

THE MERCURY 401(K) PLAN (38219)

Key Plan Details

When can I enroll in the Plan?

Any employee 18 years of age or older becomes eligible to participate in the Mercury General Corporation Profit Sharing Plan on the 1st day of the month following 60 days of hire. Once eligible, you are automatically enrolled in the Plan.

If you have not enrolled in the Plan within 60 days from your date of hire, you will be automatically enrolled in the Plan at a contribution rate of 6% of your pretax eligible earnings. Your contributions will be invested in the State Street Target Retirement Fund Class K, based on your date of birth, and the assumption you will retire at the age of 65. However, we encourage you to take an active role in the Plan and to choose a contribution rate and investment options that are appropriate for you. If you do not wish to contribute to the Plan, you must change your contribution rate to 0% within the first 60 calendar days of your eligibility. You may change your contribution rate at any time by logging on to NetBenefits at www.netbenefits.com, or by calling a Fidelity Retirement Representative at 1-800-835-5095.

How do I enroll in the Plan?

Enroll online at any time, or by calling the Fidelity Retirement Benefits Center at 1-800-835-5095.

What is the Roth contribution option?

A Roth contribution to your retirement savings plan allows you to make after-tax contributions and take any associated earnings completely tax free at retirement - as long as the distribution is a qualified one. A qualified distribution, in this case, is one that is taken at least five tax years after your first Roth contribution and after you have attained age 59½, or become disabled or die. Through automatic payroll deduction, you can contribute between 1% and 50% of your eligible pay as designated Roth contributions, up to the annual IRS dollar limits.

Find more information online within the "Learn" section of NetBenefits®.

What is a Roth In-Plan Conversion?

Roth In-Plan Conversion options are available in the Mercury 401(k) Plan. This option provides you with the opportunity to convert all, or a portion of your non-Roth assets to Roth assets. The amount eligible for such direct rollovers shall include all of a participant's vested assets, including without limitation, pretax savings, after-tax savings, company contributions, and retirement contributions, as well as related earnings thereon.

Special tax rules apply to Roth In-Plan Conversion options and are an important consideration in

determining whether to do such a conversion. Generally, the taxable amount of a conversion is determined as if the converted assets were distributed to you from the Plan, although the assets will only be transferred to the Roth portion of your account and no amount will actually be paid from the Plan. The taxable amount (determined as if actually distributed to you) is taxable to you in the year of the conversion and should be reported on your income tax return for that year. For more information related to the tax consequence of a conversion, you should consult your tax or financial advisor before undertaking such a conversion. You may contact the Fidelity Retirement Benefits Center at 1-800-835-5095 to process a Roth In-Plan Conversion.

How do I make a Roth In-Plan Conversion?

Call Fidelity at 1-800-835-5095. Representatives can answer your questions, review available opportunities for conversion, process a Roth In-Plan Conversion, or help you set up automated Roth In-Plan Conversions. Some of the benefits of setting up automated conversions:

- Simplifies the process by not having to remember to call Fidelity every time you want to convert.
- Limits your future tax consequences.

How much can I contribute?

Through automatic payroll deduction, you may contribute up to 50% of your eligible pay on a pretax, after-tax or Roth basis. In addition, you can automatically increase your retirement savings plan contributions each year through the Annual Increase Program.

What is the IRS contribution limit?

The IRS contribution limit for 2023 is \$22,500.

When is my enrollment effective?

Your enrollment becomes effective once you elect a deferral percentage, which initiates deduction of your contributions from your pay. These salary deductions will generally begin with your next pay period after we receive your enrollment information, or as soon as administratively possible.

Does the Employer contribute?

Each pay period, for every \$1 you contribute to the Plan, Mercury General Corporation will add an additional \$1 to your plan account, up to the first 1% of your pay and \$0.50 for each dollar you contribute from 2% to 6% of your pay.

How do I designate my beneficiary?

If you have not already selected your beneficiaries, or if you have experienced a life-changing event such as a marriage, divorce, birth of a child, or a death in the family, it's time to consider your beneficiary designations. Fidelity's Online Beneficiaries Service offers a straightforward, convenient process that takes just minutes. To make your elections, click on the "Profile" link, then select "Beneficiaries" and follow the online instructions.

