

August 19, 2015

Sunjeet S. Gill, Esquire  
Stevens & Lee  
222 N. Sixth Street  
Reading, PA 19601

Adam B. Perri, Esquire  
AmTrust Financial Services, Inc.  
59 Maiden Lane, 42<sup>nd</sup> Floor  
New York, NY 10038

Re: ARI Mutual Insurance Company (both before and after conversion “ARI”)  
Conversion from Mutual to Stock Form of Organization

Dear Messrs. Gill and Perri:

The Pennsylvania Insurance Department (the “Department”) has reviewed your responses to the Department’s letter of July 24, 2015. Based upon this review, the Department has compiled the below list of questions and comments. Your responses to the questions should be as specific as possible. Your responses and any related documents will become part of the public files, unless you have asserted the confidentiality of the information and the Department has accepted such assertion. When preparing your response, please reference the number of the Department’s request to which you are responding.

**Items 5 and 13 responses:** Upon conversion, ARI will be required to maintain a minimum capital of \$2,350,000 and paid-in and contributed surplus of \$1,175,000 for the lines of authority for which it is presently licensed. The proposed amended and restated articles of incorporation and pro formas for ARI provide for capital of \$10 (1,000 shares of common stock with a par value of \$0.01 per share). This is well below the \$2,350,000 required of ARI. Please address.

**Item 7 response:** The biographical affidavit for Susan Fisch remains outstanding.

**Item 8 response:** Thank you for the Net Worth Statements for those individuals controlling 10% or more of the voting securities of AmTrust Financial Services, Inc. (“AmTrust”). Are reviewed or audited financial statements available for these individuals? If yes, please provide. Should the conversion and acquisition of ARI receive all necessary approvals, the individuals will become ultimate controlling persons of ARI. As such, the filing of reviewed or audited financial statements will be required under Form B, Item 8.

Messrs. Gill and Perri

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**Item 15 response:** You note that AmTrust is a publicly held corporation having a board of directors and committees which already meet the requirements of (3), (4) and (4.1) of 40 P.S. §991.1405(c). It appears from a review of AmTrust's 10-K (page 51) and committee charter documents that as a "controlled company" AmTrust's compensation committee and nominating and corporate governance committee are not required to be comprised solely of independent directors. Please identify the members of the two committees and discuss the safeguards to assure that these committees continue to meet the requirements of (4) and (4.1).

Feel free to contact me at (717) 783-2144 or [cbybee@pa.gov](mailto:cbybee@pa.gov) to discuss any of the above requests.

Sincerely,

A handwritten signature in cursive script that reads "Cressinda Bybee".

Cressinda E. Bybee  
Senior Insurance Company Licensing Specialist  
Company Licensing Division