

FAQ on proposal by Jewelers Mutual Insurance Company to form a mutual holding company

April 18, 2019

The following frequently asked questions are designed to provide general information on Jewelers Mutual's plan to convert to a mutual holding company. An information booklet with additional details on the plan will be distributed to eligible policyholder-voters later this year, subject to regulatory approval of the plan.

What is Jewelers Mutual proposing with its conversion to a mutual holding company?

Jewelers Mutual Insurance Company (JMIC) has filed a plan with the Wisconsin Office of the Commissioner of Insurance to change JMIC's organizational structure. Under this plan, a mutual holding company would be created to become the new parent company over JMIC and all other Jewelers Mutual Group subsidiaries.

Policyholders of JMIC would exchange their current mutual insurance company membership rights for substantially similar membership rights in the mutual holding company.

Certain mutual holding company membership rights would also be extended to existing and new policyholders of group insurer JM Specialty Insurance Company.

Why is Jewelers Mutual pursuing a mutual holding company (MHC) structure?

This change is in the long-term, best interest of our policyholders. Our current organizational structure has produced a long history of success, including the introduction of new insurance products, systems, and strategic alliances that have allowed us to meet evolving customer needs and provide other customer benefits.

Converting to a mutual holding company would allow us to meet customer needs in additional ways, including creating additional flexibility to invest in and/or acquire non-insurance companies that could provide products and services that complement our insurance business.

Converting to a mutual holding company structure would also help preserve our longstanding tradition of operating as a mutual insurance company, one that exists for the benefit of our policyholders, not shareholders.

By extending certain mutual membership rights to policyholders of JM Specialty and perhaps other insurance subsidiaries in the future, in addition to policyholders of Jewelers Mutual Insurance Company, we would help ensure our mutual company tradition continues long into the future.

Why change to a mutual holding company structure now?

Jewelers Mutual is not proposing this change because of any immediate or pressing need. Rather, establishing a mutual holding company is a proactive step that would give Jewelers Mutual additional flexibility to pursue future opportunities that would be difficult or impossible to do under our current structure.

Would the changes in structure result in any changes to existing insurance policies?

No. All existing insurance policies issued by Jewelers Mutual would remain in full effect according to their terms and continue to renew as Jewelers Mutual policies. All group subsidiaries would continue to operate as they do now

What would the leadership structure of the new holding company look like?

The board of directors and officers of the holding company would be the same as the board of directors and officers of Jewelers Mutual Insurance Company prior to the change.

Would Jewelers Mutual officers or board members receive additional compensation or benefits in any way from this change?

No. Officers, board members and other employees of Jewelers Mutual would not receive any additional compensation, or any stock or other benefits, as a result of this change.

Who would be eligible to vote on the mutual holding company plan?

Eligible voters would include customers with existing policies issued by Jewelers Mutual Insurance Company.

What question would be put before the eligible voters?

Subject to regulatory approval of the plan, eligible voters would have the choice of voting "FOR" or "AGAINST" the plan and related amendments to the Articles of Incorporation of Jewelers Mutual Insurance Company. The board of directors of Jewelers Mutual recommends members vote their interest "FOR" the proposed plan.

How would the vote occur?

Subject to regulatory approval of the plan, eligible voters would be sent the plan, a proxy to vote on the plan and a detailed policyholder information booklet. Policyholders who have elected e-delivery will receive their materials electronically.

Eligible voters would be able to vote by marking, signing and returning the proxy, by voting online or by voting in person at a special policyholder meeting. The date of the special policyholder meeting is still to be determined but will be six to eight weeks after policyholders are notified of the meeting.

When would the mutual holding company plan and proxy be mailed out?

Materials will be mailed to policyholders later this year, although an exact date is still to be determined.

How can I submit questions and comments on the conversion?

These FAQ are created to share general information on the proposed mutual holding company plan. An information booklet with additional details on the plan will be distributed to eligible policyholder voters later this year.

With questions, call 888-884-2424 and follow the instructions to select the Mutual Holding Company option. Callers will be able to speak to a Jewelers Mutual representative or leave a message and receive a response in 1-2 business days.