

Member Information Statement
Relating to the
CENTER MUTUAL INSURANCE COMPANY
Plan of Reorganization and Mutual Holding Company Formation

Dated May 4, 2023

No Person has been authorized to give any information or to make any representations other than, or inconsistent with, those contained in this Member Information Statement in connection with the Plan of Reorganization and Mutual Holding Company Formation (the “Plan”) referenced herein, and any such information or representation, if given or made, must not be relied upon as having been authorized by Center Mutual Insurance Company or any other Person representing Center Mutual Insurance Company. This Member Information Statement shall not under any circumstances create an implication that there have not been any changes in the affairs of Center Mutual Insurance Company since the date hereof or that the information herein is correct as of any subsequent date.

TABLE OF CONTENTS

INTRODUCTION	1
CORPORATE STRUCTURE BEFORE THE REORGANIZATION.....	2
CORPORATE STRUCTURE AFTER THE REORGANIZATION	2
FREQUENTLY ASKED QUESTIONS.....	3
RECOMMENDATION OF BOARD OF DIRECTORS.....	8
THE PLAN OF REORGANIZATION.....	8
BACKGROUND	8
A. Providing operational and financial flexibility	9
B. Facilitating access to capital, if and when needed	9
C. Ability to acquire and grow ancillary or non-insurance businesses.....	9
EFFECTS OF THE REORGANIZATION	10
A. Operations and Business of CARRIER.....	10
B. Effect on Contract Rights and Membership Interests of CARRIER’s Members/Policyholders	10
C. Directors and Principal Officers.....	11
D. Corporate Governance	12
E. Federal Tax Consequences.....	12
F. Federal Securities Law Consequences	13
SPECIAL CONSIDERATIONS AND RISK FACTORS.....	13
A. No Distribution of Cash or Stock.....	13
B. Benefits May Not Be Achieved	13
C. Risks Associated with Growth.....	13
D. Acquisitions May Not Be Forthcoming	13
E. Restrictions on Movement of Funds	13
F. Risks of Litigation.....	13
G. Dilution of Voting Rights.....	14
H. Market Conditions.....	14
I. No Fairness Opinion from an Investment Banker.....	14
J. Uncertain Regulatory Environment	14
REGULATION.....	14
SELECTED FINANCIAL INFORMATION	15

SUMMARY OF THE PLAN OF REORGANIZATION.....	16
A. Summary of the Plan.....	16
HOW TO OBTAIN ADDITIONAL INFORMATION ABOUT THE CARRIER PLAN OF REORGANIZATION AND MUTUAL HOLDING COMPANY FORMATION ..	17
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.....	17
CERTAIN DEFINITIONS	17

INTRODUCTION

This Member Information Statement is being made available to the Eligible Members of Center Mutual Insurance Company (“CARRIER”, “Company”, or “Center Mutual”) in connection with the Special Meeting of Members of Center Mutual to be held at 1:00 p.m. central time on November 2, 2023 at Center Mutual Headquarters located at 1211 3rd Ave SE, Rugby, ND 58368, and any postponement or adjournment thereof (the “Special Meeting”). Eligible Members will be asked to vote on the proposal to change the structure of Center Mutual from its current form as a mutual insurance company to that of a stock insurance company owned and controlled by a mutual insurance holding company pursuant to the Plan of Reorganization and Mutual Holding Company Formation dated May 4th, 2023 (the “Plan” or “Plan of Reorganization”).

Over the past three years, Center Mutual’s board of directors has explored avenues to strengthen and improve the company’s future by looking for opportunities that align with our commitment to excellent customer service, our financial strength, and our mission – all while retaining the construct of a member-owned mutual. While the current corporate structure has worked, converting to a Mutual Holding Company is an improvement.

Being a mutual allows us to focus on long-term benefit to our members and our communities. That’s why, after much deliberation, your board of directors unanimously voted to take the steps to reorganize Center Mutual into a mutual insurance holding company system by adopting this Plan of Reorganization. Under the Plan, we will create a mutual insurance holding company to be called Northern Lights Mutual Group, Inc., which will be governed by its members. Northern Lights Mutual Group will own the stock of a newly formed intermediate stock holding company, called Aurora Holding Company, Inc., which will own all the stock of Center Mutual. Center Mutual will continue its existence as a reorganized stock insurer and will continue operating under the name Center Mutual Insurance Company. When the reorganization takes effect, ***the members of CENTER MUTUAL will automatically become members of Northern Lights Mutual Group, and all the insurance policies issued by CENTER MUTUAL will remain in force and unchanged. There will be no change to any member’s insurance policy because of the reorganization, and the membership interests in Northern Lights Mutual Group will be substantially the same as the membership interests currently held in CENTER MUTUAL. That means we will retain the member-owned, one-member-one-vote philosophy.***

