



## PRESS RELEASE

### *For Immediate Release*

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### **United Heritage Insurance Announces Stock Acquisition of Merced Property & Casualty Company**

**MERIDIAN, ID – April 1, 2013** – United Heritage Financial Group, Inc., based in Meridian, Idaho, and Merced Property & Casualty Company, headquartered in Atwater, California, have announced that United Heritage Insurance has acquired over 94% of Merced’s stock issued today pursuant to a sponsored demutualization.

“United Heritage is looking forward to the synergy between Merced and the United Heritage organization,” stated United Heritage President and CEO, Dennis L. Johnson. “We feel that Merced adds value to United Heritage and, that over time, will position us as a stronger insurance provider nationally.”

“We are excited about Merced Property & Casualty Company joining the United Heritage family of companies and believe that Merced’s policyholders will greatly benefit from this transaction,” said Donald R. Duran, President and CEO of Merced.

Merced Property & Casualty Company, formerly known as Merced Mutual Insurance Company, was founded by a group of farmers in 1906, and is a provider of homeowners and dwelling fire insurance to residents of the North, South, and Central valleys of California through a professional network of 116 independent agencies. Merced plans to offer automotive coverage in the future.

United Heritage is an insurance holding company that owns 100% of the common stock of three insurance companies: United Heritage Life Insurance Company, United Heritage Property & Casualty Company, and Sublimity Insurance Company. United Heritage Life Insurance Company, founded in 1934, offers life insurance, fixed annuities and group insurance products in 38 states and the District of Columbia, from headquarters based in Meridian, Idaho. United Heritage Property & Casualty, also based in Meridian, was founded in 1908 and offers property and casualty insurance in four western states. Sublimity Insurance Company, founded in 1896, offers property and casualty insurance in three western states and is based in Sublimity, Oregon.

The transaction included the conversion of Merced from a mutual association to a stock company, which was subject to regulatory consent and the approval of Merced’s policyholders. Financial terms of the transaction were not disclosed. For more information about the companies, visit [UnitedHeritage.com](http://UnitedHeritage.com) and [MercedPCIns.com](http://MercedPCIns.com).



**Dennis L. Johnson**  
*President & CEO,  
United Heritage  
Financial Group*

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**PRESS RELEASE**  
Fact Sheet

**CORPORATE SUMMARY**

**United Heritage Insurance**  
707 East United Heritage Court  
Meridian, Idaho 83642



**Fast Facts**

States of Licensure	38
Combined Revenue	\$156 M
Combined Assets	\$593 M
Combined Capital & Surplus	\$97 M
Combined Net Income	\$9.6 M

*\*Fiscal Year 2012*

**A.M. Best Company  
Financial Strength Ratings**

United Heritage Life Insurance Company	A-
United Heritage Property & Casualty Co.	B++
Sublimity Insurance Co.	A-

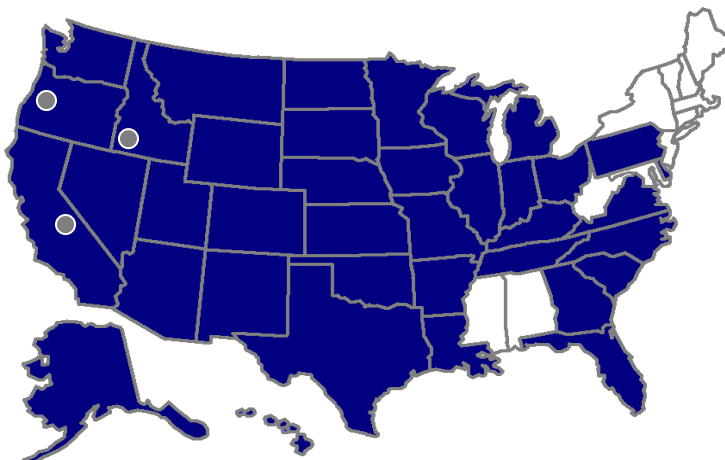
Merced Property & Casualty Co. A-  
2012 - For the latest ratings visit [AMBEST.com](http://AMBEST.com)



**Dennis L. Johnson**  
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United Heritage Mutual Holding  
Company, Financial Group and  
Life Insurance Company  
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**United Heritage Insurance**

- United Heritage Insurance is headquartered in Idaho and home office to United Heritage Financial Group, an intermediate holding company with Combined Revenue of \$156 Million, Combined Assets of \$593 Million and Combined Capital & Surplus of \$97 Million in 2012.
- 100% owned by United Heritage Mutual Holding Company, whose Board of Directors is elected by the policyholders of United Heritage Life Insurance Company and Sublimity Insurance Company.
- Primary assets of the financial group are the common stock of its four insurance companies headquartered in Idaho, Oregon and California.



**United Heritage Life Insurance Company (Meridian, Idaho)**

- Founded in 1934 as Grange Mutual Life Insurance Company in Nampa, Idaho, became United Heritage in 1991 with its national headquarters moved to Meridian in 2001.
- Converted to a mutual holding company in 2001.
- The only life insurance company headquartered in Idaho, it is licensed throughout 38 U.S. states and the District of Columbia.
- Offers a diverse portfolio of insurance services including life insurance, preneed, final expense, fixed annuities, and group life and disability policies.
- Distributed through more than 1240 independent licensed life insurance agents nationally.



## **UNITED HERITAGE** Property & Casualty

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Property & Casualty Company  
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States of Licensure  
*Idaho, Oregon, Utah, and Arizona*



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503.769.3900  
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States of Licensure  
*Oregon, Idaho, and Utah*



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State of Licensure  
*California*

## PRESS RELEASE

### United Heritage Property & Casualty Company (Meridian, Idaho)

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- Formerly Idaho Mutual Insurance Company, originally began operations in 1908 near Roswell, Idaho, as Canyon County Farmers Mutual.
- Demutualized in 2000 to become United Heritage Property & Casualty Company as part of United Heritage Financial Group.
- Offers full line of home, farm, business, umbrella, and auto insurance coverage in Idaho, Oregon, Utah, and Arizona through 239 independent agencies.

### Sublimity Insurance Company (Sublimity, Oregon)

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- Founded in 1896 in Sublimity, Oregon, and joined United Heritage Financial Group in 2003.
- Offers complete portfolio of preferred personal lines products including homeowners, automobile, farm and farm truck, rental properties, and personal umbrella insurance policies.
- Distributed through 228 independent agencies in Oregon, Idaho, and Utah.

### Merced Property & Casualty Company (Atwater, California)

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- Formerly Merced Mutual Insurance Company, originally founded by group of farmers in 1906 as Hilmar Mutual Fire Insurance Company.
- Demutualized in 2013 to become Merced Property & Casualty Company as part of United Heritage Financial Group.
- Offers full line of homeowners and dwelling fire insurance coverage to residents of California's North, South and Central Valleys through 116 independent agencies, and received a new certificate of authority in 2013 to offer auto coverage.

### Company Philosophy

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- As a mutual organization, earnings are reinvested back into its companies to add to the strength of its balance sheets for the benefit of its members.
- The company is committed to conservative management of the resources that are entrusted by its constituents to help them manage risk.
- Focus is on core lines of business to create fair and competitive insurance products that better serve the needs of most Middle American families.
- Insurance is a service industry; the company invests in excellent service for customers and constituents to provide the protection upon which they rely.
- The company believes in giving back to the communities where it is doing business and where its employees and customers live and work.