

**FORM A**

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR  
MERGER WITH A DOMESTIC INSURER**

**HEALTHCARE PROVIDERS INSURANCE EXCHANGE (PA)**  
(Name of Domestic Insurer(s))

by

**HEALTHCARE PROVIDERS INSURANCE EXCHANGE**  
(Name of Acquiring Person (Applicant))

Filed with the Insurance Department of the Commonwealth of Pennsylvania

Dated: May 2, 2014

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## INTRODUCTION

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Statement") seeks the prior approval of the Insurance Commissioner of the Commonwealth of Pennsylvania pursuant to 40 P.S. §1402(a)(1) for the acquisition of control of Healthcare Providers Insurance Exchange, an unincorporated association authorized as a Pennsylvania domiciled reciprocal insurance exchange ("HPIX" and the "Applicant"). HPIX has no voting securities, its subscribers have no voting rights and it currently has no officers. Direct control of HPIX is currently held by HPIX, LLC, a Delaware limited liability company (the "AIF"), pursuant to an Amended and Restated Attorney-in-Fact Agreement between the AIF and HPIX (the "AIF Agreement") and Subscriber Agreements between the HPIX subscribers and the AIF which appoint the AIF as the attorney-in-fact for the subscribers and HPIX (the "Subscriber Agreements"). The ultimate controlling person of HPIX is Duane Morris LLP, a Delaware limited liability partnership ("DM"). DM owns 100% of the membership interests in Wescott Holding Company, LLC, a Delaware limited liability company ("Wescott"), which in turn owns 81.2% of the membership interests in American Healthcare Providers Insurance Services Company, LLC ("American"). American owns 100% of the membership interests in the AIF. American and the AIF are both member managed; neither presently has a board of managers or similar governing body.

The AIF has established a Members Advisory Committee (the "MAC") for HPIX to advise the AIF from time to time on matters of interest to HPIX subscribers. The members of the MAC are selected by the AIF and currently consist primarily of HPIX subscribers.

Pursuant to the proposed transaction, HPIX will acquire control of itself by purchasing from Wescott and the other membership interest owners of American, 100% of the membership interests of American, and thereby shall acquire control of the AIF. Control shall be through a board of directors to be established for American the majority of whose members shall be HPIX subscribers.

### *Item 1. Insurer and Method of Acquisition*

*State the name, NAIC code number and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.*

#### A. Domestic Insurer

<b>Name and Address</b>	<b>Domicile</b>	<b>NAIC Code Number</b>
Healthcare Providers Insurance Exchange 30 South 17 <sup>th</sup> Street Philadelphia, PA 19103	PA	11530

#### B. Method of Acquisition

The Applicant proposes to acquire control of HPIX (the "Acquisition") by the Applicant's purchase of all of the issued and outstanding membership interests of American (the "Acquired Interests") pursuant to a Membership Interest Purchase Agreement dated March 26, 2014, by and among HPIX, on the one hand, and Wescott, Thomas S. Gaudiosi, an individual,

and Mark Etter, an individual, on the other hand (collectively, “Sellers”), a copy of which is included as Exhibit MPA, thereby acquiring control of American’s subsidiary, the AIF, which in turn controls HPIX pursuant to the powers and authority held by the AIF under the AIF Agreement and the Subscribers Agreements.

The obligations to consummate the transactions contemplated by the MPA are subject to a number of customary closing conditions including, but not limited to, prior approval of the change of control of HPIX by the Pennsylvania Insurance Department.

*Item 2. Identity and Background of the Applicant*

- |    |   |                 |
|----|---|-----------------|
| A. | <u>Name and Business Address of Applicant</u>   | <u>Domicile</u> |
|    | Healthcare Providers Insurance Exchange<br>30 South 17 <sup>th</sup> Street<br>Philadelphia, PA 19103 | Pennsylvania    |
| B. | <u>Nature of Applicant’s Business</u>   |                 |

The Applicant is an unincorporated association organized and authorized in 2002 as a Pennsylvania domiciled reciprocal insurance exchange. Since 2002, the Applicant’s primary business has been the insurance of medical professional liability risks. It currently writes and intends to continue to write medical professional liability insurance in Pennsylvania, New Jersey, Delaware and Maryland. The Applicant has no subsidiaries.

C. Organizational Chart.

A current organizational chart depicting the Applicant and its affiliates is included as Exhibit ORG-1. The organizational chart indicates the percentage of voting securities of each such person that is owned or controlled by the Applicant or by any other person or otherwise how control is maintained, as well as the state of domicile and type of organization. No court proceedings involving a reorganization or liquidation are pending with respect to any such person.

