

September 11, 2014

Cressinda E. Bybee, PIR
Senior Insurance Company Licensing Specialist
Bureau of Company Licensing & Financial Analysis
Office of Corporate and Financial Regulation
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

RECEIVED
Corporate & Financial Regulation

SEP 11 2014

Pennsylvania
Insurance Department

RE: Revised Document - Conversion & Corresponding Form A Filing for Proposed
Change of Control of Saucon Mutual Insurance Company

Dear Ms. Bybee:

Enclosed is a revised Notice to Policyholders of the adoption and filing of the Plan of Conversion ("Notice") that is being sent by Saucon Mutual Insurance Company in coordination with the Insurance Department's notice of the filing in the Pennsylvania Bulletin. As per our discussion, revisions were made to the Notice initially provided to the Department in order for the Notice to appropriately reflect the process/provisions of the Pennsylvania Bulletin notice.

Please feel free to contact me if you have any questions or if I can be of further assistance.

Sincerely,

SAUL EWING LLP



Frances R. Roggenbaum

Enclosure

c: Stephen Bajan, Chief Executive Officer, Saucon Mutual Insurance Company
Brian T. Regan, President & Chairman of the Board, Saucon Mutual Insurance Company



SAUCON MUTUAL INSURANCE COMPANY
74 W. Broad Street
Suite 300
Bethlehem, PA 18018

NOTICE OF PROPOSED PLAN OF CONVERSION

Dear Policyholder:

The board of directors of Saucon Mutual Insurance Company (“Company”) would like to inform you that on August 27, 2014, the board adopted a written plan to convert the company from a mutual insurance company to a stock insurance company (“Plan of Conversion”).

The board of directors believes that the Plan of Conversion, if it becomes effective, will be beneficial to policyholders of the Company, such as you. Policies of insurance issued by the Company would remain in full force and effect, and policyholders will be entitled to receive compensation including cash payments and enhancements to their insurance policies. However, certain rights of the policyholders, such as the right to vote to elect directors of the Company, would be extinguished. The board of directors does not believe that the conversion will have any negative impact on the Company’s financial strength ratings nor on its ability to pay claims and policy benefits.

The Plan of Conversion was filed with the Pennsylvania Insurance Department (“Department”) on September 2, 2014, and the approval of the Department is required in order for the Plan of Conversion to become effective. The Department filed a notice of receipt of this filing in the *Pennsylvania Bulletin*, and a copy of that notice is enclosed.

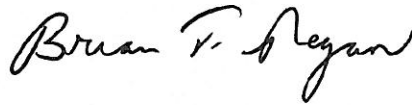
As a policyholder of Saucon Mutual Insurance Company, you have the right to provide comments on the Plan of Conversion to the Department and to the Company. The process and the deadline for submitting comments to the Plan of Conversion are detailed in the Department’s notice. Please note that the Plan of Conversion and related documents are available for review and download from the Department’s website at: www.insurance.pa.gov. Click the “Services for Insurance Companies” link on the left hand side of the home page, then click “Industry Activity,” “Corporate Transactions of Public Interest: Current,” and finally “Saucon Mutual.”

continued

Please be advised that the initial Plan of Conversion is not the final approved plan and that the Department's approval, if any, of the final plan does not constitute or imply endorsement of this Plan of Conversion or the conversion itself by the Department. Furthermore, the Plan of Conversion cannot be effected unless it is duly approved by a vote of the policyholders. The Company intends to call a special meeting of the policyholders for this purpose, and the Company will provide a formal notice of that meeting and other voting details at a later date.

If you have any questions about the Plan of Conversion or on your rights to provide comments, please contact Stephen Bajan, the Chief Executive Officer of Saucon Mutual Insurance Company, at 74 West Broad Street, Suite 300, Bethlehem PA 18018, telephone (610) 868-1832, or email at steve.bajan@sauconinsurance.com.

By Order of the Board of Directors,

A handwritten signature in cursive script that reads "Brian F. Regan".

Brian Regan, Chairman of the Board
Bethlehem, PA