

**REPORT OF SPECIAL MEETING OF THE MEMBERS
FOR THE PURPOSE OF VOTING ON THE MERGER OF
RACINE COUNTY MUTUAL INSURANCE COMPANY
INTO
MT. MORRIS MUTUAL INSURANCE COMPANY**

October 18, 2023

Racine County Mutual Insurance Company (“RCMIC”) submits to the Office of the Commissioner of Insurance (the “OCI”) pursuant to Wis. Stat. § 612.22(6) this report of the Special Meeting of Members held on October 18, 2023, 2023, at 6:00 p.m. at Franksville Memorial Park Hall, 9614 Northwestern Avenue, Franksville, Wisconsin to discuss and to vote on the proposed merger (the “Merger”) of RCMIC with and into Mt. Morris Mutual Insurance Company (“MMIC”) (the “Special Meeting”).

On September 15, 2023, the members of RCMIC were mailed (i) the Notice of the Special Meeting in the form attached hereto as Exhibit A (the “Member Notice”), (ii) a summary of the Plan of Merger between RCMIC and MMIC (which was approved by the Board of Directors of RCMIC on August 24, 2023 and by the OCI on September 22, 2023), and (iii) a policyholder resolution ballot for members to vote on the resolution authorizing the merger by mail (the “Mail Ballot”), (collectively, the “Merger Materials”). The Member Notice instructed the members to review the Merger materials and return their Policyholder Resolution Ballot to the address provided in the Member Notice by 6:00 p.m. on October 18, 2023, or to appear at the Special Meeting and vote in person.

At the Special Meeting, and following the members of RCMIC review of the Merger Materials and the opportunity to ask questions of the respective designated representatives of RCMIC and MMIC relating to the Merger, the following resolution was adopted by the members of RCMIC:

RESOLVED, that after review of the Summary of the Plan of Merger and/or the Agreement and Plan of Merger of RCMIC with and into MMIC, and the ability to inquire of the Board of Directors regarding the same, the members of RCMIC hereby adopt and approve in all material respects the Merger pursuant to the Agreement and Plan of Merger and authorize its Board of Directors to take any remaining actions necessary to effectuate the Merger.

1285 members of RCMIC were entitled to vote at the Special Meeting. Of the 75 members of RCMIC who voted on the resolution, 71 voted in favor of adoption and 4 members voted against adoption. Of the members voting in person, 4 voted in favor of adoption and 0 members voted against adoption. Of the members voting by Mail Ballot, 67 voted in favor of adoption and 4 members voted against adoption.

[Remainder of the page left blank intentionally; Signatures follow]

Dated this 18 day of October, 2023.

RACINE COUNTY MUTUAL INSURANCE COMPANY

By: Robert Grove
Robert Grove, President

Attest:

Lee Fuhrman Sec.

Name: Lee Fuhrman, Secretary

**EXHIBIT A
MEMBER NOTICE**

See attached.

September 15, 2023

TO: All Policyholders of Racine County Mutual Insurance Company

RE: Notice of Special Policyholder Meeting – October 18, 2023 – Merger with Mt. Morris Mutual Insurance Company

NOTICE IS HEREBY GIVEN THAT a Special Meeting of the Racine County Mutual Insurance Company (“**RCMIC**”) policyholders will be held on **October 18, 2023, at 6:00 p.m.** at Franksville Memorial Park Banquet Hall, 9614 Northwestern Ave, Franksville, Wisconsin, to discuss and to vote on the proposed merger of RCMIC into Mt. Morris Mutual Insurance Company (“**MMIC**”) (the “**Merger**”) through consideration of the following resolution:

RESOLVED, that after review and discussion of the Agreement and Plan of Merger of RCMIC with and into MMIC, the members of RCMIC hereby adopt and approve the Agreement and Plan of Merger and authorize its Board of Directors to take any remaining actions necessary to effectuate such merger.

The Board of Directors of RCMIC recommends that you vote “**YES**” on the policyholder resolution to approve the Agreement and Plan of Merger. Members will also consider and vote upon any matters as may properly come before the meeting, or any adjournments or postponements thereof.

All RCMIC policyholders have a right to vote on the Merger under Wis. Stat. § 612.12. Policyholders may cast their vote in person at the Special Meeting or by completing and returning the enclosed Policyholder Resolution Ballot.

