MEADOWBROOK INSURANCE GROUP INC
Form DEFR14A
March 27, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

MEADOWBROOK INSURANCE GROUP, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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x Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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TABLE OF CONTENTS

Explanatory Note

Meadowbrook Insurance Group, Inc., a Michigan corporation (the ***Company***) is making this filing with the Securities and Exchange Commission (the ***SEC***) to remove a reference to Preliminary Proxy Statement from the Definitive Proxy Statement filed by the Company on March 25, 2015 (the ***Proxy Statement***). The Proxy Statement mailed to the Company s shareholders of record reflects the correction. Other than the foregoing change, the Proxy Statement remains unchanged.

TABLE OF CONTENTS

March 25, 2015

Dear Fellow Shareholder:

An Annual Meeting of shareholders of Meadowbrook Insurance Group, Inc., a Michigan corporation (the ***Company***), will be held on April 27, 2015, at 2:00 p.m. Eastern Time at 26255 American Drive, Southfield, Michigan 48034 (the ***Annual Meeting***). You are cordially invited to attend. The purpose of the meeting is to:

consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger, dated as of December 30, 2014 and as amended from time to time (the ***merger agreement***), by and among the Company, Miracle Nova II (US), LLC, a Delaware limited liability company (***Parent***), and Miracle Nova III (US), Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (***Sub***) and the merger contemplated by the merger agreement (the ***merger***);

consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger;

elect Robert S. Cubbin, Robert F. Fix and Douglas A. Gaudet for a three-year term expiring in 2018, or, in each case, until the earlier election and qualification of such director s successor and elect Florine Mark for a one-year term expiring in 2016, or, in such case, until the earlier election and qualification of such director s successor;

ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm;

consider an advisory vote to approve the Company s 2014 executive compensation;

consider and vote on a proposal to adjourn the Annual Meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger if there are insufficient votes at the time of the Annual Meeting to adopt and approve the merger agreement and the merger; and

transact any other business that is properly submitted before the Annual Meeting or any adjournments of the Annual Meeting.

On December 30, 2014, the Company entered into the merger agreement with Sub and Parent, providing for, subject to the satisfaction or waiver of specified conditions, the acquisition of the Company by Sub at a price of $8.65 per share in cash. Subject to the terms and conditions of the merger agreement, the Company will survive the merger as a wholly-owned subsidiary of Parent.

At the effective time of the merger, each share of the Company s common stock issued and outstanding immediately prior to the effective time (other than (i) shares held by shareholders of the Company who have properly exercised and perfected appraisal rights under Michigan law, (ii) shares that are owned by Parent, Sub or any other subsidiary of Parent and (iii) shares that are owned by the Company or by any subsidiary of the Company) will be converted into the right to receive $8.65 per share in cash, without interest, subject to any applicable withholding taxes.

The proxy statement accompanying this letter provides you with more specific information concerning the Annual Meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement. We encourage you to carefully read the accompanying proxy statement and the copy of the merger agreement attached as Annex A to the proxy statement.

The board of directors of the Company (the ***Board***) carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board also considered a number of factors in evaluating the merger and consulted with its outside legal and financial advisors. By a unanimous vote of the directors present at the meeting, the Board (i) approved the merger agreement, (ii) declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of the Company and the Company s

TABLE OF CONTENTS

shareholders, (iii) directed that a proposal to adopt and approve the merger agreement and the merger be submitted to a vote at a meeting of the shareholders of the Company and (iv) recommended that the shareholders of the Company vote for the adoption and approval of the merger agreement and the merger. **Accordingly, the Board recommends a vote FOR the proposal to adopt and approve the merger agreement and the merger.**

The Board also recommends that at the Annual Meeting you vote FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board named in the accompanying proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

Your vote is important. Whether or not you plan to attend the Annual Meeting and regardless of the number of shares you own, your careful consideration of, and vote on, the proposal to adopt and approve the merger agreement and the merger is important, and we encourage you to vote promptly. The merger cannot be completed unless the merger agreement and the merger are adopted and approved by shareholders holding at least a majority of the outstanding shares of the common stock of the Company entitled to vote on such matter. **The failure to vote will have the same effect as a vote AGAINST the proposal to adopt and approve the merger agreement and the merger.**

After reading the accompanying proxy statement, please make sure to vote your shares promptly by completing, signing and dating the accompanying proxy card and returning it in the enclosed prepaid envelope or by voting by telephone or through the Internet by following the instructions on the accompanying proxy card. Instructions regarding all three methods of voting are provided on the proxy card. If you hold shares through an account with a bank, broker, trust or other nominee, please follow the instructions you receive from it to vote your shares.

Thank you in advance for your continued support and your consideration of this matter.

Robert S. Cubbin
President and Chief Executive Officer

Neither the United States Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated March 25, 2015 and is first being mailed to the Company s shareholders on or about March 26, 2015.

TABLE OF CONTENTS

MEADOWBROOK INSURANCE GROUP, INC.
26255 American Drive,
Southfield, Michigan 48034

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held On April 27, 2015

To the Shareholders of the Company:

An Annual Meeting of shareholders of Meadowbrook Insurance Group, Inc. (the ***Company***) will be held on April 27, 2015, at 2:00 p.m. Eastern Time, at 26255 American Drive, Southfield, Michigan 48034, for the following purposes:

1. to consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger, dated as of December 30, 2014 and as amended from time to time (the ***merger agreement***), by and among the Company, Miracle Nova II (US), LLC, a Delaware limited liability company (***Parent***), and Miracle Nova III (US), Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (***Sub***) and the merger contemplated by the merger agreement (the ***merger***);
2. to consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger;
3. to elect Robert S. Cubbin, Robert F. Fix and Douglas A. Gaudet for a three-year term expiring in 2018, or, in each case, until the earlier election and qualification of such director s successor and elect Florine Mark for a one-year term expiring in 2016, or, in such case, until the earlier election and qualification of such director s successor;
4. to ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm;
5. to consider an advisory vote to approve the Company s 2014 executive compensation;
6. to consider and vote on a proposal to adjourn the Annual Meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger if there are insufficient votes at the time of the Annual Meeting to adopt and approve the merger agreement and the merger; and
7. to transact any other business that is properly submitted before the Annual Meeting or any adjournments of the Annual Meeting.

Shareholders of record at the close of business on March 12, 2015 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

For more information concerning the Annual Meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement, please review the accompanying proxy statement and the copy of the merger agreement attached as Annex A to the proxy statement.

The board of directors of the Company (the ***Board***) carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board also considered a number of factors in evaluating the merger and consulted with its outside legal and financial advisors. By a unanimous vote of directors present at the meeting, the Board (i) approved the merger agreement, (ii) declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of the Company and the Company s shareholders, (iii) directed that a proposal to adopt and approve the merger agreement and the merger be submitted to a vote at a meeting of the shareholders of the Company and (iv)

recommended that the Company s shareholders vote for the adoption and approval of the merger agreement and the merger.

TABLE OF CONTENTS

The Board recommends that at the Annual Meeting you vote FOR the proposal to adopt and approve the merger agreement and the merger, FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board named in the accompanying proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

To assure that your shares are represented at the Annual Meeting, regardless of whether you plan to attend the Annual Meeting in person, please fill in your vote, sign and mail the enclosed proxy card as soon as possible. We have enclosed a return envelope, which requires no postage if mailed in the United States. Alternatively, you may vote by telephone or through the Internet. Instructions regarding each of the methods of voting are provided on the enclosed proxy card. If you are voting by telephone or through the Internet, then your voting instructions must be received by 11:59 p.m. Eastern Time on April 26, 2015. Your proxy is being solicited by the Board.

If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

If you fail to return your proxy, vote by telephone or through the Internet or attend the Annual Meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the Annual Meeting and will have the same effect as a vote AGAINST the proposal to adopt and approve the merger agreement and the merger.

By Order of the Board of Directors

Michael G. Costello, Senior Vice President,
General Counsel and Secretary

Southfield, Michigan
March 25, 2015

Please Vote Your Vote is Important

TABLE OF CONTENTS

	Page
Summary Term Sheet	1
The Parties	1
The Merger	1
The Annual Meeting	2
Shareholders Entitled to Vote; Vote Required to Adopt And Approve the Merger Agreement and the Merger	2
How to Vote	2
Recommendation of the Board; Reasons for Recommending the Adoption and Approval of the Merger Agreement and the Merger	2
Opinion of Willis Capital Markets & Advisory	3
Market Price and Dividend Data	3
Certain Effects of the Merger	3
Consequences If the Merger Is Not Completed	3
Interests of the Directors and Executive Officers in the Merger	4
Conditions of the Merger	4
Regulatory Approvals Required for the Merger	4
Restriction on Solicitation of Competing Proposals	5
Termination of the Merger Agreement	5
Termination Fees	6
Appraisal Rights	6
Litigation Related to the Merger	7
Material U.S. Federal Income Tax Consequences of the Merger	7
Additional Information	7
Questions and Answers About the Annual Meeting and the Merger	8
Cautionary Statement Regarding Forward-Looking Statements	14
Parties to the Merger	15
The Company	15
Parent	15
Sub	15
Fosun	15
The Annual Meeting	16
Date, Time and Place of the Annual Meeting	16
Purpose of the Annual Meeting	16
Recommendation of the Board	16
Record Date and Quorum	17
Vote Required for Approval	17
Effect of Abstentions and Broker Non-Votes	18
How to Vote	18
Revocation of Proxies	19
Adjournments and Postponements	19
Solicitation of Proxies	20
Shareholder List	20
Questions and Additional Information	20

Proposal 1: Adoption and Approval of the Merger Agreement and the Merger	21
Proposal 2: Non-Binding Compensation Advisory Proposal	22
The Merger	23
Overview	23

