Hospitality Insurance Group
Taking the Risk Out of Hospitality

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HMIC's Plan of Reorganization

Hospitality Insurance Group Announces Reorganization and Formation of New Mutual Holding Company I am excited to announce that Hospitality Mutual Insurance Company (HMIC) has completed a significant transaction that will reshape our organizational structure and position us for future growth. After thorough deliberation and careful consideration, the HMIC Board of Directors has approved a plan to reorganize the company from a mutual insurance company into a stock insurance company, which will be majority-owned by a newly formed mutual insurance holding company, Hospitality Group Mutual Insurance Holding Company.

This reorganization will strengthen our ability to grow and compete in a rapidly evolving insurance industry, while still preserving the mutuality that has been central to our operations. By transitioning to a mutual holding company structure, we aim to:

- **Enhance** HMIC's ability to pursue strategic opportunities such as mergers and acquisitions.
- **Improve** access to capital and financing, increasing our financial flexibility.
- **Strengthen** our competitiveness by streamlining operations and enhancing efficiency.

The reorganization will not affect the terms or conditions of existing insurance policies. All insurance policies issued by HMIC will remain intact, and policyholders will continue to have the same coverage, claims payments, premiums, and benefits under the restructured company.

As part of the reorganization, HMIC policyholders will become members of Hospitality Group Mutual Insurance Holding Company and will have comparable membership rights, including voting rights and participation in distributions of surplus.

Additionally, following the reorganization, Hospitality Group has raised $5.5 million in new capital by selling a 45% interest in its subsidiary, Hospitality Holdings, Inc. (HH Inc.) in the form of preferred shares to Mutual Capital Investment Fund, LP (MCIF), an external investor, as part of a capital investment aimed at accelerating growth and strengthening our financial position.

This change represents a major milestone for our company and underscores our commitment to adapting to the evolving needs of our policyholders while ensuring the long-term sustainability and growth of HMIC.

We are excited about the future and confident that this strategic reorganization will allow us to better serve our policyholders and remain a leader in the hospitality insurance industry.

Dick Welch
CEO