Enclosed with this correspondence is a Summary of the Plan of Merger and Policyholder Resolution Ballot. **Please review these materials and return this ballot as instructed below no later than October 18, 2023.**

The Agreement and Plan of Merger was filed by both companies with the Office of the Commissioner of Insurance on September 6, 2023. Pursuant to Wisconsin law, the parties obtained the Commissioner’s approval of the Agreement and Plan of Merger prior to it being submitted to a vote of the policyholders. The Commissioner approved the merger on September 15, 2023.

A complete copy of the Agreement and Plan of Merger is available for your inspection, if you wish, during business hours at the office of RCMIC or MMIC. You may also contact us by phone at 262-886-3617 or email at racinecountymutual@yahoo.com by October 18, 2023, if you prefer that we email or mail you the meeting materials or a paper copy of the Agreement and Plan of Merger. Please call if you have any questions about the Merger or the Special Meeting.

Your vote is important. Even if you plan to attend the Special Meeting, please complete and return the enclosed Policyholder Resolution Ballot as soon as possible. We hope to see you on October 18, 2023 at 6:00 p.m. at Franksville Memorial Park, Franksville, Wisconsin.

Please note, all mailed ballots must be returned by October 18, 2023, at 6:00 p.m. Please be sure to return your ballot by mail (in the enclosed envelope) or email to racinecountymutual@yahoo.com. You may also vote in person at the Special Meeting.

By Order of the Board of Directors



Lee Fuhrman, Secretary

Franksville, Wisconsin September 15, 2023

Racine County Mutual Insurance Co.
10210 Northwestern Ave. * PO Box 201 * Franksville, Wi 53126 * (262)886-3617

To: All Policyholders of Racine County Mutual Insurance Company

Re: Summary of Proposed Merger with and into Mt. Morris Mutual Insurance Company

Date: September 15, 2023

The Boards of Directors of Racine County Mutual Insurance Company ("RCMIC") and Mt. Morris Mutual Insurance Company ("MMIC") have determined that it would be in the best interests of both companies to merge and the companies have entered into an Agreement and Plan of Merger (the "Plan of Merger").

RCMIC's reinsurer, Wisconsin Reinsurance Corporation ("WRC"), was placed into rehabilitation by the Wisconsin Office of the Commissioner of Insurance (the "Commissioner") on June 21, 2023. Town mutuals organized under Chapter 612 of Wisconsin Statutes are required by law to maintain certain reinsurance coverage. All current town mutual policyholders of WRC were issued an order from the Commissioner on June 28, 2023. The Commissioner's order directed RCMIC to confirm its plans for obtaining reinsurance for 2024 or otherwise maintaining its certificate of authority to continue in business in 2024.

In order to comply with the order and limit the disruption to the RCMIC policyholders and members, the Board of Directors of RCMIC has elected to pursue a merger with MMIC (the "Merger").

MMIC is a mutual insurance company organized under Chapter 611 of Wisconsin Statutes that currently issues policies throughout Wisconsin. Founded in 1875 as a town mutual insurance company named "Mt. Morris Norwegian Mutual Fire Insurance Company", the company completed a series of mergers with other town mutual insurance companies in the 1980s and 1990s. In 1997, Mt. Morris Mutual reorganized as a Chapter 611 mutual insurance company and began writing business statewide.

Mt. Morris Mutual is a financially sound company that maintains reinsurance coverage and has confirmed its ability to maintain reinsurance coverage post-merger. Advantages to the policyholders of MMIC include less dependence on the limited number of reinsurers issuing coverage to Chapter 612 town mutuals, an improved spread of risk throughout the state, access to a broader range of insurance products (including personal and commercial auto insurance), and no longer being subject to policyholder assessments. Additionally, RCMIC policyholders will continue to be insured by a mutual insurance company.

After the Board of Directors of each company voted and determined that the Merger is fair and equitable to each company and their respective policyholders, the Plan of Merger was filed by the companies with the Commissioner, which must approve the Merger prior to it being submitted to a vote of the companies' policyholders. The Commissioner has approved the merger and the companies are now ready to seek policyholder approval. The Board of Directors of each company recommends that their respective members vote to approve the Merger.

