



FREQUENTLY ASKED QUESTIONS

Below are brief answers to frequently asked questions about the proposed Plan of Merger of United Mutual Insurance Company (“UMIC”) with Ohio Mutual Insurance Group, Inc. (“OMIG”).

1. What is the transaction that is being proposed?

UMIC and OMIG have agreed to a merger of UMIC into the OMIG mutual holding company system. To facilitate the merger, UMIC will (1) re-domesticate from Wisconsin to Ohio and (2) reorganize into a stock insurance company with the existing UMIC policyholder mutual membership interests transferred to OMIG, a mutual holding company. The reorganization and merger is subject to UMIC member approval and regulatory approvals, including approval from the Ohio Department of Insurance as described below.

2. What do I need to know about United Mutual?

Similar in many ways to Ohio Mutual, United Mutual is a smaller mutual property & casualty insurance company founded in 1878 and headquartered in Medford, Wisconsin. Its products are sold exclusively through a network of approximately 40 independent agents throughout western and north-central Wisconsin. United Mutual serves about 6,000 members, and currently employs 12 associates. Additional company information is available at unitedmutualinsurance.com.

3. Why does Ohio Mutual want to bring United Mutual into its organization?

OMIG’s interest in merging with UMIC was based on several factors including, but not limited to:

- OMIG will gain access to the Wisconsin market through UMIC.
- Over time, OMIG will gain geographic and weather pattern exposure diversification with the addition of UMIC’s policy and premium growth.
- UMIC’s Policyholder Surplus will be combined with OMIG’s Policyholder Surplus.
- OMIG will benefit from the talent of the UMIC associates and knowledge of the Wisconsin market.
- Over time, OMIG may be able to reduce the expense ratio of the combined enterprise through combined business functions and other economies of scale.

4. Why did United Mutual agree to the reorganization and merger with Ohio Mutual?

UMIC's interest in merging with OMIG was based on several factors, including:

- UMIC will be able to significantly lower the risks associated with the spread of risk by executing territorial and line of business expansion.
- UMIC will be able to substantially expand its Wisconsin footprint, serving as OMIG's Wisconsin operational branch.
- UMIC be able to dramatically increase the speed to market for product enhancements and technology implementation by leveraging the capabilities of OMIG while achieving economies of scale.
- UMIC will be able to access a stable and cost-effective reinsurance program.
- Over time, there will be opportunities to lower expense ratios through thoughtful and judicious strategic and operational planning, as well as efficiencies gained through the combined entity.

5. Are there any regulatory approvals that must be obtained?

Yes. To complete the Merger, UMIC will need to engage in the transactional steps noted below. Each of these transactions requires regulatory approval in whole or in part by the Ohio Department of Insurance (ODI). While each of these steps require separate regulatory approval, we expect each step and related approval to occur substantially simultaneously.

- Step 1 – Redomestication - UMIC will re-domesticate its state of domicile to Ohio from Wisconsin and become an Ohio mutual insurance company.
- Step 2 – Reorganization – UMIC will reorganize from a mutual insurance company to a stock mutual insurance company, with policyholders' membership interests transferring to OMIG and contractual rights under the policies remaining with UMIC.
- Step 3 – Merger – The Reorganization will be accomplished through a merger of UMIC into Gopack, Inc. (a wholly owned subsidiary of OMIG), with UMIC continuing as the surviving organization.

6. What other approvals are required?

The transaction is subject to the existing UMIC policyholders approving the reorganization and merger. The UMIC Board has scheduled the UMIC policyholder meeting for July 12, 2023, and has unanimously recommended that the UMIC members vote for the proposal to approve the Agreement and Plan of Merger and Plan of Reorganization.

7. Will existing OMIG Members be asked to approve this transaction?

No. In 2020, the Ohio Mutual members voted overwhelmingly to adopt a mutual holding company structure. No OMIG member approval is required under Ohio law or OMIG's organizational documents. The OMIG Board has unanimously approved the transaction.

8. [What effect will the transaction have on my existing membership interest in OMIG?](#)

Your voting rights as a member of OMIG generally consist of the right to cast one vote on any matter which is subject to a vote of the members. After the transaction, each policyholder of UMIC will become a member of OMIG and have these same voting rights. You will have a smaller percentage of the total voting power in OMIG as a result of the inclusion of the UMIC policyholders. Upon consummation of the transaction, the UMIC policyholders will account for approximately 2.6% of the total OMIG membership. It should be noted that the growth in OMIG's membership over time, regardless of whether or not the transaction occurs, would also have a dilutive effect on voting power.

9. [When is the Merger expected to be completed?](#)

The Merger is expected to close in the third quarter of 2023.

10. [How will the Merger affect the financial strength of the companies?](#)

UMIC's AM Best rating is currently "NR-5" Not Formally Followed. With the Merger, it will benefit from OMIG's financial strength rating of "A" Excellent with a Stable Outlook.

11. [Will the Merger result in the relocation of any company headquarters?](#)

No. UMIC's headquarters are not expected to be closed or relocated as a result of the Merger. OMIG intends to utilize the current headquarters as the Group's Wisconsin Branch. OMIG's headquarters will remain in Bucyrus, OH.

12. [What will happen to the United Mutual brand?](#)

Converted UMIC will continue offering products and services under its existing brand after the Merger.

13. [How will the Merger affect policyholders' surplus?](#)

The policyholders' surplus of the Converted UMIC will become surplus of OMIG. Post-merger, UMIC will be protected by the surplus of the entire Group.

14. [Will there be any changes to the rights and benefits of policyholders under insurance policies previously issued by United Mutual or Ohio Mutual?](#)

No. The merger will not result in any changes to current insurance policies.

15. [Will there be any significant management changes as a result of the Merger?](#)

Upon consummation of the Reorganization and Merger the directors and officers of OMIG will become the directors and officers of UMIC. The current officers and management of UMIC will be offered employment with OMIG in a variety of positions focused on the Wisconsin market.

16. Are there any potential disadvantages or risks associated with the Merger?

There are potential disadvantages and risks associated with the Merger including, without limitation, the challenges of combining two companies, the uncertainty of retaining key employees and marketing relationships, the costs and distractions of completing the Merger, and the possibility that the anticipated benefits of the Merger may not materialize.

17. What should I do if I have other questions about the proposed Plan of Merger?

If your question is not answered in these Frequently Asked Questions, we invite you to contact us at communications@omig.com.