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Corporate & Financial Regulation

July 1, 2015

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Pennsylvania
Insurance Department

Ms. Karen Fulton, President & CEO
ARI Mutual Insurance Company
125 Pheasant Run
Newtown, PA 18940-3428

RE: Engagement of Boenning & Scattergood

Dear Ms. Fulton:

The Pennsylvania Insurance Department ("Department") has engaged Boenning & Scattergood ("Boenning") as an independent consultant to assist in the Department's review of the proposal of ARI Mutual Insurance Company ("ARI") to effectuate a conversion (engagement letter attached). ARI's proposal is developed pursuant to Article VIII-A of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, No. 284, as amended, 40 P.S. §§911-A to 929-A. Under the provisions of Article VIII-A, the fees of Boenning are the responsibility of ARI.

The purpose of this letter is to obtain ARI's acknowledgment of this statutory obligation and its undertaking to promptly pay the fees and expenses of any expert retained by the Department, including any expert retained by another expert. Such fees and expenses are payable upon the delivery of invoices by Boenning to ARI. These fees and expenses shall be the obligation of ARI regardless of whether the Department ultimately approves any such plan.

Please indicate your agreement to the foregoing by executing this letter in the space provided below and returning a copy to me. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Kimberly A. Rankin".

Kimberly A. Rankin, Director
Bureau of Company Licensing and Financial Analysis

ACCEPTED:

ARI MUTUAL INSURANCE COMPANY

BY: A handwritten signature in blue ink that reads "Karen S. Fulton".
Karen Fulton, President & Chief Executive Officer