

Dear ~~Policyholder~~Member:

As a ~~policyholder-member~~ of Saucon Mutual Insurance Company, you are receiving the accompanying ~~policyholder-member~~ information statement in connection with a Special Meeting of the ~~policyholders-members~~ of Saucon Mutual. The Special Meeting will be held on [~~November 25~~DATE], ~~2014~~ 2015.

On ~~August 27~~February 4, 2014 2015, the Board of Directors of Saucon Mutual approved a ~~Plan of Conversion~~an Amended and Restated Alternative Plan of Conversion (which this document refers to as the Plan of Conversion). The Plan of Conversion and certain related documents were then filed with the Pennsylvania Insurance Department for its approval on February 6, 2015. Subsequently, on [DATE], the Pennsylvania Insurance Department approved the Plan of Conversion and certain related filings and transactions. The transactions contemplated by the Plan of Conversion have not yet closed, and cannot close until the Plan of Conversion is ~~(i) approved by Saucon Mutual's policyholders and (ii) approved by the Pennsylvania Insurance Department~~vote of at least two-thirds of the members of Saucon Mutual that are cast at the Special Meeting.

At the Special Meeting, we are seeking ~~policyholders~~the members' approval of Saucon Mutual's conversion from a mutual insurance company to a stock insurance company and related amendments to Saucon Mutual's articles of incorporation.

Saucon Mutual's Board of Directors has approved and adopted the Plan of Conversion and recommends that you vote:

"FOR" the adoption of the Plan of Conversion; and

"FOR" the related amendment of Saucon Mutual's articles of incorporation.

Saucon Mutual's Board of Directors wishes to reward the ~~policyholders-members~~ for their loyalty to the company, and give them an opportunity to receive cash payments and other consideration while leaving the policies in force. This proposed transaction would also result in Saucon Mutual making a \$1 million charitable contribution in furtherance of the company's ongoing commitment to the community.

If the Plan of Conversion is approved and the proposed transactions close, you will be entitled to receive:

A total cash payment of \$4,023.00

This will be comprised of a \$3,414 return of deposit and a \$609 payment in recognition of your loyalty to Saucon Mutual. In addition, an indexed inflation-protection endorsement will continue for the life of your policy with no further deposits required from you. **[FOR PERPETUAL POLICYHOLDERS ONLY: The balance of your deposit will be returnable in accordance with policy terms.]**

[This section is a sample individual compensation for a perpetual policyholder. It will be individualized for each policyholder. This section will be adjusted accordingly for non-perpetual policyholders].

The enclosed ~~policyholder~~-member information statement summarizes the important features of the Plan of Conversion, such as cash payments and other consideration that ~~policyholders~~ members will receive if the proposed transactions close. A copy of the Plan of Conversion is also enclosed. We urge you to read these materials carefully.

You can vote (1) by attending the Special Meeting and voting in person or (2) by completing and returning the enclosed proxy card. Please see the Voting Instructions for more information.

If you have any questions, please contact Stephen Bajan, the Chief Executive Officer of Saucon Mutual, at 74 West Broad Street, Suite 300, Bethlehem PA 18018, telephone (610) 868-1832. We look forward to receiving your proxy vote or seeing you at the Special Meeting. Your vote is important.

Best regards,

~~Steve~~ Stephen Bajan
Chief Executive Officer