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In the Matter of the Mutual Holding Company Plan  
of SECURA INSURANCE, A Mutual Company,

PROPOSED DECISION

Petitioner.

Case No. 20-C43665  
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Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the

Commissioner of Insurance: Richard B. Wicka, Chief Legal Counsel  
Kristin L. Forsberg, Insurance Financial Examiner – Chief  
Steven J. Junior, Insurance Program Manager  
125 South Webster Street  
Madison, Wisconsin 53703

For the Petitioner:

Present in person  
Anne E. Ross  
Morgan J. Tilleman  
Foley & Lardner, LLP  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202-5306

David D. Gross, President and Chief Executive Officer  
Jeffrey R. Kargus, Vice President, Chief Financial Officer  
And Treasurer  
Daniel P. Ferris, Vice President, General Counsel  
and Corporate Secretary  
SECURA INSURANCE, A Mutual Company  
1500 Mutual Way  
Neenah, Wisconsin 54956

PRELIMINARY

Pursuant to a Notice of Hearing dated July 24, 2020, a hearing was held by teleconference on or about 10:00 a.m. on September 3, 2020, to determine whether the Petitioner's application for approval of its Mutual Holding Company Plan (the "MHC Plan") should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Petitioner, SECURA INSURANCE, A Mutual Company, 1500 Mutual Way, Neenah, Wisconsin 54956, is a mutual insurance corporation organized and domiciled in Wisconsin.

(2) The Petitioner prepared and made representations in support of the MHC Plan orally and in writing.

(3) The Petitioner filed the MHC Plan with the Office of the Commissioner of Insurance (the "Commissioner"). The MHC Plan includes, among other things, the formation of a Wisconsin-domiciled mutual holding company to be known as SECURA Insurance Mutual Holding Company and a Wisconsin-domiciled business corporation to be known as SECURA Holdings, Inc. After the MHC Plan is effectuated, SECURA INSURANCE, A Mutual Company

will convert to a stock insurance corporation and be renamed SECURA Insurance Company and SECURA Holdings, Inc. will own 100% of the shares of the converted insurance company, SECURA Insurance Company. SECURA Insurance Mutual Holding Company will own 100% of the shares of SECURA Holdings, Inc.

(4) The Petitioner was served with a Notice of Hearing dated July 24, 2020.

(5) The Petitioner fulfilled the filing requirements of s. 644.07, Wis. Stat.

(6) The MHC Plan will not violate the law or be contrary to the interest of the insureds of SECURA INSURANCE, A Mutual Company or of the public.

(7) The MHC Plan will not be unfair or inequitable to the policyholders of SECURA INSURANCE, A Mutual Company with respect to their membership rights or rights in surplus.

(8) The MHC Plan would not be detrimental to the safety or soundness of the converting insurance company, SECURA INSURANCE, A Mutual Company, or to the contractual rights and reasonable expectations of its policyholders on the effective date of the restructuring.

(9) After implementation of the MHC Plan, SECURA Insurance Company will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(10) The effect of the MHC Plan will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(11) There are no plans or proposals to liquidate the Petitioner following its conversion to a domestic stock insurance corporation, to sell its assets (other than investment portfolio transactions in the ordinary course of business), to consolidate or merge it with any person, or to make any other material change in its business, corporate structure, or management other than as described in the Policyholder Information Booklet that was approved by the Commissioner and distributed to the policyholders of SECURA INSURANCE, A Mutual Company.

(12) The competence and integrity of the persons who will control the operation of the restructured domestic stock insurance corporation, SECURA Insurance Company, its immediate parent, SECURA Holdings, Inc., and its parent mutual holding company, SECURA Insurance Mutual Holding Company, are such that it will be in the interest of the policyholders and the public to permit the restructuring, including the formation of a mutual holding company.

#### PROPOSED CONCLUSION OF LAW

(13) The proposed findings of fact set forth above establish that the requirements of chs. 227, 644, and 617, Wis. Stat., have been satisfied and approval of the MHC Plan should be granted.

(14) With the addition of certain conditions, the MHC Plan does not violate the law, and is not unfair or inequitable to policyholders with respect to their membership interests, rights in surplus, or otherwise, nor is it contrary to the interests of policyholders or the public. The MHC Plan is neither detrimental to the safety and soundness of the insurer nor the contractual rights and reasonable expectations of the persons who are policyholders, nor to the public interest.

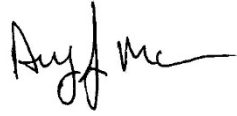
PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(15) The Petitioner's request for approval of the MHC Plan, including the formation of a mutual holding company, should be approved, subject to the following conditions subsequent:

- a. Petitioner consents to an order issued by the Commissioner under s. 601.41, Wis. Stat., which shall, at a minimum require that the MHC Plan be implemented in accordance with its terms and the Stipulation and Order in Case No. 20-C43666.
- b. SECURA Insurance Mutual Holding Company and SECURA Holdings, Inc. shall consent to the same Stipulation and Order to which the Petitioner consents pursuant to Section 15(a) of this Proposed Order.
- c. SECURA INSURANCE, A Mutual Company and its successors in interest shall ensure that voting procedures with respect to the MHC Plan are in accordance with the voting protocol filed with the Commissioner on May 8, 2020, or such other voting protocols as may be approved by the Commissioner. SECURA INSURANCE, A Mutual Company shall retain the services of a proxy agent to assist it in the receipt, custody, safeguarding, verification and tabulation of proxy forms.
- d. Until the MHC Plan is consummated, the Commissioner shall have the right to alter, suspend or withdraw its approval should any material interim development warrant such action.
- e. SECURA INSURANCE, A Mutual Company and its successors in interest shall comply with the MHC Plan as approved by the Commissioner herein.
- f. The MHC Plan may not be amended without the prior written consent of the Commissioner.
- g. Within 30 days following receipt by its Board of Directors, SECURA INSURANCE, A Mutual Company or its successors in interest shall file the tax opinion from Foley & Lardner LLP, substantially to the effect that (a) the members of SECURA INSURANCE, A Mutual Company will not recognize taxable gain or loss in connection with the mutual holding company restructuring, and (b) neither SECURA Insurance Mutual Holding Company, SECURA Holdings, Inc., nor SECURA INSURANCE, A Mutual Company will recognize taxable gain or loss in connection with the mutual holding company restructuring.
- h. Within 30 days following receipt by its Board of Directors, SECURA INSURANCE, A Mutual Company or its successors in interest shall file the securities law opinion from Foley & Lardner LLP in form and substance satisfactory to the Board of Directors with respect to federal and state securities law matters.

Dated at Madison, Wisconsin, this 11th day of September, 2020.

A handwritten signature in black ink, appearing to read "Amy J. Malm". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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Amy J. Malm  
Hearing Examiner