TABLE OF CONTENTS

	Page
Background of the Merger	23
Reasons for Recommending the Adoption and Approval of the Merger Agreement and the Merger	34
Forward-Looking Financial Information	39
Opinion of the Company s Financial Advisor	41
Miscellaneous	46
Interests of Directors and Executive Officers in the Merger	47
Certain Effects of the Merger	53
Consequences If the Merger Is Not Completed	54
Material U.S. Federal Income Tax Consequences of the Merger	54
Regulatory Approvals Required for the Merger	57
Litigation Related to the Merger	58
The Agreement and Plan of Merger	59
Explanatory Note Regarding the Merger Agreement	59
Date of the Merger Agreement	59
The Merger	59
Closing; Effective Time of the Merger	59
Organizational Documents; Directors and Officers	60
Merger Consideration	60
Exchange Procedures	60
Representations and Warranties	61
Covenants Regarding the Conduct of Business by the Company Prior to the Merger	63
Restriction on Solicitation of Competing Proposals	65
Obligation of the Board of Directors with Respect to Its Recommendation	67
Termination of the Merger Agreement	68
Termination Fees	69
Filings; Cooperation; Notifications	69
Financing	70
Other Covenants and Agreements	70
Conditions to the Merger	70
Miscellaneous	71
Dissenters Rights	72
Market Price and Dividend Data	75
Proposal 3: Election of Directors	76
Proposal 4: Ratification of Appointment of Independent Registered Public Accounting Firm	114
Proposal 5: Advisory Vote to Approve the Compensation of the Named Executive Officers	116
Proposal 6: Authority to Adjourn the Annual Meeting	118
Other Matters	118
Future Shareholder Proposals	119
Householding of Proxy Material	120
Where You Can Find More Information	121
Annex A Agreement and Plan of Merger	A-1
Annex B Opinion of Willis Capital Markets & Advisory	B-1
Annex C Sections 450.1761 through 450.1774 of the Michigan Business Corporation Act	C-1

TABLE OF CONTENTS

SUMMARY TERM SHEET

This summary highlights certain information in this proxy statement, but may not contain all of the information that may be important to you. You should carefully read the entire proxy statement and the attached Annexes and the other documents to which this proxy statement refers you for a more complete understanding of the matters being considered at the Annual Meeting. In addition, this proxy statement incorporates by reference important business and financial information about Meadowbrook Insurance Group, Inc. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions in the section entitled Where You Can Find More Information. Unless the context otherwise indicates, we refer to Meadowbrook Insurance Group, Inc. as the ***Company****,* ***we****, ,* ***Meadowbrook*** *,* ***us*** *or* ***our****.*

The Parties (see page 15)

Meadowbrook, based in Southfield, Michigan, is a leader in the specialty program management market. Meadowbrook includes several agencies, claims and loss prevention facilities, self-insured management organizations and six property and casualty insurance underwriting companies. Meadowbrook has twenty-eight locations in the United States. Meadowbrook is a risk management organization, specializing in specialty risk management solutions for agents, professional and trade associations, and small to medium-sized insureds. Meadowbrook Insurance Group, Inc. common shares are listed on the New York Stock Exchange under the symbol MIG .

Fosun International Limited (00656.HK) (which we refer to as ***Fosun***), was founded in 1992 in Shanghai. Fosun was listed on the Main Board of The Stock Exchange of Hong Kong Limited on July 16, 2007. Today, Fosun has established four business engines comprising insurance, industrial operations, investment and asset management.

Miracle Nova II (US), LLC, (which we refer to as ***Parent***) is a Delaware limited liability company and a wholly-owned subsidiary of Fosun.

Miracle Nova III (US), Inc. (which we refer to as ***Sub***) is a Delaware corporation formed for the purpose of effecting the transactions contemplated by the merger agreement with the Company, and is a direct, wholly owned subsidiary of Parent.

The mailing address of each of Parent and Sub is 3500 South DuPont Highway, Dover, Delaware 19901 and their telephone number is (852) 2509 3228.

The Merger (see page 23)

On December 30, 2014, the Company, Parent and Sub entered into the merger agreement. Under the terms of the merger agreement, subject to the satisfaction or waiver of specified conditions, Sub will merge with and into the Company. The Company will survive the merger as a wholly-owned subsidiary of Parent. The Board has approved the merger agreement and recommends that the Company s shareholders vote for the proposal to adopt and approve the merger agreement and the merger.

Upon completion of the merger, each share of the Company s common stock, $0.01 par value per share (***common stock***), that is issued and outstanding immediately prior to the effective time of the merger (other than (i) shares held by shareholders of the Company who have properly exercised and perfected appraisal rights under Michigan law, (ii) shares that are owned by Parent, Sub or any other subsidiary of Parent and (iii) shares that are owned by the Company

or by any subsidiary of the Company (which we refer to collectively as ***excluded shares***)) will be converted into the right to receive $8.65 per share in cash, without interest, subject to any applicable withholding taxes (which we refer to as the ***merger consideration***).

Following the completion of the merger, the Company will cease to be a publicly traded company and will become a wholly-owned subsidiary of Parent.

1

TABLE OF CONTENTS

The Annual Meeting (see page 16)

The Annual Meeting will be held on April 27, 2015, at 2:00 p.m. Eastern Time, at 26255 American Drive, Southfield, Michigan 48034. At the Annual Meeting, you will be asked to, among other things, vote for the proposal to adopt and approve the merger agreement and the merger. See the section entitled The Annual Meeting, beginning on page 16, for additional information on the Annual Meeting, including how to vote your shares of common stock.

Shareholders Entitled to Vote; Vote Required to Adopt and Approve the Merger Agreement and the Merger (see page 17)

You may vote at the Annual Meeting if you were a holder of record of shares of the Company s common stock as of the close of business on March 12, 2015, which is the record date for the Annual Meeting (which we refer to as the ***record date***). You will be entitled to one vote for each share of the Company s common stock that you owned of record on the record date. As of the record date, there were 50,306,760 shares of the Company s common stock issued and outstanding and entitled to vote at the Annual Meeting. The adoption and approval of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the outstanding shares of the Company s common stock entitled to vote on such matter.

Parent does not require a shareholder vote to approve the merger agreement. In addition, on December 30, 2014, the sole shareholder of Sub authorized and approved the merger agreement.

How to Vote

Shareholders of record have a choice of voting by proxy by completing a proxy card and mailing it in the prepaid envelope provided, by calling a toll-free telephone number or through the Internet. Please refer to your proxy card or the information forwarded by your bank, broker, trust or other nominee to see which options are available to you. The telephone and Internet voting facilities for shareholders of record will close at 11:59 p.m. Eastern Time on April 26, 2015.

If you wish to vote by proxy and your shares are held by a bank, broker, trust or other nominee, you must follow the voting instructions provided to you by your bank, broker, trust or other nominee.

If you wish to vote in person at the Annual Meeting and your shares are held in the name of a bank, broker or other holder of record, you must obtain a legal proxy, executed in your favor, from the bank, broker or other holder of record authorizing you to vote at the Annual Meeting.

YOU SHOULD NOT SEND IN YOUR STOCK CERTIFICATE(S) WITH YOUR PROXY CARD. A letter of transmittal with instructions for the surrender of certificates representing shares of the Company s common stock will be mailed to shareholders if the merger is completed.

For additional information regarding the procedure for delivering your proxy, see the sections entitled The Annual Meeting How to Vote, beginning on page 18 and The Annual Meeting Solicitation of Proxies, beginning on page 20. If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

Recommendation of the Board; Reasons for Recommending the Adoption and Approval of the Merger Agreement and the Merger (see pages 16, 34)

After careful consideration, the members of the Board who in attendance at the meeting unanimously declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of the Company and our shareholders. **The Board recommends that at the Annual Meeting you vote FOR the proposal to adopt and approve the merger agreement and the merger, FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board named in this proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the**

executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

For a discussion of the material factors considered by the Board in reaching its conclusions to approve the merger agreement, see the section entitled The Merger Reasons for Recommending the Adoption and Approval of the Merger Agreement and the Merger, beginning on page 34.

Opinion of Willis Capital Markets & Advisory (see page 41)

In connection with the merger, at the special meeting of the Board on December 30, 2014, Willis Securities, Inc. (which we refer to as ***Willis Capital Markets & Advisory***), rendered its opinion to the Board to the effect that, as of that date and based upon and subject to the assumptions, qualifications and limitations stated in its written opinion, the merger consideration to be received in the merger by the holders of shares of the Company s common stock was fair, from a financial point of view, to such holders.

The full text of Willis Capital Markets & Advisory s written opinion to the Board, dated December 30, 2014, is attached as Annex B to this proxy statement and is incorporated herein by reference. You should read the opinion in its entirety for a discussion of the assumptions made, factors considered and qualifications and limitations upon the review undertaken by Willis Capital Markets & Advisory in rendering the opinion. The summary of Willis Capital Markets & Advisory s opinion is qualified in its entirety by reference to the full text of the opinion. You are encouraged to read Willis Capital Markets & Advisory s opinion, this section and the summary of Willis Capital Markets & Advisory s opinion below carefully and in their entirety. Willis Capital Markets & Advisory s opinion was provided for the information of the Board (in its capacity as such) in its evaluation of the consideration to be paid in the merger from a financial point of view and did not address any other aspect of the merger. Willis Capital Markets & Advisory expressed no view as to, and its opinion did not address, the relative merits of the merger as compared to alternative business or financial strategies that might be available to the Company, the effect of any other transaction in which the Company might engage or the Company s underlying business decision to engage in the merger. The opinion does not constitute a recommendation to any holder of the Company s common stock as to how such holder should act or vote in connection with the merger or otherwise.

Market Price and Dividend Data (see page 75)

Meadowbrook common stock is traded on the New York Stock Exchange (which we refer to as the ***NYSE***) under the symbol *MIG*. On December 29, 2014, the last full trading day prior to the public announcement of the merger, the closing price for Meadowbrook common stock was $6.97 per share. On March 23, 2015, the last full trading day prior to the date of this proxy statement, the closing price for Meadowbrook common stock was $8.48 per share.