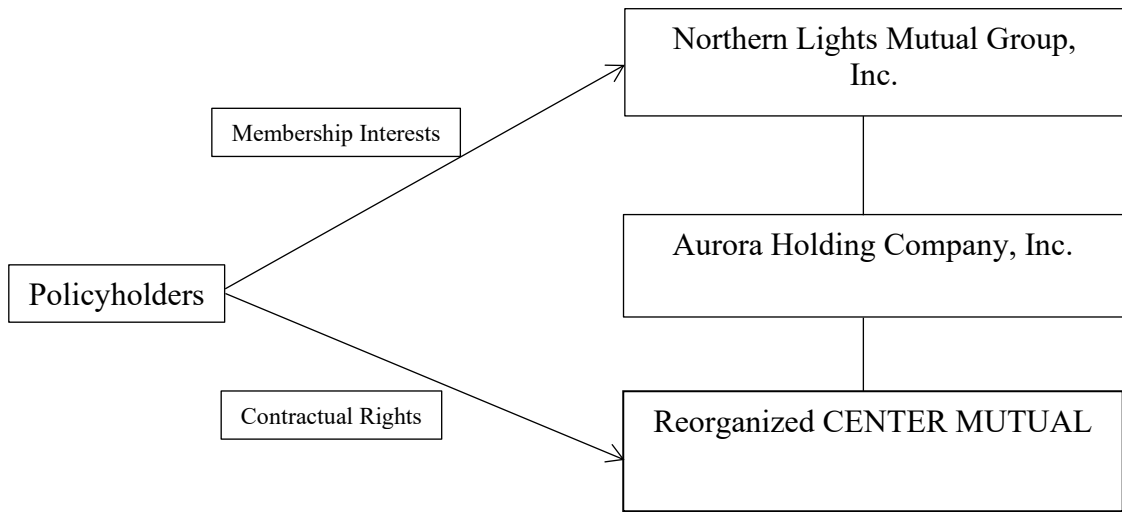
Please read through the following Frequently Asked Questions section and the summary of the Plan (which is linked as a separate document) to answer any questions you may have regarding the transition, your rights through this process, and how to cast your vote on this exciting change.

This Member Information Statement has been approved for mailing to Eligible Members of CENTER MUTUAL by the North Dakota Insurance Department in accordance with North Dakota Century Code 26.1-12.1-04. The Commissioner does not make a recommendation for or against the proposal set forth in this Member Information Statement or the Plan, and no such recommendation should be inferred from the Commissioner’s approval of this Member Information Statement.

CORPORATE STRUCTURE BEFORE THE REORGANIZATION



CORPORATE STRUCTURE AFTER THE REORGANIZATION



FREQUENTLY ASKED QUESTIONS

Below are brief answers to frequently asked questions about the proposed Reorganization. There is a more detailed discussion that follows the FAQ, which qualifies all the information presented in these brief answers. In electronic form, you can click on the underlined links at the end of each question to be directed to a more in-depth analysis of each topic (depending on your settings in Microsoft Word, you may have to press control while you click). Any capitalized terms are defined the first time they are used, or in the CERTAIN DEFINITIONS at the end of the document.

1. What is the change being proposed?

The Board of Directors of Center Mutual is proposing that Center Mutual change its organizational structure. Under this new structure, Center Mutual would be reorganized as a stock insurer, and would become an indirect, wholly-owned subsidiary of the newly-organized mutual insurance holding company, Northern Lights Mutual Group, Inc. (“NLMG”). All Center Mutual policyholders/members would then immediately become members of Northern Lights Mutual Group, with comparable member rights as they had in Center Mutual Insurance Company.

There would be no change in Center Mutual’s insurance policies (except that new policies will now confer membership in Northern Lights Mutual Group rather than Center Mutual) and those policies would remain obligations of Reorganized Center Mutual as a stock insurance company. The Reorganization would take place in accordance with the Plan of Reorganization which has been unanimously approved by Center Mutual’s Board. In accordance with North Dakota law, the Plan was filed with and approved by the North Dakota Insurance Commissioner. You and all Eligible Members of Center Mutual are being asked to approve the Plan at the meeting, of which you are being notified above.

The Plan of Reorganization is not a step toward demutualization. The Board strongly believes in the benefits of the member-owned mutual insurance company concept. For more information, see the THE PLAN on and the sections following it.

2. What is a mutual insurance holding company (“MHC”)?

A mutual insurance holding company, sometimes called a mutual holding company, is a legal entity organized under state law to serve as the corporate parent (i.e., the controlling shareholder) of an insurance company that has been reorganized from a mutual company to a stock company. In the mid-1990s, MHCs began to appear in the laws of various states as a means for mutual insurance companies to address certain disadvantages of the mutual insurance company organizational form. Among those disadvantages are (i) the inherent limitations on the nature of investments and the structure of acquisitions, and (ii) the complexity of integrating those acquisitions into the mutual company’s operations. The current mutual insurance company organization also limits the methods of financing for both on-going operations and any acquisitions. By reorganizing to an MHC, Center Mutual will obtain the flexibilities of a stock company, while still preserving the benefits of a mutual: policyholder ownership and control of the enterprise.

