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 Corporate & Financial Regulation

SEP 25 2018

Pennsylvania
Insurance Department

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September 24, 2018

OVERNIGHT DELIVERY TO:

Pennsylvania Insurance Department
 Office of Corporate and Financial Regulation
 1345 Strawberry Square
 Harrisburg, PA 17120
 Attention: Karen M. Feather, Special Assistant for Company Licensing
 Kimberly A. Rankin, Director, Bureau of Company Licensing and Financial Analysis
 Cressinda Bybee, Chief, Company Licensing Division

ELECTRONIC DELIVERY TO: kfeather@pa.gov, krankin@pa.gov and cbybee@pa.gov

**Re: Positive Physicians Insurance Exchange
 Professional Casualty Association
 Physicians' Insurance Program Exchange**

Filing of Plans of Conversion

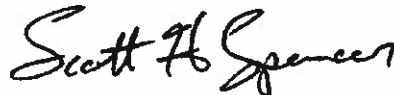
Dear Ms. Feather, Ms. Rankin and Ms. Bybee:

We are counsel to the above reciprocal exchanges. Each of the exchanges has adopted a plan of conversion from reciprocal-to-stock form; and the exchanges have collectively entered into agreements with standby investors to ensure the success of the conversion stock offering.

Accordingly, we are enclosing an application for approval of these plans of conversion. Please let me know if there are any questions about the foregoing.

Very truly yours,

STEVENS & LEE



Scott H. Spencer

Philadelphia • Reading • Valley Forge • Allentown • Harrisburg • Lancaster • Scranton
 Wilkes-Barre • Princeton • Charleston • New York • Wilmington
 A PROFESSIONAL CORPORATION

Application for Approval

Plans of Conversion to Stock Form Pursuant to the Pennsylvania
Medical Professional Liability Reciprocal Exchange-to-Stock
Conversion Act

Filed with the Insurance Department
of the Commonwealth of Pennsylvania
on behalf of:

Positive Physicians Insurance Exchange
Professional Casualty Association
and
Physicians' Insurance Program Exchange

100 Berwyn Park, 850 Cassatt Road,
Suite 220, Berwyn, PA 19312
Dated: September 21, 2018

Names, Titles, Addresses and Telephone Numbers of Individuals to Whom
Notices and Correspondence Concerning This Application Should be Addressed:

<u>Company</u>	<u>Counsel</u>
Lewis S. Sharps, MD, CEO Positive Physicians Insurance Exchange Professional Casualty Association Physicians' Insurance Program Exchange 100 Berwyn Park, 850 Cassatt Road, Suite 220, Berwyn, PA 19312	Scott H. Spencer, Esq. Stevens & Lee 17 North Second Street, 16 th Floor Harrisburg, Pa 17101 shs@stevenslee.com 717-399-6634

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Pennsylv^{COMMONWEALTH}
Insurance Department

Background Statement

This is a combined application for approval filed on behalf of Positive Physicians Insurance Exchange (“PPIX”), Professional Casualty Association (“PCA”) and Physicians’ Insurance Program Exchange (“PIPE”) for the conversion of PPIX, PCA and PIPE to stock form pursuant to the Pennsylvania Medical Professional Liability Reciprocal Exchange-to-Stock Conversion Act (the “Conversion Act”). PPIX, PCA, and PIPE are sometimes referred to as an “Exchange” or together as the “Exchanges.”

As described more fully below, on June 1, 2018, the respective attorneys-in-fact for PPIX, PCA and PIPE adopted plans of conversion that are identical in substance and mutually interdependent. On September 17, 2018, the attorneys-in-fact amended the plans of conversion to add an additional standby investor and adjust the investment preferences made available to directors, officers and other insiders. Under those plans, as amended:

- each Exchange will convert into a stock insurance company, and then those stock insurance companies will be combined through a merger into a single stock insurance company to be called Positive Physicians Insurance Company (“New Positive”); and
- a new holding company to be called Positive Physicians Holdings, Inc. (“Positive HoldCo”) will be formed to own New Positive. Positive HoldCo will engage in an offering of its common stock to the reciprocal subscribers and other investors pursuant to the Conversion Act.

(All of the foregoing actions, as further described in this Application, constitute the “Conversion.”)

