

**PCA and PIPE
Conversion to Stock Form**

**Annex III
To
Conversion Application Filed with the
Pennsylvania Insurance Department:**

***Form of Proxy Materials for Subscriber
Meetings***

See Attached

PROXY STATEMENT

Your proxy, in the form enclosed, is solicited by the Attorney-in-Fact of Professional Casualty Association for use at a Special Meeting of its eligible subscribers to be held on _____, 2015 and any adjournment of that meeting, for the purposes set forth below. The Attorney-in-Fact urges you to sign and return your proxy even if you intend to attend the Special Meeting.

IMPORTANT NOTICE

The Plan of Conversion described in this Proxy Statement must be approved by the Pennsylvania Insurance Department (the “Insurance Department”). Approval of the Plan of Conversion by the Insurance Department will not constitute or imply that the Pennsylvania Insurance Department has endorsed the Plan of Conversion or the related merger transactions described in this Proxy Statement, nor will such approval constitute investment advice or a recommendation by the Insurance Department on how you should vote on the Plan of Conversion.

Introduction

A special meeting of the Eligible Subscribers (defined below) of Professional Casualty Association (“PCA” or the “Company”) will be held at _____, Pennsylvania on _____, _____, 2015, at _____ .m., local time (the “Special Meeting”). The purpose of the Special Meeting is to consider and vote upon (i) a Plan of Conversion from Reciprocal to Stock Form, as amended (the “Conversion Plan”), that was adopted by PCA’s Attorney-in-Fact and which, if approved by two-thirds of the votes cast at the Special Meeting, will permit PCA to convert from a Pennsylvania reciprocal insurance exchange to a Pennsylvania stock insurance company (the “Conversion”) and to become a wholly owned subsidiary of Professional Casualty Holdings, Inc. (“Holdings”) pursuant to the provisions of the Medical Professional Liability Reciprocal-to-Stock Conversion Act (the “Act”), and (ii) a merger agreement dated as of August _____, 2015, by and among PCA, Holdings, and PCA Conversion Corp., a newly formed Pennsylvania stock insurance company, pursuant to which PCA will merge with and into PCA Conversion Corp. (the “PCA Conversion Corp. Merger”).

“Eligible Subscribers” are the persons who were named insureds under PCA insurance policies that were in force on the “Eligibility Record Date” of July 27, 2015 (when the Conversion Plan was adopted).

Overview of the Conversion and the Mergers

PCA currently exists and operates as a “reciprocal insurance exchange”. This means that PCA has no shareholders. Instead, PCA has “subscribers” consisting of the policyholders who have insurance coverage with PCA.

Under the Act, a Pennsylvania reciprocal insurance exchange that offers medical professional liability insurance such as PCA can adopt a plan to convert from a reciprocal insurance exchange to a stock insurance company. Reciprocal insurance exchanges may decide to convert into stock companies for many different reasons. Reciprocal insurance exchanges have limited access to the capital markets. By converting to stock form, a reciprocal exchange gains the ability to raise capital through stock sales. By raising additional capital, PCA strengthens its ability to defend and pay claims made against its policyholders. Stock insurance companies also are better able to make strategic acquisitions of other insurance companies and to enter into strategic business combinations with other insurers and insurance holding companies. In addition, stock insurance companies can attract and retain key management personnel through stock incentive programs.

Professional Third Party, LP, as PCA's attorney-in fact, adopted the Conversion Plan principally because it will: (i) increase the capital of PCA and strengthen its ability to honor its contractual obligations to policyholders as well as increase its written premiums; (ii) enable PCA to enter into a strategic combination with Diversus, Inc. ("Diversus"); (iii) put PCA's operations under management by Diversus' team of experienced and successful senior managers; and (iv) provide the opportunity for PCA to increase written premiums through referral opportunities with Diversus' medical professional liability brokerage subsidiary.

PCA's Conversion Plan consists of the following steps:

1. PCA will convert to a stock company by merging with and into PCA Conversion Corp., a newly formed stock insurance company that will change its name to "Professional Casualty Association" ("New PCA"). Those PCA policyholders who formerly were "subscribers" of PCA will not be subscribers of New PCA. However, their insurance policies and insurance will remain in full force and effect with New PCA. The Conversion Plan does not change the price, benefits, renewability or any other feature, term or condition of a policyholder's insurance coverage.
2. New PCA will issue shares of its stock to a newly formed holding company named "Professional Casualty Holdings, Inc." (hereinafter referred to as "Holdings") organized for purposes of the Conversion Plan. This means that New PCA will become a wholly owned subsidiary of Holdings.
3. Holdings is a stock company and will offer its shares of common stock ("Conversion Stock") for sale in a public offering described in greater detail below (hereinafter, the "Offering"). The Conversion Stock of Holdings will be offered for sale pursuant to a Registration Statement and Prospectus filed and effective under the Securities Act of 1933, as amended.
4. In consideration of their status and rights as former subscribers of PCA, Eligible Subscribers of PCA will be afforded the opportunity to purchase Conversion Stock before orders from any other purchasers may be accepted. If shares remain available for sale after the subscriptions of the Eligible Subscribers are filled, such remaining shares will be sold to other purchasers (as described in greater detail in the

Prospectus of Holdings accompanying this Proxy Statement). The Conversion Stock will be offered for sale at \$10.00 per share. An Eligible Subscriber who wishes to subscribe must purchase at least 50 shares of Conversion Stock and may not purchase more than 5% of the total number of shares of Conversion Stock sold in the Offering. Other limitations apply to the Offering, which are described in greater detail in the Prospectus.

5. In a related transaction that is an integral part of the Conversion Plan, Holdings will acquire Diversus and its several operating subsidiaries. This acquisition will be structured as a merger of Diversus with and into Holdings (the “Diversus Merger”). The Diversus Merger will be effectuated pursuant to the terms of an Agreement and Plan of Merger by and between Holdings and Diversus, dated September __, 2015 (the “Diversus Merger Agreement”). The approval process for the Diversus Merger Agreement is described below under “The Diversus Merger.”
6. Following the closing on the Conversion Plan and the Diversus Merger and completion of the Offering, Holdings will be a public company and will operate as the insurance holding company for New PCA.
7. Diversus’ current senior management team will become the senior management team of Holdings and, as such, will control the operations of all of the subsidiaries, including New PCA.

Information Relating to Voting at the Special Meeting

In accordance with the terms of PCA’s Declaration of Organization, the terms of the Conversion Plan and the provisions of the Act, the Attorney-in-Fact of PCA has determined that each Eligible Subscriber is entitled to notice of, and to vote at, the Special Meeting, and will be entitled at the Special Meeting to cast one vote, regardless of the number of policies of insurance held by that Eligible Subscriber. A person who is an “Eligible Subscriber” with reference to more than one policy shall have only one vote.

Approval of the Conversion Plan will require the affirmative vote, either in person or by proxy, of at least two-thirds of the votes cast at the Special Meeting.

Eligible Subscribers may vote at the Special Meeting or any adjournment thereof in person or by proxy. All properly executed proxies received by PCA before the Special Meeting will be voted in accordance with the instructions indicated thereon. If no contrary instructions are given, such proxies will be voted in favor of (i) the Conversion Plan, and (ii) the PCA Conversion Corp. Merger. If any other matters are properly presented before the Special Meeting, the proxies solicited hereby will be voted on such matters by the proxyholders according to their discretion. Any Eligible Subscriber giving a proxy will have the right to revoke his or her proxy at any time before it is voted by delivering written notice or a duly executed proxy bearing a later date to the Secretary of PCA at any time prior to or at the Special Meeting or by attending the Special Meeting and voting in person.

The proxies solicited hereby will be used only at the Special Meeting and at any adjournment thereof. They will not be used at any other meeting.