A pro forma organizational chart depicting the Applicant and its affiliates after the Acquisition is consummated is included as Exhibit ORG-2.

*Item 3. Identity and Background of Individuals Associated with the Applicant*

The Applicant is an unincorporated association, has issued no voting securities and has no directors or executive officers. The Applicant is currently directly controlled by the AIF pursuant to contract and the ultimate controlling person of the AIF and therefore the Applicant is DM. Biographical affidavits for the members of the executive committee of DM, the ultimate controlling person of the Applicant, consisting of John J. Soroko, Sheila S. Hollis, David B. Yellin, Matthew A. Taylor and Thomas G. Servodidio (the “DM EC”) are on file with the Department and there has been no change in the information contained therein. Upon the closing of the Acquisition, DM will no longer be the ultimate controlling person of HPIX because it will have transferred to HPIX all of the voting securities of American (in the form of the membership interests) that it directly or indirectly owns.

Contemporaneously with the Acquisition, the Applicant anticipates that the operating agreement for American will be amended and that a board of directors of American will be established with committees consistent with the requirements of the Pennsylvania Insurance Holding Company Law. The newly formed board will have the authority to directly oversee the management of the business and affairs of American and indirectly the AIF and HPIX. A copy of the proposed amended American operating agreement will be filed with the Department after it is prepared.

The initial American board will consist of Thomas S. Gaudiosi, the Chief Executive Officer and President of American and Nicholas S. Gaudiosi, a Senior Vice President and the Chief Operating Officer of American, and Larry Cohen, D.O., Mark Cooper, M.D., Eli Dweck, M.D., Steven Gamburg, M.D. and Stephen Krell, M.D., each HPIX subscribers (the "Subscriber Board Members"). It is anticipated that after the closing of the transaction two additional members selected by the Subscriber Board Members and meeting the independence standards under the Pennsylvania Insurance Holding Company Law will be added to the board (the "Additional Board Members"). A board Chairman will be selected from among the Subscriber Board Members and Thomas S. Gaudiosi will serve as Vice Chairman. In addition, it is anticipated that Nicholas S. Gaudiosi will assume the title of President of American upon the closing of the transaction. It is anticipated that Brian S. Schleider, a Senior Vice President and the Chief Financial Officer of American, will continue as a Senior Vice President and the Chief Financial Officer of American following the closing. Biographical affidavits for Thomas S. Gaudiosi, Nicholas S. Gaudiosi and Brian S. Schleider (the "Executive Officers") and the Subscriber Board Members are attached as Exhibit BIO. Biographical Affidavits for the Additional Board Members will be submitted when those board members are identified.

The biographical affidavits referred to above contain or will contain all the information required by this Item 3.

The following is a brief summary of the background and experience of the Executive Officers and the Subscriber Board Members and their anticipated positions with American immediately following the closing of the Acquisition.

#### **Thomas S. Gaudiosi, Chief Executive Officer and Vice-Chairman of the Board**

Mr. Gaudiosi is currently the President and Chief Executive Officer of American and the AIF. He has performed over 30 years of extensive work in the field of health care insurance and risk management with a specific focus on professional liability for health care providers and institutions. He has held executive, marketing and consulting positions with insurance carriers such as CIGNA and PMSLIC/Infinity and with brokers/consultants, including Johnson & Higgins; Glenn, Nyhan & Associates; Jardine Insurance Brokers and Nichols & Associates. For the last eleven years Mr. Gaudiosi has served as the President and CEO of American and the AIF. He has guided the company's overall direction in Pennsylvania and subsequently led operations into Maryland, New Jersey and Delaware. Mr. Gaudiosi holds a BA in communications and an MBA in health care administration from Temple University.

#### **Nicholas S. Gaudiosi, President, Chief Operating Officer and Member of the Board**

Mr. Gaudiosi is currently a Senior Vice President and the Chief Operating Officer of American and the AIF. He has over ten years of industry experience handling a wide variety of

professional liability risks. In his role as COO, he oversees the underwriting, claims, risk management, human resources and information technology departments. Mr. Gaudiosi also manages the marketing and new business development efforts for American. In this role he is responsible for managing distribution channels, new business production and market research. In addition, American provides unbundled services to captives and other self-insured healthcare clients. Mr. Gaudiosi leads the company's branding initiatives which includes the design of company web sites and creation of marketing collateral. In addition, he manages the ongoing relationship with strategic partners and vendors, including handling the reinsurance placement for HPIX. Prior to joining American, Mr. Gaudiosi worked for a retail property and casualty insurance agency followed by a number of years at Towers Watson Reinsurance. During that time he specialized in the brokering and placement of professional liability reinsurance for a variety of clients including some of the largest medical professional liability carriers in the country. Mr. Gaudiosi is a graduate of St. Joseph's University, a member of the Professional Liability Underwriting Society (PLUS) and a licensed property, casualty, life and health insurance broker and also holds a series 63 securities license.