What are my investment options?

To help you meet your investment goals, the Plan offers you a range of options. You can select a mix of investment options that best suits your goals, time horizon, and risk tolerance. The many investment options available through the Plan include conservative, moderately conservative, and aggressive funds. A complete description of the Plan's investment options and their performance, as well as planning tools to help you choose an appropriate mix, are available online.

What if I don't make an investment election?

We encourage you to take an active role in the Mercury 401(k) Plan and choose investment options that best suit your goals, time horizon, and risk tolerance. If you do not select specific investment options in the Plan, your contributions will be invested in the Street Target Retirement Fund Class K with the target retirement date closest to the year you might retire, based on your current age and assuming a retirement age of 65, at the direction of Mercury General Corporation.

If no date of birth or an invalid date of birth is on file at Fidelity, your contributions may be invested in the State Street Target Retirement Fund Class K. More information about the Street Target Retirement Fund Class K options can be found online.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

What catch-up contribution can I make?

If you have reached age 50 or will reach 50 during the calendar year January 1 – December 31 and are making the maximum plan or IRS contribution, you may make an additional catch-up contribution each pay period. The maximum annual catch-up contribution is \$7,500. Going forward, catch-up contribution limits will be subject to cost of living adjustments (COLAs) in \$500 increments.

When am I vested?

You are always 100% vested in your contributions to Mercury 401(k) Plan, as well as any earnings on them. Mercury's matching contributions and any earnings vest according to the following schedule:

| Years of Service | Percent |
|-------------------------|----------------|
| 0-1 | 0% |
| 1-2 | 0% |
| 2+ | 100% |

Can I take a loan from my account?

Although your plan account is intended for the future, you may borrow from your account for any reason.

Learn more about and/or request a loan online, or by calling the Fidelity Retirement Benefits Center at 1-800-835-5095.

Can I make withdrawals?

Withdrawals from the Plan are generally permitted when you terminate your employment, retire, reach age 59½, become permanently disabled, or have severe financial hardship as defined by your Plan.

The taxable portion of your withdrawal that is eligible for rollover into an individual retirement account (IRA) or another employer's retirement plan is subject to 20% mandatory federal income tax withholding, unless it is rolled directly over to an IRA or another employer plan. (You may owe more or less when you file your income taxes.) If you are under age 59½, the taxable portion of your withdrawal is also subject to a 10% early withdrawal penalty, unless you qualify for an exception to this rule. To learn more about and/or to request a withdrawal, log on to Fidelity NetBenefits® at www.netbenefits.com or call 1-800-835-5095.

The plan document and current tax laws and regulations will govern in case of a discrepancy. Be sure you understand the tax consequences and your plan's rules for distributions before you initiate a distribution. You may want to consult your tax advisor about your situation.

When you leave the company, you can withdraw contributions and any associated earnings or, if your vested account balance is greater than \$5,000, you can leave contributions and any associated earnings in the Plan. After you leave the company, if your vested account balance is equal to or less than \$1,000, it will automatically be distributed to you.

However, if your vested account balance is greater than \$1,000 but not more than \$5,000, you will be notified that your entire vested account balance will be transferred to an Individual Retirement Account (Rollover IRA), unless you request either a cash distribution or a rollover distribution of your choice.

Can I move money from another retirement plan into my account in the Mercury 401(k) Plan?

Balances from eligible retirement savings plans – like a previous employer's 401(k) – may be rolled into your Mercury 401(k) Plan account.

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

Where can I find information about exchanges and other plan features?

Learn about loans, exchanges, and more online. In particular, you can access loan modeling tools

that illustrate the potential impact of a loan on the long-term growth of your account. You will also find a withdrawal modeling tool, which shows the amount of federal income taxes and early withdrawal penalties you might pay, along with the amount of earnings you could potentially lose by taking a withdrawal. Additional information can be obtained by calling the Fidelity Retirement Benefits Center at 1-800-835-5095.

Additional Important Information

Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Investing involves risk, including risk of loss.

This information provides only a summary of the main features of the Mercury 401(k) Plan and the Plan Document will govern in the event of discrepancies.

The Plan is intended to be a participant-directed plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant or beneficiary.

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