Relationship Between this Proxy Statement and the Prospectus

A copy of the Prospectus for the offering of Holdings' Conversion Stock accompanies this Proxy Statement and is an important part of this Proxy Statement. This Proxy Statement summarizes and presents selected information from the Prospectus and may not contain all the information that might be important to an Eligible Subscriber in deciding whether to (i) vote for adoption and approval of the Conversion Plan, including the PCA Conversion Corp. Merger, and/or (ii) subscribe for the purchase of Conversion Stock in the Offering. To understand the Offering and the Diversus Merger fully, Eligible Subscribers should read the Prospectus carefully, including the financial statements and the notes to financial statements of Diversus, PCA, and Physicians' Insurance Program Exchange ("PIPE") that are included in the Prospectus. Eligible Subscribers also may wish to review the Conversion Plan and the Diversus Merger Agreement. These are available for review and downloading on PCA's website at <http://www.professionalca.com>.¹

The Parties

Holdings

Holdings is a Pennsylvania business corporation organized on April 8, 2015 by PCA for purposes of effecting the Conversion and the Diversus Merger. Holdings will be the holding company for New PCA and the Diversus subsidiaries following closing on the Conversion and the Diversus Merger. Holdings' executive offices are located at 1012 West 9th Avenue, Suite 250, King of Prussia, Pennsylvania 19406. Holdings' Board of Directors consists of eight members, four of whom currently serve as directors of Diversus.

Diversus' current President and Chief Executive Officer, Alan Waring, current Chief Operating Officer, Alan Mooney, current Chief Insurance Officer, Secretary and Treasurer, Sara Carpenter, and current Chief Financial Officer, David Koleos, will serve in the same capacities for Holdings. The ability of these senior officers of Diversus to serve as Holdings' senior officers was an important consideration in the adoption of the Conversion Plan by PCA's Attorney-in-Fact.

Holdings will not have engaged in any operations prior to completion of the Conversion and the Diversus Merger. After completion of the Conversion and the Diversus Merger, Holdings' primary assets will be the outstanding capital stock of New PCA and the Diversus subsidiaries, along with the amount of the net proceeds realized from the Offering of the Conversion Stock that remains after the use of such proceeds as described in the Prospectus.

¹ This reference to PCA's website includes only the documents available for review under the "PCA Plan of Conversion" tab. Any other information available on PCA's website is not part of this Proxy Statement.

Holdings intends to apply to have its common stock listed for trading on the NASDAQ Capital Market.

Professional Casualty Association

Professional Casualty Association is a Pennsylvania reciprocal insurance exchange organized in 2003. Its main offices are located at 1012 North 9th Avenue, King of Prussia, Pennsylvania 19406, and its telephone number is (610) 337-3374. At June 30, 2015, PCA had total consolidated assets of \$___ million and total equity of \$_____ million. During 2014, PCA had direct written premiums of \$15.3 million. PCA offers medical professional liability insurance primarily in Pennsylvania. In _____ 2015, PCA was licensed to write insurance in Michigan.

Diversus.

Diversus is a Delaware corporation incorporated in 2013. Diversus is the holding company for International Specialty Brokers, Limited, a specialty wholesale reinsurance broker based in Bermuda, Healthcare Professional Services, Inc., a medical malpractice wholesale insurance broker based in Atlanta, Andrews Outsource Solution, LLC, a medical malpractice legal defense management company based in Florida, and Professional Third Party, LP, the Attorney-Fact for PCA. In July 2015, Diversus entered into an agreement to acquire all of the stock of Physicians' Insurance Program Management Company, the Attorney-in-Fact for Physicians' Insurance Program Exchange ("PIPE"). [*Note: At the time this proxy statement is distributed, it is expected that Diversus will have completed the acquisition of PIPE Management.*] Diversus' headquarters are located at 13010 Morris Rd., Building I, 6th floor, Alpharetta, GA 30004; and its telephone number is 770-265-5235. As of June 30, 2015, Diversus had total consolidated assets of \$_____ million and shareholders' equity of \$___ million. Diversus had total revenues for the six months ended June 30, 2015 of \$_____ million and net income of \$_____.

The Conversion

PCA adopted the Conversion Plan on July 27, 2015. The Conversion involves a series of transactions by which PCA will convert from a reciprocal insurance exchange to a stock insurance company. Following the Conversion, PCA will become a subsidiary of Holdings.

As an integral part of the Conversion, Holdings will offer for sale in a subscription rights offering between 2,125,000 and 2,875,000 shares of Holdings' Conversion Stock ("Subscription Offering"). The Subscription Offering will be made in the following order of priority:

8. *First to "Eligible Subscribers"* – "Eligible Subscribers" are the named policyholders of PCA who were insured under PCA insurance policies that were in force on July 27, 2015 and the named policyholders of PIPE who were insured under PIPE insurance policies that were in force on of July 30, 2015.

9. *Next to Other Policyholders* – People who became policyholders of PCA after July 27, 2015, and people who became policyholders of PIPE after July 30, 2015.
10. *Last, to Directors and Officers of the Attorneys-in Fact* –The directors, officers and employees of the Attorney-in-Fact of PCA and the directors, officers and employees of the Attorney-in-Fact of PIPE.

If any shares of Conversion Stock remain available for purchase after the Subscription Offering, they will be offered to the general public (“Community Offering” and, together with the Subscription Offering, “the Offering”). The Conversion Plan provides that Holdings will give preferential treatment to orders received in the Community Offering from Diversus, from insurance producers who have produced business for PCA or PIPE within twelve months prior to the date of their subscription to purchase Conversion Stock, and from former subscribers of PCA and PIPE. Holdings may accept subscriptions under the Subscription Offering and orders received under the Community Offering simultaneously. Subscriptions will be accepted by Holdings under the priorities described above. Payments received on subscriptions that cannot be accepted will be refunded (without interest).

The purchase price for the Conversion Stock will be \$10.00 per share. All purchasers will pay the same price per share in the Offering.

The Conversion will permit policyholders of PCA and PIPE, the management and employees of the Attorneys-in-Fact of PCA and PIPE, and the general public to become equity owners of Holdings and to share in its future. The Conversion also will make possible the proposed acquisition of Diversus and provide additional capital that will enhance the ability of PCA to expand its operations.

Completion of the Conversion is subject to various conditions, including approval of the Conversion by the Eligible Subscribers of PCA, approval of the plan of conversion of PIPE by the eligible subscribers of PIPE, completion of the Offering, receipt of all necessary regulatory approvals, and approval of the Diversus Merger Agreement by the Diversus shareholders.

The Diversus Merger

On September____, 2015, Diversus and Holdings entered into the Diversus Merger Agreement. The principal terms of the Diversus Merger Agreement, which was the result of arms’ length negotiations between Holdings and Diversus, are described in the Prospectus. In connection with the Diversus Merger, ___ shares of Holdings common stock will be issued in exchange for each share of Diversus capital stock outstanding. Holdings has received an opinion from _____ (the “_____ Report”) that the terms of the Merger are fair to Holdings from a financial point of view.

The Diversus Merger Agreement and the transactions thereunder (the “Diversus Merger”) have been approved by a special committee of independent directors and by the full Board of Directors of Holdings. At the time of approval by the Board of Directors (and also at the date of this Proxy Statement) Holdings has no

shareholders. (Further, at the date of the Special Meeting, Holdings will have no shareholders.) Accordingly, under Pennsylvania law the Diversus Merger has been lawfully approved by the Holdings Board of Directors and no vote of the future shareholders of Holdings is required to approve the Diversus Merger. Holdings will first issue shares and will first have shareholders upon the closing of the Offering.

Every subscriber in the Offering will be asked to acknowledge and consent to and approve the Diversus Merger in his or her capacity as a new shareholder of Holdings; provided, that such consent and approval is requested but is not required under Pennsylvania law in order to complete the Diversus Merger.