**Brian S. Schleider, Senior Vice President and Chief Financial Officer**

Mr. Schleider is currently a Senior Vice President and the Chief Financial Officer of American and the AIF. He is also the AIF's Treasurer and Assistant Secretary. He is a Certified Public Accountant and has 25 years of insurance industry experience. Serving as Chief Financial Officer, Mr. Schleider provides the company with experience in all areas of finance and accounting as well as corporate governance. In this role he is responsible for managing the finance and statutory accounting departments, which provide services to HPIX. Previously, Mr. Schleider served as American's Controller. Before joining American, Mr. Schleider served as Assistant Vice President and Assistant Controller for Radian Group, a mortgage guaranty insurance company. Prior to that he held various accounting positions with Reliance Insurance Company, a property and casualty insurer. Mr. Schleider holds a BS in Accounting from Rider University and an MBA in Finance from St. Joseph's University. He is a member of the American Institute of Certified Public Accountants.

**Larry Cohen, DO, MBA – Subscriber Board Director**

Dr. Cohen has been practicing General Surgery in the Philadelphia/South Jersey area since 1979. He is currently the managing partner of a seven person surgical practice in Camden and Gloucester counties. He was instrumental in the formation of SSNJ, LLC, a single specialty surgical practice that formed from the merger of six independent practices. Dr. Cohen has served on the Members Advisory Committee of Healthcare Providers Insurance Exchange since 2009. He also served as Chairman of the Audit and Investment Subcommittees since 2010. Dr. Cohen is a graduate of Philadelphia College of Osteopathic Medicine and holds an MBA from St. Joseph University.

**Mark Cooper, MD, MBA – Subscriber Board Director**

Dr. Cooper has been a practicing Radiologist in the Philadelphia area since 1977. He is currently the Chief Medical Officer of Next Image Medical and a member of the Managed Care Committee of American College of Radiology. He has recently become a reviewer for the American Journal of Medical Quality. Dr. Cooper has served on the Claims Committee of Healthcare Providers Insurance Exchange since 2004 and was the first Chairman of the Audit

and Investment Subcommittees. He has served as Chairman of the Members Advisory Committee since 2010. Dr. Cooper is a graduate of Thomas Jefferson University Hospital and holds an MBA from St. Joseph University.

**Eli Dweck, MD – Subscriber Board Director**

Dr. Dweck has been a practicing Radiologist since 1988. He is currently the Medical Director of Virtual Radiologic Corporation and a Member of the Pennsylvania Radiological Society Board of Directors. Dr. Dweck engineered a private equity buy-out of a 60 person radiology practice with annual gross revenue of \$35 million, to become part of a national radiology company. Dr. Dweck has served on the Audit and Investment Subcommittees of Healthcare Providers Insurance Exchange since 2010. He is a graduate of Washington University School of Medicine and holds a BA from the University of Pennsylvania.

**Steven J. Gamburg, MD – Subscriber Board Director**

Dr. Gamburg has been practicing Emergency Medicine since 1983. He is currently the Chairman of Main Line Health Department of Emergency Medicine and President of Main Line Emergency Medicine Associates. Dr. Gamburg is actively involved in several Patient Safety and Risk Management Committees for Main Line and Jefferson Health Systems. He has served as Treasurer, Vice President and President of the Medical Staff for Main Line Health and as an ex-officio member of the Board of Trustees, a member of the Patient Safety Committee of the Board, MLH Peer Review Oversight Committee, Risk Management Committee, Critical Care and Credentials Committees. He was also appointed to the Chester County Trauma Service Task Force, chaired by Congressman Jim Gerlach, helping to establish a Level II Trauma Center at Paoli Hospital. Dr. Gamburg has served on the Claims Committee and Members Advisory Committee of Healthcare Providers Insurance Exchange since 2009. He is a graduate of Jefferson Medical College and holds a BA from the University of Pennsylvania.

**Stephen Krell, MD – Subscriber Board Director**

Dr. Krell has been practicing Obstetrics and Gynecology in the Philadelphia area since 1978. He founded and is President of Women's Health Care Group of PA, comprised of 98 Ob/Gyns and 26 Nurse Practitioners in eight hospitals. He is also a Fellow of the American Congress of Obstetrics and Gynecology. Dr. Krell has served on the Claims Committee and Members Advisory Committee of Healthcare Providers Insurance Exchange since 2006. He is a graduate of Hahnemann Medical College and holds a BS from Temple University.

