

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to the Insurance Company
: Mutual-to-Stock Conversion Act,
Application of Farmers' Mutual : Article VIII-A of the Insurance
Insurance Company Requesting : Company Law of 1921, Act of
Approval for a Mutual to : May 17, 1921, P.L. 682, as amended,
Stock Conversion : added Dec. 21, 1995, P.L. 714, 40 P.S.
: §§911-A et seq.
:
: Order No. ID-RC-09-12

ORDER

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

The conversion of Farmers' Mutual Insurance Company ("Farmers") 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. The Mutual Fire, Marine and Inland Insurance Company ("Mutual Fire") must receive an approving determination on its request to acquire the common stock of Farmers filed pursuant to 40 P.S. §991.1402.
2. For the three years following the date of conversion, Farmers shall be prohibited from declaring or paying any dividends, returns of capital or any other types of distributions to Mutual Fire or any affiliates of Mutual Fire, without the prior approval of the Commissioner.
3. In accordance with 15 Pa.C.S. §§ 1915 and 1916, amended Articles of Incorporation of Farmers must be filed with the Department of State and the conversion of Farmers 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 Farmers of the contemplated conversion and the approval by the policyholders of the contemplated conversion and amended Articles of Incorporation of Farmers are hereby waived.

- b. Any provision under the Conversion Act for an independent evaluation of the pro-forma market value of Farmers is hereby waived.
5. All policies of Farmers 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 Farmers under any insurance policy issued or contract entered into by Farmers, except as set forth in the Plan of Conversion. However, certain rights of Farmers policyholders, to the extent said policyholders have such rights as policyholders, shall be extinguished as set forth in the Plan.
5. Farmers shall provide a copy of all final executed documents relative to the conversion of Farmers to the Commissioner within five (5) business days of the effective date of the conversion.
6. Farmers 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. Farmers shall, within sixty (60) days of the effective date of the conversion, send a notice to its policyholders, in a form acceptable to the Insurance Department, giving notice of the conversion and its effect on policyholders.
8. Farmers 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.

Joel Ario
Insurance Commissioner
Commonwealth of Pennsylvania