Completion of the Diversus Merger and the Conversion are both subject to various conditions, including:

- Completion of the Offering by Holdings.
- Receipt of all necessary regulatory approvals.
- Approval of the Conversion of PCA by the Eligible Subscribers of PCA and approval of the conversion of PIPE by the eligible subscribers of PIPE.

In the event that these conditions are not satisfied or waived, the Offering will be terminated and the funds received in connection therewith will be returned to subscribers without interest.

PCA's Reasons for the Conversion and the Diversus Merger

The Attorney-in-Fact of PCA has determined that the Conversion provides a unique opportunity to (i) improve the prospects for a favorable financial strength rating of New PCA from A.M. Best Company; (ii) provide additional capital and a publicly-traded security that will enable Holdings and New PCA to pursue a business strategy of growth through strategic acquisitions and internal expansion; and (iii) provide access to a team of senior officers from Diversus who are well qualified to manage the combined operations of Diversus and Holdings in the years ahead.

As a reciprocal insurance exchange, PCA does not have shareholders, and it has no authority to issue capital stock. By converting to the capital stock form of organization, New PCA will be structured in the form used by most insurance companies and most business entities. The Conversion will enable New PCA to access equity capital in the future, when and as required. The Conversion also allows New PCA to complete the merger with Diversus.

The Conversion will permit PCA policyholders, and possibly other members of the general public, to become equity owners of Holdings.

A corporate form of organization will provide additional flexibility to diversify PCA's business activities through existing or newly formed subsidiaries and through acquisitions of other insurance companies, including

insurance exchanges or risk retention groups in the medical professional liability space. Although there are no current arrangements, understandings or agreements regarding any such opportunities (other than those relating to the merger with Diversus), New PCA and Holdings will be in a better position after the Conversion to take advantage of any such opportunities that may arise.

Doing business in the stock form also will enable New PCA (either directly or through Holdings) to use stock-related incentive programs to attract and retain executive and other personnel.

The Attorney-in-Fact of PCA and the Board of Directors and special committee of Holdings believe that the Diversus Merger will enhance the competitive position of the combined entities and will enable the resulting institution to compete more effectively than any of PCA, PIPE, or Diversus could on its own. The combined entity will have greater financial resources and, as a result of the Offering, increased capital levels.

Effects of the Conversion on Policyholders

In General

Each policyholder in a reciprocal insurance exchange, such as PCA, has certain interests in the insurance exchange issuing the policy, including the contractual right to insurance coverage and the right to vote when provided by law. Policyholders also may have the right to share in a liquidating distribution of the insurer's net worth if the insurer were to voluntarily dissolve and liquidate its business and properties. The law in Pennsylvania on this last point is unclear and has never been definitively addressed by the courts.

A policyholder of a reciprocal insurance exchange must have an in-force insurance policy issued by that exchange in order to be a subscriber of that exchange. However, this interest as a subscriber has no market value because it cannot be separated from the underlying policy and, in any event, is not transferable. A policyholder whose policy lapses will lose his or her interest as a subscriber. As of the completion of the Conversion, all subscriber interests in PCA, except contract rights under policies of insurance, will terminate.

If the Conversion Plan is not approved by PCA's Eligible Subscribers, or if the Conversion is not completed for any other reason, PCA will continue to operate as a reciprocal insurance exchange. In that case, Eligible Subscribers will retain the rights described above.

Continuity of Insurance Coverage and Business Operations

PCA's conversion to stock form will not change the insurance protection or premiums under PCA's in-force insurance policies. During and after the Conversion, the normal business of issuing insurance policies will continue without change or interruption. After the Conversion, PCA (as converted) will continue to provide services to its policyholders under in-force policies.

Voting Rights

After the Conversion, the voting rights of all subscribers of PCA will cease. Policyholders will no longer have the right to vote on any matter involving New PCA. Instead, voting control of New PCA will be held by Holdings, which will own all New PCA capital stock. Voting rights in Holdings will be held by the shareholders of Holdings. Each holder of Holdings common stock will be entitled to vote on any matter to be considered by Holdings shareholders, subject to the terms of Holdings' articles of incorporation and bylaws and to the provisions of Pennsylvania law.

Policyholder Dividends

PCA has no in-force insurance policies that "participate" or provide for the payment of policy dividends. Therefore, the Conversion will not cause any policyholder to lose dividend rights or expectancies that may have existed in the period when PCA operated as a reciprocal insurance exchange.

Rights Upon Dissolution After Conversion

After the Conversion, policyholders will have no right to receive a pro rata distribution of any remaining surplus of New PCA upon its dissolution. Instead, this right will vest in Holdings, as the sole shareholder of New PCA. In the event of a liquidation, dissolution or winding up of Holdings, shareholders of Holdings would be entitled to receive, after payment of all senior debts and liabilities of Holdings, a pro rata portion of any liquidating distribution that is made of Holdings' remaining assets.

Determination of the Price per Share and the Number of Shares to be Offered

Pennsylvania law requires that, as part of the reciprocal-to-stock conversion of PCA, Eligible Subscribers must be offered the right to purchase an amount of stock of the stock insurance company (or in this case, Holdings) having a value equal in the aggregate to the appraised value of PCA as determined by a qualified appraiser engaged for this purpose. The value can be expressed as a valuation range. Feldman Financial Advisors, Inc. ("Feldman Financial") which was engaged to serve as the independent appraiser in the Conversion, prepared an appraisal report valuing PCA and PIPE ("Appraisal Report"). In its opinion of _____, 2015, Feldman Financial estimated that the combined appraised value of PCA and PIPE (as subsidiaries of Holdings and without giving effect to the Diversus Merger) is between \$21,250,000 and \$28,750,000, with a midpoint value of \$25,000,000.

The Conversion Stock will be sold at \$10.00 per share consistent with the typical offering price per share for many converting mutual companies. Based on the valuation range and the \$10 per share purchase price, the number of Conversion shares being sold will be somewhere between 2,125,000 and 2,875,000 shares.

The Appraisal Report will be updated by Feldman Financial before the Conversion is completed. If the midpoint of the updated appraisal does not fall within the valuation range, the revised appraisal will require the

approval of the Pennsylvania Insurance Department (“Department”). If Holdings is unable to sell at least 2,125,000 shares, then unless the Offering range is revised with the approval of the Department, the Conversion and Offering must be terminated, all subscriptions cancelled and all subscription funds returned. The merger with Diversus will not occur if the Conversion is not completed.

Feldman Financial’s valuation is not a recommendation as to the advisability of purchasing shares of Holdings. In preparing its reports, Feldman Financial did not independently verify the financial statements and other information provided by PCA or PIPE, nor did Feldman Financial value independently the assets or liabilities of PCA or PIPE. The Appraisal Report considers PCA and PIPE as going concerns and should not be considered as an indication of the liquidation value of PCA or PIPE. Moreover, because such valuation is necessarily based upon estimates and projections of a number of matters, any of which are subject to change from time to time, no assurance can be given that persons purchasing common stock in the Conversion or receiving Holdings shares in the Diversus Merger will thereafter be able to sell such shares at prices at or above the initial purchase price in the Conversion of \$10.00 per share.

Limitations on Conversion Stock Purchases

The Conversion Plan includes the following limitations on the number of shares of Conversion Stock that may be purchased in the Conversion:

- No fewer than 50 shares or \$500 of Conversion Stock may be purchased, to the extent such shares are available.
- Except for Diversus, no subscriber in the Subscription Offering may subscribe for and purchase more than 5% of the total number of shares sold in the Offering, subject to the limitation on groups of persons acting in concert described below.
- Except for Diversus, the maximum number of shares of Conversion Stock subscribed for or purchased in all categories of the Offering by any person, together with associates of and groups of persons acting in concert with such persons, shall not exceed 5% of the total number of shares sold in the Offering.
- No more than ___% of the total number of shares offered for sale in the Offering may be purchased by the directors and officers of the Attorneys-in-Fact of PCA and PIPE and their associates in the aggregate, excluding purchases by Diversus.