Description of the Proposed Conversions

Adoption of the Plans of Conversion

On June 1, 2018, Specialty Insurance Services, LLC (“SIS”), the Attorney-in-Fact for PPIX, adopted a Plan of Conversion from Reciprocal to Stock Form (the “PPIX Plan”) pursuant to the Conversion Act. The Board of Managers of SIS took the action to adopt the PPIX Plan. PPIX does not have a subscribers’ advisory committee or equivalent governing body.

On June 1, 2018, Professional Third Party, L.P. (“PTP”), the Attorney-in-Fact for PCA, adopted a Plan of Conversion from Reciprocal to Stock Form (the “PCA Plan”) pursuant to the Conversion Act. The Board of Managers of PTPGP, LLC, which is the General Partner of PTP, took the action to adopt the PPIX Plan. PCA does not have a subscribers’ advisory committee or equivalent governing body.

On June 1, 2018, Physicians’ Insurance Program Management Company (“PIPMC”), the Attorney-in-Fact for PIPE, adopted a Plan of Conversion from Reciprocal to Stock Form (the “PIPE Plan”) pursuant to the Conversion Act. The Board of Directors of PIPMC took the action

to adopt the PIPE Plan. PIPE does not have a subscribers' advisory committee or equivalent governing body.

On September 17, 2018, each of the Plans was amended to identify an additional standby investor and adjust the investment preferences made available to directors, officers and other insiders, but otherwise was not changed.

In this Application the PPIX Plan, PCA Plan, and PIPE Plan, as amended, are sometimes referred to collectively as the "Plans." June 1, 2018 constitutes the common "Adoption Date" for the Plans. (As discussed below, since the adoption of the Plans, the Exchanges and Positive HoldCo have been arranging for standby investors to purchase stock in the offering. Agreements have been reached with standby investors, triggering the filing of this Application.)

Conversion to Stock Form and Merger into a Single Stock Insurance Company

The Plans are interdependent, meaning that no Plan can be completed without the completion of the other Plans. For example, if the subscribers of one of the Exchanges do not approve its Plan, then none of the Conversions will occur even if the subscribers of the other two Exchanges do approve their respective Plans. The Plans all contemplate that the Conversion will result in a single stock insurance company. The attorneys-in-fact have determined that the business of the resulting insurance company should be operated under the "Positive Physicians" brand.

As a technical matter, each Exchange has formed a new stock corporation into which that Exchange will merge, in order to effect the Conversion to stock form. See 40 Pa.C.S.A. § 3501, Definition of "Stock Company" (stating that the Stock Company "shall be the successor of the reciprocal insurer by the merger of the reciprocal insurer with and into the stock company . . .")

- PPIX has caused the formation of a new corporation called PPIX Conversion Corp., which will be the successor by merger to PPIX and used to effect the conversion of PPIX from reciprocal to stock form pursuant to the Conversion Act.
- Likewise, PCA has caused the formation of a new corporation called PCA Conversion Corp., which will be the successor by merger to PCA and used to effect the conversion of PCA from reciprocal to stock form pursuant to the Conversion Act.
- And PIPE has caused the formation of a new corporation called PIPE Conversion Corp., which will be the successor by merger to PIPE and used to effect the conversion of PCA from reciprocal to stock form pursuant to the Conversion Act.

Under the Plans, on the Closing Date, PIPE Conversion Corp. and PCA Conversion Corp will merge with and into PPIX Conversion Corp. Through that merger, the operations of all three insurers will be combined into a single corporation.

The surviving corporation in that merger will be renamed "Positive Physicians Insurance Company," which we will sometimes refer to as "New Positive." The new stock insurance company called Positive Physicians Insurance Company will become wholly-owned by Positive HoldCo.

Licensing Requests for the Conversion Corps

We respectfully request that the Department license PPIX Conversion Corp., PCA Conversion Corp. and PIPE Conversion Corp. as stock insurance companies for purposes of satisfying the requirements of 40 P.S. §3501 relating to the definition of the “stock company” in the conversion of the respective Exchanges. These corporations will not conduct business unless and until the Conversions are completed and the companies merge to form New Positive. Therefore, we request that the Department waive any requirement that PCA Conversion Corp. and PIPE Conversion Corp. be required to be capitalized in order to receive their license, and we request that the Department waive any requirement that PPIX Conversion Corp. be required to be capitalized until the companies merge to form New Positive. See 40 Pa.C.S.A. § 3515 (“The commissioner may waive the minimum surplus requirement of a stock company in connection with the initial licensing of a stock company that will be the successor to a reciprocal insurer. The stock company may not engage in the business of insurance as a stock company until the completion of the merger with the reciprocal insurer and compliance with the provisions of this chapter.”)

