

**LETTER TO POLICYHOLDERS
FROM THE BOARD OF DIRECTORS AND PRESIDENT**

**PROPOSED CORPORATE REORGANIZATION OF
FARMERS ALLIANCE MUTUAL INSURANCE COMPANY**

Dear Valued Policyholder:

Nearly 140 years ago, our company was formed to provide for the mutual protection and benefit of its policyholders. The concept of mutuality – that is, together providing for the collective protection of each customer – has been at the heart of our company’s DNA since its inception. Through two world wars, depressions, recessions, and stock market booms and crashes, Farmers Alliance Mutual Insurance Company (FAMI) has provided for the insurance needs of its policyholders. Along the way, the corporate structure and products have evolved from time to time – but the core goal of creating a financially strong organization to provide best for the mutual needs of our customers has never wavered.

The insurance industry is currently undergoing unprecedented changes. These changes create opportunities which, if seized at the right time, will contribute to our ability to continue providing policyholders with effective insurance products. In line with enhancing our ability to seize emerging opportunities and deal with the unfolding challenges, we are reorganizing our corporate structure into a mutual insurance holding company structure pursuant to a Plan of Reorganization and Mutual Holding Company Conversion (the “**Plan**”) that was adopted by FAMI’s Board of Directors. Under the Plan, we will create a mutual insurance holding company to be called Farmers Alliance Mutual Group (the “**Group**”). The new organizational structure is modern and flexible. Like FAMI, the Group will continue to be governed by our policyholders, known as “members” under the new organizational structure, including you, as long as you maintain your policy. The Plan provides benefits and opportunities to policyholders, including:

- Providing operational and financial flexibility that will advance our growth and diversification while preserving our mutuality
- Facilitating access to capital, when and if needed
- Allowing more ability to acquire and grow ancillary or non-insurance businesses, including technology companies focused on improving the ways insurance companies service policyholders

FAMI management recommended and the FAMI Board of Directors unanimously approved adoption of the Plan. The Commissioner of the Kansas Department of Insurance held a public hearing in connection with the Plan on April 10, 2026. Following the hearing the Department completed its review of the Letter to Policyholders, Plan of Reorganization and Mutual Holding Company Conversion, Policyholder Information Statement, and Form of Proxy Card, and the Commissioner approved the documents for submission to the policyholders of Farmers Alliance Mutual Insurance Company for a policyholder vote in accordance with K.S.A. 40-4002(d) in writing on May 7, 2026. We are respectfully seeking your support and affirmative vote in favor of this organizational structure change that we believe will position FAMI to better meet the market challenges and opportunities before us.

Under the Plan submitted to the Commissioner of the Kansas Department of Insurance, all of our policyholders would become members of the new mutual insurance holding company, and all policyholders would share the same mutual membership rights that you, our mutual company policyholders, have today. Examples of these mutual membership rights include:

- The right to elect the directors of FAMI
- The right to approve or disapprove proposed changes in the FAMI Articles of Incorporation
- The right to vote (or grant proxies to vote) on the Plan, voluntary dissolution, demutualization or such other matters as may come before the members at an annual or special meeting of FAMI's policyholders

To be clear, this proposal when executed will not have any adverse effect on the quality and breadth of products and services you currently receive. Nor will it have any adverse impact on current insurance products, coverages, or services. On the contrary, it positions us to enhance our service and product offerings, allowing us to more effectively meet your insurance needs in a rapidly changing insurance industry. The Plan provides no special benefits other than those currently received by our associates, agents, management, and members of our Board of Directors.

We have scheduled a Special Meeting of the Policyholders to conduct the vote on the Plan. This meeting will take place on June 26, 2026. All of the materials related to the Plan for your review can be found at <https://www.fami.com/mhc>. These materials include the Plan, a Policyholder Information Statement (the “**Information Statement**”) which contains more detail about this proposal, its benefits, and impact to all parties. This Information Statement includes formal notices and disclosures, and a Frequently Asked Questions section, which will provide the answer to the most commonly asked questions about this process. If you would like a hard copy of the materials, please contact us at 620-241-2200, extension 1240.

You do not need to be present in person at the Special Meeting to cast your vote.

For your convenience, you may cast your vote in one of the following ways:

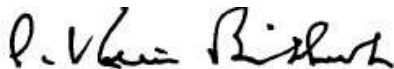
1. Mail the enclosed Proxy Card that allows you to appoint a proxy to cast your vote.
2. Vote in-person at our special Policyholder Meeting at 10am CST on June 26, 2026 at 1122 N. Main Street, McPherson, Kansas 67460.

We encourage you to carefully review the information provided at the Information Statement website specified above, and submit your vote by mailing back the enclosed proxy card. Your vote is important and we encourage you to vote.

If you have any questions, please call Ronda Sjogren at 620-504-6860 or our offices at 620-241-2200 between 9 AM – 4 PM CST.

All of our associates, management, and Board of Directors are sincerely grateful for the trust you have placed in FAMI to protect those things that you most value. We believe that your support and affirmative vote for this proposed change in corporate structure will provide FAMI with the tools and flexibility it needs to continue providing you with the best insurance products, coverages, and services in a rapidly changing insurance market.

Sincerely,



L. Keith Birkhead, *Chairman of the Board*



Brian D. Lopata, *President and Chief Executive Officer*