North Dakota-domiciled mutual insurers have the opportunity to reorganize into MHCs as a result of legislation passed several years ago. Center Mutual will not be the first North

Dakota-domiciled MHC to utilize the MHC structure, and numerous mutuals in other states have reorganized and are operating under the MHC structure, some for decades.

For more information on MHCs, see BACKGROUND.

3. What are my current rights as a policyholder of Center Mutual and how would the proposed Reorganization affect those rights?

As a policyholder of Center Mutual, you have two types of interests: (i) contract rights arising from your insurance policy, and (ii) membership rights arising from your status as a member of Center Mutual.

Contract Rights: Your contract rights will not be affected in any way by the proposed Reorganization. Your insurance policy with Center Mutual will become a contractual obligation of Reorganized Center Mutual and there will be no changes to your insurance coverage, claims payments, premiums, or benefits. Any contractual right to receive a dividend or return of premium under your specific policy will not be impacted or changed in any way by the proposed Reorganization.

Membership Rights: Your membership rights include the right to elect directors, approve or disapprove of changes to the articles and bylaws, and to vote on other matters, as well as the right to receive distributions in certain specific circumstances. On the effective date of the Reorganization, you will cease being a member of the previous Center Mutual and you will instead become a member of Northern Lights Mutual Group. You will be entitled to rights in Northern Lights Mutual Group which are comparable to the rights that you now have in Center Mutual.

See Effect on Contract Rights and Membership Interests of Center Mutual's Members/Policyholders.

4. Will anyone other than Center Mutual policyholders be members of the new mutual holding company?

No. At the closing of the Reorganization, ***there will be no members of Northern Lights Mutual Group that are not members of Center Mutual immediately prior to the Reorganization.*** Anyone who buys a policy from the Reorganized Center Mutual after the closing will also become a member of Northern Lights Mutual Group.

The Plan does provide the board of directors of Northern Lights Mutual Group the option to extend mutuality benefits and membership rights in Northern Lights Mutual Group to policyholders of insurance companies that are either acquired by, merged into, or formed by the MHC system in the future. See Question 5 for more information.

5. Why will the policyholders of future insurance companies become members?

If Northern Lights Mutual Group were to acquire, merge with, or form another insurance company in the future, it is possible that the board of directors may allow policyholders of those insurers to become members of Northern Lights Mutual Group, with the strong emphasis on maintaining the current governance structure. Extending membership to policyholders of insurance companies that may be acquired by, merged into, or formed by Northern Lights Mutual Group in the future would enhance and strengthen the mutuality of the Northern Lights Mutual Group Member Companies.

6. How will the reorganization affect my voting rights?

Your voting rights as a member of Center Mutual generally consists of the right to cast one vote on any matter which is subject to a vote of the members.

After the Reorganization, your membership interests in Center Mutual will convert to membership interests in Northern Lights Mutual Group, and you will become a member of Northern Lights Mutual Group with the same voting rights as you had in Center Mutual. Each policyholder of Center Mutual will have the same Northern Lights Mutual Group member voting rights as each other policyholder of Center Mutual.

See Effect on Contract Rights and Membership Interests of Center Mutual's Members/Policyholders.

7. Will the proposed Reorganization affect the terms of my insurance policy with Center Mutual?

No. All insurance policies issued by Center Mutual will continue to be obligations of the Reorganized Center Mutual stock insurance company. Your rights under your existing insurance policy, including your coverage, claims payments, premiums, and benefits under your specific policy, will not be changed as a result of the Reorganization.

See Effect on Contract Rights and Membership Interests of Center Mutual's Members/Policyholders.

8. Has Center Mutual's Board of Directors approved the Reorganization, and does it have a recommendation for policyholders on voting?

Yes. After careful consideration and thorough deliberation, the Center Mutual Board has unanimously approved the Plan and the related transactions. Accordingly, the Center Mutual Board unanimously recommends that policyholders vote FOR the Plan.

See THE PLAN and RECOMMENDATION OF BOARD OF DIRECTORS.

9. Did the Board consider any alternatives to the Reorganization?

Yes. The Board considered other alternatives to the proposed Reorganization but believed the proposed change was the best option. The Board determined that the Reorganization was the best strategic option available to Center Mutual. The Reorganization does not involve any changes to the existing workforce, operations, or office locations of Center Mutual, and the Board has no plans to make any such changes after the Reorganization.

See BACKGROUND.

10. Will Center Mutual be regulated differently if the Reorganization is completed?

No.

See REGULATION.

11. Does Center Mutual plan to issue stock following the Reorganization?

No. The Board does not have any plans to issue stock in any entity after the proposed Reorganization is completed. All of the stock of the Reorganized Center Mutual will be held by Northern Lights Mutual Group through Aurora Holding Company.

However, one of the advantages of the proposed Reorganization is the option to sell stock in Northern Lights Holding Company. While there is no current desire or need to raise capital, it is possible that voting (up to 49%) and/or nonvoting stock might be sold to investors at some time in the future to raise capital in response to changed circumstances or new opportunities. North Dakota law requires that the majority of voting stock of Aurora Holding Company must be owned by Northern Lights Mutual Group at all times, which will be controlled by its members who will include the policyholders of the Reorganized Center Mutual.

