insurance MHC will be subject to regulation by the Wisconsin Commissioner. Generally, the Wisconsin Commissioner will have power over SECURA Insurance MHC to ensure that the interests of the Policyholders of Converted SECURA and any other insurance company subsidiaries of SECURA Insurance MHC are protected. The Wisconsin Insurance Code regulates mutual holding companies in a number of ways, including the following:

- Requiring SECURA Insurance MHC to at all times maintain direct or indirect ownership and control of at least 51% of the outstanding shares of Converted SECURA's voting stock;
- Allowing SECURA Insurance MHC to make substantive amendments to its Articles of Incorporation only with approval by not less than a majority of votes cast by SECURA Insurance MHC's Members;
- Requiring SECURA Insurance MHC to file with the Wisconsin Commissioner, within 60 days after adoption, a copy of its Bylaws and any subsequent amendments to its Bylaws;
- Prohibiting SECURA Insurance MHC from engaging in the business of insurance (other than through insurance company subsidiaries, including Converted SECURA);
- Prohibiting SECURA Insurance MHC from entering into any contract or agreement that has the effect of delegating to any Person, to the substantial exclusion of SECURA Insurance MHC's Board of Directors, the authority to exercise management and control of SECURA Insurance MHC or any of its major corporate functions;
- Prohibiting SECURA Insurance MHC from dissolving, liquidating or otherwise winding up without the prior approval of the Wisconsin Commissioner or a court having jurisdiction over such matters;
- Prohibiting the demutualization of SECURA Insurance MHC except with approval by not less than a majority of votes cast by SECURA Insurance MHC's Members and prior written approval from the Wisconsin Commissioner; and
- Prohibiting the merger of SECURA Insurance MHC with any other mutual holding company except with approval from the Wisconsin Commissioner.

SELECTED FINANCIAL INFORMATION

The selected financial information set out below for SECURA for each of the three years ended December 31, 2019, 2018, and 2017 is derived from audited annual statutory financial statements of SECURA and its consolidated subsidiaries. This selected financial information is presented on a statutory basis in conformity with statutory accounting practices ("SAP") described or permitted by the Wisconsin Commissioner, which is a comprehensive basis of accounting different from generally accepted accounting principles ("GAAP"). This financial information should be read in conjunction with the audited statutory financial statements on file with the Wisconsin Commissioner of Insurance.

Because the financial statements of SECURA Insurance MHC after consummation of the MHC Conversion, prepared on either a GAAP or SAP basis, will not differ materially from the financial statements of Converted SECURA on a GAAP or SAP basis, respectively, no pro forma financial information for SECURA Insurance MHC is presented in this Policyholder Information Statement.

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SECURA Insurance, A Mutual Company
Consolidated Statutory Financial Highlights

	Year Ended December 31,		
	2019	2018	2017
(000's omitted)			
Premiums earned	640,964,221	597,828,157	553,421,901
Losses & loss adjustment expenses incurred	417,214,152	352,700,913	340,622,171
Other underwriting expenses	218,127,836	198,645,048	177,682,736
Net underwriting income	5,622,233	46,482,196	35,116,994
Net investment income	33,577,147	32,245,141	27,828,090
Net realized capital gains	3,982,828	1,404,783	4,896,625
Other income	(887,033)	63,826	303,731
Dividends to policyholders	12,410,327	13,022,291	12,634,981
Income before taxes	29,884,848	67,173,655	55,510,459
Income tax expense	(234,702)	11,298,507	14,544,709
Net income	30,119,550	55,875,148	40,965,750
Total admitted assets	1,415,977,206	1,330,074,817	1,233,243,888
Total liabilities	920,202,752	868,586,208	801,507,911
Total policyholders' surplus	495,774,454	461,488,609	431,735,977

CERTAIN DEFINITIONS

The following are definitions of certain terms used in this Policyholder Information Statement. These definitions are qualified in their entirety by the definitions of such terms in the Plan, a copy of which is attached hereto as **Exhibit A**. These definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Current SECURA Articles” means the Second Amended and Restated Articles of Incorporation of SECURA in effect prior to the Effective Date.

“Current SECURA Bylaws” means the Second Amended and Restated Bylaws of SECURA in effect prior to the Effective Date.

“Effective Date” means the date upon which the MHC Conversion becomes effective, which will be the date upon which the Wisconsin Commissioner issues the certificate of authority to Converted SECURA and a certificate of incorporation to SECURA Insurance MHC.

“Eligible Member” means any Policyholder with one or more SECURA Policies in force on both the Resolution Date and the Record Date, as shown on SECURA’s records.