Certain Effects of the Merger (see page 53)

Upon completion of the merger, Sub will be merged with and into Meadowbrook upon the terms set forth in the merger agreement. As the surviving corporation in the merger, Meadowbrook will continue to exist following the merger as an wholly-owned subsidiary of Parent.

Following the completion of the merger, shares of Meadowbrook common stock will no longer be traded on the NYSE or any other public market. In addition, the registration of shares of Meadowbrook common stock under the

Securities Exchange Act of 1934, as amended (which we refer to as the ***Exchange Act***), will be terminated.

Consequences If the Merger Is Not Completed (see page 54)

If the proposal to adopt and approve the merger agreement and the merger does not receive the required approval from Meadowbrook shareholders, or if the merger is not completed for any other reason, you will not receive any consideration from Parent or Sub for your shares of Meadowbrook common stock. Instead, Meadowbrook will remain a public company, and Meadowbrook common stock will continue to be listed and traded on the NYSE.

3

In addition, if the merger agreement is terminated under specified circumstances, Meadowbrook is required to pay Parent a termination fee. See the section entitled The Agreement and Plan of Merger Termination Fees, beginning on page 69.

Interests of Directors and Executive Officers in the Merger (see page 47)

In considering the recommendation of the Board that you vote **FOR** the proposal to adopt and approve the merger agreement and the merger, you should be aware that some of our executive officers and members of the Board have interests in the merger that may be in addition to or different from the interests of the Company s shareholders generally. The Board was aware of these interests and considered them at the time it approved the merger agreement and made its recommendation to the Company s shareholders.

Conditions to the Merger (see page 70)

Each party s obligations to complete the merger are subject to the satisfaction or waiver (where permitted) of certain specified conditions, including (i) the adoption and approval of the merger agreement and the merger by the holders of a majority of the outstanding shares of the Company entitled to vote thereon and (ii) the receipt of certain required antitrust and other regulatory approvals (including insurance regulatory approvals in the states of California, Michigan, Missouri and Ohio).

The obligations of Parent and Sub to effect the merger are also subject to the satisfaction or waiver by Parent of the following additional conditions:

subject to, in certain cases, certain materiality qualifiers, the accuracy of each of our representations and warranties; and

our performance in all material respects with our obligations and covenants required to be performed by us under the merger agreement at or prior to the closing date.

Our obligations to effect the merger are also subject to the satisfaction or waiver by us of the following additional conditions:

subject to, in certain cases, certain materiality qualifiers, the accuracy of the representations and warranties Parent and Sub; and

Parent s and Sub s performance in all material respects with their respective obligations and covenants required to be performed under the merger agreement at or prior to the closing date.

Regulatory Approvals Required for the Merger (see page 57)

The merger agreement and the transactions contemplated thereby are subject to the receipt of specified regulatory approvals, including certain insurance regulatory approvals, set forth in the merger agreement. Under the insurance laws of each state or jurisdiction in which the Insurance Company Subsidiaries are domiciled or commercially domiciled, prior to acquiring control of any such Insurance Company Subsidiary, Parent is required to obtain the approval of the insurance regulatory authority in each such state or jurisdiction. Fosun, on behalf of Parent, filed applications seeking approval of the merger with the states of California, Michigan, Missouri and Ohio on January 29, 2015 and with Washington, D.C. on March 2, 2015. Although the Company and Parent do not expect any such insurance regulator to withhold their approval of the merger, the Company and Parent cannot be certain that such approvals will be granted, and, if granted, of the date of such approvals or what conditions may be imposed in

connection therewith. Parent has the right to elect not to complete the merger if Parent is unable to obtain all regulatory approvals specified in the merger agreement as conditions to closing without any such approval being conditioned on the imposition of any burdensome condition (as defined in The Merger Regulatory Approvals Required for the Merger).

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the ***HSR Act***), and the rules promulgated thereunder by the Federal Trade Commission (the ***FTC***), the merger cannot be completed until each of the Company and Parent file a notification and report form with the FTC and the Antitrust Division of the Department of Justice (the ***DOJ***) under the HSR Act and the applicable waiting period has expired or been terminated. The Company and Parent made all the filings and submissions with respect to the merger as required under the HSR Act, and early termination of the waiting period was granted effective February 24, 2015.

4

TABLE OF CONTENTS

Restriction on Solicitation of Competing Proposals (see page 65)

The merger agreement generally restricts our ability to:

directly or indirectly, initiate, solicit or knowingly take any action to facilitate or encourage the making of any proposal or offer that constitutes a competing proposal or the making of any inquiry, offer or proposal that would reasonably be expected to lead to a competing proposal;
conduct or engage or participate in any discussions or negotiations with, disclose any non-public information relating to the Company or any of its subsidiaries to, afford access to the business, properties, assets, books or records of the Company or any of its subsidiaries to, or otherwise knowingly cooperate in any way, or knowingly assist or encourage any effort by, any third party that is seeking to make, or has made, any competing proposal; or
amend or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Company or any of its subsidiaries or approve any transaction under, or any third party becoming an interested shareholder under, the Michigan Business Corporations Act (***MBCA***), enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any competing proposal or enter into any agreement or agreement in principle requiring us to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach our obligations under the merger agreement, or resolve, propose or agree to do any of the foregoing.

Termination of the Merger Agreement (see page 68)

The merger agreement may be terminated prior to the effective time of the merger by the mutual written consent of Parent and the Company. The merger agreement may also be terminated prior to the effective time of the merger by either Parent or the Company if:

the meeting of Meadowbrook shareholders will have been held and completed and the requisite shareholder approval will not have been obtained at such meeting or at any adjournment or postponement thereof;
the merger has not been consummated by July 28, 2015; provided, that if all of the conditions to such consummation, other than the conditions regarding obtaining regulatory approvals, shall have been satisfied or shall be capable of being satisfied at such time, such date may be extended by either the Company or Parent from time to time by written notice to the other party until October 26, 2015 (the last of such dates, the ***outside date***); or
if any governmental entity has issued any order, injunction or decree permanently enjoining, restraining or prohibiting the merger.

Meadowbrook may also terminate the merger agreement if:

prior to receiving the requisite shareholder approval, if the Board shall have effected a Change of Company Recommendation with respect to the merger and merger agreement in order to cause the Company to enter into a definitive agreement with respect to a superior proposal; provided that in the event of such termination, the Company substantially concurrently enters into such binding definitive agreement;
Parent or Sub has breached or failed to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, in any case, such that a condition to the consummation of the merger would not be satisfied, the Company has delivered to Parent written notice of such breach or failure to perform; and either such breach or failure to perform is not capable of cure or at least 30 days shall have elapsed since the date of delivery of such written notice to Parent and such breach or failure to perform shall not have been cured; provided, that the Company shall not be permitted to terminate the merger agreement under such circumstances if the

5

TABLE OF CONTENTS

Company has breached or failed to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, in any case, such that a condition to the consummation of the merger would not be satisfied; or

all conditions to the consummation of the merger have been satisfied (other than those conditions that by their nature are to be satisfied at the closing or that have failed to be satisfied as a result of Parent s or Sub s material breach or failure to perform any of their respective representations, warranties, covenants or agreements contained in the merger agreement) have been satisfied or waived, the Company has notified Parent in writing that the Company is ready, willing and able to consummate the closing of the merge, and Parent and Sub have failed to consummate the merger on the date by which the closing is required to have occurred pursuant to the merger agreement.

Parent may also terminate the merger agreement if:

the Company has breached or failed to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, in any case, such that a condition to the consummation of the merger would not be satisfied, Parent has delivered to the Company written notice of such breach or failure to perform; and either such breach or failure to perform is not capable of cure or at least 30 days shall have elapsed since the date of delivery of such written notice to the Company and such breach or failure to perform shall not have been cured; provided, that Parent shall not be permitted to terminate the merger agreement under such circumstances if Parent has breached or failed to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, in any case, such that a condition to the consummation of the merger would not be satisfied; or

prior to receiving the requisite shareholder approval, if the Board shall have effected a change of company recommendation with respect to the merger and merger agreement or the Board shall have failed to include its recommendation that the shareholders adopt and approve the merger agreement and the merger in this proxy statement.

Termination Fees (see page 69)

Upon termination of the merger agreement under specified circumstances, we will be required to pay Parent a termination fee of $15,165,000, which circumstances include:

if Parent terminates the merger agreement, at any time prior to the Company s receipt of the requisite shareholder approval in event of a change of company recommendation by the Board with respect to the adoption and approval of the merger agreement and the merger;

if the Company terminates the merger agreement at any time prior to the receipt of the approval of the Company s shareholders, if the Board shall have effected a change of company recommendation with respect to the adoption and approval of the merger agreement and the merger in order to cause the Company to enter into a definitive agreement with respect to a superior proposal; or

if Parent or the Company terminates the merger agreement if the merger is not consummated by the outside date or in the event of the failure of the shareholders to adopt and approve the merger agreement and the merger, or if a competing proposal shall have been publicly disclosed and not publicly withdrawn, and within nine months after the termination of the merger agreement, the Company shall have consummated any competing proposal, or entered into a definitive agreement with respect to any competing proposal (and such competing proposal is subsequently consummated).

Dissenters Rights (see page 72)

In accordance with the merger agreement and the MBCA, Meadowbrook shareholders have dissenters rights. Meadowbrook shareholders may elect to dissent from the merger and obtain payment for their shares of common stock in the manner, with the rights and subject to the requirements applicable to dissenting shareholders as provided in the MBCA.

6

Dissenters Rights (see page 72)

TABLE OF CONTENTS

Any Meadowbrook shareholder who wishes to exercise statutory dissenters rights or who wishes to preserve the right to do so should refer to the Dissenters Rights Statute and consult counsel prior to taking any action. Failure to strictly comply with the procedures set forth in the Dissenters Rights Statute will result in the loss of dissenters rights. Meadowbrook shareholders should be aware that pursuing dissenters rights may result in the shareholder receiving more or less than the price paid or offered to Meadowbrook shareholders, and may cause the dissenting shareholder to incur substantial legal and other expenses. A copy of the Dissenters Rights Statute is attached hereto as Annex C.