Again, there is no plan at this time to sell stock. If a stock offering were to occur, the group would first seek to raise such capital from organizations associated with the Reorganized Center Mutual and such offering would need to be authorized by the North Dakota Insurance Commissioner.

See Facilitating access to capital, if and when needed on page 9, and No Distribution of Cash or Stock.

12. Will the Reorganization result in any changes in the compensation of Center Mutual's directors or officers?

No. The Reorganization will not result in any changes in the compensation of Center Mutual's directors and officers. See Operations and Business of Center Mutual and the Bylaws attached to the end of the Plan, noting that the Reorganized Center Mutual Bylaws retain the existing compensation level for directors.

13. Will any Center Mutual director or officer receive any stock or stock options under the Reorganization?

No. Center Mutual's directors and officers will not receive any stock or stock options in the Reorganized Center Mutual, Aurora Holding Company, Northern Lights Holding Company, or any other entity. See note at the end of question 12.

14. Are there any potential disadvantages or risks in adopting the mutual holding company structure?

The only disadvantage we are aware of would be the possibility that Center Mutual will not grow more efficiently or cost-effectively as a result of adopting the MHC structure. As far as risks, it is possible that the value of the shares of Reorganized Center Mutual held indirectly by Northern Lights Mutual Group may be diluted through the issuance of additional shares of Aurora Holding Company, if at some time in the future, additional shares were issued, pursuant to a merger or effort to raise capital.

For more information, see SPECIAL CONSIDERATIONS AND RISK FACTORS.

15. What approvals are required before Center Mutual can complete the Reorganization?

The Plan must be approved by the Board and the North Dakota Insurance Commissioner, both of whom have already given their approval.

Additionally, the Plan must be approved by two-thirds (2/3) of Eligible Members who vote at the Special Meeting, online, or by mail. An “Eligible Member” is a Member of Center Mutual whose Policy is in force on November 2, 2023 which is the record date for voting.

See THE PLAN.

16. Do I have to attend the Special Meeting to vote on the Plan?

No. You will receive a ballot package with instructions on how to vote and how to reach us regarding the election should you have questions. You may cast your vote by mail or online prior to the Special Meeting or in person. Results will be announced sometime after the Special Meeting.

17. When will the Reorganization be completed, if all conditions are satisfied?

Provided the Plan is approved by Center Mutual’s Eligible Members at the Special Meeting, it is expected that the Reorganization will be completed and effective January 1, 2024.

18. How can I vote on the Plan?

Eligible Members can vote on the Plan by completing a ballot online, by mail, or in person at the Special Meeting to be held at the Center Mutual’s headquarters in Rugby, ND, 1:00 p.m. central time on November 2, 2023.

Mailed ballots must be received by Center Mutual no later than October 30th, 2023 and online voting will close October 31st, 2023 at 5:00 p.m.

19. What should I do if I have other questions about the Reorganization?

If your question is not answered in this FAQ, please visit our website (vote.centermutual.com) or contact us at (701) 776-5279.

RECOMMENDATION OF BOARD OF DIRECTORS

The Board has unanimously adopted the Plan of Reorganization and approved the transactions contemplated thereby. The Commissioner held a public hearing on July 27th, 2023, and approved the Plan on August 21st, 2023. In approving the Plan, the Commissioner found that the interests of the Policyholders of Center Mutual are properly protected and that the Plan is fair, reasonable, and equitable to the Policyholders of Center Mutual. The Board is submitting the Plan to a vote of the Eligible Members after careful review and consideration.

The Board of Directors of Center Mutual unanimously recommends that Eligible Members of Center Mutual vote FOR approval of the Plan of Reorganization.

THE PLAN OF REORGANIZATION

On November 3, 2022, the Center Mutual Board of Directors unanimously approved a resolution directing Center Mutual's senior management to prepare a Plan under which Center Mutual would reorganize into a mutual insurance holding company system. On May 4th, 2023, the Plan was approved by the Board of Directors and was thereafter submitted to the North Dakota Insurance Commissioner (the "Commissioner").

The Plan was approved by the Commissioner August 21st, 2023 after a public hearing held on July 27th, 2023. To become effective, North Dakota law requires that the Plan must, among other conditions, be approved by the Eligible Members. The Plan will require amendments to the existing governing documents of Center Mutual, including its articles and bylaws. Center Mutual's current bylaws require any amendments to be approved by two-thirds (2/3) of the members voting in person or by proxy. As such, and even though statute only requires a majority vote, Center Mutual will need two-thirds (2/3) of Eligible Members voting to approve the Plan and its related documents.

BACKGROUND

Center Mutual policyholders have membership rights today. These membership rights include (1) the right to participate in governance of Center Mutual including the right to vote in the election of directors and on amendments to the articles and bylaws, and (2) certain limited rights to share in the assets of Center Mutual.