Restrictions on Transfer of Subscription Rights and Shares

Subscription rights granted under the Conversion Plan are not transferable. Accordingly, any person receiving subscription rights under the Conversion Plan may not transfer or enter into any agreement or understanding to transfer the legal or beneficial ownership of those subscription rights or the shares of Conversion

Stock to be issued upon their exercise. Subscription rights may be exercised only for the account of the person receiving those rights under the Conversion Plan. A person subscribing to Conversion Stock by exercise of subscription rights received under the Conversion Plan will be required to certify that he or she is purchasing the shares solely for his or her own account and also that there is no agreement or understanding with any other person regarding the sale or transfer of such shares.

Conversion Stock purchased in the Offering will thereafter be freely transferable under the Securities Act of 1933, as amended (“1933 Act”); *provided, however* that shares issued to directors and officers of Holdings will be restricted as to transfer for a period of one year from the effective date of the Conversion pursuant to the provisions of the Act and will be subject to additional transfer restrictions under Rule 144 of the 1933 Act.

Tax Effects

For a discussion of the material United States federal income tax consequences of the conversion to PCA and to an Eligible Subscriber of PCA, see the section titled “Certain Federal Income Tax Considerations” in the accompanying Prospectus.

New PCA’s Articles of Incorporation and Bylaws

The following is a summary of certain provisions of the Articles of Incorporation and bylaws of New PCA, which will become effective upon the conversion of PCA from a Pennsylvania reciprocal insurance exchange to a Pennsylvania stock insurance company.

New PCA’s Articles of Incorporation will change the name of PCA Conversion Corp. to “Professional Casualty Association” and authorize New PCA to issue 1,000,000 shares of common stock. All of New PCA’s outstanding common stock will be owned by Holdings. Accordingly, exclusive voting rights with respect to the affairs of New PCA after the Conversion will be vested in the Board of Directors of Holdings.

New PCA’s Articles of Incorporation will provide that such Articles may be further amended only if such amendment is approved by the Board of Directors of New PCA, and, if and to the extent required by law, approved by the Insurance Department and the shareholders of New PCA. The bylaws may be amended by a majority vote of the Board of Directors of New PCA or by Holdings as New PCA’s sole shareholder.

Termination of the Conversion Plan

The Conversion Plan may be terminated at any time before it is approved by Eligible Subscribers by the Attorney-in-Fact of PCA. The Conversion Plan may be terminated at any time after it is approved by Eligible Subscribers and prior to the effective date of the Conversion by the Attorney-in-Fact of PCA.

Interpretation and Amendment of the Plan of Conversion

All interpretations of the Conversion Plan by the Attorney-in-Fact of PCA and the Board of Directors of Holdings will be final, conclusive and binding upon all persons. The Conversion Plan may be amended at any time before it is approved by the Insurance Department by PCA’s Attorney-in-Fact. The Conversion Plan may be similarly amended at any time after it is approved by the Insurance Department, subject to the Insurance Department’s approval of such amendment. The Conversion Plan may be amended at any time after it is approved by Eligible Subscribers of PCA and prior to the effective date of the Conversion by PCA’s Attorney-in-Fact; *provided, however*, that any such amendment shall be subject to approval by the Insurance Department; *and provided further*, that, if such amendment is determined by the Insurance Department to be material, such amendment shall be subject to approval by the affirmative vote of at least two-thirds of the votes cast at a meeting of Eligible Subscribers called for that purpose.

* * * * *

RECOMMENDATION OF THE ATTORNEY-IN-FACT

The Attorney-in-Fact of PCA recommends that you vote “FOR” approval of the Conversion Plan, which necessarily includes a vote “FOR” approval of the merger of PCA with and into PCA Conversion Corp.

PLEASE NOTE: A VOTE IN FAVOR OF THE CONVERSION PLAN DOES NOT MEAN YOU MUST PURCHASE CONVERSION STOCK IN THE OFFERING, AND A VOTE AGAINST THE CONVERSION PLAN DOES NOT MEAN YOU MAY NOT PURCHASE STOCK IN THE OFFERING. YOU MAY VOTE *IN FAVOR OF THE CONVERSION PLAN AND DECIDE NOT TO PURCHASE CONVERSION STOCK IN THE OFFERING, OR YOU MAY VOTE AGAINST THE CONVERSION PLAN AND DECIDE TO PURCHASE STOCK IN THE CONVERSION OFFERING.*

ADDITIONAL INFORMATION

WE URGE YOU TO CONSIDER CAREFULLY THIS PROXY STATEMENT, INCLUDING PARTICULARLY THE PROSPECTUS THAT ACCOMPANIES THIS PROXY STATEMENT. WHETHER OR NOT YOU PLAN TO BE PRESENT IN PERSON AT THE SPECIAL MEETING, WE REQUEST THAT YOU FILL IN, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE TO ASSURE THAT YOUR VOTE WILL BE COUNTED. THIS WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE SPECIAL MEETING. YOU MAY REVOKE YOUR PROXY BY WRITTEN INSTRUMENT DELIVERED TO JAMES GILLESPIE, CEO OF PCA AT ANY TIME PRIOR TO OR AT THE SPECIAL MEETING OR BY ATTENDING THE SPECIAL MEETING AND VOTING IN PERSON. YOUR PROXY SHOULD BE COMPLETED, SIGNED AND MAILED USING THE ENCLOSED ENVELOPE SO THAT IT IS RECEIVED ON OR BEFORE _____ [INSERT DEADLINE].

THIS PROXY STATEMENT IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CONVERSION STOCK. SUCH OFFERS MAY BE MADE ONLY BY MEANS OF THE PROSPECTUS.

_____, 2015

King of Prussia, Pennsylvania

PROFESSIONAL CASUALTY ASSOCIATION

I/We hereby appoint James Gillespie, Jr. and _____, or any one of them acting in the absence of the other, as proxyholders, each with the power to appoint his or her substitute, and hereby authorize them to represent me/us and to vote for me/us as designated on the reverse side, at the Special Meeting of Subscribers to be held on _____, 2015, or any postponement or adjournment thereof.

This proxy, if properly signed, will be voted in the manner directed on the reverse side. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED (a) "FOR" APPROVAL OF THE PLAN OF CONVERSION, and (b) "FOR" APPROVAL OF THE MERGER OF PROFESSIONAL CASUALTY ASSOCIATION WITH AND INTO PCA CONVERSION CORP. This proxy will be voted, in the discretion of the proxyholders, upon such other business as may properly come before the Special Meeting of Subscribers or any postponement or adjournment thereof.

Voting in favor of the Plan of Conversion will not obligate you to purchase Professional Casualty Holdings, Inc. common stock in the offering.

THIS PROXY IS SOLICITED ON BEHALF OF THE ATTORNEY-IN-FACT OF PROFESSIONAL CASUALTY ASSOCIATION.

Please vote and sign on the other side.

[X] Please mark your vote as in this example.

THE ATTORNEY-IN-FACT RECOMMENDS A VOTE "FOR" THE FOLLOWING:

Approval of the Plan of Conversion:

FOR [] AGAINST []

Approval of the merger of Professional Casualty Association with and into PCA Conversion Corp. and adoption and approval of the Agreement and Plan of Merger between Professional Casualty Association and PCA Conversion Corp.:

FOR [] AGAINST []

The undersigned hereby acknowledges receipt of the Proxy Statement dated _____, 2015 and hereby revokes any proxy or proxies heretofore given to vote at said meeting or any adjournment thereof.