Litigation Related to the Merger (see page 58)

The Company, the Board, Fosun, Parent and Sub have been named as defendants in certain lawsuits brought by purported shareholders of the Company seeking, among other things, to enjoin the proposed merger.

Material U.S. Federal Income Tax Consequences of the Merger (see page 54)

The receipt of cash for shares of Meadowbrook common stock pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder (as such term is defined below in the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 54) who receives cash in exchange for shares of Meadowbrook common stock in the merger will recognize gain or loss equal to the difference, if any, between the cash received and the U.S. holder s adjusted tax basis in the shares converted into the right to receive cash in the merger. Gain or loss will be determined separately for each block of shares of Meadowbrook common stock (that is, shares acquired for the same cost in a single transaction). You should refer to the discussion in the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 54 and consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of the merger.

Additional Information (see page 121)

You can find more information about the Company in the periodic reports and other information we file with the U.S. Securities and Exchange Commission (which we refer to as the ***SEC***). The information is available at the SEC s public reference facilities and at the website maintained by the SEC at *www.sec.gov*.

7

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND THE MERGER

The following questions and answers are intended to briefly address some commonly asked questions regarding the Annual Meeting of shareholders and the merger. These questions and answers do not address all questions that may be important to you as a shareholder of the Company. Please refer to the more detailed information contained elsewhere in this proxy statement, the Annexes to this proxy statement and the documents referred to in this proxy statement.

Q: What is a proxy?

A: A proxy is a procedure which enables you, as a shareholder, to authorize someone else to cast your vote for you. The Board of Directors of the Company is soliciting your proxy, and asking you to authorize Robert S. Cubbin, President and Chief Executive Officer or Michael G. Costello, Senior Vice President, General Counsel and Secretary of the Company, to cast your vote at the Annual Meeting. You may, of course, cast your vote in person or abstain from voting, if you so choose. The term proxy is also used to refer to the person who is authorized by you to vote for you.

Q: What are a proxy statement and a proxy card?

A: A proxy statement is the document the SEC requires be provided to you in order to explain the matters on which you are asked to vote. A proxy card is the form by which you may authorize someone else, and in this case, Mr. Cubbin or Mr. Costello, to cast your vote for you. This proxy statement and proxy card with respect to the Annual Meeting were mailed on or about March 26, 2015 to all shareholders entitled to vote at the Annual Meeting.

Q: Who is entitled to vote?

A: Only holders of shares of the Company s common stock at the close of on the Record Date are entitled to vote at the Annual Meeting. Each shareholder of record has one vote for each share of common stock for each matter presented for a vote.

Q: When and where will the Annual Meeting of shareholders be held?

A: The Annual Meeting of the Company s shareholders will be held at 26255 American Drive, Southfield, Michigan 48034 on April 27, 2015, at 2:00 p.m. Eastern Time.

Q: What is householding and how does it affect me?

A: Some banks, brokers, and other record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and 2014 annual report on Form 10-K may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of these documents to you if you contact us at the address set forth above.

If you want to receive separate copies of our proxy statements and annual reports on Form 10-K in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other record holder.

TABLE OF CONTENTS

Q: How can I vote?

A: You can vote in person or by proxy. To vote by proxy, complete, sign, date and return the enclosed proxy card in the enclosed envelope. If you returned your signed proxy card to the Company before the Annual Meeting, the persons named as proxies on the card will vote your shares as you direct. Shares represented by proxies that are marked WITHHELD to vote for all nominees for director, or for any individual nominee(s) for election as director(s) and which are not otherwise marked FOR the other nominees will not be counted in determining whether a plurality vote has been received for the election of directors. Similarly, shares represented by proxies, which are marked ABSTAIN on the proposals to be voted on at the Annual Meeting will not be counted in determining whether the requisite vote has been received for such proposal. **IF YOU WISH TO VOTE IN THE MANNER THE BOARD OF DIRECTORS RECOMMENDS, IT IS NOT NECESSARY TO SPECIFY YOUR CHOICE ON THE PROXY CARD. SIMPLY SIGN, DATE AND RETURN THE PROXY CARD IN THE ENCLOSED ENVELOPE.** You may revoke a proxy at any time before the proxy is voted or change your vote by:

Providing written notice of revocation to the Secretary of the Company at the address shown on the Notice of Annual Meeting of Shareholders on the first page of this statement;

Submitting another proxy that is properly signed and dated later; or

Voting in person at the meeting (but only if the shares are registered in the Company s records in your name and not in the name of a broker, dealer, bank or other third party).

Q: If my shares are held for me by a bank, broker, trust or other nominee, will my bank, broker, trust or other nominee vote those shares for me with respect to the proposals?

A: Other than with respect to the proposal to ratify our independent registered public accounting firm, your bank, broker, trust or other nominee will not have the power to vote your shares of the Company s common stock at the Annual Meeting unless you provide instructions to your bank, broker, trust or other nominee on how to vote. You should instruct your bank, broker, trust or other nominee on how to vote your shares with respect to the proposals, using the instructions provided by your bank, broker, trust or other nominee. You may be able to vote by telephone or through the Internet if your bank, broker, trust or other nominee offers these options.

Q: What if I fail to instruct my bank, broker, trust or other nominee how to vote?

A: Other than with respect to the proposal to ratify our independent registered public accounting firm, your bank, broker, trust or other nominee will **NOT** be able to vote your shares of the Company s common stock unless you have properly instructed your bank, broker, trust or other nominee on how to vote. Because the proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of a majority of the outstanding shares of the Company s common stock, the failure to provide your nominee with voting instructions will have the same effect as a vote **AGAINST** the proposal to adopt and approve the merger agreement and the merger. Furthermore, your shares will not be included in the calculation of the number of shares of the Company s common stock present at the Annual Meeting for purposes of determining whether a quorum is present.

Q: Is my vote confidential?

A: Yes, your vote is confidential. Only the inspectors of election and certain employees associated with processing proxy cards and counting the votes have access to your proxy card. All comments received will be forwarded to management on an anonymous basis unless you request that your name be disclosed.

Q: What is a quorum?

A: There were 50,306,760 shares of the Company s common stock outstanding on the Record Date. A majority of the outstanding shares entitled to be cast, or 25,153,381 shares, present or represented by proxy, constitute a quorum. A quorum must exist to conduct business at the Annual Meeting. Abstentions and broker non-votes are counted as votes present for purposes of determining whether there is a quorum (except with respect to the proposal to consider an advisory vote to approve the Company s 2014

executive compensation, for which broker non-votes are not counted as votes present for purposes of determining whether there is a quorum).

Q: How does voting work?

A: If a quorum exists at the Annual Meeting, a plurality vote, being the greatest number of the shares voted, although not a majority, is required to elect the nominees for director. The nominees receiving the highest number of votes will be elected. The proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of the holders of a majority of the outstanding shares of the Company s common stock entitled to vote on such matter, and if a quorum is present, the affirmative vote by the holders of a majority of the votes cast in person or by proxy is required to approve the additional proposals to be voted on at the Annual Meeting.

In addition, even if a quorum is not present at the Annual Meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter may adjourn the meeting to another place, date or time.

Abstentions and broker non-votes are not votes cast. Therefore, an abstention will have no effect on the proposal to elect directors but will be treated as being present and entitled to vote for the additional proposals, and therefore will have the effect of votes against each other proposal to be voted on at the Annual Meeting, while broker non-votes will have no effect on such other proposals.

The Company will vote properly executed proxies it receives prior to the Annual Meeting in the way you direct. If you do not specify instructions, the shares represented by proxies will be voted FOR the nominees for director and FOR all other proposals.

Q: Who pays for the costs of the Annual Meeting?

A: The Company pays the cost of preparing and printing the proxy statement, proxy card and soliciting proxies. The Company will solicit proxies primarily by mail, but also may solicit proxies personally and by telephone, facsimile or other means. Officers and regular employees of the Company and its subsidiaries also may solicit proxies, but will receive no additional compensation for doing so, nor will their efforts result in more than a minimal cost to the Company. The Company also will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their out-of-pocket expenses for forwarding solicitation material to beneficial owners of the Company s common stock.

Q: What other information is available about Meadowbrook Insurance Group, Inc.?

A: The Company maintains a corporate website, *www.meadowbrook.com*, where the Company makes available, free of charge, copies of its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after they are filed. In addition, the Company maintains the charters of its Governance and Nominating Committee, the Compensation Committee, the Audit Committee and the Capital Strategy and Investment Committee of the Board of Directors on its website, as well as the Company s Board Governance Guidelines, Compliance Code of Conduct and Business Ethics Policy. Printed copies of the above are available, free of charge, to any shareholder who requests this information.

Q: As a shareholder, what will I receive in the merger?

A: If the merger is completed, you will be entitled to receive $8.65 in cash, without interest and subject to any applicable withholding taxes, for each share of the Company s common stock you own as of immediately prior to the effective time of the merger.

The receipt of cash for shares of common stock of the Company pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. Please see the discussion in the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger, beginning on page 54, for a more detailed description of the U.S. federal income tax consequences of the merger. You should consult your own tax advisor for a full understanding of how the merger will affect your U.S. federal, state, local and foreign taxes.

10

TABLE OF CONTENTS

Q: What will happen to the Company s outstanding equity compensation awards in the merger?

A: For information regarding the treatment of outstanding equity awards of the Company, see the section entitled The Merger Interest of Directors and Executive Officers in the Merger, beginning on page 47.

Q: How does the Board recommend that I vote on the proposals?