Center Mutual's adoption of the Plan followed a thorough review process. The Board considered the strategic challenges facing Center Mutual, including most notably the current inability to preserve mutual membership, while also (1) flexibly adding product lines and increasing its geographical footprint, (2) raising capital in the future if capital is needed to achieve the strategic objectives of the Company, and (3) investing in non-insurance and ancillary businesses. After considering the various alternative transaction structures for addressing these challenges, the Board of Directors determined that the mutual insurance holding company structure best meets Center Mutual's needs, as discussed in greater detail below.

The Board believes the Reorganization responds to these challenges by:

A. Providing operational and financial flexibility

The Reorganization will provide operational and financial flexibility that will enhance Center Mutual's diversification into new products and geographies, spreading risk and strengthening Center Mutual's ability to meet its obligations to policyholders into the future, and also to pursue mergers and acquisitions which are constrained in the current structure. All this will be achieved while preserving mutuality.

B. Facilitating access to capital, if and when needed

Mutual insurance companies have limited access to capital since they do not issue stock. Under the proposed reorganization, Northern Lights Mutual Group will have the ability to raise capital as needed to support Reorganized Center Mutual by issuing stock in the Aurora Holding Company (the intermediate stock holding company). However, as required by law, Northern Lights Mutual Group will own directly or indirectly at least fifty-one percent (51%) of Reorganized Center Mutual at all times.

Although Center Mutual does not currently have a need to raise capital, the ability to access capital if and when needed will enhance the long-term sustainability for the benefit of both policyholders and claimants.

C. Ability to acquire and grow ancillary or non-insurance businesses

Like all insurance companies, Center Mutual is limited by regulatory constraints from investing in ancillary and non-insurance businesses, including companies focused on improving the ways insurance companies do business and on finding new ways to help policyholders be safe and successful. Under the proposed MHC structure, Aurora Holding Company will be positioned to acquire and grow without those constraints, allowing the whole system to take advantage of certain strategic opportunities while preserving the financial strength of Center Mutual.

In addition, the MHC structure enhances and strengthens mutuality by retaining the mutual membership of Center Mutual policyholders while also permitting the Board to extend mutual membership to policyholders of other insurance companies that are either acquired by the MHC, merged into the MHC, or formed by the MHC in the future.

EFFECTS OF THE REORGANIZATION

The Reorganization will have the following effects upon Center Mutual and its Members:

A. Operations and Business of Center Mutual

The Reorganization will not result in any material changes in Center Mutual's existing insurance operations or its services to Policyholders, except that such operations and services will in the future be conducted or provided by a mutual insurance holding company-owned stock insurance company rather than a mutual insurance company.

In addition, the Reorganization shall in no way annul, modify, or change any of Center Mutual's existing suits, rights, property interests, contracts, or liabilities, except with respect to the extinguishment and replacement of the Membership Interests in Center Mutual as described below. Reorganized Center Mutual will exercise all of the rights and powers and perform all of the duties conferred or imposed by law upon insurers writing the types of insurance written by Center Mutual before the Effective Date, except with respect to the extinguishment and replacement of the Membership Interests in Center Mutual, as described below.

B. Effect on Contract Rights and Membership Interests of Center Mutual's Members/Policyholders

Currently, Members of Center Mutual have both contract rights under their Policy as Policyholders and Membership Interests as Members. Upon completion of the Reorganization, a Member's contract rights and Membership Interests will effectively be separated, as further explained below and as shown in the chart above.

The principal contract right is the right to receive the type and amount of insurance coverage specified in a Policyholder's Policy (or Policies) in accordance with the terms and provisions thereof. Every Policy that has been issued by Center Mutual which is in force on the Effective Date will remain in force and continue as a Policy of Reorganized Center Mutual. The premiums currently required to be paid as specified in the Policies will not be increased or otherwise changed as a result of the Reorganization. There may be other reasons unrelated to the Reorganization that could affect a Policy or premium.

The rights underlying the Membership Interests in Center Mutual can be summarized as follows:

- The right to elect the directors of Center Mutual;
- The right to approve or disapprove proposed changes in the Center Mutual Articles and Bylaws;
- The right to vote (or grant proxies to vote) on any Plan, voluntary dissolution, demutualization, or such other matters as may come before the Members at an annual or special meeting of Center Mutual's Members;

- The right to receive a distribution of stock, cash, or subscription to its Policyholders in exchange for their Membership Interests in Center Mutual in the event of a demutualization, which would require the approval by the Board, the Members, and the Commissioner; and
- The right to receive a distributive share of the net assets available for distribution upon liquidation of Center Mutual.

On the Effective Date, the Membership Interests in the current Center Mutual will be extinguished and replaced with Membership Interests in Northern Lights Mutual Group. Members of Center Mutual will not receive any cash, stock, or other consideration in exchange for their Membership Interests in Center Mutual. Holders of Policies issued by Reorganized Center Mutual on or after the Effective Date will automatically become Members of Northern Lights Mutual Group.