“Member” means a Policyholder who, by the records of SECURA and by the articles of incorporation and bylaws of SECURA and SECURA Insurance MHC, as applicable, is a member of SECURA or SECURA Insurance MHC, as applicable. “Member” also includes Policyholders of SECURA Supreme who renew or purchase Policies from SECURA Supreme on and after the Effective Date.

“Person” means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, limited liability partnership, trust, government, government agency, state or political subdivision of a state, public or private corporation, board of directors, association, estate, trustee, or fiduciary, or any similar entity.

“Policy” means an insurance policy or contract (other than a reinsurance contract), including any fidelity bond or any surety bond, or any binder or a renewal certificate issued by an insurer and not cancelled or otherwise terminated.

“Policyholder” means, with respect to an insurer, the Person identified in the declarations of the Policy and/or the records of such insurer as the holder of a Policy.

“Public Hearing” means the public hearing conducted by the Wisconsin Commissioner or a hearing examiner designated by the Wisconsin Commissioner and regarding the Plan, pursuant to the provisions of Section 644.07(6) of the Wisconsin Insurance Code.

“Record Date” means [_____], 2020, the date established by the Board to determine Eligible Members entitled to vote at the Special Meeting of Members.

“Resolution Date” means [_____], 2020, the date the Board passed the resolution to the effect that the final form of the Plan and the transactions contemplated thereby are fair and equitable to SECURA Policyholders and expected to benefit SECURA Policyholders, and are approved by the Board.

“Rights in Surplus” means any rights of a Member of SECURA arising under the Current SECURA Articles or Chapter 611 of the Wisconsin Insurance Code to a return of the surplus in respect of Policies of SECURA that may exist with regard to the surplus not apportioned or declared by the Board as divisible surplus, including rights of Members to a distribution of such surplus in dissolution or conversion proceedings under Chapter 611 of the Wisconsin Insurance Code. On and after the Effective Date, “Rights in Surplus” means any rights of a Member of SECURA Insurance MHC arising under its articles of incorporation or Chapter 644 of the Wisconsin Insurance Code to the net worth of SECURA Insurance MHC, including rights of Members of SECURA Insurance MHC to a distribution of any portion of the net worth of SECURA Insurance MHC in dissolution or conversion proceedings under Chapter 644 of the Wisconsin Insurance Code. “Rights in Surplus” shall not include any right to divisible surplus expressly conferred solely by the terms of an insurance policy.

“Voting Rights” means the voting rights of a Member of SECURA arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of SECURA, including the right to vote for the Board and the right to vote on any plan of conversion, voluntary dissolution or amendment of the articles of incorporation. On and after the Effective Date, “Voting Rights” means the voting rights of a Member of SECURA Insurance MHC arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of SECURA Insurance MHC, including the right to vote for the Board of Directors of SECURA Insurance MHC and the right to vote on any plan of conversion, voluntary dissolution or amendment of the articles of incorporation. “Voting Rights” does not include Rights in Surplus, if any. Note that the term “Voting Rights” as used herein is equivalent to the defined term “Membership Interests” as defined in Chapter 644 of the Wisconsin Insurance Code.

“Wisconsin Insurance Code” means the insurance laws of the State of Wisconsin, codified in Chapters 600 to 655 of the Wisconsin Statutes, and all applicable regulations.

Exhibit A

MUTUAL HOLDING COMPANY PLAN
of
SECURA INSURANCE, A MUTUAL COMPANY
Under Chapter 644 of the
Wisconsin Insurance Code
Dated [_____], 2020

Exhibit B
SECURA INSURANCE, A MUTUAL COMPANY
ADOPTING RESOLUTIONS

Exhibit C
THIRD AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CONVERTED SECURA
(a Wisconsin Stock Insurance Corporation)

Exhibit D
THIRD AMENDED AND RESTATED
BYLAWS
OF
CONVERTED SECURA
(a Wisconsin Stock Insurance Corporation)

Exhibit E
ARTICLES OF INCORPORATION
OF
SECURA INSURANCE MUTUAL HOLDING COMPANY
(a Wisconsin Mutual Insurance Holding Company)

Exhibit F
BYLAWS
OF
SECURA INSURANCE MUTUAL HOLDING COMPANY
(a Wisconsin Mutual Insurance Holding Company)

Exhibit G
ARTICLES OF INCORPORATION
OF
SECURA HOLDINGS, INC.
(a Wisconsin Business Corporation)

**Exhibit H
BYLAWS
OF
SECURA HOLDINGS, INC.
(a Wisconsin Business Corporation)**

Exhibit I
**DIRECTORS AND OFFICERS OF SECURA INSURANCE MUTUAL HOLDING
COMPANY, SECURA HOLDINGS, INC. AND CONVERTED SECURA**