



April 3, 2017

VIA HAND-DELIVERY

Joseph DiMemmo, CPA
 Deputy Insurance Commissioner
 Office of Corporate and Financial Regulation
 Pennsylvania Insurance Department
 1345 Strawberry Square
 Harrisburg, PA 17120

RE: Third Amended and Restated Alternative Plan of Conversion (the "Plan") & Second Amended and Restated Form A (the "Form A") for Proposed Change of Control of Saucon Mutual Insurance Company, a Pennsylvania Domestic Insurance Company

Dear Deputy Commissioner DiMemmo:

We are pleased to file today with the Pennsylvania Insurance Department ("Department") an original and one copy of further amended documents for the proposed conversion and corresponding change of control of Saucon Mutual Insurance Company ("Saucon Mutual" or "Company"). These further amended documents incorporate provisions discussed with the Department to provide an option for Saucon Mutual's eligible members upon the conversion of the Company to either receive the member compensation provided for in the Plan or to subscribe for shares of Saucon Holding Company, a Pennsylvania stock corporation that has been formed for the purpose of becoming the holding company of the converted Saucon Mutual..

Enclosed are the following documents for the Department's review and approval for the proposed conversion and change of control of Saucon Mutual (for the Department's ease of review, we also are enclosing compare versions of each document that was previously filed and now revised for this filing):

- Third Amended and Restated Alternative Plan of Conversion (as adopted by the Company's Board of Directors on March 22, 2017), including copies of the previously filed proposed amendment and restatement of Saucon Mutual's Articles of Incorporation upon conversion and the proposed Bylaws for the converted Company (Saucon Insurance Company).

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- Member Information Statement, Proxy Statement and Offering Document that includes the Form of Notice to Members to Vote on the Plan & Form of Proxy as well as a copy of the independent valuation analysis of StoneRidge Advisors, LLC and placeholders for the fairness opinion to be performed by StoneRidge Advisors.
- A copy of the previously filed request for the Department's approval of "Saucon Insurance Company" as the intended name of the converted Company.
- Second Amended and Restated Form A Statement Regarding the Acquisition of Control of a Domestic Insurer.

Also enclosed is the proposed form of Notice to Policyholders of the adoption and filing of the Plan that will be sent upon the Department's approval and in coordination with the Department's Notice of this filing in the *Pennsylvania Bulletin*.

Note that, since the Company has not and is not currently issuing policies to new policyholders and does not intend to do so prior to the effective date of the Plan, as described more fully in the Plan, the Company is not filing a form of notice as set forth in 40 P.S. § 919-A.

We are filing under separate cover those Form A exhibits for which the Form A Applicants are seeking confidential treatment pursuant to the Department's protocol and practice on confidentiality as set forth in the Department's "Confidentiality of Filed Documents" notice. The Applicants are asserting confidentiality for the following information and exhibits as protected from disclosure under provisions of the Pennsylvania Insurance Holding Companies Act, 40 P.S. § 991.1401 *et seq.*, and supporting regulations (31 PA Code Chapter 25); provisions of the Pennsylvania Right-to-Know law, 65 P.S. § 67.101 *et seq.*, including but not limited to § 67.102 and § 67.707, as containing personally sensitive information or being of a confidential, proprietary and/or trade secret nature, the disclosure of which would cause material harm to the competitive position of the Applicants and the Company; and information that falls within the definition of "trade secret" of 12 Pa. C.S. § 5302.

- Second Amended and Restated Business Plan for the Converted Insurance Company, including 3-year financial projections.
- Additional Tax Returns of the Individual Applicants.

Note that we are not enclosing, but are incorporating by reference, previously filed tax returns of the individual Applicants and the Form E, Pre-Acquisition Notification Statement of the Potential Competitive Impact, for which the Applicants continue to assert confidentiality.

The above exhibits should be maintained as confidential and not be made available for public inspection or copying. We request that the Department provide written notification of any request for access to such exhibits and information and advance written notification of release of any exhibit or information due to a determination by the Department that it should not be accorded confidential treatment. Any communications relating to such a request or

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determination should be directed to Fran Roggenbaum, Saul Ewing LLP, 2 North Second Street,
7th Floor, Harrisburg, PA 17101, froggenbaum@saul.com.

We appreciate the Department's prompt review of this filing. Please feel free to contact
me if you have any questions or require additional information.

Sincerely,

SAUL EWING LLP



Frances R. Roggenbaum

Enclosures

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