(PLEASE DATE, SIGN AND RETURN THIS PROXY IN THE ENCLOSED PROXY REPLY ENVELOPE)

Signature _____ Date _____, 2015

Only one signature is required in the case of joint subscribers. Please sign exactly as name appears hereon.

PROXY STATEMENT

Your proxy, in the form enclosed, is solicited by the Board of Directors and the Attorney-in-Fact of Physicians' Insurance Program Exchange for use at a Special Meeting of its eligible subscribers to be held on _____, 2015 and any adjournment of that meeting, for the purposes set forth below. The Board of Directors and the Attorney-in-Fact urge you to sign and return your proxy even if you intend to attend the Special Meeting.

IMPORTANT NOTICE

The Plan of Conversion described in this Proxy Statement must be approved by the Pennsylvania Insurance Department (the "Insurance Department"). Approval of the Plan of Conversion by the Insurance Department will not constitute or imply that the Pennsylvania Insurance Department has endorsed the Plan of Conversion or the related merger transactions described in this Proxy Statement, nor will such approval constitute investment advice or a recommendation by the Insurance Department on how you should vote on the Plan of Conversion.

Introduction

A special meeting of the Eligible Subscribers (defined below) of Physicians' Insurance Program Exchange ("PIPE" or the "Company") will be held at _____, Pennsylvania on _____, _____, 2015, at _____ .m., local time (the "Special Meeting"). The purpose of the Special Meeting is to consider and vote upon (i) a Plan of Conversion from Reciprocal to Stock Form, as amended (the "Conversion Plan"), that was adopted by PIPE's Board of Directors and Attorney-in-Fact and which, if approved by two-thirds of the votes cast at the Special Meeting, will permit PIPE to convert from a Pennsylvania reciprocal insurance exchange to a Pennsylvania stock insurance company (the "Conversion") and to become a wholly owned subsidiary of Professional Casualty Holdings, Inc. ("Holdings") pursuant to the provisions of the Medical Professional Liability Reciprocal-to-Stock Conversion Act (the "Act"), and (ii) a merger agreement dated as of August _____, 2015, by and among PIPE, Holdings, and PIPE Conversion Corp., a newly formed Pennsylvania stock insurance company, pursuant to which PIPE will merge with and into PIPE Conversion Corp. (the "PIPE Conversion Corp. Merger").

"Eligible Subscribers" are the persons who were named insureds under PIPE insurance policies that were in force on the "Eligibility Record Date" of July 30, 2015 (when the Conversion Plan was adopted).

Overview of the Conversion and the Mergers

PIPE currently exists and operates as a "reciprocal insurance exchange". This means that PIPE has no shareholders. Instead, PIPE has "subscribers" consisting of the policyholders who have insurance coverage with PIPE.

Under the Act, a Pennsylvania reciprocal insurance exchange that offers medical professional liability insurance such as PIPE can adopt a plan to convert from a reciprocal insurance exchange to a stock insurance company. Reciprocal insurance exchanges may decide to convert into stock companies for many different reasons. Reciprocal insurance exchanges have limited access to the capital markets. By converting to stock form, a reciprocal exchange gains the ability to raise capital through stock sales. By raising additional capital, PIPE strengthens its ability to defend and pay claims made against its policyholders. Stock insurance companies also are better able to make strategic acquisitions of other insurance companies and to enter into strategic business combinations with other insurers and insurance holding companies. In addition, stock insurance companies can attract and retain key management personnel through stock incentive programs.

Physicians' Insurance Program Management Company, as PIPE's attorney-in fact, and PIPE's Board of Directors each adopted the Conversion Plan principally because it will: (i) increase the capital of PIPE and strengthen its ability to honor its contractual obligations to policyholders as well as increase its written premiums; (ii) enable PIPE to enter into a strategic combination with Diversus, Inc. ("Diversus"); (iii) put PIPE's operations under management by Diversus' team of experienced and successful senior managers; and (iv) provide the opportunity for PIPE to increase written premiums through referral opportunities with Diversus' medical professional liability brokerage subsidiary.

PIPE's Conversion Plan consists of the following steps:

1. PIPE will convert to a stock company by merging with and into PIPE Conversion Corp., a newly formed stock insurance company ("New PIPE"). Those PIPE policyholders who formerly were "subscribers" of PIPE will not be subscribers of New PIPE. However, their insurance policies and insurance will remain in full force and effect with New PIPE. The Conversion Plan does not change the price, benefits, renewability or any other feature, term or condition of a policyholder's insurance coverage.
2. A newly formed holding company named "Professional Casualty Holdings, Inc." (hereinafter referred to as "Holdings") organized for purposes of the Conversion Plan will offer its shares of common stock ("Conversion Stock") for sale in a public offering described in greater detail below (hereinafter, the "Offering"). The Conversion Stock of Holdings will be offered for sale pursuant to a Registration Statement and Prospectus filed and effective under the Securities Act of 1933, as amended.
3. In consideration of their status and rights as former subscribers of PIPE, Eligible Subscribers of PIPE will be afforded the opportunity to purchase Conversion Stock before orders from any other purchasers may be accepted. If shares remain available for sale after the subscriptions of the Eligible Subscribers are filled, such remaining shares will be sold to other purchasers (as described in greater detail in the Prospectus of Holdings accompanying this Proxy Statement). The Conversion Stock will be offered for sale at \$10.00 per share. An Eligible Subscriber who wishes to subscribe must purchase at least 50

shares of Conversion Stock and may not purchase more than 5% of the total number of shares of Conversion Stock sold in the Offering. Other limitations apply to the Offering, which are described in greater detail in the Prospectus.

4. As part of the overall transaction, Professional Casualty Association, a Pennsylvania reciprocal insurance exchange (“PCA”), will also convert to a stock insurance company by merging with and into PCA Conversion Corp. (“New PCA”). Immediately after the completion of the conversion of PIPE, New PIPE will merge with and into New PCA, and New PCA will change its name to “Professional Casualty Association.”
5. In a related transaction that is an integral part of the Conversion Plan, Holdings will acquire Diversus and its several operating subsidiaries. This acquisition will be structured as a merger of Diversus with and into Holdings (the “Diversus Merger”). The Diversus Merger will be effectuated pursuant to the terms of an Agreement and Plan of Merger by and between Holdings and Diversus, dated September __, 2015 (the “Diversus Merger Agreement”). The approval process for the Diversus Merger Agreement is described below under “The Diversus Merger.”
6. Following the closing on the Conversion Plan and the Diversus Merger and completion of the Offering, Holdings will be a public company and will operate as the insurance holding company for New PCA.
7. Diversus’ current senior management team will become the senior management team of Holdings and, as such, will control the operations of all of the subsidiaries, including New PCA.

Information Relating to Voting at the Special Meeting

In accordance with the terms of PIPE’s Declaration of Organization, the terms of the Conversion Plan and the provisions of the Act, the Board of Directors and the Attorney-in-Fact of PIPE have determined that each Eligible Subscriber is entitled to notice of, and to vote at, the Special Meeting, and will be entitled at the Special Meeting to cast one vote, regardless of the number of policies of insurance held by that Eligible Subscriber. A person who is an “Eligible Subscriber” with reference to more than one policy shall have only one vote.

Approval of the Conversion Plan will require the affirmative vote, either in person or by proxy, of at least two-thirds of the votes cast at the Special Meeting.