We also respectfully request that the Department approve the change of name from PPIX Conversion Corp. to Positive Physicians Insurance Company. As part of the mergers of PIPE Conversion Corp. and PCA Conversion Corp. into PPIX Conversion Corp., PPIX will amend its Articles of Incorporation to be in the form submitted herewith and change its name to Positive Physicians Insurance Company.

Positive HoldCo will subscribe to the common stock of New Positive as part of the closing of the transaction. In order to account for the minimum paid in capital of \$750,000 and minimum surplus of \$375,000 (total of \$1,125,000), New Positive will issue 150,000 shares of common stock at \$5.00 par value, in exchange for a subscription of \$1,125,000, resulting in minimum capital of \$750,000 and additional minimum surplus of \$375,000.

Because New Positive will possess sufficient capital and surplus as a result of the conversion and the combination of the three Exchanges, the Plans do not contemplate that Positive HoldCo would contribute any of the proceeds of the Offering to New Positive. Therefore, in order to satisfy the technicality of capitalizing New Positive, PPIX hereby requests permission to pay a dividend on the Closing Date of its conversion to Positive HoldCo. That dividend would be in the amount of \$1,125,000. Positive HoldCo will immediately re-contribute such funds to Positive Physicians Insurance Company in order to constitute the minimum capital and surplus.

Formation of a Single Holding Company

Under the Plans, the Exchanges have caused the formation of Positive HoldCo. Positive HoldCo will own 100% of the issued and outstanding shares of Positive Physicians Insurance Company.

The Conversion Offering

According to the Plans, Positive HoldCo will offer its common stock at the price of \$10 per share. The Exchanges have retained the services of Feldman Financial Advisors, Inc.

(“Feldman”). Feldman has produced a pro forma valuation of each Exchange on an “as-converted” basis in accordance with the Conversion Act. The gross amount of the offering will be determined according to the combined pro forma valuations of the three Exchanges performed by Feldman. The valuation metrics from Feldman are summarized as follows:

	Pro Forma Valuation (\$Mil.)		
	Minimum	Midpoint	Maximum
<i>PPIX</i>	\$15.30	\$18.00	\$20.70
<i>PCA</i>	11.05	13.00	14.95
<i>PIPE</i>	<u>9.35</u>	<u>11.00</u>	<u>12.65</u>
<i>Combined</i>	35.70	42.00	48.30

Complete copies of the appraisal reports are attached as Exhibit II.

The Offering will consist of a Subscription Offering and a Community Offering, described as follows. Griffin Financial, LLC, a FINRA-registered broker-dealer (“Griffin Financial”), will assist in the conduct of the Offering and the placement of the stock.

Subscription Portion of the Offering:

Pursuant to the Plan, Subscription Rights to purchase shares of the common stock of Positive HoldCo are granted as follows:

Eligible Members. The subscribers of each Exchange as of June 1, 2018, the Adoption Date of each of the Plans, shall receive, without payment, Subscription Rights to purchase the common stock of Positive HoldCo up to the maximum of the Offering range. Each eligible member will have the right to purchase up to 5,000 shares of stock in his or her capacity as a member.

Community Portion of the Offering:

In general, the purchasers in the subscription rights portion of conversion offerings rarely purchase all of the offered stock. If all of the shares offered for sale are not subscribed for, any remaining shares will be offered to other investors in the “community offering” phase. The Plans grant a priority right to orders received from directors, officers, employees, stockholders of Diversus, Inc. (which include the AIFs), and the Standby Purchasers over orders from the general public.

No purchaser in the Community Offering other than the Standby Purchasers may purchase more than 5,000 shares.

Notwithstanding any other limitations and priorities, Positive HoldCo may accept such number of orders from any investors as are necessary for Positive HoldCo to qualify for listing on the NASDAQ Capital Market.