	Before Reorganization	After Reorganization
Contract Rights		
Right to insurance coverage	Insurance coverage is provided by Policies which are obligations of Center Mutual.	No change. The Plan will not increase premiums, decrease policy benefits, or alter policy obligations.
Member Rights		
Right to vote for election of directors and on other corporate matters	Each Center Mutual Member is entitled to one (1) vote on all matters subject to Member vote.	Each Northern Lights Mutual Group Member is entitled to one (1) vote on all matters subject to Member vote. All Center Mutual Members will automatically become Members of Northern Lights Mutual Group.
In the event of a liquidation	Any assets remaining after payment of all liabilities of Center Mutual will be distributed in accordance to North Dakota law.	No change.
In the event of a demutualization	Policyholders of Center Mutual on the date of any demutualization would be entitled to receive their equity in Center Mutual either in a cash, stock, or subscription rights in the new company as approved by the Commissioner.	No change.

C. Directors and Principal Officers

Upon the Plan becoming effective, the directors and officers of Center Mutual will serve as the directors and officers of Northern Lights Mutual Group, Inc., Aurora Holding Company, and the Reorganized Center Mutual. These individuals are identified in Exhibit G of the Plan.

D. Corporate Governance

As a mutual insurance company, Center Mutual is not authorized to issue capital stock and, therefore, has no shareholders. Instead, Center Mutual operates under the direction of its board of directors, which is elected by the Members of Center Mutual.

After the Reorganization, Reorganized Center Mutual will operate under the direction of its board of directors and all voting rights of its shareholders will be vested in Aurora Holding Company, as the sole shareholder of Reorganized Center Mutual. All of the voting rights of the shareholders of Aurora Holding Company will initially be vested exclusively in Northern Lights Mutual Group, as the sole shareholder of Aurora Holding Company. At all times, even if Aurora Holding Company would offer and sell securities in the future, Northern Lights Mutual Group will own at least fifty-one percent (51%) of the stock of Aurora Holding Company.

The Members of Northern Lights Mutual Group shall have the right to elect the board of directors of Northern Lights Mutual Group. As a result, the board of directors of Northern Lights Mutual Group, representing the interests of its Members, will have voting control over the election of directors of Aurora Holding Company and thereby, indirectly, have voting control over the election of directors of Reorganized Center Mutual.

E. Federal Tax Consequences

This Member Information Statement does not purport to describe all tax consequences that may be relevant to a Member or to Center Mutual. For example, it does not discuss federal estate tax or excise tax considerations, or state, local and foreign tax considerations. Additionally, the Internal Revenue Code of 1986, as amended, regulations promulgated by the U.S. Treasury Department, and judicial and administrative rulings and decisions are all subject to change, possibly with retroactive effect. Accordingly, each Member is urged to consult his or her own tax advisor regarding the specific tax consequences of the Reorganization that may be applicable.

Prior to the Effective Date, Center Mutual may seek an opinion an independent tax advisor, or legal counsel, to Center Mutual substantially to the effect that neither Center Mutual, Aurora Holding Company, Northern Lights Mutual Group, nor Center Mutual's Policyholders will recognize gain or loss for U.S. federal income tax purposes in connection with the Reorganization. It is anticipated that such opinion will reflect the following: the extinguishment of Membership Interests in Center Mutual in exchange for a grant of Membership Interests in Northern Lights Mutual Group pursuant to the Plan is anticipated to qualify as a non-recognition transfer under the Code, meaning that Members will not recognize any gain or loss for U.S. federal income tax purposes, and the tax basis of the Membership Interests in Northern Lights Mutual Group received by Members whose Center Mutual Membership interests are extinguished will be zero.

F. Federal Securities Law Consequences

Prior to the Effective Date, Center Mutual may seek a “no action” letter from the Securities and Exchange Commission relating to matters pertaining to the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended.

SPECIAL CONSIDERATIONS AND RISK FACTORS

In addition to the benefits of the MHC system and the pros and cons of the alternatives discussed above, you should consider the following risks and special considerations in connection with the proposed Reorganization:

A. No Distribution of Cash or Stock

No cash consideration or stock will be distributed to the Center Mutual Members in the Reorganization, as would occur if Center Mutual were to demutualize. In the case of a reorganization to an MHC system, members of Center Mutual receive nontransferable Membership Interests in Northern Lights Mutual Group. In a full demutualization, members receive cash, stock, or a combination thereof in exchange for the extinguishment of their membership interests.

B. Benefits May Not Be Achieved

It is possible that any or all of the anticipated benefits of the MHC system may never be achieved.

C. Risks Associated with Growth

There can be no assurance that Center Mutual will grow more efficiently and cost-effectively as part of an MHC system than if it remained a mutual insurance company. Moreover, faster growth could result in greater financial risks if, for example, liabilities are assumed in the acquisition of other companies or books of business.

D. Acquisitions May Not Be Forthcoming

Northern Lights Mutual Group and Aurora Holding Company may choose to not take advantage of the expanded opportunity to make acquisitions.

