

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to the Insurance Company  
: Mutual-to-Stock Conversion Act,  
Application of Northwestern Mutual Fire : Article VIII-A of the Insurance  
Insurance Company of Schuylkill : Company Law of 1921, Act of May 17,  
County, Pennsylvania Requesting : 1921, P.L. 682, as amended, added  
Approval for a Mutual to Stock : Dec. 21, 1995, P.L. 714, 40 P.S.  
Conversion : §§911-A et seq.  
: :  
: Order No. ID-RC-06-46

**ORDER**

Upon consideration of the foregoing, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) hereby makes the following Order:

The conversion of Northwestern Mutual Fire Insurance Company of Schuylkill County, Pennsylvania (“Northwestern”) from a mutual fire insurance company to a stock fire insurance company as specified in the Application, is hereby granted, subject to this Order and the following conditions:

1. Venbrook Insurance Holdings, LLC (“Venbrook”) must receive an approving determination on its request to acquire the common stock of converted Northwestern filed pursuant to 40 P.S. §991.1402.
2. For the three years following the effective date of the conversion, converted Northwestern shall be prohibited from declaring or paying any dividends, returns of capital or any other types of distributions to Venbrook or any affiliates of Venbrook, without the prior approval of the Commissioner.
3. In accordance with 15 Pa.C.S. §§1915 and 1916, amended Articles of Incorporation of Northwestern must be filed with the Department of State and the conversion of Northwestern to a stock company shall be effective upon the filing of said amended Articles of Incorporation.
4. Pursuant to Section 924-A of the Insurance Company Mutual-to-Stock Conversion Act, 40 P.S. §924-A:
  - a. All requirements imposing notice to the policyholders of Northwestern of the contemplated conversion and the approval by the policyholders of the contemplated conversion and amended Articles of Incorporation of Northwestern are hereby waived.

- b. Any provision under the Conversion Act for an independent evaluation of the pro-forma market value of Northwestern is hereby waived.
5. All policies of Northwestern in force at the time of conversion will continue to remain in force, and the conversion shall not change, reduce or impair in any way the insurance obligations of Northwestern under any insurance policy issued or contract entered into by Northwestern, except as set forth in the Plan of Conversion. However, certain rights of Northwestern policyholders, to the extent said policyholders have such rights as policyholders, shall be extinguished as set forth in the Plan.
  5. Northwestern shall provide a copy of all final executed documents relative to the conversion of Northwestern to the Commissioner within five (5) business days of the effective date of the conversion.
  6. Northwestern has 90 days from the date of this Order to effectuate the conversion as contemplated in the Application. This Order shall be null and void should the conversion not be effectuated within 90 days.
  7. Northwestern shall, within sixty (60) days of the effective date of the conversion, send a notice to its policyholders, in a form acceptable to the Pennsylvania Insurance Department, giving notice of the conversion and its effect on policyholders.
  8. Northwestern shall, within sixty (60) days of the effective date of conversion, send a notice to its agents, in a form acceptable to the Insurance Department, giving notice of the conversion.

This Order is effective immediately.

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M. Diane Koken  
Insurance Commissioner  
Commonwealth of Pennsylvania