Standby Purchasers:

The Exchanges and HoldCo have entered into a Standby Stock Purchase Agreement dated June 8, 2018, as subsequently amended September 21, 2018 (as amended, the “Standby Agreement”) with Insurance Capital Group, LLC (“ICG”). Under the Standby Agreement, ICG, together with Enstar Holdings (US) LLC (“Enstar”) (collectively, the “Standby Purchasers”), have agreed to act as the standby purchasers of the stock in the Offering and to purchase shares at a price of \$10.00 per share. They have agreed that ICG will purchase 70% of the shares and Enstar will purchase 30% of the shares that they collectively purchase.

The Standby Purchasers have agreed to purchase the number of shares that results in the sale of shares equal to the minimum of the valuation range, after taking into account subscriptions that have been accepted in the Subscription Offering and the Community Offering.

In addition, the Standby Purchasers have the right to purchase an additional number of shares that results in the sale of shares equal to the maximum of the valuation range, after taking into account subscriptions that have been accepted in the Subscription Offering and the Community Offering.

The Standby Agreement contains a number of inter-related transactions and agreements. Those are discussed under “Interrelated Transactions” and “Merger Option” below.

Under the Standby Agreement the Standby Purchasers have rights to appoint individuals to the board of directors of Positive HoldCo, discussed under “Corporate Governance” below. The Standby Agreement contains numerous other terms and conditions, including conditions to the parties’ obligation to close, and various covenants dealing with the exercise of rights by the Standby Purchasers. A complete copy of the Standby Agreement, including the amendment thereto, is attached as Exhibit IV.

The arrangements made with the Standby Purchasers are intended to qualify under Section 2503(c) of the Conversion Law. The Applicant hereby requests the approval of the Department for the Standby Purchasers to purchase the shares pursuant to the Standby Agreement, which likely will constitute greater than 5% of the stock in the Offering.

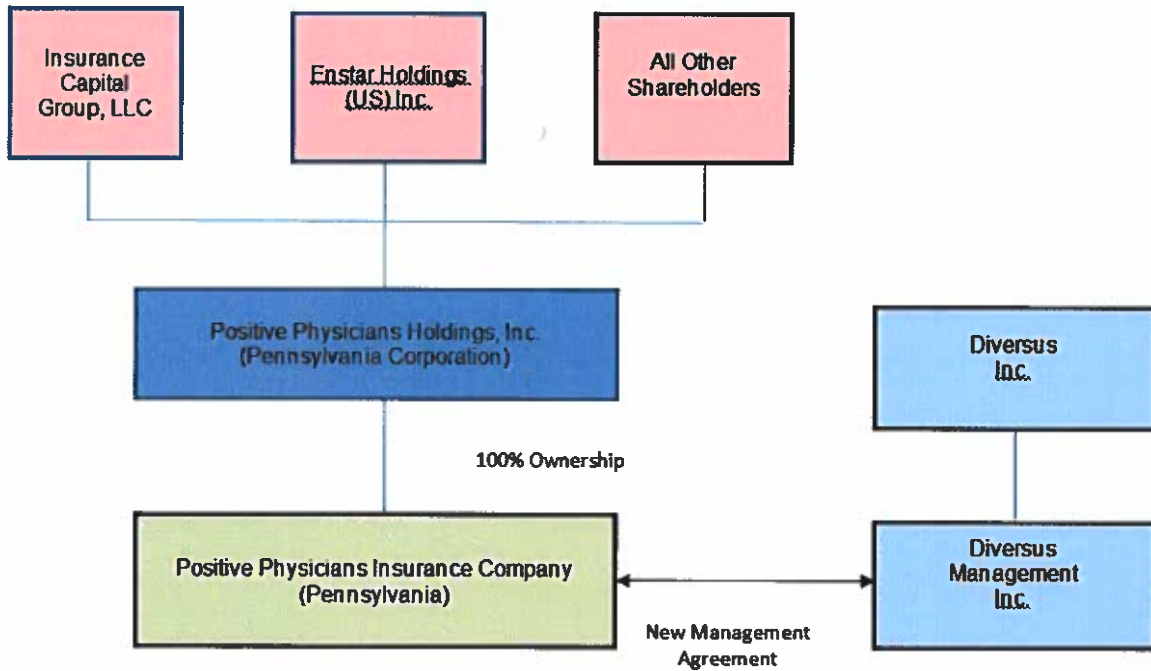
Syndicated Portion of the Offering:

The Plans contain typical provisions allowing for unsold shares not placed in the subscription offering and the community offering (including with any standby purchaser) to be sold in a syndicated offering through registered broker dealers. However, due to the commitments made in the Standby Agreement, there will be no syndicated offering.

