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April 9, 2015

VIA OVERNIGHT DELIVERY

Mr. Stephen J. Johnson, Deputy Commissioner
 Pennsylvania Insurance Department
 1326 Strawberry Square
 Harrisburg, Pennsylvania 17120

RECEIVED
 Corporate & Financial Regulation

APR 10 2015

Pennsylvania
Insurance Department

Re: ARI Mutual Insurance Company --
 Mutual to Stock Company Conversion Pursuant to
 Pennsylvania Insurance Company Mutual-to-Stock Conversion Act

Dear Mr. Johnson:

On March 17, 2015, the Board of Directors of ARI Mutual Insurance Company, a Pennsylvania mutual insurance company ("ARI"), adopted a Plan of Conversion from Mutual Insurance Company to Stock Form (the "Plan") pursuant to 40 P.S. § 911-A et seq. (the "Pennsylvania Conversion Act"). Under the Plan, among other things, (i) ARI will convert from a mutual insurance company to a stock company and issue all of its authorized capital stock to a Delaware business corporation to be formed ("ARI HoldCo"), (ii) ARI HoldCo will issue all of its issued and outstanding capital stock to AmTrust Financial Services, Inc. ("AmTrust") for an amount equal to at least \$23.8 million, the minimum of the valuation range established by the independently determined appraised value required by the Pennsylvania Conversion Act, (iii) AmTrust will fund the purchase of HoldCo's capital stock from the proceeds of an offering (the "Offering") to ARI's members and non-employee directors of AmTrust's common stock at a discount of up to \$3.75 million, (iv) ARI's members will have the right to acquire between \$23.8 million and \$32.2 million of AmTrust's common stock in the Offering, (v) to the extent subscriptions do not result in subscribers in the Offering realizing \$3.75 million in discounts, the difference between \$3.75 million and the discount actually realized by such subscribers will be contributed to an incentive compensation pool (the "Compensation Pool") for all of ARI's employees as of the closing date, with such payments paid in three equal annual installments commencing on the first anniversary of the conversion, (vi) non-employee directors of ARI will each be paid a cash retention bonus of \$50,000 over the three years following the completion of conversion, (vii) AmTrust will pay \$1,750,000 to ARI's employees as part of a retention bonus pool, (viii) members of an advisory board of ARI HoldCo made up of three non-employee directors of ARI will be paid up to an aggregate of \$24,000 during the five years following the

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conversion, (ix) the maximum subscription amount for (A) an eligible policyholder in the Offering cannot exceed \$100,000 and (B) a non-employee director of the Company in the Offering cannot exceed \$50,000, and (x) AmTrust has agreed to repurchase from any subscriber in the Offering all, but not less than all, of the specific shares of AmTrust's common stock acquired by such subscriber in the Offering for an amount equal to the subscription price; provided that the subscriber makes a written request to AmTrust as specified in the instructions to the stock order form within sixty days following the closing date of the Offering (three hundred seventy-five days in the case of a non-employee director of the Company unless the Pennsylvania Insurance Commissioner waives the one-year holding requirement for shares of AmTrust's common stock acquired by such non-employee directors in the Offering, in which case such non-employee director's request must be made within sixty days). The proceeds from the Compensation Pool is in lieu of (x) the formation of an employee stock ownership plan (an "ESOP") for the benefit of such employees of the Company, and (y) any direct or indirect right to subscribe for shares of AmTrust's common stock by any employee or officer of the Company in the Offering. Additionally, we believe that the value of the Compensation Pool approximates the value of the ESOP in a stand-alone conversion, which would be approximately 10% of the offering proceeds from such conversion. If 12.5% or less of the shares of AmTrust's common stock are subscribed for in the Offering, each subscriber would receive shares of AmTrust's common stock at a 20% discount, or an additional \$25,000 of value if such subscriber subscribed for the maximum amount (\$100,000).

In connection with the Plan, ARI and AmTrust also entered into a Stock Purchase Agreement dated March 17, 2015 (the "Stock Purchase Agreement"). AmTrust has confirmed to us that it is filing (a) with the Pennsylvania Insurance Department an acquisition of control statement on Form A, in accordance with 40 P.S. § 991.1402, relating to the change of control of ARI, and (b) with the New Jersey Department of Banking and Insurance an acquisition of control statement on Form A, in accordance with N.J.S.A. 17:27A-2, relating to the acquisition of control of ARI Casualty, a wholly-owned subsidiary of ARI.

In accordance with the provisions of Section 913-A(b) of the Pennsylvania Conversion Act, on behalf of ARI, enclosed for filing are the following documents:

- (1) the Plan, including the independent evaluation of pro forma market value required by 40 P.S. § 804-A(d), performed by Feldman Financial Advisors, Inc. valued as of March 31, 2015, and together with a copy of the Stock Purchase Agreement;
- (2) the form of notice required by subsection (f) of Section 913-A of the Pennsylvania Conversion Act;

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- (3) the form of proxy to be solicited from eligible members pursuant to subsection (g) of Section 913-A of the Pennsylvania Conversion Act;
- (4) the form of notice required by Section 919-A of the Pennsylvania Conversion Act to persons whose policies are issued after adoption of the Plan but before its effective date;
- (5) the form of notice required by subsection (b)(7) of Section 913-A the Pennsylvania Conversion Act; and
- (6) the proposed amended and restated articles of incorporation of ARI as converted to stock form, and the proposed amended and restated bylaws of ARI as converted to stock form.

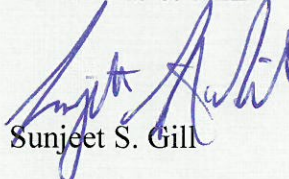
For your convenience, we have also submitting, on a confidential basis, a preliminary payout schedule of the Compensation Pool assuming certain threshold payout amounts. Please note that the final amount payable in the Compensation Pool may not be determined until completion of the Offering.

Your team may direct any questions concerning the Plan to me during the review process, and I will provide a prompt response. We will provide you a copy of the registration statement of Form S-4 that AmTrust files regarding the Plan as soon as the registration statement is filed with the Securities and Exchange Commission.

Thank you for your assistance thus far in the process, and we look forward to continuing to work with your team.

Very truly yours,

STEVENS & LEE



Sunjeet S. Gill

Enclosures

cc: Stephen Ungar, Esquire (*via electronic mail*)
Geoffrey Etherington, Esquire (*via electronic mail*)
Ms. Karen Fulton (*via electronic mail*)