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ALSO VIA EMAIL: cfoster@saul.com and SDavis@STRADLEY.COM

RE: Harleysville Mutual Insurance Company ("Harleysville Mutual") Merger with and into Nationwide Mutual Insurance Company ("Nationwide Mutual"); Harleysville Mutual's Proposed Draft Notice of Special Meeting of Members, dated December 23, 2011

Dear Ms. Foster and Mr. Davis:

The Pennsylvania Insurance Department ("Department") has completed a review of the referenced proposed draft.

The Department respectfully requests a response from Harleysville on the following items:

1. Describe steps the company has taken to assure that all policyholders receive a proxy. For example, how does the company intend to verify that all addresses are current?
2. On the Voting Instructions page, please provide to the Department a copy of the following documents referenced:
 - a. Proxy card.
 - b. Instructions for voting via telephone.
 - c. Instruction for voting via internet.
3. The proxy should provide a web address to 5 years of:
 - a. Statutory Annual Statements of both the mutual companies; and
 - b. Statutory Combined Annual Statements for Nationwide Mutual and Harleysville Mutual.
4. On page 4 of the draft, please indicate when the company will make a determination regarding when and where the Special Meeting will take place? Is this location large enough to accommodate a substantial attendance?

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- 5. On page 5 of the draft, who is entitled to vote at the Special Meeting? Has the record date for voter eligibility been determined? If not, when and how does the company intend to make such determination?
- 6. On both the "Voting Instructions" page and page 6, the proxy should clarify or address the concept of "one policyholder equal one vote" versus "one vote for each policy owned" and note whether some policyholders might have more votes than others.
- 7. Pages 38-40 discuss the litigation related to the mergers. Is this information up-to-date, and if not, does the company intend to revise this section of the proxy?
- 8. On page 63, in the second full paragraph, the reference to Boenning & Scattergood's role is inaccurate. To the contrary, Boenning has been engaged to issue a report and conclusions "as to the reasonableness of the Company's conclusion that the transaction is fair to Harleysville Mutual Insurance Company policyholders."

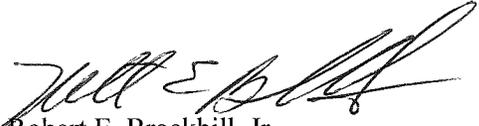
Items which are provided as comments that may be considered by Harleysville, but do not require implementation or response:

- 9. On Page 8, in the Reason for the Merger preamble, should the language note that the Harleysville Mutual Board "independently" considered the Merger Agreement?
- 10. In the 2011 incentive compensation bullet on page 9, should the approximate number of employees eligible be revealed?
- 11. Also on page 9, within the bullet dealing with the impact of difficult economic conditions, should Harleysville Mutual more specifically quantify the economic problems (i.e., showing that direct premium written hasn't grown in X amount of years)?
- 12. Page 11 notes an AM Best rating. Should the proxy also include a statement about the outlook, especially post merger?
- 13. Also on page 11, the proxy indicates that the Board considered "the fact that certain of Harleysville's officers and directors *may* have interests...different from, or in addition to, the interests of Harleysville's policyholders, stockholders, and other constituencies." This statement implies that the Board did not consider actual conflicts of interest.
- 14. Should the "[b]ackground of the merger" section on page 12 contain more detail regarding each strategic alternative?
- 15. Would it be more understandable to list all remuneration to directors and officers in one table as opposed to split between options, stock, parachute payments, etc.?
- 16. Should the proxy further explain the difference between the Nationwide offer being fully negotiated and after due diligence versus a proposal that was subject to due diligence and was not fully negotiated?

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Please feel free to contact me should you have any questions concerning the content of this correspondence.

Sincerely;



Robert E. Brackbill, Jr.
Chief
Company Licensing Division

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