Eligible Subscribers may vote at the Special Meeting or any adjournment thereof in person or by proxy. All properly executed proxies received by PIPE before the Special Meeting will be voted in accordance with the instructions indicated thereon. If no contrary instructions are given, such proxies will be voted in favor of (i) the Conversion Plan, and (ii) the PIPE Conversion Corp. Merger. If any other matters are properly presented before the Special Meeting, the proxies solicited hereby will be voted on such matters by the proxyholders according to their

discretion. Any Eligible Subscriber giving a proxy will have the right to revoke his or her proxy at any time before it is voted by delivering written notice or a duly executed proxy bearing a later date to the Secretary of PIPE at any time prior to or at the Special Meeting or by attending the Special Meeting and voting in person.

The proxies solicited hereby will be used only at the Special Meeting and at any adjournment thereof. They will not be used at any other meeting.

Relationship Between this Proxy Statement and the Prospectus

A copy of the Prospectus for the offering of Holdings' Conversion Stock accompanies this Proxy Statement and is an important part of this Proxy Statement. This Proxy Statement summarizes and presents selected information from the Prospectus and may not contain all the information that might be important to an Eligible Subscriber in deciding whether to (i) vote for adoption and approval of the Conversion Plan, including the PIPE Conversion Corp. Merger, and/or (ii) subscribe for the purchase of Conversion Stock in the Offering. To understand the Offering and the Diversus Merger fully, Eligible Subscribers should read the Prospectus carefully, including the financial statements and the notes to financial statements of Diversus, PIPE, and PCA that are included in the Prospectus. Eligible Subscribers also may wish to review the Conversion Plan and the Diversus Merger Agreement. These are available for review and downloading on PCA's website at <http://www.professionalca.com>.¹

The Parties

Holdings

Holdings is a Pennsylvania business corporation organized on April 8, 2015 by PCA and PIPE for purposes of effecting the Conversion and the Diversus Merger. Holdings will be the holding company for New PCA and the Diversus subsidiaries following closing on the Conversion and the Diversus Merger. Holdings' executive offices are located at 1012 West 9th Avenue, Suite 250, King of Prussia, Pennsylvania 19406. Holdings' Board of Directors consists of eight members, four of whom currently serve as directors of Diversus.

Diversus' current President and Chief Executive Officer, Alan Waring, current Chief Operating Officer, Alan Mooney, current Chief Insurance Officer, Secretary and Treasurer, Sara Carpenter, and current Chief Financial Officer, David Koleos, will serve in the same capacities for Holdings. The ability of these senior officers of Diversus to serve as Holdings' senior officers was an important consideration in the adoption of the Conversion Plan by PIPE's Board of Directors and Attorney-in-Fact.

Holdings will not have engaged in any operations prior to completion of the Conversion and the Diversus Merger. After completion of the Conversion and the Diversus Merger, Holdings' primary assets will be the outstanding capital stock of New PCA and the Diversus subsidiaries, along with the amount of the net proceeds

¹ This reference to PCA's website includes only the documents available for review under the "PCA Plan of Conversion" tab. Any other information available on PCA's website is not part of this Proxy Statement.

realized from the Offering of the Conversion Stock that remains after the use of such proceeds as described in the Prospectus.

Holdings intends to apply to have its common stock listed for trading on the NASDAQ Capital Market.

Physicians' Insurance Program Exchange

Physicians' Insurance Program Exchange is a Pennsylvania reciprocal insurance exchange organized in 2005. Its main offices are located at 311 North Sumneytown Pike, Suite 1B, Upper Gwynedd, Pennsylvania 19454, and its phone number is (215) 699-4200. At June 30, 2015, PIPE had total consolidated assets of \$___ million and total equity of \$_____ million. During 2014, PIPE had direct written premiums of \$5.0 million. PIPE offers medical professional liability insurance primarily in Pennsylvania.

Diversus

Diversus is a Delaware corporation incorporated in 2013. Diversus is the holding company for International Specialty Brokers, Limited, a specialty wholesale reinsurance broker based in Bermuda, Healthcare Professional Services, Inc., a medical malpractice wholesale insurance broker based in Atlanta, Andrews Outsource Solution, LLC, a medical malpractice legal defense management company based in Florida, and Professional Third Party, LP, the Attorney-Fact for PCA. On _____, 2015, Diversus acquired all of the stock of Physicians' Insurance Program Management Company, the Attorney-in-Fact for PIPE. [*Note: At the time this proxy statement is distributed, it is expected that Diversus will have completed the acquisition of PIPE Management.*] Diversus' headquarters are located at 13010 Morris Rd., Building I, 6th floor, Alpharetta, GA 30004; and its telephone number is 770-265-5235. As of June 30, 2015, Diversus had total consolidated assets of \$_____ million and shareholders' equity of \$___ million. Diversus had total revenues for the six months ended June 30, 2015 of \$_____ million and net income of \$_____.

The Conversion

PIPE adopted the Conversion Plan on July 30, 2015. The Conversion involves a series of transactions by which PIPE will convert from a reciprocal insurance exchange to a stock insurance company. Following the Conversion, PIPE will become a subsidiary of Holdings.

As an integral part of the Conversion, Holdings will offer for sale in a subscription rights offering between 2,125,000 and 2,875,000 shares of Holdings' Conversion Stock ("Subscription Offering"). The Subscription Offering will be made in the following order of priority:

8. *First to "Eligible Subscribers"* – "Eligible Subscribers" are the named policyholders of PIPE who were insured under PIPE insurance policies that were in force on July 30, 2015 and the named

policyholders of PCA who were insured under PCA insurance policies that were in force on of July 27, 2015.

9. *Next to Other Policyholders* – People who became policyholders of PIPE after July 30, 2015, and people who became policyholders of PCA after July 27, 2015.

10. *Last, to Directors and Officers of the Attorneys-in Fact* –The directors, officers and employees of the Attorney-in-Fact of PIPE and the directors, officers and employees of the Attorney-in-Fact of PCA.

If any shares of Conversion Stock remain available for purchase after the Subscription Offering, they will be offered to the general public (“Community Offering” and, together with the Subscription Offering, “the Offering”). The Conversion Plan provides that Holdings will give preferential treatment to orders received in the Community Offering from Diversus, from insurance producers who have produced business for PIPE or PCA within twelve months prior to the date of their subscription to purchase Conversion Stock, and from former subscribers of PIPE and PCA. Holdings may accept subscriptions under the Subscription Offering and orders received under the Community Offering simultaneously. Subscriptions will be accepted by Holdings under the priorities described above. Payments received on subscriptions that cannot be accepted will be refunded (without interest).

The purchase price for the Conversion Stock will be \$10.00 per share. All purchasers will pay the same price per share in the Offering.

The Conversion will permit policyholders of PIPE and PCA, the management and employees of the Attorneys-in-Fact of PIPE and PCA, and the general public to become equity owners of Holdings and to share in its future. The Conversion also will make possible the proposed acquisition of Diversus and provide additional capital that will enhance the ability of New PCA to expand its operations.

Completion of the Conversion is subject to various conditions, including approval of the Conversion by the Eligible Subscribers of PIPE, approval of the plan of conversion of PCA by the eligible subscribers of CA, completion of the Offering, receipt of all necessary regulatory approvals, and approval of the Diversus Merger Agreement by the Diversus shareholders.

The Diversus Merger

On September____, 2015, Diversus and Holdings entered into the Diversus Merger Agreement. The principal terms of the Diversus Merger Agreement, which was the result of arms’ length negotiations between Holdings and Diversus, are described in the Prospectus. In connection with the Diversus Merger, ___ shares of Holdings common stock will be issued in exchange for each share of Diversus capital stock outstanding. Holdings has received an opinion from _____ (the “_____ Report”) that the terms of the Merger are fair to Holdings from a financial point of view.

The Diversus Merger Agreement and the transactions thereunder (the “Diversus Merger”) have been approved by a special committee of independent directors and by the full Board of Directors of Holdings. At the time of approval by the Board of Directors (and also at the date of this Proxy Statement) Holdings has no shareholders. (Further, at the date of the Special Meeting, Holdings will have no shareholders.) Accordingly, under Pennsylvania law the Diversus Merger has been lawfully approved by the Holdings Board of Directors and no vote of the future shareholders of Holdings is required to approve the Diversus Merger. Holdings will first issue shares and will first have shareholders upon the closing of the Offering.