A: **Upon careful consideration, the Board recommends that at the Annual Meeting you vote FOR the proposal to adopt and approve the merger agreement and the merger, FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.**

For a discussion of the factors that the Board considered in determining to recommend the adoption and approval of the merger agreement and the merger, please see the section entitled The Merger Reasons for Recommending the Adoption and Approval of the Merger Agreement and the Merger, beginning on page 34. In addition, in considering the recommendation of the Board with respect to the merger agreement, you should be aware that some of our directors and executive officers have interests that may be different from, or in addition to, the interests of the Company s shareholders generally. See the section entitled The Merger Interests of Directors and Executive Officers in the Merger, beginning on page 47.

Q: Why am I being asked to consider and cast a non-binding advisory vote to approve the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger?

A: In 2011, the SEC adopted rules that require companies to seek a non-binding advisory vote to approve certain compensation that may be paid or become payable to their named executive officers that is based on or otherwise relates to corporate transactions such as the merger. In accordance with the rules promulgated under Section 14A of the Exchange Act, the Company is providing its shareholders with the opportunity to cast a non-binding advisory vote on compensation that may be paid or become payable to the Company s named executive officers in connection with the merger. For additional information, see the section entitled The Merger Interests of Directors and Executive Officers in the Merger, beginning on page 47.

Q: What will happen if the Company s shareholders do not approve the non-binding compensation advisory proposal?

A: The vote to approve the non-binding compensation advisory proposal is a vote separate and apart from the vote to adopt and approve the merger agreement and the merger and the other proposals to be voted on at the Annual Meeting. Approval of the non-binding compensation advisory proposal is not a condition to completion of the merger, and it is advisory in nature only, meaning that it will not be binding on the Company or Parent or any of their respective subsidiaries. Accordingly, if the merger agreement is adopted by the Company s shareholders and the merger is completed, the compensation of our named executive officers that is based on or otherwise relates to the merger is not expected to be revised even if this proposal is not approved.

Q: What happens if I sell my shares of the Company s common stock before the Annual Meeting?

A: The record date for the Annual Meeting is earlier than the expected date of the merger. If you own shares of the Company s common stock as of the close of business on the record date but transfer your shares prior to the Annual Meeting, you will retain your right to vote at the Annual Meeting, but the right to receive the merger consideration will pass to the person who holds your shares as of immediately prior to the effective time of the merger.

TABLE OF CONTENTS

Q: May I exercise dissenters rights or rights of appraisal in connection with the merger?

A: Yes. In order to exercise your appraisal rights, you must follow the requirements set forth in Section 450.1762 of the MBCA A copy of Section 450.1762 of the MBCA is included as Annex C to this proxy statement. For additional information, see the section entitled Dissenters Rights, beginning on page 72.

Q: If I hold my shares in certificated form, should I send in my stock certificates now?

A: No. Shortly after the merger is completed, you will be sent a letter of transmittal that includes detailed written instructions on how to return your stock certificates. You must return your stock certificates in accordance with such instructions in order to receive the merger consideration. **PLEASE DO NOT SEND IN YOUR STOCK CERTIFICATE(S) NOW**.

Q: When is the merger expected to be completed?

A: We currently anticipate that the merger will be completed during the second half of 2015, but we cannot be certain when or if the conditions to the merger will be satisfied or, to the extent permitted, waived. The merger cannot be completed until the conditions to closing are satisfied (or, to the extent permitted, waived), including the adoption and approval of the merger agreement and the merger by the Company s shareholders and the receipt of certain regulatory approvals, including certain insurance regulatory approvals. For additional information, see the section entitled The Agreement and Plan of Merger Conditions to the Merger, beginning on page 70.

Q: What happens if the merger is not completed?

A: If the proposal to adopt and approve the merger agreement and the merger is not approved by the holders of a majority of the outstanding shares of the Company s common stock entitled to vote on the matter or if the merger is not completed for any other reason, you would not receive any consideration from Parent or Sub for your shares of the Company s common stock. Instead, we would remain a public company, and our common stock would continue to be registered under the Exchange Act and listed and traded on the NYSE. We expect that our management will operate our business in a manner similar to that in which it is being operated today and that holders of shares of our common stock will continue to be subject to the same risks and opportunities to which they are currently subject with respect to their ownership of our common stock. Under certain circumstances, if the merger is not completed, we may be obligated to pay Parent a termination fee. If the merger is not completed, there can be no assurance as to the effect of these risks and opportunities on the future value of our common stock, including the risk that the market price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the merger will be completed. For additional information, see the section entitled The Merger Consequences if the Merger is Not Completed, beginning on page 54.

Q: Are there any requirements if I plan on attending the Annual Meeting?

A: If you wish to attend the Annual Meeting, you may be asked to present valid photo identification. Please note that if you hold your shares in street name, you will need to bring a copy of your voting instruction card or brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting. Cameras, sound or video recording devices or any similar equipment, or the distribution of any printed materials, will not be permitted at the meeting without the approval of the Company. Other rules pertaining to conduct at this meeting will be presented at the meeting entrance and are available on our website at *www.meadowbrook.com*.

Q: Where can I find more information about the Company?

A: The Company files periodic reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC s website at *www.sec.gov*. For a more detailed description of the information available, see the section entitled Where You Can Find More Information, beginning on page 121.

TABLE OF CONTENTS

Q: Who can help answer my questions?

A: For additional questions about the merger, assistance in submitting proxies or voting shares of the Company s common stock, or additional copies of the proxy statement or the enclosed proxy card, please contact our proxy solicitor Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

If your shares are held for you by a bank, broker, trust or other nominee, you should also call your bank, broker, trust or other nominee for additional information.

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement may provide information including certain statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These include statements regarding the intent, belief, or current expectations of management, including, but not limited to, those statements that use the words believes, expects, anticipates, estimates, or similar expressions. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, and results could differ materially from those indicated by such forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: actual loss and loss adjustment expenses exceeding our reserve estimates; competitive pressures in our business; the failure of any of the loss limitation methods we employ; a failure of additional capital to be available or only available on unfavorable terms; our geographic concentration and the business and economic conditions, natural perils, man made perils, and regulatory conditions within our most concentrated region; our ability to appropriately price the risks we underwrite; goodwill impairment risk employed as part of our growth strategy; actions taken by regulators, rating agencies or lenders, including the impact of the downgrade by A.M. Best of the Company s Insurance Company Subsidiaries financial strength rating, A.M. Best s downgrade of our issuer credit rating and any other future action by A.M. Best with respect to such ratings; increased risks or reduction in the level of our underwriting commitments due to market conditions; a failure of our reinsurers to pay losses in a timely fashion, or at all; interest rate changes; continued difficult conditions in the global capital markets and the economy generally; market and credit risks affecting our investment portfolio; liquidity requirements forcing us to sell our investments; a failure to introduce new products or services to keep pace with advances in technology; the new federal financial regulatory reform; our holding company structure and regulatory constraints restricting dividends or other distributions by our Insurance Company Subsidiaries; minimum capital and surplus requirements imposed on our Insurance Company Subsidiaries; our reliance upon producers, which subjects us to their credit risk; loss of one of our core selected producers; our dependence on the continued services and performance of our senior management and other key personnel; our reliance on our information technology and telecommunications systems; managing technology initiatives and obtaining the efficiencies anticipated with technology implementation; a failure in our internal controls; the cyclical nature of the property and casualty insurance industry; severe weather conditions and other catastrophes; the effects of litigation, including the previously disclosed arbitration and class action litigation or any similar litigation which may be filed in the future; state regulation; assessments imposed upon our Insurance Company Subsidiaries to provide funds for failing insurance companies, and risks and uncertainties relating to the proposed transaction with Fosun, including the risk that the Company s shareholders do not approve the transaction; uncertainties as to the timing of the transaction; the risk that regulatory or other approvals required for the transaction are not obtained or are obtained subject to conditions that are not anticipated; competitive responses to the transaction; litigation relating to the transaction; disruptions of current plans and operations caused by the announcement and pendency of the proposed transaction; potential difficulties in employee and agent retention as a result of the announcement and pendency of the proposed transaction; and disruption from the proposed transaction making it more difficult to maintain relationships with agents, wholesalers, suppliers, customers, policyholders and regulators.

For additional information with respect to certain of these and other factors, refer to Risk Factors above and subsequent filings made with the United States Securities and Exchange Commission. We are not under any obligation to (and expressly disclaim any obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

14

TABLE OF CONTENTS

PARTIES TO THE MERGER

The Company

Meadowbrook Insurance Group, Inc., headquartered in Southland, Michigan, is a specialty niche focused commercial insurance underwriter, which also owns and operates insurance agencies and an insurance administration services company. We recognize revenue related to the services and coverages within the following categories: net earned premiums, management administrative fees, claims fees, commission revenue, net investment income, and net realized gains (losses).

We market and underwrite specialty property and casualty insurance programs and products on both an admitted and non-admitted basis through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agents, who value service, specialized knowledge, and focused expertise. Program business refers to an aggregation of individually underwritten homogeneous risks that have similar characteristics and are distributed through a select group of agents. We seek to combine profitable underwriting, income from our net commissions and fees, investment returns and efficient capital management to deliver consistent long-term growth in shareholder value.

Shares of our common stock are listed on the NYSE and trade under the symbol *MIG.*

The Company s principal executive offices are located at 26255 American Drive, Southfield, Michigan 48034, and our telephone number is (248) 358-1100. Our website address is *www.meadowbrook.com.* The information provided on our website is not part of this proxy statement and is not incorporated by reference in this proxy statement by this or any other reference to our website in this proxy statement.

Additional information about the Company is contained in our public filings, which are incorporated by reference in this proxy statement. See the section entitled Where You Can Find More Information, beginning on page 121, for more information.

Parent

Parent is a Delaware limited liability company and a wholly-owned subsidiary of Fosun. Pursuant to the merger agreement, Sub will be merged with and into the Company, whereupon the separate existence of Sub shall cease and the Company will continue as the surviving corporation, with Parent owning 100% of the outstanding stock of the Company. The mailing address of Parent is 3500 South DuPont Highway, Dover, Delaware 19901 and its telephone number is (852) 2509 3228.

