

Plan of Reorganization

1. **Applicant.** Farm Bureau Mutual Insurance Company of Idaho, an Idaho mutual insurance corporation (“**FBMICI**”).

2. **Statutory Basis.** This Plan of Reorganization - Limited Application (“**Plan**”) is submitted for approval of the Director of the Idaho Department of Insurance (“**Director**”) under Idaho Code Section 41-3824 and Idaho Administrative Code Rule 18.07.01.

3. **Description of Reorganization.**

3.1 **Creation of Mutual Insurance Holding Company.** FBMICI will form a mutual insurance holding company, IFB Mutual Insurance Holding Company (“**IFBMIHC**”), as a business corporation under Idaho Code Title 30, Chapter 21.

3.2 **Conversion of FBMICI.** On the Effective Date (defined below), FBMICI will convert from a mutual insurance corporation into a stock insurance company, Farm Bureau Insurance Company of Idaho (“**FBICI**”).

3.3 **Stock Issuance.** All the initial shares of FBICI’s capital stock will be issued to IFBMIHC, and no shares of FBICI’s capital stock will be transferred to any other person under this Plan. IFBMIHC will at all times own a majority of the voting shares of the capital stock of FBICI.

3.4 **Policyholders’ Interest.** The membership interests of the policyholders of FBMICI will become membership interests in IFBMIHC, and their membership interests in FBMICI will be extinguished, resulting in the policyholders of FBMICI becoming members of IFBMIHC. Members of IFBMIHC will have the same membership rights in IFBMIHC as they possessed in FBMICI, including, without limitation, the right to vote for the IFBMIHC Board (defined below). On the Effective Date, all FBMICI member proxy appointments will continue as the members’ proxy appointments following the conversion of FBMICI membership interests into membership interests in IFBMIHC, and the terms of any written proxy appointment are to be interpreted accordingly.

3.5 **Board of Directors of IFBMIHC.** All members of IFBMIHC’s Board of Directors (“**IFBMIHC Board**”) at the time of the reorganization will be policyholders.

4. **Effect of Plan.**

4.1 **Continuation of Existing Policies.** All policies in force between FBMICI and policyholders will remain in effect and all policy rights and obligations will remain unchanged.

4.2 **Accumulation of Earnings.** Any accumulation or prospective accumulation of earnings by IFBMIHC in excess of that determined by the IFBMIHC Board to be necessary will inure to the exclusive benefit of IFBMIHC’s members.

4.3 **Status as Insurer for Purposes of Delinquency Proceedings.** IFBMIHC shall be deemed to be an insurer for purposes of Idaho Code Title 41, Chapter 33 (“**Insurers Supervision, Rehabilitation and Liquidation**”).

4.4 **Policyholder Claims.** IFBMIHC shall automatically be a party to any proceeding under Idaho Code Title 41, Chapter 33, involving FBICI. The assets of IFBMIHC will be deemed to be assets of FBICI for purposes of satisfying the claims of FBICI’s policyholders.

4.5 **Financial Condition.** Upon reorganization, all assets and obligations of FBMICI shall remain with FBICI. The reorganization will cause no change in the financial condition of FBMICI, its affiliates, or its subsidiaries.

5. **Annual Statements.** IFBMIHC will provide annual reports and financial statements to the members at each annual meeting in a continuation of FBMICI’s current and historical practice.

6. **Board Approval.** The Board of Directors of FBMICI (“**FBMICI Board**”) approved this Plan on July 19, 2023.

7. **Policyholder Approval.** This Plan shall be submitted for policyholder approval in accordance with FBMICI’s articles of incorporation and bylaws, with at least 20 days’ notice to policyholders. Approval by policyholders will be sought at a meeting of policyholders to be held following the issuance of the Director’s order approving the Plan.

8. **Effective Date.** The anticipated effective date (“**Effective Date**”) of this Plan is April 1, 2024. FBMICI intends to make the conversion effective (a) following the Director’s and the policyholders’ approval, and (b) within 180 days of the Director’s approval. FBMICI reserves the right to seek approval from the Director for an extension of the 180-day period for completion of the reorganization, and with the Director’s approval and finding of good cause under Idaho Admin. Code. r. 18.07.01.054.b.

9. **Amendment, Corrections, or Withdrawal of Plan.** This Plan may be amended, corrected, or withdrawn by a majority vote of the FBMICI Board at any time prior to being submitted for policyholder approval, or at any time with the consent of the Director.

10. **Satisfaction of Regulatory Requirements.** The table below identifies the provisions of this Plan that comply with the requirements of the Idaho Code and the Idaho Administrative Code.

Idaho Code Section 41-3824	Location in Plan of Reorganization
(1)(b) All of the initial shares of the capital stock of the reorganized insurer shall be issued to the mutual insurance holding company.	Section 3.3
(1)(b) The membership interests of the policyholders of the reorganized insurer shall become membership interests in the mutual insurance holding company.	Section 3.4

(1)(b) Policyholders of the reorganized insurer shall be members of the mutual insurance holding company in accordance with the articles of incorporation and bylaws of the mutual insurance holding company.	Section 3.4
(1)(b) The mutual insurance holding company shall at all times own a majority of the voting shares of the capital stock of the reorganized insurer.	Section 3.3
(4) A mutual insurance holding company is deemed to be an insurer subject to chapter 33, title 41, Idaho Code, and shall automatically be a party to any proceeding under chapter 33, title 41, Idaho Code, involving an insurer that, as a result of a reorganization pursuant to subsection (1) or (2) of this section, is a subsidiary of the mutual insurance holding company.	Sections 4.3, 4.4
(4) In any proceeding under chapter 33, title 41, Idaho Code, involving the reorganized insurer, the assets of the mutual insurance holding company are deemed to be assets of the estate of the reorganized insurer for purposes of satisfying the claims of the reorganized insurer’s policyholders.	Section 4.4
Idaho Administrative Code Rule 18.07.01.051.02	Location in Plan of Reorganization
a. Designation as limited or standard.	Section 2
c. A plan for policyholder approval in accordance with the applicant’s articles of incorporation and bylaws, with at least 20 days’ notice to the policyholders of any such plan.	Section 7
f. Information sufficient to demonstrate that the applicant’s financial condition will not be diminished upon reorganization.	Section 4.5
Idaho Administrative Code Rule 18.07.01.053.01	Location in Plan of Reorganization
The plan of reorganization or “Plan” needs to preserve property and protect policyholders’ interests, be fair and equitable to policyholders, and not diminish the applicant’s financial condition.	Sections 3.4, 4.1, 4.3, 4.5, 7
Idaho Administrative Code Rule 18.07.01.053.02	Location in Plan of Reorganization

a. Establishing an MHC with at least one (1) stock insurance company subsidiary or one (1) intermediary stock holding company with a stock insurance company subsidiary, the share of which is held exclusively by the mutual insurance holding company.	Sections 3.1, 3.2, 3.3
b. Protection of existing policyholders' interests.	Sections 3.4, 4.1
c. Providing existing and future policyholder membership in the MHC.	Section 3.4
d. The number of policyholder members of the board of directors of the MHC.	Section 3.5
e. Demonstrating that, if there are proceedings under chapter 33, title 41, Idaho Code, involving a stock insurance company subsidiary of the MHC, the assets of the MHC will be available to satisfy the policyholder obligations of the stock insurance company.	Section 4.3
f. How any accumulation or prospective accumulation of earnings by the MHC in excess of that determined by the board of directors to be necessary will inure to the exclusive benefit of the MHC's member policyholders.	Section 4.2
g. The nature and content of the annual report and financial statement sent to each member.	Section 5