Below is a summary of the Plan of Merger and the effect of the Merger which is proposed to be on January 1, 2024:

RCMIC policyholders will automatically become members and policyholders of MMIC. All property owned by RCMIC will become the property of MMIC and all liabilities of RCMIC will become liabilities of MMIC. Each former member of RCMIC will be sent a Certificate of Assumption formally confirming that status.

All property owned by RCMIC will become the property of MMIC and all liabilities (including insurance policy liabilities) of RCMIC will become liabilities of MMIC.

As a Chapter 611 mutual insurance company, MMIC may write policies throughout the state of Wisconsin; the merged company will continue to be a Chapter 611 mutual insurance company writing policies throughout Wisconsin.

Upon the effective date of the Merger, the merged company will have a board of ten (10) members divided into three (3) classes. At each annual meeting of the policyholders of MMIC after the effective date of the Merger, the policyholders will elect the directors to fill the positions of the directors whose terms expire, as provided in the merged company's articles of incorporation and bylaws.

The officers of MMIC in office immediately prior to the Effective Time will continue to serve as the officers of the merged company, who shall serve until the next annual meeting of the Board of Directors of the merged company or until their successors shall have been elected and shall qualify for office.

The merged company will offer its current agency agreement to each agent who has an appointment with RCMIC prior to the effective date of the merger and who does not already have an agency agreement in force with MMIC.

The merged company will offer employment to all employees of RCMIC with substantially similar roles and salaries to their roles and salaries immediately prior to the Merger, subject to satisfactory job performance to MMIC, participation in training relating MMIC's business processes and servicing MMIC's other line(s) of business.

Business will be transacted from MMIC's current headquarters in Coloma, Wisconsin. The merged company anticipates that it will continue to maintain an office in Franksville, Wisconsin.

No changes to the policies or premiums of RCMIC policyholders will occur immediately upon the consummation of the Merger. However, effective on the first renewal or anniversary or date of each RCMIC policy following the effective date of the Merger, policies will be rewritten using MMIC forms, rates, and underwriting guidelines.

A complete copy of the Agreement and Plan of Merger (and related exhibits) is available for your inspection at both the RCMIC and MMIC offices. Please contact the individuals identified below at any of the companies if you have any questions or if you would like to review a complete copy of the Plan of Merger.

Racine County Mutual Insurance Company

Robert Grove
President
10210 Northwestern Avenue
Franksville, WI 53126
(262) 886-3617
racinecountymutual@yahoo.com

Mt. Morris Mutual Insurance Company

Daniel Fenske
President & CEO
N 12 11 Cty Rd B
Coloma, WI 54930
(715) 228-5541
agdan@mtmorrisins.com

**MERGER OF
RACINE COUNTY MUTUAL INSURANCE COMPANY
WITH AND INTO
MT. MORRIS MUTUAL INSURANCE COMPANY**

**October 18, 2023, SPECIAL POLICYHOLDER MEETING –
POLICYHOLDER RESOLUTION MAIL BALLOT**

WHEREAS, Racine County Mutual Insurance Company, a Wisconsin town mutual insurance corporation (“RCMIC”), desires to effectuate a merger with and into Mt. Morris Mutual Insurance Company, a Wisconsin mutual insurance corporation (“MMIC”), in accordance with Section 612.22 of the Wisconsin Statutes and pursuant to the Agreement and Plan of Merger, by and between RCMIC and MMIC (the “Agreement and Plan of Merger”), in the form presented to the members of RCMIC in connection with this Special Meeting of the members, whereby the separate existence of RCMIC shall cease and MMIC shall continue as the surviving company.

RESOLVED, that after review of the Summary of the Plan of Merger and the Agreement and Plan of Merger, and the ability to inquire of the Board of Directors regarding the same, the members of RCMIC hereby adopt and approve the Agreement and Plan of Merger and authorize its Board of Directors to take any remaining actions necessary to effectuate such merger.

Should this policyholder resolution be approved?

(Select only one)

YES

NO

I plan to attend the Special Meeting and will vote in person.

Questions/Comments:

Racine County Mutual Insurance Company Policy #: _____

Member: _____
(Print Name)

Member's Signature: _____

Date: _____

NOTE: This ballot must be received by October 18, 2023 at 6:00 p.m., for your vote to be counted. Ballots can be returned via email to racinecountymutual@yahoo.com or via mail in the envelope enclosed. You may also attend the meeting and vote in person.