Sub

Sub is a Delaware corporation formed for the purpose of effecting the transactions contemplated by the merger agreement with the Company, and is a wholly owned subsidiary of Parent. The mailing address of Sub is 3500 South DuPont Highway, Dover, Delaware 19901 and its telephone number is (852) 2509 3228.

Fosun

Fosun is a leading investment group and conglomerate based in Shanghai, China that is publicly listed on the Hong Kong Stock Exchange. Fosun has four business segments comprising insurance, industrial operations, investment and asset management. Fosun s mailing address is Room 808, ICBC Tower, 3 Garden Road Central, Hong Kong and its telephone number is (852) 2509 3228.

15

TABLE OF CONTENTS

THE ANNUAL MEETING

We are furnishing this proxy statement as part of the solicitation of proxies by the Board for use at the Annual Meeting and at any properly convened meeting following an adjournment or postponement of the Annual Meeting.

Date, Time and Place of the Annual Meeting

The Annual Meeting will be held on April 27, 2015, at 2:00 p.m. Eastern Time, at 26255 American Drive, Southfield, Michigan 48034.

Shareholders of the Company who wish to attend the Annual Meeting may be asked to present valid photo identification. Please note that if you hold your shares of the Company s common stock in street name (*i.e.*, in the name of a bank, broker, trust or other nominee) you will need to bring a copy of your voting instruction card or brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting. Cameras, sound or video recording devices or any similar equipment, or the distribution of any printed materials, will not be permitted at the meeting without the approval of the Company. Other rules pertaining to conduct at this meeting will be presented at the meeting entrance and are available on our website at *www.meadowbrook.com* under Investor Relations.

Purpose of the Annual Meeting

At the Annual Meeting, the Company s shareholders of record will be asked:

1. to consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of December 30, 2014 and as amended from time to time (the ***merger agreement***), by and among the Company, Miracle Nova II (US), LLC, a Delaware limited liability company (***Parent***), and Miracle Nova III (US), Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (***Sub***) and the merger contemplated by the merger agreement (the ***merger***);
2. to consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger; and
3. to elect Robert S. Cubbin, Robert F. Fix and Douglas A. Gaudet for a three-year term expiring in 2018, or, in each case, until the earlier election and qualification of such director s successor and elect Florine Mark for a one-year term expiring in 2016, or, in such case, until the earlier election and qualification of such director s successor;
4. to ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm;
5. to consider an advisory vote to approve the Company s 2014 executive compensation;
6. to consider and vote on a proposal to adjourn the Annual Meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger if there are insufficient votes at the time of the Annual Meeting to adopt and approve the merger agreement and the merger; and
7. to transact any other business that is properly submitted before the Annual Meeting or any adjournments of the Annual Meeting.

Recommendation of the Board

The Board carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board also considered a number of factors in

evaluating the merger and consulted with its outside legal and financial advisors. The Board approved the merger agreement, declared that, on the terms and subject to the conditions set forth in the merger agreement, the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of, the Company and our shareholders, directed that the adoption and approval of the merger agreement and the merger be submitted to a vote at a meeting of

16

TABLE OF CONTENTS

the Company s shareholders and recommended that the Company s shareholders vote for adoption and approval of the merger agreement and the merger.

Upon careful consideration, the Board recommends that you vote FOR the proposal to adopt and approve the merger agreement and the merger, FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company s named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

Record Date and Quorum

Each holder of record of shares of the Company s common stock as of the close of business on March 12, 2015 which is the record date for the Annual Meeting, is entitled to receive notice of, and to vote at, the Annual Meeting. You will be entitled to one vote for each share of the Company s common stock that you held and owned on the record date. As of the record date, there were 50,306,760 shares of the Company s common stock issued and outstanding and entitled to vote at the Annual Meeting. The presence at the Annual Meeting, in person or by proxy, of the holders of 25,153,381 shares of the Company s common stock (a majority of the voting power of the shares of the Company s common stock issued and outstanding and entitled to vote) constitutes a quorum for the purpose of considering the proposals.

If you are a shareholder of record of the Company and you vote by mail, by telephone or through the Internet or in person at the Annual Meeting, then your shares of the Company s common stock will be counted as part of the quorum. If you are a street name holder of shares of the Company s common stock and you provide your bank, broker, trust or other nominee with voting instructions, then your shares will be counted in determining the presence of a quorum. If you are a street name holder of shares and you do not provide your bank, broker, trust or other nominee with voting instructions, then your shares will not be counted in determining the presence of a quorum.

All shares of the Company s common stock held by shareholders of record that are present in person, or represented by proxy and entitled to vote at the Annual Meeting, regardless of how such shares are voted or whether such shareholders abstain from voting, will be counted in determining the presence of a quorum. In the absence of a quorum, the Annual Meeting may be adjourned.

Vote Required for Approval

Merger Agreement Proposal. The proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of the holders of a majority of the outstanding shares of the Company s common stock entitled to vote on such matter.

Non-Binding Compensation Advisory Proposal. The approval of the non-binding compensation advisory proposal requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. The vote is advisory only and, therefore, the result of the vote is not binding on, and will not require any action by, the Company or Parent or any of their respective subsidiaries and, if the merger agreement is adopted by the Company s shareholders and the merger is completed, the compensation that is based on or otherwise relates to the merger will be payable to our named executive officers even if this proposal is not approved.

Adjournment Proposal. The approval of the proposal to adjourn the Annual Meeting if necessary or appropriate requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. In addition, even if a quorum is not present at the Annual Meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter may adjourn the meeting to another place, date or time.

Director Nominees. Election of directors is based upon a plurality vote, being the greatest number of the shares voted, although not a majority, is required to elect the nominees for director. The nominees receiving the highest number of votes will be elected.

TABLE OF CONTENTS

Ratification of appointment of Ernst & Young LLP as the Company s independent registered public accounting firm. The approval of the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter.

Advisory Vote Regarding the Company s 2014 executive compensation. The approval of the non-binding compensation advisory proposal requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. The vote is advisory only and, therefore, the result of the vote is not binding on, and will not require any action by, the Company.

Effect of Abstentions and Broker Non-Votes

The proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of the holders of a majority of the outstanding shares of the Company s common stock entitled to vote on such matter. Therefore, the failure to vote or the abstention from voting will have the same effect as a vote **AGAINST** the proposal to adopt and approve the merger agreement and the merger.

A plurality vote, being the greatest number of the shares voted, although not a majority, is required to elect the nominees for director. Therefore, the failure to vote or the abstention from voting will have no effect with respect to the proposal to elect directors.

The other matters to be voted on at the Annual Meeting each requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. Consequently, broker non-votes will have no effect on approval of such proposals; however, the abstention from voting will have the same effect as a vote **AGAINST** the proposal.

In addition, even if a quorum is not present at the Annual Meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In that case, broker non-votes will have no effect on approval of the proposal; however, the abstention from voting will have the same effect as a vote **AGAINST** the proposal.

If your shares are held in street name, other than with respect to the proposal to ratify our independent registered public accounting firm, a bank, broker, trust or other nominee will NOT be able to vote your shares of the Company s common stock (referred to as a broker non-vote), and your shares will not be counted in determining the presence of a quorum unless you have properly instructed your bank, broker, trust or other nominee on how to vote. Because the proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of a majority of the outstanding shares of the Company s common stock, the failure to provide your bank, broker, trust or other nominee with voting instructions will have the same effect as a vote **AGAINST** the proposal to adopt and approve the merger agreement and the merger.

How to Vote

Shareholders have a choice of voting by proxy by completing a proxy card and mailing it in the prepaid envelope provided, by calling a toll-free telephone number or through the Internet. Please refer to your proxy card or the information forwarded by your bank, broker, trust or other nominee to see which options are available to you. The telephone and Internet voting facilities for shareholders of record will close at 11:59 p.m. Eastern Time on the day

before the Annual Meeting.

If you wish to vote by proxy and your shares are held by a bank, broker, trust or other nominee, you must follow the voting instructions provided to you by your bank, broker, trust or other nominee. Unless you give your bank, broker, trust or other nominee instructions on how to vote your shares of the Company s common stock, other than with respect to the proposal to ratify our independent registered public accounting firm, your bank, broker, trust or other nominee will not be able to vote your shares on the proposals.

TABLE OF CONTENTS

If you wish to vote in person at the Annual Meeting and your shares are held in the name of a bank, broker or other holder of record, you must obtain a legal proxy, executed in your favor, from the bank, broker or other holder of record authorizing you to vote at the Annual Meeting.

If you have any questions about how to vote or direct a vote in respect of your shares of the Company s common stock, you may contact our proxy solicitor, Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

YOU SHOULD NOT SEND IN YOUR SHARE CERTIFICATE(S) WITH YOUR PROXY CARD. A letter of transmittal with instructions for the surrender of certificates representing shares of the Company s common stock will be mailed to shareholders if the merger is completed.

Revocation of Proxies

Any proxy given by a shareholder of the Company may be revoked at any time before it is voted at the Annual Meeting by doing any of the following:

by submitting another proxy by telephone or through the Internet, in accordance with the instructions on the proxy card;
by delivering a signed written notice of revocation bearing a date later than the date of the proxy to the Company s Corporate Secretary at 26255 American Drive, Southfield, Michigan 48034, stating that the proxy is revoked;
by submitting a later-dated proxy card relating to the same shares of the Company s common stock; or
by attending the Annual Meeting and voting in person (your attendance at the Annual Meeting will not, by itself, revoke your proxy; you must vote in person at the Annual Meeting).

Street name holders of shares of the Company s common stock should contact their bank, broker, trust or other nominee to obtain instructions as to how to revoke or change their proxies.

Adjournments and Postponements

Although it is not currently expected, the Annual Meeting may be adjourned or postponed one or more times to a later day or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger. Your shares will be voted on any adjournment proposal in accordance with the instructions indicated in your proxy.