Every subscriber in the Offering will be asked to acknowledge and consent to and approve the Diversus Merger in his or her capacity as a new shareholder of Holdings; provided, that such consent and approval is requested but is not required under Pennsylvania law in order to complete the Diversus Merger.

Completion of the Diversus Merger and the Conversion are both subject to various conditions, including:

- Completion of the Offering by Holdings.
- Receipt of all necessary regulatory approvals.
- Approval of the Conversion of PIPE by the Eligible Subscribers of PIPE and approval of the conversion of PCA by the eligible subscribers of PCA.

In the event that these conditions are not satisfied or waived, the Offering will be terminated and the funds received in connection therewith will be returned to subscribers without interest.

PIPE’s Reasons for the Conversion and the Diversus Merger

The Board of Directors and the Attorney-in-Fact of PIPE have determined that the Conversion provides a unique opportunity to (i) improve the prospects for a favorable financial strength rating of New PCA from A.M. Best Company; (ii) provide additional capital and a publicly-traded security that will enable Holdings and New PCA to pursue a business strategy of growth through strategic acquisitions and internal expansion; and (iii) provide access to a team of senior officers from Diversus who are well qualified to manage the combined operations of Diversus and Holdings in the years ahead.

As a reciprocal insurance exchange, PIPE does not have shareholders, and it has no authority to issue capital stock. The Conversion will enable New PCA to access equity capital in the future, when and as required. The Conversion also allows New PCA to complete the merger with Diversus.

The Conversion will permit PIPE policyholders, and possibly other members of the general public, to become equity owners of Holdings.

A corporate form of organization will provide additional flexibility to diversify New PCA's business activities through existing or newly formed subsidiaries and through acquisitions of other insurance companies, including insurance exchanges or risk retention groups in the medical professional liability space. Although there are no current arrangements, understandings or agreements regarding any such opportunities (other than those relating to the merger with Diversus), New PCA and Holdings will be in a better position after the Conversion to take advantage of any such opportunities that may arise.

Doing business in the stock form also will enable New PCA (either directly or through Holdings) to use stock-related incentive programs to attract and retain executive and other personnel.

The Attorney-in-Fact and the Board of Directors of PIPE and the Board of Directors and special committee of Holdings believe that the Diversus Merger will enhance the competitive position of the combined entities and will enable the resulting institution to compete more effectively than any of PIPE, PCA, or Diversus could on its own. The combined entity will have greater financial resources and, as a result of the Offering, increased capital levels.

Effects of the Conversion on Policyholders

In General

Each policyholder in a reciprocal insurance exchange, such as PIPE, has certain interests in the insurance exchange issuing the policy, including the contractual right to insurance coverage and the right to vote when provided by law. The certificate of organization of PIPE provides that upon the liquidation of PIPE, any assets remaining after all obligations of PIPE have been satisfied are to be distributed to the policyholders based on the proportion that the premiums paid by each then current policyholder during the twelve months preceding the effective date of the liquidation bears to the total premiums paid by all current policyholders during such twelve-month period.

A policyholder of a reciprocal insurance exchange must have an in-force insurance policy issued by that exchange in order to be a subscriber of that exchange. However, this interest as a subscriber has no market value because it cannot be separated from the underlying policy and, in any event, is not transferable. A policyholder whose policy lapses will lose his or her interest as a subscriber. As of the completion of the Conversion, all subscriber interests in PIPE, except contract rights under policies of insurance, will terminate.

If the Conversion Plan is not approved by PIPE's Eligible Subscribers, or if the Conversion is not completed for any other reason, PIPE will continue to operate as a reciprocal insurance exchange. In that case, Eligible Subscribers will retain the rights described above.

Continuity of Insurance Coverage and Business Operations

PIPE's conversion to stock form will not change the insurance protection or premiums under PIPE's in-force insurance policies. During and after the Conversion, the normal business of issuing insurance policies will continue without change or interruption. After the Conversion, PIPE (as converted) will continue to provide services to its policyholders under in-force policies.

Voting Rights

After the Conversion, the voting rights of all subscribers of PIPE will cease. Policyholders will no longer have the right to vote on any matter involving New PCA. Instead, voting control of New PCA will be held by Holdings, which will own all New PCA capital stock. Voting rights in Holdings will be held by the shareholders of Holdings. Each holder of Holdings common stock will be entitled to vote on any matter to be considered by Holdings shareholders, subject to the terms of Holdings' articles of incorporation and bylaws and to the provisions of Pennsylvania law.

Policyholder Dividends

PIPE has no in-force insurance policies that "participate" or provide for the payment of policy dividends. Therefore, the Conversion will not cause any policyholder to lose dividend rights or expectancies that may have existed in the period when PIPE operated as a reciprocal insurance exchange.

Rights Upon Dissolution After Conversion

After the Conversion, policyholders will have no right to receive a pro rata distribution of any remaining surplus of New PCA upon its dissolution. Instead, this right will vest in Holdings, as the sole shareholder of New PCA. In the event of a liquidation, dissolution or winding up of Holdings, shareholders of Holdings would be entitled to receive, after payment of all senior debts and liabilities of Holdings, a pro rata portion of any liquidating distribution that is made of Holdings' remaining assets.

Determination of the Price per Share and the Number of Shares to be Offered

Pennsylvania law requires that, as part of the reciprocal-to-stock conversion of PIPE, Eligible Subscribers must be offered the right to purchase an amount of stock of the stock insurance company (or in this case, Holdings) having a value equal in the aggregate to the appraised value of PIPE as determined by a qualified appraiser engaged for this purpose. The value can be expressed as a valuation range. Feldman Financial Advisors, Inc. ("Feldman Financial") which was engaged to serve as the independent appraiser in the Conversion, prepared an appraisal report valuing PIPE and PCA ("Appraisal Report"). In its opinion of _____, 2015, Feldman Financial estimated that the combined appraised value of PIPE and PCA (as subsidiaries of Holdings and without giving effect to the Diversus Merger) is between \$21,250,000 and \$28,750,000, with a midpoint value of \$25,000,000.

The Conversion Stock will be sold at \$10.00 per share consistent with the typical offering price per share for many converting mutual companies. Based on the valuation range and the \$10 per share purchase price, the number of Conversion shares being sold will be somewhere between 2,125,000 and 2,875,000 shares.

The Appraisal Report will be updated by Feldman Financial before the Conversion is completed. If the midpoint of the updated appraisal does not fall within the valuation range, the revised appraisal will require the approval of the Pennsylvania Insurance Department (“Department”). If Holdings is unable to sell at least 2,125,000 shares, then unless the Offering range is revised with the approval of the Department, the Conversion and Offering must be terminated, all subscriptions cancelled and all subscription funds returned. The merger with Diversus will not occur if the Conversion is not completed.

Feldman Financial’s valuation is not a recommendation as to the advisability of purchasing shares of Holdings. In preparing its reports, Feldman Financial did not independently verify the financial statements and other information provided by PIPE or PCA, nor did Feldman Financial value independently the assets or liabilities of PIPE or PCA. The Appraisal Report considers PIPE and PCA as going concerns and should not be considered as an indication of the liquidation value of PIPE or PCA. Moreover, because such valuation is necessarily based upon estimates and projections of a number of matters, any of which are subject to change from time to time, no assurance can be given that persons purchasing common stock in the Conversion or receiving Holdings shares in the Diversus Merger will thereafter be able to sell such shares at prices at or above the initial purchase price in the Conversion of \$10.00 per share.