E. Restrictions on Movement of Funds

The ability of Northern Lights Mutual Group or Aurora Holding Company to engage in certain transactions may depend in part upon their ability to receive sufficient funds from Reorganized Center Mutual in the form of shareholder dividends or asset transfers, and there are regulatory limitations on such dividends and asset transfers.

F. Risks of Litigation

Some mutual insurance companies that have reorganized or proposed to reorganize to an MHC system have been sued by individuals that were opposed to the respective company’s plan of reorganization. There can be no assurance that litigation, if brought, would not entail significant cost, divert the efforts and resources of Company

management, and/or delay or impede consummation of the Reorganization. A challenge could result in substantial uncertainty relating to the terms and effectiveness of the Plan, and an extended period of time could be required to reach a final determination.

G. Dilution of Voting Rights

The admission of policyholders, if it occurs, of acquired insurance companies will have the effect of diluting the voting rights of the Members of Northern Lights Mutual Group who are Members as a result of their status as Policyholders of Reorganized Center Mutual.

H. Market Conditions

Any future decision to cause Aurora Holding Company to issue capital stock or debt securities would depend upon, among other factors, the then-current needs of the enterprise for additional capital, then-prevailing market conditions, the financial performance and business prospects of the enterprise, and the interests of the Members of Northern Lights Mutual Group. There can be no assurance as to if, when, or on what terms any such capital raising efforts would take place.

I. No Fairness Opinion from an Investment Banker

In connection with its approval of the Plan, the Board did not seek a fairness opinion of an investment banker. No opinion was deemed necessary in this case because, among other reasons (a) no sale of stock to outside investors is being undertaken or is presently contemplated by Center Mutual, (b) any initial stock offering would require the approval of the Members of Northern Lights Mutual Group, and (c) the Plan is similar to plans for forming mutual holding companies which have been approved in other states which did not require the use of a fairness opinion.

J. Uncertain Regulatory Environment

Certain activities that are regulated by the Commissioner under the present structure of Center Mutual may not be regulated, or may be regulated differently, under the MHC structure.

The Board has concluded that these special considerations and possible disadvantages/risks are outweighed by the potential benefits of the Reorganization.

REGULATION

After consummation of the Reorganization, Reorganized Center Mutual will continue to be subject to the same degree of insurance regulation and supervision in each of the states where Center Mutual is currently licensed to transact the business of insurance, except that Reorganized Center Mutual will be regulated as a stock insurance company whereas Center Mutual is currently regulated as a mutual insurance company.

As a North Dakota mutual holding company, Northern Lights Mutual Group will be subject to regulation by the North Dakota Insurance Commissioner. Generally, the Commissioner

will have power over Northern Lights Mutual Group to ensure that the interests of Policyholders of Reorganized Center Mutual are protected.

SELECTED FINANCIAL INFORMATION

The selected financial information set out below for Center Mutual for each of the four (4) years ended December 31, 2022, 2021, 2020, and 2019 is derived from audited annual statutory financial statements of Center Mutual and its consolidated property and casualty subsidiaries. This selected financial information is presented on a statutory basis in conformity with statutory accounting practices (“SAP”) described or permitted by the Commissioner, which is a comprehensive basis of accounting different from generally accepted accounting principles (“GAAP”). This financial information should be read in conjunction with the audited statutory financial statements on file with the North Dakota Insurance Department.

CARRIER ND

	Summary Financial Information			
	12/31/22	12/31/2021	12/31/2020	12/31/2019
Total Assets	66,754,241	69,068,630	65,013,880	59,908,601
Total Liabilities	28,065,329	27,191,415	28,092,817	27,160,617
Policyholders' Surplus	38,688,912	41,877,215	36,921,063	32,747,984
Total Liabilities and Policyholders' Surplus	66,754,241	69,068,630	65,013,880	59,908,601
Net Income	-1,651,100	4,623,414	2,678,019	1,490,630

The financial statements of Northern Lights Mutual Group after consummation of the Reorganization, prepared on either a GAAP or SAP basis, will not differ materially from the financial statements of Reorganized Center Mutual on a GAAP or SAP basis, respectively.

SUMMARY OF THE PLAN OF REORGANIZATION

Set forth below is a summary of the provisions of the Plan. This summary is qualified in its entirety by the provisions of the Plan, including the exhibits thereto, which may be obtained at no cost to you from Center Mutual.

The Recitals state that (i) the Plan describes Center Mutual's intention to reorganize into a mutual holding company system pursuant to the applicable provisions of North Dakota law; and (ii) that the Board of Directors of Center Mutual believes the Reorganization to be in the best interests of the Company and fair, reasonable, and equitable to the Members, the Board of Directors has unanimously approved the Plan, including the exhibits thereto, and has directed that the Plan of MHC Reorganization be submitted to the North Dakota Commissioner for approval, and after receiving such approval, to the Eligible Members for their approval.