If a quorum is present at the Annual Meeting, the Annual Meeting may be adjourned if there is an affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. In addition, even if a quorum is not present at the Annual Meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote such matter may adjourn the meeting to another place, date or time. In either case, the adjourned meeting may take place without further notice other than by an announcement made at the Annual Meeting unless the adjournment is for more than 30 days or, if, after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the Annual Meeting. Under the merger agreement, the Company may postpone or adjourn the Annual Meeting (i) if the Company is unable to obtain a quorum of its shareholders at such time, (in which case the Company may adjourn meeting for no more than five business days if necessary in order to obtain a quorum of its shareholders), (ii) to the extent (and only to the extent) the Company reasonably determines that such adjournment or postponement is required by applicable law, (iii) if the Company

receives a competing proposal, or the price or material terms of a previously received competing proposal are modified or amended, in any such case during the five business day period immediately prior to the day of the meeting (in which case the Company may delay the meeting until the date that is the seventh business day after the date on which the meeting would otherwise have originally been held); and (iv) if the Company receives a competing proposal, or the price or material terms of a previously received competing proposal are modified or amended and the Board has failed to publicly reject such competing proposal in any such case by a date not later than

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TABLE OF CONTENTS

the fifth business day immediately prior to the day of the meeting (in which case the Company shall delay the meeting until the date that is the fifth business day after the later of (1) the date on which the Annual Meeting would otherwise have originally been held, or (2) the date on which the Board publicly rejects such competing proposal, to the extent permissible under applicable law).

Solicitation of Proxies

The Company is soliciting the enclosed proxy card on behalf of the Board, and the Company will bear the expenses in connection with the solicitation of proxies. In addition to solicitation by mail, the Company and its directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

The Company has retained Innisfree M&A Incorporated to assist in the solicitation process. The Company will pay Innisfree M&A Incorporated a fee of approximately $20,000 plus reimbursement of certain specified out-of-pocket expenses. The Company also has agreed to indemnify Innisfree M&A Incorporated against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

The Company will ask banks, brokers, trusts and other nominees to forward the Company s proxy solicitation materials to the beneficial owners of shares of the Company s common stock held of record by such banks, brokers, trusts or other nominees. The Company will reimburse these banks, brokers, trusts or other nominees in the ordinary course for their customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

Shareholder List

A list of the shareholders of the Company entitled to vote at the Annual Meeting will be available for examination by any shareholder of the Company at the Annual Meeting.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

TABLE OF CONTENTS

PROPOSAL 1: ADOPTION AND APPROVAL OF THE MERGER AGREEMENT AND THE MERGER

The shareholders of the Company will consider and vote on a proposal to adopt and approve the merger agreement and the merger. You should carefully read this proxy statement in its entirety for more detailed information concerning the merger agreement and the merger. In particular, you should read in its entirety the merger agreement, which is enclosed as Annex A to this proxy statement. In addition, see the sections of this proxy statement entitled The Merger, beginning on page 23, and The Agreement and Plan of Merger, beginning on page 59.

The Board recommends that the Company s shareholders vote **FOR** the proposal to adopt and approve the merger agreement and the merger.

If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your shares of common stock of the Company represented by such proxy card will be voted **FOR** the proposal to adopt and approve the merger agreement and the merger.

Under our articles of incorporation and Michigan law, the proposal to adopt and approve the merger agreement and the merger requires the affirmative vote of the holders of a majority of the outstanding shares of the common stock of the Company entitled to vote on such proposal.

TABLE OF CONTENTS

PROPOSAL 2: NON-BINDING COMPENSATION ADVISORY PROPOSAL

Under Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are required to provide shareholders the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Meadowbrook s named executive officers that is based on or otherwise relates to the merger, as disclosed in the section entitled The Merger Interests of Directors and Executive Officers in the Merger Golden Parachute Compensation, beginning on page 51 including the table entitled Golden Parachute Compensation and accompanying footnotes. Accordingly, Meadowbrook s shareholders are being provided with the opportunity to cast an advisory vote on such payments.

As an advisory vote, this proposal is not binding upon Meadowbrook or the Board, and approval of this proposal is not a condition to completion of the merger. Because the merger-related executive compensation to be paid in connection with the merger is based on the terms of the merger agreement as well as the contractual arrangements with the named executive officers, the entitlement to such compensation will not be affected by the outcome of this advisory vote. However, Meadowbrook seeks your support and believes that your support is appropriate because Meadowbrook has a comprehensive executive compensation program designed to link the compensation of our executives with Meadowbrook s performance and the interests of Meadowbrook s shareholders. Accordingly, we ask that you vote on the following resolution:

RESOLVED, that the shareholders of Meadowbrook Insurance Group, Inc. approve, on an advisory, non-binding basis, the compensation that may be paid or become payable to the named executive officers of Meadowbrook Insurance Group, Inc. that is based on or otherwise relates to the merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading The Merger Interests of Directors and Executive Officers in the Merger Golden Parachute Compensation, beginning on page 51 (which disclosure includes the Golden Parachute Compensation Table required pursuant to Item 402(t) of Regulation S-K).

The Board unanimously recommends that Meadowbrook shareholders vote **FOR** the non-binding compensation advisory proposal.

If you return a properly executed proxy card, but do not indicate instructions on your proxy card, your shares of Meadowbrook common stock represented by such proxy card will be voted **FOR** the non-binding compensation advisory proposal.

The approval of the non-binding compensation advisory proposal requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the Annual Meeting entitled to vote on such matter. The vote is advisory only and, therefore, the result of the vote is not binding on, and will not require any action by, Meadowbrook or Parent or any of their respective subsidiaries and, if the merger agreement is adopted by Meadowbrook shareholders and the merger is completed, the compensation that is based on or otherwise relates to the merger will be payable to our named executive officers even if this proposal is not approved.

TABLE OF CONTENTS

THE MERGER

Overview

Meadowbrook is seeking the adoption by Meadowbrook shareholders of the merger agreement Meadowbrook entered into on December 30, 2014 with Parent and Sub. Under the terms of the merger agreement, subject to the satisfaction or waiver of specified conditions, Sub will merge with and into Meadowbrook. Meadowbrook will survive the merger as an wholly-owned subsidiary of Parent. The Board has approved the merger agreement and recommends that Meadowbrook shareholders vote for the proposal to adopt and approve the merger agreement and the merger.

Upon completion of the merger, each share of Meadowbrook common stock that is issued and outstanding immediately prior to the effective time of the merger (other than excluded shares) will be converted into the right to receive $8.65 per share in cash, without interest, subject to applicable withholding taxes.

Following the completion of the merger, Meadowbrook will cease to be a publicly traded company, will no longer be registered under the Exchange Act and will become an wholly-owned subsidiary of Parent.

Background of the Merger

The Board and senior management of the Company routinely review strategic alternatives with the goal of enhancing shareholder value, including potential acquisition transactions and business combinations, as well as a wide range of internal growth strategies.

On August 2, 2013, the Company s Board issued a press release announcing that its Board was undertaking a review of strategic alternatives and that it had engaged Willis Capital Markets & Advisory to assist in conducting such review. That announcement was preceded by an announcement by A.M. Best that it had lowered Meadowbrook s issuer credit rating and financial strength ratings from A- with a Negative outlook to B++ with a Stable outlook. The Compan hired Willis Capital Markets & Advisory based on its prior work with the Company, it s resultant familiarity with the Company and its business, and Willis Capital Markets & Advisory s experience in the insurance industry.

At the direction of the Board, Willis Capital Markets & Advisory, began contacting third parties regarding their interest in pursuing a potential strategic transaction with Meadowbrook. In August 2013, approximately 67 potential parties were contacted, consisting of both strategic parties and financial parties, and Meadowbrook executed confidentiality and standstill agreements with 24 prospective parties. For purposes of administrative convenience, the Board also established a Strategic Alternatives Committee to assess various alternative strategic transactions in which Meadowbrook might engage. Throughout the remainder of 2013, the Board and the Strategic Alternatives Committee each held multiple meetings with management, Willis Capital Markets & Advisory and Sidley Austin LLP (***Sidley***), legal counsel to the Company, at which the Company s strategic alternatives were discussed, including the process for establishing a process for the potential sale of the Company. In October 2013, Meadowbrook received first round non-binding proposals to acquire Meadowbrook from six potential acquirers. Throughout October 2013, Meadowbrook conducted management presentations with the six parties that submitted such proposals. The parties were informed that they would need to submit second round proposals based on their due diligence by November 15, 2013.

Also, throughout October 2013, at the direction of the Board, Willis Capital Markets & Advisory began contacting third parties and responding to inbound inquiries regarding a potential sale of a portion of Meadowbrook s business

related to its excess and surplus lines insurance coverage (the ***E&S Business***). Meadowbrook executed confidentiality agreements with 16 parties with respect to the potential sale of the E&S Business.

In November 2013, Party 1 submitted a non-binding proposal to acquire Meadowbrook at a nominal per share value of $8.50 per share, consisting of 50% cash consideration and 50% stock of Party 1. Party 1 subsequently updated its non-binding proposal to acquire Meadowbrook for $8.50 per share solely in cash. None of the other five parties who submitted first round non-binding proposals submitted second round proposals. Following inquiries from Willis Capital Markets & Advisory, representatives of Party 1 indicated that Party 1 was not prepared to increase its offer at that time. Representatives of Willis Capital Markets & Advisory briefed the Board regarding these developments at a meeting on December 17, 2013.

TABLE OF CONTENTS

In December 2013, Meadowbrook received preliminary non-binding proposals to acquire the E&S Business from four parties, and held management meetings with such parties throughout December 2013. Following such management meetings, Meadowbrook received two second round proposals related to the E&S Business, while the other two parties did not submit a second round proposal. Of the second round proposals submitted, one of them related solely to the purchase and sale of the renewal rights associated with the E&S Business, while the second contemplated the acquisition of the majority of the stock of Meadowbrook s subsidiary that holds the majority of the assets of the E&S Business.