Resulting Corporate Structure

Taking into account the foregoing elements, the resulting corporate structure is depicted as follows:

**Positive Organizational Chart
Pro-forma Post Conversion**



Interrelated Transactions

Exchangeable Note

In connection with entering into the Standby Agreement, Positive HoldCo will enter into an exchangeable promissory note with ICG. Under that note, Positive HoldCo has the ability to borrow up to \$750,000. HoldCo may draw on the note to fund, among other things, the costs it has and will incur in connection with the Conversions or to re-lend funds to Diversus, Inc., which has incurred substantial costs in connection with the Conversions.

The outstanding principal balance of the exchangeable note will automatically be exchanged for shares of common stock of Positive HoldCo at a price of \$10.00 per share upon completion of the Conversion. If the Conversion is not completed, the outstanding principal balance, if any, and all unpaid, accrued interest under the note will become due and payable.

Combination of the Attorneys-In-Fact

As a result of the conversion of the Exchanges to stock form, including the merger of their operations into a single insurance company, the role of the former attorneys-in-fact will be eliminated. However, pursuant to the Plans, New Positive is to remain externally managed by a separate management company consisting of the same staff of Diversus Management, Inc. that

currently services the business of the AIFs. The AIFs will be eliminated, by merging them into Diversus Management Inc., which will succeed to all of the assets, liabilities, and operations of the AIFs by operation of law.

Changes to the Existing AIF Agreements – Entry into a New Management Agreement

The Standby Agreement requires that a new Management Agreement will be put in place between Diversus Management, Inc. and New Positive. Approval of that Management Agreement is hereby requested and supporting materials are set forth below. The terms of the Management Agreement were negotiated at arms' length between ICG, as the expected principal shareholder of Positive HoldCo, and Diversus.

The Management Agreement is similar in form to the current form of Attorney-in-Fact Agreement for PPIX, but there are material differences in the terms of the Agreement:

- Term: The Management Agreement will have a rolling seven year term, as compared with the perpetual duration of the AIF Agreement.
- Percentage Fee: The Management Agreement will have a base fee based upon gross written premium beginning at 12% and reducing to 9%, compared with a percentage fee of 25% under the AIF Agreement.
- Incentive Fee: The Management Agreement will have an incentive fee equal to the net earned premiums of the insurance company multiplied by one-third of the amount by which the insurance company's combined ratio is less than 100. The AIF Agreement has no incentive fee component.
- Statutory Provisions. The Management Agreement will contain the required provisions under the Managing General Agent law. The forms to appoint Diversus Management, Inc. as a defined "Managing General Agent" pursuant to 40 P.S. §311.1 et seq. will be submitted to the Department.
- Additional Insurer Oversight. The board of directors of Positive Insurance will have additional oversight and approval rights over the services provided and some decisions to be made by Diversus Management. Currently the Exchanges do not have subscribers committees that oversee the services provided by the AIF's. Going forward, Positive Insurance will have various oversight and approval rights.

Diversus' agreement to reduce the existing percentage management fee and to institute an incentive fee were requirements of ICG, designed to enhance the financial performance of New Positive.

A copy of the form of the new Management Agreement is attached as Exhibit VI. This same form of Agreement is found as an exhibit to the Standby Agreement, but for convenience is reproduced at Exhibit VI to this Application.

Payment to Diversus for Modification of the Management Agreements

In consideration for Diversus' agreement to reduce the management fees to New Positive, Positive HoldCo will pay \$10 million to Diversus at the closing. Currently, Positive HoldCo expects to utilize a portion of the proceeds of the Offering to make such payment.

We note that Positive HoldCo also has received a term sheet from Legacy Texas Bank for a line of credit up to \$5 million, to provide additional capital with which to make acquisitions. The definitive loan documents relating to this line of credit will be provided to the Department as soon as they are available.