*Item 4. Nature, Source and Amount of Consideration*

A. Nature, Source and Amount of Funds.

Pursuant to the MPA, the purchase price ("Purchase Price") payable by the Applicant to the Sellers at Closing for the Acquired Interests is \$11,400,000 payable \$6,900,000 in cash and \$4,500,000 in surplus notes to be issued by HPIX to the Sellers. The Purchase Price is subject to certain post-Closing adjustments as described in the MPA. A form of the surplus notes is attached to the MPA as Exhibit A (the "Notes"). The Notes bear interest at the rate of prime plus 1% (subject to a 6% maximum). Interest on the Notes is payable bi-annually and one-half of the principal amount of the Notes is repayable on December 31, 2015 and the other half on December 31, 2016, in each case subject to the prior approval of the Pennsylvania Insurance

Commissioner. In connection with the transaction HPIX is requesting the Pennsylvania Insurance Commissioner's approval of the issuance of the Notes as required under applicable law.

B. Criteria Used in Determining the Nature and Amount of the Consideration.

The MAC established an Executive Committee (the "EC") to evaluate and negotiate the proposed transaction and the AIF authorized the MAC to retain legal counsel and other advisors to advise it and EC with respect to the proposed transaction. The nature and amount of consideration to be paid for the Acquired Interests was determined by arm's-length negotiations between Sellers and the MAC.

C. Source of Consideration – Disclosure of Loan or Borrowed Funds

Not applicable; the funds to be used to acquire the Acquired Interests are from the Applicant's own funds. None of the consideration to be paid for the Acquired Interests will be borrowed. However, a portion of the purchase price is being paid in the form of surplus notes to be issued by the Applicant to the Sellers, the terms of which are described briefly in Item 4.A. above.

*Item 5. Future Plans of Insurer*

*Describe any plans or proposals which the applicant may have to declare an extraordinary dividend to liquidate the insurer, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.*

A. Plans or Proposals.

Except as described below or elsewhere in this Statement and the exhibits incorporated herein, the Applicant has no present plans or proposals to cause HPIX to declare an extraordinary dividend (assuming for purposes of this filing only that HPIX has the authority to declare a dividend), to liquidate, to sell its assets to or to merge with any person or persons or to make any other material change in its business operations or corporate structure or management.

Following completion of the Acquisition, the Board of Directors may consider a plan to merge the AIF into American, convert American into a business corporation and convert HPIX to a stock insurance company. However, no decision has been made to pursue these possible transactions or how the transactions would be structured.

The Applicant does not expect to replace any of the executive officers of American or the AIF. As described in Item 3 above, the Applicant expects that a Board of Directors of American will be established contemporaneously with the closing of the Acquisition that will be charged with directly overseeing the management and affairs of American and indirectly the AIF and HPIX. In addition, the Applicant expects that the Attorney-in-Fact Agreement will be amended. A copy of the proposed form of Amended and Restated Attorney-in-Fact Agreement is included as Exhibit AIF.

The Applicant is aware of and understands the requirements under applicable Pennsylvania insurance laws (40 P.S. § 991.1405(c) (3) & (4)) regarding the inclusion on the boards of directors and committees thereof of certain “independent” directors, the inclusion of “independent” directors to satisfy quorum requirements and the establishment of one or more committees of the board of directors to be comprised solely of independent directors, unless such requirements are met by an insurer or other specified entity that controls a Pennsylvania domestic insurer. From and after the Applicant’s acquisition of control of HPIX, the Applicant will take all actions that may be necessary to cause the continued compliance with these requirements. It is specifically anticipated that these requirements will be met through the to be established Board of Directors of American and its committees.

Should the Applicant make any plans or proposals to cause HPIX to declare an extraordinary dividend (assuming for purposes of this filing only that HPIX has the authority to declare a dividend), to liquidate, to sell its assets to or to merge with any person or persons or to make any other material change in its business operations or corporate structure or management other than as set forth herein or in any exhibit attached hereto, such plans will comply with all applicable insurance laws and regulations, including, without limitation, any laws or regulations requiring prior notice to or approval from applicable insurance regulatory authorities.

*Item 6. Voting Securities to be Acquired*

*State the number of shares of the insurer’s voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.*

HPIX has no voting securities. The Applicant plans to acquire all of the issued and outstanding membership interests of American, which in turn owns all of the issued and outstanding membership interests of the AIF, HPIX’s attorney-in-fact.