On December 26, 2013, the Strategic Alternatives Committee of the Board of Meadowbrook met, and following a presentation from Willis Capital Markets & Advisory, instructed Willis Capital Markets & Advisory to assist the Board in developing counterproposals to each of the two remaining bidders for the E&S Business. The Strategic Alternatives Committee noted that Party 1 s proposal, in the Committee s opinion, was too low to accept. At no time thereafter did Party 1 revise its offer or make an offer for the E&S Business.

The bidders for the E&S Business ultimately determined they were not interested in acquiring the E&S Business on the terms or in accordance with the structure originally proposed.

Throughout 2014, at the direction of the Board, Meadowbrook continued to explore strategic alternatives. On February 18, 2014, the Company issued its financial results for 2013, and on February 21, 2014, A.M. Best Company (***A.M. Best***) downgraded the issuer credit rating for the Insurance Company Subsidiaries to bbb from bbb+ while affirming their financial strength rating of B++ (Good). A.M. Best also downgraded Meadowbrook s issuer credit rating to bb from bb+ and revised the outlook for the Insurance Company Subsidiaries to negative from stable .

On March 26, 2014, Party 1 contacted Willis Capital Markets & Advisory indicating that Party 1 would possibly be interested in an all stock bid to acquire the Company at $6.50 per share.

In August 2014, Willis Capital Markets & Advisory on behalf of Meadowbrook reached out to Fosun (which was one of the parties contacted in August 2013). In addition, at the direction of the Board throughout September 2014 representatives of Willis Capital Markets & Advisory contacted eight other parties, including Party 1, and that were determined to be the most likely parties to be interested in pursuing an acquisition of Meadowbrook.

Meadowbrook and Fosun executed a confidentiality and standstill agreement on November 10, 2014 on terms similar to the confidentiality and standstill agreements entered into in 2013 by other prospective parties.

Over the course of November 11 and November 12, 2014, Meadowbrook s Chief Executive Officer, Mr. Cubbin, engaged in preliminary meetings with six parties, including Party 1 and Fosun.

On November 21, 2014, the Board held a meeting at which it was apprised of Mr. Cubbin s meetings and of the indications of interest. The Board requested that current discussions continue, and requested an update on the discussions at its next meeting, which would be held on its previously scheduled date of November 28, 2014.

On November 25, 2014, at the request of Party 1, Meadowbrook s Chief Executive Officer had a meeting with a representative of Party 1, at which time Party 1 reiterated orally its interest in acquiring Meadowbrook, its ability to pay in all cash, its ability to execute a transaction with limited additional due diligence and that Party 1 wanted the Company to continue operating under the current brand and management structure.

Following such meetings, four parties submitted indications of interest with respect to an acquisition of Meadowbrook.

On November 28, 2014 the Board held a meeting at which members of management and representatives of Willis Capital Markets & Advisory and Sidley in attendance. Representatives of Sidley provided the Board with a legal briefing regarding their fiduciary duties in the context of a potential sale of the Company. Representatives of Willis Capital Markets & Advisory then provided an update to the Board regarding the indications of interest that had been received. Fosun had originally submitted a proposal to acquire Meadowbrook for $7.15 to $9.83 per share in cash, and, following discussions with representatives of Willis Capital Markets & Advisory (acting at the direction of the Board) during which such representatives indicated

to Fosun that the price range provided was too broad, narrowed its range to $8.55 to $9.45 in cash. Party 1 had submitted a proposal to acquire Meadowbrook for $8.45 per share in cash, and subsequently increased its offer to $8.55 per share in cash. Party 2 had proposed a merger with Meadowbrook at Meadowbrook s tangible book value, equal to a nominal value of $8.35 per share, consisting of 50% cash and 50% stock. Party 3 had orally communicated a proposal to acquire Meadowbrook at $7.50 per share. Representatives of Willis Capital Markets & Advisory then updated the Board on possible next steps with respect to each bidder, including providing each bidder access to diligence materials and management presentations. The Board indicated its approval of the immediate next steps, and then engaged in a discussion regarding the potential execution risk associated with each of the parties who had provided indications of interest. Representatives of Willis Capital Markets & Advisory also discussed with the Board the basis on which the nine parties contacted in August and September 2014 had been selected. Willis Capital Markets & Advisory also noted for the Board that certain other bidders who had shown interest during 2013 had not responded to follow-up communications from Willis Capital Markets & Advisory in September 2014. Representatives of Sidley then provided the Board with a summary of the material terms of a proposed form of merger agreement to be sent to bidders. The Board asked questions regarding the termination rights and fees provided for in the merger agreement, and requested that Sidley include a reverse break-up fee that would be payable by a potential purchaser to the Company in the event that, under certain circumstances, regulatory approval for the merger was not obtained. On that basis, the Board authorized the draft merger agreement to be provided to bidders. The Board instructed management not to engage in any discussions regarding potential post-closing employment with any potential bidder until authorized to do so by the Board. Mr. Cubbin also confirmed to the Board that he had not had any discussions with any of the potential bidders regarding post-closing employment.

On December 1, 2014 an online data room was opened to Party 1, Party 2, Party 3 and Fosun, and on December 5, 2014 such parties were instructed by Willis Capital Markets & Advisory (acting at the direction of the Board) in writing to submit a final proposal and mark-up to the draft merger agreement by December 19, 2014. The bidders were also informed that the Board desired to announce a definitive agreement prior to December 31, 2014. Over the course of December 2014, the four potential bidders engaged in due diligence review of various materials provided in such online data room, and Meadowbrook responded to due diligence questions from the various bidders. All four of the parties were informed that they could participate in management presentations with Meadowbrook.

On December 5, 2014, Party 1 participated in a due diligence management presentation with members of management of Meadowbrook. During this meeting, representatives of Party 1 reiterated their interest in a potential transaction for which the consideration would be all cash.

On December 11, 2014, the Board held a meeting at which members of management, representatives of Willis Capital Markets & Advisory and Sidley were in attendance. Representatives of Willis Capital Markets & Advisory updated the Board on the due diligence process to date. Willis Capital Markets & Advisory also noted that each of the potential bidders had been invited, at the direction of the Board, to participate in a management presentation.

From December 15 through December 17, 2014, representatives of Fosun attended management presentations with members of management of Meadowbrook. Representatives of Willis Capital Markets & Advisory and Sidley were in attendance, as were various advisors to Fosun.

On December 18, 2014, the board held a meeting at which members of management, representatives of Willis Capital Markets & Advisory and Sidley were in attendance. Representatives of Willis Capital Markets & Advisory provided the Board with an update on the due diligence process to date. Willis Capital Markets & Advisory also described for the Board Willis Capital Markets & Advisory s preliminary financial analysis of the Company. Also on December 18, 2014, the day before the deadline to submit a final proposal, a representative of Party 1 contacted Mr. Cubbin to inform him that they would not be able to provide comments to the draft merger agreement, but intended to submit an

updated bid letter only.

On December 19, 2014, Party 2 submitted a non-binding proposal to acquire Meadowbrook for $8.75 per share in cash, subject to completion of additional extensive due diligence. Party 2 s proposal stated that its proposal was subject to receipt of exclusivity through January 31, 2015 and the ability to do significant

25

TABLE OF CONTENTS

ongoing due diligence during such period. Party 2 did not provide a markup of the merger agreement it had received earlier in December (which markup was specified pursuant to the bid instruction letter).

Party 3 and Fosun did not submit final proposals or a markup to the merger agreement on December 19, 2014. However, Fosun indicated orally to Willis Capital Markets & Advisory that it continued to have interest in pursuing a transaction, but that it had questions and concerns regarding the Company s reserves and how to improve Meadowbrook s A.M. Best rating.

From December 20, 2014 through December 23, 2014, representatives of Meadowbrook engaged with representatives of Fosun to address the questions and concerns raised by Fosun.

On December 21, 2014, the Board held a meeting at which members of management, representatives of Willis Capital Markets & Advisory and representatives of Sidley were in attendance. Representatives of Willis Capital Markets & Advisory provided the Board with a summary of Party 2 s proposal. During the meeting, representatives of Willis Capital Markets & Advisory also indicated that at the outset of the process, Party 1 s CEO had informed Willis Capital Markets & Advisory that Party 1 would undertake limited due diligence, would be able to move quickly because it was very familiar with the Company given its participation in the Company s 2013 strategic alternatives process, and that it would provide an all cash offer by December 15, 2014. Representatives of Willis Capital Markets & Advisory noted further that recently Party 1 s CEO had informed Willis Capital Markets & Advisory that Party 1 would submit an indication of interest on December 19, 2015, but would not provide a markup of the merger agreement (which markup was specified pursuant to the bid instruction letter) because Party 1 continued to work on the markup. The following day, Willis Capital Markets & Advisory noted, a representative of Party 1 s strategic development group contacted representatives of Willis Capital Markets & Advisory to indicate that Party 1 would not in fact provide a bid at that time because it was distracted by other matters. Party 1 also indicated that if the timing of the process changed, Party 1 might still be interested. Representatives of Willis Capital Markets & Advisory then noted that, based on information provided to Willis Capital Markets & Advisory, a representative of Party 3 had contacted Mr. Cubbin to indicate that it did not believe it would be able to get to a price that would be acceptable to the Board. Willis Capital Markets & Advisory also noted that Fosun had recently raised questions and concerns regarding how to improve Meadowbrook s A.M. Best rating and, based on feedback from Fosun s outside advisors, reserve adequacy. However, Fosun also had indicated it would provide some indication of interest later that same day.

Following the Board meeting on the evening of December 21, 2014, Fosun submitted a proposal letter to acquire Meadowbrook for $8.36 per share in cash, and indicated that it had completed its due diligence review and was prepared to move expeditiously to sign a definitive merger agreement. Fosun also provided a responsive draft of the merger agreement. Fosun s letter date December 21, 2014 is set forth below:

TABLE OF CONTENTS

STRICTLY PRIVATE AND CONFIDENTIAL

Project Mustang

Proposal

December 21, 2014

27

TABLE OF CONTENTS