

RECEIVED
Corporate & Financial Regulation

August 26, 2015

AUG 27 2015

**Pennsylvania
Insurance Department**

VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY

Ms. Cressinda E. Bybee
Senior Insurance Company Licensing Specialist
Pennsylvania Insurance Department
Office of Corporate & Financial Regulation
Company Licensing Division
1345 Strawberry Square
Harrisburg, Pennsylvania 17120
cbybee@pa.gov

**Re: ARI Mutual Insurance Company ("ARI" or the "Company")
Conversion from Mutual to Stock Form of Organization**

Dear Ms. Bybee:

We enclose herewith, on behalf of the Company and AmTrust Financial Services, Inc. ("AmTrust" or "AFSI"), responses to the comments raised by the staff of the Pennsylvania Insurance Department (the "Department") in its comment letter dated August 19, 2015. Below we have noted the Department's comments in italics face type and the joint responses of the Company and AmTrust in regular type.

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.

Response: The Company proposes to increase the par value per share from \$0.01 per share to \$2,350.00 per share, as reflected in Article FIFTH of the revised draft of the Amended and Restated Articles of Incorporation of the Company, which is attached. We have also attached updated revised pro forma financial statements of the Company.

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

Response: The biographical affidavit for Ms. Fisch is attached.

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.

Response: No reviewed or audited financial statements are available for these individuals.

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).

Response: In order to comply with the requirements of subparagraphs (4) and (4.1) of 40 P.S. §991.1405(c), sole shareholder of ARI Holdco will cause the board of directors of the Company to form a compensation committee and a nominating and corporate governance committee consisting of independent directors Susan Fisch and Donald DeCarlo.

Pursuant to Section 10(e) of the Plan of Conversion, the Company's board of directors has identified each of Larry C. Berran, Scott T. Burgess and Adam W. Potter to serve on the advisory board of ARI HoldCo, Inc. Each of Messrs. Berran, Burgess and Potter are currently non-employee directors of the Company.

If you have any questions or require any additional information with respect to the above, please do not hesitate to contact either Sunjeet Gill of Stevens & Lee, at (610) 478-2254 or ssg@stevenslee.com, or Adam Perri of AmTrust, at (212) 668-2095 or Adam.Perri@amtrustgroup.com.

STEVENS & LEE

AMTRUST FINANCIAL SERVICES, INC.

/s/ Sunjeet S. Gill
Sunjeet S. Gill

/s/ Adam B. Perri
Adam B. Perri
Vice President, Insurance Regulatory Counsel

:lic
Enclosures

cc: Ms. Karen Fulton, ARI Mutual Insurance Company (*via electronic mail*)
Stephen Ungar, Esquire, AmTrust Financial Services, Inc. (*via electronic mail*)
Wesley R. Kelso, Esquire, Stevens & Lee (*via electronic mail*)