The nature and amount of the consideration involved in the purchase of the Acquired Interests were determined through arm’s length negotiations. The terms of the Acquisition are set forth in the MPA described in Item 1 above. Pursuant to the MPA, the Applicant has agreed to acquire all of the Acquired Interests on the Closing Date for the purchase price described in Item 4.A. above, payment of which will be made from the funds described in Item 4.C. above. The fairness of the terms of the transaction was determined based on the arm’s length nature of the parties’ negotiations.

*Item 7. Ownership of Voting Securities*

*State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.*

None.

*Item 8. Contracts, Arrangements, or Understandings with Respect to Voting Securities of the Insurer*

*Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the person with whom such contracts, arrangements or understandings have been entered into.*

None.

*Item 9. Recent Purchases of Voting Securities*

*Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement. Include in the description the dates of purchase, the name of the purchasers, and the consideration paid or agreed to be paid therefore.*

None.

*Item 10. Recent Recommendations to Purchase*

*Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement*

None.

*Item 11. Agreements with Broker-Dealers*

*Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.*

None.

*Item 12. Financial Statements and Exhibits*

- A. Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.*
- B. The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five (5) fiscal years (or for such lesser period as the applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of the person's last fiscal year, if that information is available. Statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated*

*basis if consolidated statements are prepared in the usual course of business.*

*The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of that person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of that state.*

- C. If the acquiring person is an individual, the Department may require the filing of Federal income tax returns in lieu of audited financial statements. Any returns filed shall be given confidential treatment and shall not be subject to subpoena and shall not be made public by the Department or any other person.*
- D. File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by this chapter.*

The following is a list of the financial statements and exhibits filed with this statement or under separate cover as set forth below:

Exhibit MPA	Membership Interest Purchase Agreement dated March 26, 2014 by and among HPIX and Sellers.
Exhibit SCH	Schedules to the MPA (excluding Applicant's statutory financial statements which are being filed herewith or which are already on file with the Department). <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i>
Exhibit EXS	Exhibits to the MPA. <i>The Applicant is requesting confidential treatment with respect to the information in Exhibit B to the MPA and will be filing it under separate cover.</i>
Exhibit ORG-1	Current organizational chart of the Applicant.
Exhibit ORG-2	Pro forma organizational chart of the Applicant following the Acquisition.
Exhibit BIO	Biographical Affidavits of the Executive Officers and Subscriber Board Members. <i>The Applicant is requesting</i>

*confidential treatment with respect to this information and will be filing it under separate cover.*

Exhibit AIF	Proposed form of Amended and Restated Attorney-in-Fact Agreement.
Exhibit PLAN	Business Plan for HPIX. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i>
Exhibit A-2009	Annual Statement for HPIX for 2009.
Exhibit A-2010	Annual Statement for HPIX for 2010.
Exhibit A-2011	Annual Statement for HPIX for 2011.
Exhibit A-2012	Annual Statement for HPIX for 2012.
Exhibit A-2013	Annual Statement for HPIX for 2013.
Exhibit E	Form E, Pre-Acquisition Notification Statement of the Potential Competitive Impact of a Proposed Merger or Acquisition. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i>

*Item 13. Agreement to Enterprise Risk Requirements*

(a) The Applicant agrees to provide the annual enterprise risk report specified in 40 P.S. § 991.1404(k.1) as long as control exists.

(b) The Applicant acknowledges that it and all subsidiaries within its control in the Applicant's insurance holding company system will provide information to the Pennsylvania Commissioner of Insurance upon request as necessary to evaluate enterprise risk to HPIX.

Item 14. Signature and Certification:

SIGNATURE

Pursuant to the requirements of Section 1402 of the Act, Healthcare Providers Insurance Exchange has caused this application to be duly signed on its behalf in the City of Philadelphia in the Commonwealth of Pennsylvania on the 2nd day of May, 2014.

HEALTHCARE PROVIDERS INSURANCE EXCHANGE

By: HPIX, LLC, its attorney-in-fact

ATTEST:

By: Regina Toczyłowski  
Regina Toczyłowski, Secretary

By: Thomas S Gaudiosi  
Thomas S. Gaudiosi, President  
and Chief Executive Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 4, 2014 for and on behalf of Healthcare Providers Insurance Exchange; that he is the President and Chief Executive Officer of HPIX, LLC, the attorney-in-fact of Healthcare Providers Insurance Exchange, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Thomas S Gaudiosi  
Thomas S. Gaudiosi, President  
and Chief Executive Officer