- Article 1 sets forth definitions for defined terms used in the Plan.
- Article 2 describes how the Reorganization will be undertaken, and its effects.
- Article 3 describes the approvals required by the Eligible Members of Center Mutual and the Commissioner and the Effective Date of the Reorganization.
- Article 4 describes additional provisions of the Plan, including: that directors and officers of Center Mutual immediately prior to the Reorganization shall serve as the directors and officers of Reorganized Center Mutual, Aurora Holding Company and Northern Lights Mutual Group; that no director or officer is receiving any fee, commission, or other valuable consideration as part of the Reorganization, other than such person's regular compensation; if Reorganized Center Mutual becomes subject to any rehabilitation or liquidation pursuant to North Dakota law, then the assets of the mutual holding company will be available for the benefit of Reorganized Center Mutual and its policyholders; and that the Board may withdraw the Plan at any time prior to approval. It also references the articles and bylaws of each of the entities.

Attached at the end of the Plan are the proposed Articles of Incorporation and Bylaws of Northern Lights Mutual Group, Inc., Aurora Holding Company, Inc., and Reorganized Center Mutual, as well as the Directors and Officers of each.

HOW TO OBTAIN ADDITIONAL INFORMATION ABOUT THE CENTER MUTUAL PLAN OF REORGANIZATION AND MUTUAL HOLDING COMPANY FORMATION

Copies of this Member Information Statement, the Plan, and the exhibits as filed with the North Dakota Insurance Commissioner are available to policyholders of Center Mutual on our website vote.centermutual.com. In addition, policyholders of Center Mutual may inspect and obtain copies of the Plan, together with all exhibits thereto and other related documents, as well as the financial reports and other information filed by Center Mutual with the Commissioner, during normal business hours at the offices of Center Mutual located at 1211 3rd Ave SE, Rugby, ND, or by calling 1-800-472-2216.

Any Policyholder who has questions about the Member Information Statement, the Plan, or any of the other materials provided in connection with the Reorganization may contact Center Mutual.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Center Mutual's Annual Statements for the years ended December 31, 2019, 2020, 2021, and 2022, as filed by Center Mutual with the Commissioner, are incorporated by reference in this Member Information Statement.

Statements contained in this Member Information Statement or in any document incorporated herein by reference are not necessarily complete, and in each instance where reference is made to the copy of such contract or such other document, each such statement is qualified in all respects by such reference. For the purposes of this Member Information Statement, the documents referred to herein, including the Annual and Quarterly Statements and the other financial reports and the Plan of Reorganization and Mutual Holding Company Formation and the exhibits thereto, are deemed incorporated by reference in their entirety.

CERTAIN DEFINITIONS

The following are definitions of certain terms used in this Member Information Statement. These definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Board” means the board of directors of Center Mutual.

“Commissioner” means the Insurance Commissioner of the State of North Dakota.

“Effective Date” means the date upon which the Reorganization becomes effective, as provided in the Plan.

“Eligible Member” means a Member of Center Mutual whose Policy is in force on the Record Date.

“Aurora Holding Company” means the intermediate stock holding company formed to hold all of the stock of Reorganized Center Mutual.

“CARRIER” means Center Mutual, or CMIC, a North Dakota mutual insurance company.

“Reorganized CARRIER” means Center Mutual Insurance Company, the reorganized North Dakota stock insurance company created by the conversion of Center Mutual pursuant to the Plan of Reorganization.

“Northern Lights Mutual Group Member Companies” shall mean the Reorganized Center Mutual together with such other wholly owned insurance subsidiaries of Northern Lights Mutual Group as may be designated as such by the board of directors of the Northern Lights Mutual Group from time to time.

“Northern Lights Mutual Group” means Northern Lights Mutual Group, Inc., the mutual insurance holding company formed to acquire all of the outstanding capital stock of Aurora Holding Company.

“Member” means each Person which, by virtue of being a Policyholder, holds a Membership Interest in Center Mutual or the Mutual Holding Company, as applicable. A Member shall remain a Member so long as at least one Policy remains in force.

“Membership Interests” means the rights of a Member to vote as provided for in the respective articles of incorporation and bylaws of Center Mutual and the Mutual Holding Company and such other rights as are provided by statute, regulation, or order of the Department, but shall not include any other right expressly conferred by any Policy.

“Person” means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, limited liability partnership, trust, government, government agency, state or political subdivision of a state, public or private corporation, board of directors, estate, trustee, or fiduciary, or any similar entity.

“Plan” or “Plan of Reorganization” has the meaning given to such term in the Introduction.

“Policy” means an in-force insurance policy or contract (other than a treaty reinsurance contract), or any binder or a renewal certificate issued by Center Mutual or a Northern Lights Mutual Group Member Company and not cancelled or otherwise terminated. Whether a policy is in force shall be determined based solely on the records of insurer.

“Policyholder” means the insured named in the declarations of the Policy and/or identified as the holder of a Policy on the records of the applicable Northern Lights Mutual Group Member Company.

“Public Hearing” means the public hearing conducted by the North Dakota Insurance Commissioner on July 27th, 2023.

“Record Date” means November 2, 2023, the date established by the Board to determine Eligible Members entitled to vote at the Special Meeting of Members.