



GOVERNOR'S OFFICE OF GENERAL COUNSEL

November 27, 2013

Robert L. Pratter, Esquire
Cohen Placitella & Roth, PC
Two Commerce Square
2001 Market Street, Suite 2900
Philadelphia, PA 19103

Re: Form A Dated March 20, 2013 by Gregory M. Shepard ("Form A") to acquire control of Atlantic States Insurance Company ("Atlantic States")

Dear Mr. Pratter,

The Pennsylvania Insurance Department ("PID" or "Department") has received your November 4, 2013 letter on behalf of Donegal Group, Inc. ("DGI") and Atlantic States to Deputy Commissioner Stephen J. Johnson in which you requested that PID hold a formal hearing under the General Rules of Administrative Practice and Procedure (GRAAP") on the above-mentioned Form A Filing. PID will take your client's request for a GRAAP hearing under advisement and reach a decision in due course.

In the meantime, PID is planning to hold a public informational hearing on the Form A filing. The Applicant, Mr. Shepard, will have the opportunity to make a presentation on the filing. DGI will have the same opportunity. Other interested persons will have the opportunity to present comments as well. During the hearing, PID will question Mr. Shepard on the Form A filing. DGI, as well as other interested persons, will have the opportunity to pose written questions to Mr. Shepard. PID will either ask Mr. Shepard to respond to these questions during the hearing or require that Mr. Shepard respond in writing following the hearing. All testimony during the public informational hearing will be sworn and will be transcribed by a court reporter. PID looks forward to a productive public informational hearing on the Form A filing.

Sincerely,

Yen T. Lucas
Chief Counsel

cc: J. Victor Peterson, Esquire