Credit Facility to Diversus

As further consideration for Diversus' agreement to reduce the management fees to New Positive, Positive HoldCo will make a \$6,000,000 credit facility available to Diversus at the closing. That \$6 million includes the Exchangeable Note of \$750,000, discussed above.

The parties are finalizing the terms of the loan documents relating to this credit facility. Copies of the Exchangeable Note and the other principal loan documents will be filed as amendments to Exhibit VII.

Use of Proceeds

As the issuer of the stock, Positive HoldCo will receive the proceeds of the Offering. At the Closing, it will use the proceeds of the Offering to pay the costs of the Conversion and to make the payment to Diversus described above. It may use portions of the remaining proceeds if Diversus draws on the \$6 million credit facility also discussed above. The balance of the proceeds will be held by Positive HoldCo for future acquisitions and general corporate purposes.

Corporate Governance

Positive Physicians Holdings, Inc. will have its shares registered with the Securities and Exchange Commission ("SEC"). It is anticipated that the shares will be listed on the NASDAQ Stock Market. As a public company, Positive Physicians Holdings, Inc. will be subject to requirements of the federal securities laws and NASDAQ regarding the composition and functioning of its board of directors. In general, (a) a majority of the directors must be independent, and (b) all of the members of the Audit Committee, the Nominating and Governance Committee, and the Compensation Committee must be independent. After one year Positive Physicians Holdings, Inc. may no longer be required to report as a public company unless it has greater than 500 shareholders. Unless required under applicable law, the Applicant presently does not expect to continue as an SEC registrant. If the Applicant is no longer an SEC registrant, its listing on NASDAQ will also terminate.

The proposed forms of the Articles of Incorporation and Bylaws of Positive HoldCo and New Positive, as converted into stock form, accompany this Application, and are identified below under "Submission of Required Documents."

The Boards of Directors of Positive Physicians Insurance Company and of Positive HoldCo will be composed of the individuals who meet the independence requirements described above as well as those required under 40 P.S. §991.1405. It is currently expected that the board of Positive HoldCo will consist of eight members, five designated by ICG, two designated by Enstar, plus the Chief Executive Officer of the Company. Initially, the ICG designees are expected to be Craig Huff, Steve Johnson, Scott Penwell, James Zech, and Matt Popoli; the Enstar designees are expected to be Paul Brockman and Duncan McLaughlin, and the CEO will be Lewis Sharps.

Acquisition of Control Statement

Each Standby Purchaser will acquire at least ten percent of the stock of HoldCo. The Applicant understands that the Standby Purchasers will file an acquisition of control notice on Form A. Because the Conversions will result in New Positive being owned and controlled by ICG, the existing control relationship between Diversus (and its ultimate controlling persons) and the Exchanges will be terminated. The Applicant understands that the ultimate controlling persons of Diversus intend to file divestiture notices with the Department.

Effect of the Conversion and Business Plan

In general, the proposed conversion of the Exchanges and their subsequent combination will result in a single, well-capitalized insurer, with a larger policyholder base and the ability to compete and grow in the physician professional liability space. New Positive will have access to the offering proceeds held by the holding company, if necessary in the future, to add to the existing surplus. In addition, New Positive will have access to capital through its institutional shareholder and the capital markets.

New Positive will be managed by the existing staff of the AIFs from the current location in Berwyn, Pennsylvania. A business plan reflecting the anticipated operations will be submitted to the Department shortly after the date hereof.

Merger Option

Exhibit B to the Standby Agreement contains a form of Option Agreement that will be entered into by ICG, Positive HoldCo and Diversus at the closing of the Conversion (the "Option Agreement"). New Positive is not a party to the Option Agreement.

The Option Agreement permits either Diversus or Positive HoldCo to trigger, by giving notice to the other party, the acquisition of Diversus by Positive HoldCo, during a window of time that begins two years from the Closing of the Conversion to four years and six months from such closing.

In such acquisition, were it to occur, the Diversus shareholders would receive either stock of Positive HoldCo or cash, at the option of Positive HoldCo. Diversus would be valued by a third-party expert according to valuation metrics set forth in the Option Agreement.

The acquisition would be subject, among other things, to establishing the value of Diversus, shareholder approval by the Diversus shareholders, and any regulatory approval that would be required at the time.

A copy of the Option Agreement is set forth at Exhibit B to the Standby Agreement.

