



Dear Policyholder:

Enclosed is a Form 1099-B, which reflects the proceeds paid to you last year upon the acquisition of MLMIC Insurance Company (f/k/a Medical Liability Mutual Insurance Company) by National Indemnity Company.

For US tax purposes, proceeds are typically treated as gross proceeds from the sale. Since you received cash as a result of this transaction this may result in the need to report this capital gain on your tax return. Since the holding period used to calculate your distribution was prior to July 15, 2016, the gain would qualify for long-term capital gain treatment.

The foregoing does not constitute tax advice and each situation may be unique.

Please consult your tax advisor to assist you in determining the proper treatment of your proceeds.