

136th ANNUAL MEETING OF THE MEMBERSHIP OF
CASS COUNTY MUTUAL INSURANCE COMPANY

The 136th Annual Meeting of the membership of Cass County Mutual Insurance Company was held Wednesday, June 12th, 2024 at the Leonard Country Club in Leonard, ND. There were 16 members present and 27 Proxy votes received which are counted as attendance and voting.

Secretary Lindsey Johnson introduced all Board of Directors and Secretary/Manager Amy Czapiewski, along with Magen and Kaitlyn all of Steele Traill County Mutual Insurance Company and Agent Josh Roberts of Kindred State Bank Agency.

President David Piper called the meeting to order.

Linda Sell moved to approve the minutes of the 135th Annual Meeting as submitted by Secretary/Treasurer Lindsey Johnson. Brad Sessler seconded. All present voted aye. 27 proxies voted aye. 0 proxies voted Nay. Motion carried due to majority of quorum voting aye.

Brad Sessler moved the treasurer's report, be approved as printed and read by Secretary/Treasurer Lindsey Johnson. Jeff Hamre seconded. All present voted aye. 27 proxies voted aye. 0 proxies voted Nay. Motion carried due to majority of quorum voting aye.

There was one, \$1,000 scholarship awarded for the 2024 year, to Owen Hoyme of Kindred, ND whose parents are a policy holders of Cass County Mutual Insurance Company.

Director Linda Sell presented the slate of nominees for the Board of Directors. Brad Sessler and Jeff Hamre's terms were at the end of 3 years. Don Gibson nominated Brad Sessler and Jeff Hamre, that nominations cease, and a unanimous ballot be cast. There were no other nominations from the floor. Josh Roberts seconded. All present voted Aye. 27 proxies voted aye for Brad Sessler, 27 proxies voted aye for Jeff Hamre, with no proxies voting nay. Motion carried.

Valorie Gibson moved to approve all actions of the Board of Directors. Steve Puhr seconded. All present voted aye. There were 27 proxies voting aye. Motion carried.

Brad Sessler moved the meeting be adjourned. Don Gibson seconded. All voted aye. Motion carried.

Names were drawn for two door prizes.

Lindsey Johnson

Summary of Proposed Merger

Who is Steele Traill County Mutual?

Steele Traill County Mutual Insurance was organized January 1, 2006, with the merging of Farmers Mutual Insurance Company of Traill County and Steele County Farmers Mutual Insurance Company. The current Board of Directors consists of Mark Kloster (President), Lynn Carlson (Vice-President), David Mehus, Eric Gunderson, Barb Huss, and Brad Dewald. Amy Czapiewski serves as the Secretary/Treasurer and the manager.

The company has 55 licensed agents, 16 licensed agencies and was authorized to transact business in 32 counties. Steele Traill County Mutual has approximately 700 policyholders and approximately \$3.5 Million in surplus reserves.

Steele Traill County Mutual is contracted with Grinnell Mutual Reinsurance Company for reinsurance. Steele Traill County Mutual also contracts with Grinnell Adjusting Company to perform claims adjusting services.

What are the anticipated benefits of the Merger to the members and policyholders of Steele Traill Mutual?

If the two companies merge, the policyholders of each company will realize several benefits including:

- A stronger financial position and larger surplus;
- Greater diversification of overall risk due to diversification of business lines and geography;
- Improved capital and stronger reserve position;
- Increased size, scale, and the opportunity to leverage fixed costs over a larger organization and revenue base; and
- Opportunity for improved earnings through cost savings and revenue enhancements.

If approved, what will happen to Steele Traill County Mutual Insurance Company because of the Merger?

If all conditions set forth in the Agreement and Plan of Merger are met, including the approval by a majority of both company's policyholders, Steele Traill County Mutual Insurance Company will merge with and into Cass County Mutual Insurance Company, and the surviving corporation shall be renamed "**Mainstreet Mutual Insurance Company.**" As a result of the Merger, Steele Traill County Mutual policyholders and members will become policyholders and members of Mainstreet Mutual Insurance Company, and Cass County Mutual policyholders will see no

changes to their policies except for a change of the name to Mainstreet Mutual Insurance Company. The familiar faces of staff at each company will remain as will the current office locations.

What will happen if the merger is not approved?

While the insurance market is currently experiencing a period of volatility due to inflation and risk factors, if the merger is not approved each county mutual company currently intends to continue providing the same services as they have in the past.

Will there be any changes to my policy?

For Cass County Mutual policy holders, no.

Who will lead the new company?

The initial board of directors of Mainstreet Mutual will consist of all current directors from both Steele Traill County Mutual and Cass County Mutual who shall hold such position until his or her term expires. Mark Kloster shall serve as President of the Board and David Piper shall serve as Vice President. Lindsey Johnson shall serve as Secretary/Treasurer. The officers of the Board of Directors of Mainstreet Mutual shall serve until their terms expire and the Board of Directors elects new officers.

What vote is required to adopt the Agreement and Plan of Merger?

The adoption of the Agreement and Plan of Merger requires the affirmative vote of a majority of the members voting at the Annual Meeting. Twenty members are required to have a quorum at the Annual Meeting. If approved by the members of both companies, a public hearing will be held by the North Dakota Insurance Commissioner to review and approve the merger. If approved, we expect the merger to be effective January 1, 2026 or as soon after the new year as the merger is approved.

What do the Boards of Directors Recommend?

After much thought and deliberation, the Boards of Directors of both companies recommend that the Merger be approved. The Boards are confident that the Merger will result in a stronger county mutual company to better serve our policyholders.

Can I obtain a copy of the Agreement and Plan of Merger?

Yes! A full copy of the Agreement and Plan of Merger can be obtained by contacting either Lindsey Johnson at Cass County Mutual or Amy Czapiewski at Steele Traill County Mutual.