Submission of Required Documents

In accordance with the provisions of 40 Pa.C.S.A. §3502(c)(1), we are enclosing for filing the following documents:

Exhibit I - Plans: Contains the Plans required to be submitted under 40 Pa.C.S.A. §3502(c)(1)(i).

Exhibit II - Valuation: Contains the independent evaluations of pro forma market value of each Exchange required by the Conversion Act, performed by Feldman Financial Advisors, Inc., also required to be submitted under 40 Pa.C.S.A. §3502(c)(1)(i).

Exhibit III - Proxy Materials: Contains the respective forms of notice of the subscribers meeting of each individual Exchange, and the respective forms of proxy to be solicited from eligible subscribers of each Exchange, all required to be submitted under 40 Pa.C.S.A. §3502(c)(1)(iii) and §3502(c)(1)(iv).

Exhibit IV – Standby Stock Purchase Agreement: Contains the Stock Purchase Agreement and exhibits thereto.

Exhibit V – Stock Insurance Companies: This Exhibit contains the various materials relating to the organization of the stock companies. As required by 40 Pa.C.S.A. §3502(c)(1)(v), this Exhibit contains the proposed forms of Articles and Bylaws for the conversion corporations, which are in effect during the period in which neither corporation conducts any business other than the required merger with the exchange; and the permanent Articles and Bylaws of New Positive that will be in effect once the corporation begins conducting the business of insurance.

Exhibit VI – The New Management Agreement: This Exhibit contains a copy of the new Management Agreement to be entered into between New Positive and Diversus. Applicants request approval of the new form of Management Agreement. Applicants hereby request confidential treatment of the form of Management Agreement. This is a confidential, non-public document.

Exhibit VII – Loan Documents: This Exhibit will, when amended, contain the Exchangeable Note between ICG and Positive HoldCo and the forms of the principal loan documents between Positive HoldCo and Diversus.

Exhibit VIII – Positive Physicians Holdings, Inc.: This Exhibit contains the Amended and Restated Articles of Incorporation and Bylaws of Positive HoldCo.

SEC Registration Statement

We will provide a copy of the registration statement on Form S-1 that is filed by Positive HoldCo promptly after filing with the Securities and Exchange Commission.


Filing Fee

A filing fee of \$2,500 for PPIX is enclosed. The filing fees for each of PCA and PIPE were previously filed in connection with their 2015 plans. Please inform us if any further filing fees are required.

[Remainder of Page Intentionally Blank – Signature Follows]

The Applicants have caused this Application to be duly signed on their behalf by their President in Berwyn, Montgomery County, Pennsylvania on September 21, 2018.


PROFESSIONAL CASUALTY ASSOCIATION
by its Attorney-in-Fact, Professional Third Party LP

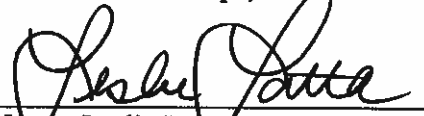
By:  Lewis Sharps, MD CEO of General Partner
Title

PHYSICIANS' INSURANCE PROGRAM EXCHANGE
by its Attorney-in-Fact, Physicians' Insurance Program Management Company

By:  Lewis Sharps, MD CEO
Title

POSITIVE PHYSICIANS INSURANCE EXCHANGE
by its Attorney-in-Fact, Specialty Insurance Services, LLC

By:  Lewis Sharps, MD CEO
Title

Attest: 
Name: Leslie Latta
Title: COO

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Application for Approval of Plans of Conversion for and on behalf of Positive Physicians Insurance Exchange, Professional Casualty Association, and Physicians' Insurance Program Exchange and that he is the President or CEO of such companies or their attorney-in-fact, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:  Lewis Sharps, MD

**Positive Physicians Insurance Exchange
Professional Casualty Association
Physicians' Insurance Program Exchange**

Conversion Application

List of Exhibits:

- Exhibit I - Plans**
- Exhibit II - Appraisals**
- Exhibit III - Proxy Materials**
- Exhibit IV - Standby Agreement**
- Exhibit V - Stock Insurance Company
Corporate Documents**
- Exhibit VI - Form of New Management
Agreement**
- Exhibit VII - Loan Documents**
- Exhibit VIII - New Holding Company
Documents**

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