Limitations on Conversion Stock Purchases

The Conversion Plan includes the following limitations on the number of shares of Conversion Stock that may be purchased in the Conversion:

- No fewer than 50 shares or \$500 of Conversion Stock may be purchased, to the extent such shares are available.
- Except for Diversus, no subscriber in the Subscription Offering may subscribe for and purchase more than 5% of the total number of shares sold in the Offering, subject to the limitation on groups of persons acting in concert described below.
- Except for Diversus, the maximum number of shares of Conversion Stock subscribed for or purchased in all categories of the Offering by any person, together with associates of and groups of persons acting in concert with such persons, shall not exceed 5% of the total number of shares sold in the Offering.
- No more than ___% of the total number of shares offered for sale in the Offering may be purchased by the directors and officers of the Attorneys-in-Fact of PIPE and PCA and their associates in the aggregate, excluding purchases by Diversus.

Restrictions on Transfer of Subscription Rights and Shares

Subscription rights granted under the Conversion Plan are not transferable. Accordingly, any person receiving subscription rights under the Conversion Plan may not transfer or enter into any agreement or understanding to transfer the legal or beneficial ownership of those subscription rights or the shares of Conversion Stock to be issued upon their exercise. Subscription rights may be exercised only for the account of the person receiving those rights under the Conversion Plan. A person subscribing to Conversion Stock by exercise of subscription rights received under the Conversion Plan will be required to certify that he or she is purchasing the shares solely for his or her own account and also that there is no agreement or understanding with any other person regarding the sale or transfer of such shares.

Conversion Stock purchased in the Offering will thereafter be freely transferable under the Securities Act of 1933, as amended (“1933 Act”); *provided, however* that shares issued to directors and officers of Holdings will be restricted as to transfer for a period of one year from the effective date of the Conversion pursuant to the provisions of the Act and will be subject to additional transfer restrictions under Rule 144 of the 1933 Act.

Tax Effects

For a discussion of the material United States federal income tax consequences of the conversion to PIPE and to an Eligible Subscriber of PIPE, see the section titled “Certain Federal Income Tax Considerations” in the accompanying Prospectus.

Termination of the Conversion Plan

The Conversion Plan may be terminated at any time before it is approved by Eligible Subscribers by the Attorney-in-Fact of PIPE. The Conversion Plan may be terminated at any time after it is approved by Eligible Subscribers and prior to the effective date of the Conversion by the Attorney-in-Fact of PIPE.

Interpretation and Amendment of the Plan of Conversion

All interpretations of the Conversion Plan by the Attorney-in-Fact of PIPE and the Board of Directors of Holdings will be final, conclusive and binding upon all persons. The Conversion Plan may be amended at any time before it is approved by the Insurance Department by PIPE’s Attorney-in-Fact. The Conversion Plan may be similarly amended at any time after it is approved by the Insurance Department, subject to the Insurance Department’s approval of such amendment. The Conversion Plan may be amended at any time after it is approved by Eligible Subscribers of PIPE and prior to the effective date of the Conversion by PIPE’s Attorney-in-Fact; *provided, however*, that any such amendment shall be subject to approval by the Insurance Department; *and provided further*, that, if such amendment is determined by the Insurance Department to be material, such amendment shall be subject to approval by the affirmative vote of at least two-thirds of the votes cast at a meeting of Eligible Subscribers called for that purpose.

* * * * *

RECOMMENDATION OF THE ATTORNEY-IN-FACT

The Board of Directors and the Attorney-in-Fact of PIPE recommend that you vote “FOR” approval of the Conversion Plan, which necessarily includes a vote “FOR” approval of the merger of PIPE with and into PIPE Conversion Corp.

PLEASE NOTE: A VOTE IN FAVOR OF THE CONVERSION PLAN DOES NOT MEAN YOU MUST PURCHASE CONVERSION STOCK IN THE OFFERING, AND A VOTE AGAINST THE CONVERSION PLAN DOES NOT MEAN YOU MAY NOT PURCHASE STOCK IN THE OFFERING. YOU MAY VOTE IN FAVOR OF THE CONVERSION PLAN AND DECIDE NOT TO PURCHASE CONVERSION STOCK IN THE OFFERING, OR YOU MAY VOTE AGAINST THE CONVERSION PLAN AND DECIDE TO PURCHASE STOCK IN THE CONVERSION OFFERING.

ADDITIONAL INFORMATION

WE URGE YOU TO CONSIDER CAREFULLY THIS PROXY STATEMENT, INCLUDING PARTICULARLY THE PROSPECTUS THAT ACCOMPANIES THIS PROXY STATEMENT. WHETHER OR NOT YOU PLAN TO BE PRESENT IN PERSON AT THE SPECIAL MEETING, WE REQUEST THAT YOU FILL IN, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE TO ASSURE THAT YOUR VOTE WILL BE COUNTED. THIS WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE SPECIAL MEETING. YOU MAY REVOKE YOUR PROXY BY WRITTEN INSTRUMENT DELIVERED TO _____, CEO OF PIPE AT ANY TIME PRIOR TO OR AT THE SPECIAL MEETING OR BY ATTENDING THE SPECIAL MEETING AND VOTING IN PERSON. YOUR PROXY SHOULD BE COMPLETED, SIGNED AND MAILED USING THE ENCLOSED ENVELOPE SO THAT IT IS RECEIVED ON OR BEFORE _____ [INSERT DEADLINE].

THIS PROXY STATEMENT IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CONVERSION STOCK. SUCH OFFERS MAY BE MADE ONLY BY MEANS OF THE PROSPECTUS.

_____, 2015
Upper Gwynedd, Pennsylvania

PHYSICIANS' INSURANCE PROGRAM EXCHANGE

I/We hereby appoint _____ and _____, or any one of them acting in the absence of the other, as proxyholders, each with the power to appoint his or her substitute, and hereby authorize them to represent me/us and to vote for me/us as designated on the reverse side, at the Special Meeting of Subscribers to be held on _____, 2015, or any postponement or adjournment thereof.

This proxy, if properly signed, will be voted in the manner directed on the reverse side. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED (a) "FOR" APPROVAL OF THE PLAN OF CONVERSION, and (b) "FOR" APPROVAL OF THE MERGER OF PHYSICIANS' INSURANCE PROGRAM EXCHANGE WITH AND INTO PIPE CONVERSION CORP. This proxy will be voted, in the discretion of the proxyholders, upon such other business as may properly come before the Special Meeting of Subscribers or any postponement or adjournment thereof.

Voting in favor of the Plan of Conversion will not obligate you to purchase Professional Casualty Holdings, Inc. common stock in the offering.

THIS PROXY IS SOLICITED ON BEHALF OF THE ADVISORY BOARD OF DIRECTORS AND THE ATTORNEY-IN-FACT OF PHYSICIANS' INSURANCE PROGRAM EXCHANGE.

Please vote and sign on the other side.

[X] Please mark your vote as in this example.

THE ATTORNEY-IN-FACT RECOMMENDS A VOTE "FOR" THE FOLLOWING:

Approval of the Plan of Conversion:

FOR [] AGAINST []

Approval of the merger of Physicians' Insurance Program Exchange with and into PIPE Conversion Corp. and adoption and approval of the Agreement and Plan of Merger between Physicians' Insurance Program Exchange and PIPE Conversion Corp.:

FOR [] AGAINST []

The undersigned hereby acknowledges receipt of the Proxy Statement dated _____, 2015 and hereby revokes any proxy or proxies heretofore given to vote at said meeting or any adjournment thereof.

(PLEASE DATE, SIGN AND RETURN THIS PROXY IN THE ENCLOSED PROXY REPLY ENVELOPE)

Signature _____ Date _____, 2015

Only one signature is required in the case of joint subscribers. Please sign exactly as name appears hereon.