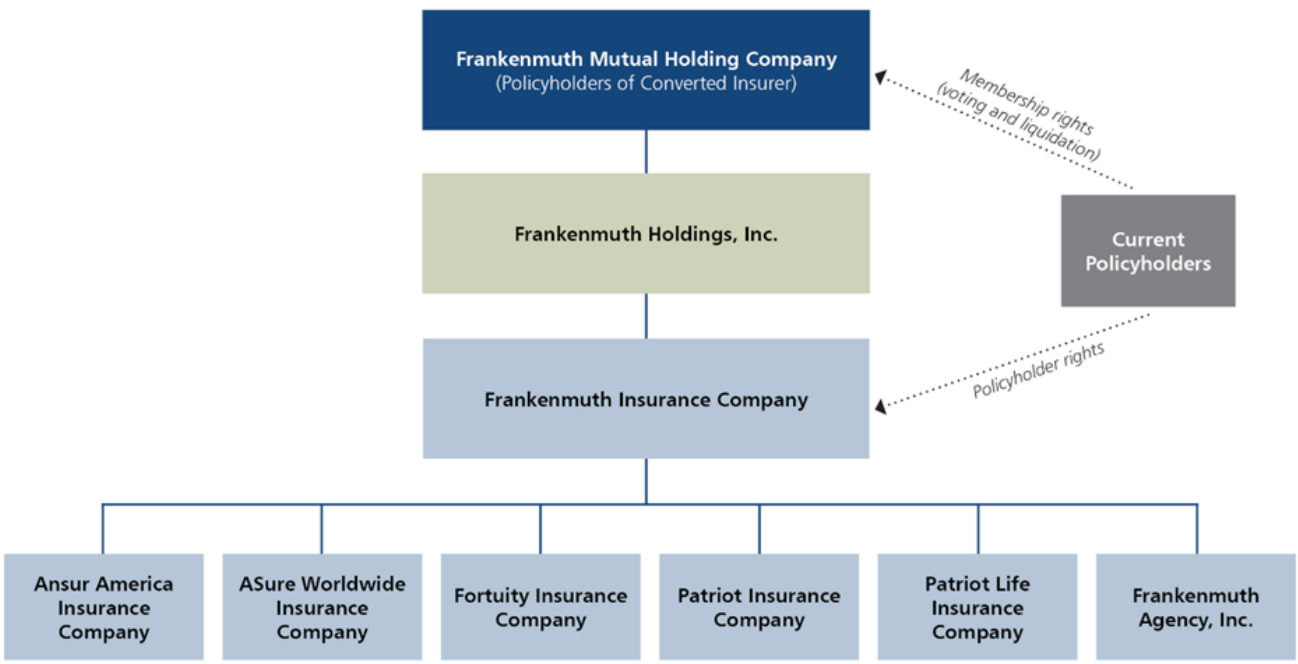
Policyholders Approve Mutual Holding Company Plan of Conversion

Dear Agency Partners:

After nearly two years of extensive time and effort by many on our team, I am proud to share the exciting news that our mutual holding company plan of conversion was formally approved by policyholders at the special member meeting on October 11 and is set to take effect on January 1, 2023.

As we've previously shared, the new structure includes two new entities: a mutual holding company, Frankenmuth Mutual Holding Company (FMHC), and a stock intermediate holding company, Frankenmuth Holdings, Inc. Our current parent company, Frankenmuth Mutual Insurance Company, will convert to a stock insurance company under Frankenmuth Holdings, Inc. and change its legal name to Frankenmuth Insurance Company (FIC). Membership interests (i.e., voting rights) of our policyholders will transfer to FMHC and policyholder rights (insurance policy) will transfer to FIC. All subsidiaries, including Patriot Insurance Company, Patriot Life Insurance Company, and Ansur America Insurance Company, remain 100% owned subsidiaries of Frankenmuth Insurance Company.

See the illustration below of the new corporate structure:



When it comes to our partnership with your agency and our policyholders, it's just a name change with the same level of service and expectations you experienced before the conversion. Our contract with your agency will remain intact and there will be no changes to rates, coverages, or obligations to our policyholders.

As a reminder, the main reason for making this change is to provide greater flexibility to raise capital for strategic investments, merger and acquisition opportunities or in the event of a significant catastrophic event. At this time, we have no plans or need to raise capital for any of the reasons stated above.

However, by having this structure in place, we are well positioned should the need arise. We are excited about our future and are incredibly thankful to have you on this journey with us.

In Partnership,

Frederick A. Edmond, Jr.
President and CEO