

Amended and Restated
Application for Approval
of a
Plan of Conversion

**AMALGAMATED CASUALTY INSURANCE
COMPANY**

Domiciled in the District of Columbia

Filed with the Department of Insurance, Securities and Banking
of the District of Columbia

Dated: December 13, 2021

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

<u>Company Officer</u>	<u>Special Conversion Counsel</u>
Patrick J. Bracewell Chairman and Chief Executive Officer Amalgamated Casualty Insurance Company 8401 Connecticut Ave., Suite 300 Chevy Chase, MD 20815 pbracewell@asginsurance.com (202) 945-6233	Thorn Pozen, Esq. Goldblatt Martin Pozen LLP 1432 K Street, NW Suite 400 Washington, DC 20005 tpozen@gmpllp.com (202) 795-9105

Background Statement

This Amended and Restated Application is submitted by Amalgamated Casualty Insurance Company (“Amalgamated” or the “Applicant”), whose statutory home office is 4400 MacArthur Boulevard, NW, Suite 301, Washington, DC 20007-2521 and main administrative office is located at 8401 Connecticut Ave., Suite 300, Chevy Chase, MD 20815. This Amended and Restated Application replaces the original application filed by the Applicant on February 12, 2021. Amalgamated is a mutual insurance company domiciled in the District of Columbia. Amalgamated intends to change its name to “Forge Insurance Company” upon completion of the transaction described in this application.

Amalgamated proposes to reorganize itself pursuant to the provisions of Sections 31-901, et seq. of the District of Columbia Official Code (the “Demutualization Act”) by converting from mutual to stock form. This reorganization will consist of the following:

- (a) Amalgamated will convert from a mutual insurance company into a stock insurance company through an amendment to its Articles of Incorporation.
- (b) A new stock holding company named Forge Group, Inc. (“HoldCo”) has been formed to serve as the parent corporation of Amalgamated after Amalgamated is converted to stock form.
- (c) HoldCo will be owned by shareholders and will engage in an offer of its common stock to Amalgamated’s policyholders and other investors as described below.

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

The Board of Trustees of Amalgamated believes the Demutualization is in the best interests of Amalgamated and that it is fair and equitable to Amalgamated’s members. At a meeting duly called and held on February 3, 2021 (the “Adoption Date”), the Board of Trustees of Amalgamated unanimously approved the Demutualization and adopted a Plan of Conversion (hereinafter, the “Plan”). In response to comments received from Department of Insurance, Securities, and Banking of the District of Columbia (the “Department”), the Board of Trustees of Amalgamated unanimously approved and adopted an Amended and Restated Plan of Conversion at a meeting duly called and held on November 9, 2021. The Plan provides for the conversion of Amalgamated and the offering of its common stock in accordance with the requirements of the Demutualization Act, and otherwise in accordance with the terms and subject to the conditions as provided in the Plan. A copy of the Amended and Restated Plan is attached as Exhibit I.

Description of the Proposed Demutualization and Offering

Conversion of Amalgamated to Stock Form

Amalgamated will convert to stock form by means of an amendment to its Articles of Incorporation, to be filed at the closing of the Demutualization. The company’s name will be changed to Forge Insurance Company.

Formation of the Holding Company

Under the Plan, the Applicant has formed HoldCo to act as the new stock holding company for Amalgamated. HoldCo is a Pennsylvania business corporation. HoldCo will own 100% of the stock of Amalgamated. HoldCo will offer its common stock to the Amalgamated members and other investors in the Offering, described below. A diagram showing the post-Conversion relationship among the companies is attached as Exhibit II.

Acquisition of American Risk Management, Inc.

Amalgamated has a longstanding relationship with American Risk Management, Inc. (“ARM”) and its predecessor entities since Amalgamated’s formation in 1938. When MCW Holdings, Inc. acquired ARM in 2011, it agreed to report as the ultimate controlling person of Amalgamated and for ARM to be regarded as the controlling producer of Amalgamated.

In connection with the Demutualization of Amalgamated, HoldCo has entered into a stock purchase agreement with MCW Holdings, Inc. to acquire all of the outstanding capital stock of ARM concurrently with the completion of the Demutualization and the Offering. In the acquisition of ARM, HoldCo will issue to MCW Holdings, Inc. 550,000 shares of its Series A 8.5% cumulative convertible preferred stock, having a stated value of \$10 per share, or a total stated value of \$5,500,000 (“Series A Preferred Stock”). The result of this acquisition will be that Amalgamated and ARM will both be wholly owned by HoldCo and will operate as affiliates of a common holding company. This will align the ownership structure with the current regulatory holding company structure. ARM intends to change its name to “Forge Risk Management, Inc.” upon completion of the transaction described in this application.

It should be noted that the Series A Preferred Stock is convertible into HoldCo common stock at a conversion price of \$12.00 per share. The Series A Preferred Stock would therefore convert into 458,333 shares of HoldCo common stock. It also should be noted that the Series A Preferred Stock has voting rights on all matters upon which the common stock has voting rights; and the number of votes of the Series A Preferred Stock is on an as-converted basis. Therefore, MCW Holdings, Inc. will have 458,333 votes in its capacity as the holder of the Series A Preferred Stock.

The acquisition by HoldCo of ARM was evaluated by a special committee of the board of directors of HoldCo consisting of three independent directors. The special committee requested and received a fairness opinion from Griffin Financial Group, Inc., an investment banking firm and FINRA-registered broker-dealer (“Griffin”). Subject to the qualifications and limitations in the opinion, Griffin concluded that the acquisition by HoldCo of ARM was fair to HoldCo from a financial point of view. A copy of the fairness opinion and the related presentation of Griffin to the special committee are included as Exhibit III and Exhibit IV.

The Conversion Offering

According to the Plan, HoldCo will offer its common stock at the price of \$10 per share. Amalgamated has retained the services of Boenning & Scattergood, Inc. (“Boenning”) to provide

a pro forma appraisal of the value of Amalgamated on an “as-converted” basis in accordance with the Demutualization Act. Boenning has delivered its Pro Forma Valuation Appraisal Report dated as of October 15, 2021, which determined the estimated pro forma market value of Amalgamated was \$20,000,000, with a range of \$17,000,000 to \$23,000,000 (being 15% below and 15% above the midpoint value). A complete copy of the appraisal report is attached as Exhibit V.

The gross amount of the Offering will be based upon that pro forma valuation.

The Offering will consist of a Subscription Offering and a Public Offering, described as follows. Griffin will assist in the conduct of the Offering and the placement of the stock.

Subscription Offering:

Pursuant to the Plan, Subscription Rights to purchase shares of the common stock of HoldCo will be granted in the following priorities:

(a) Eligible Members (First Priority). The members of Amalgamated as of February 3, 2021, the original Adoption Date of the Plan (“Eligible Members”), shall receive, without payment, Subscription Rights to purchase the common stock of HoldCo up to the maximum of the Offering range. The members of Amalgamated are the policyholders of Amalgamated. Each Eligible Member will have the right to purchase up to 25,000 shares of stock in his or her capacity as a member.

(b) ESOP (Second Priority). Amalgamated is sponsoring the formation of an Employee Stock Ownership Plan (“ESOP”), which is a form of retirement plan that owns the stock of the employer. The ESOP shall receive, without payment, Subscription Rights to purchase a number of shares of Common Stock equal to nine and nine-tenths percent (9.9%) of the total number of shares of Common Stock to be issued in the Offering. The ESOP will purchase 9.9% of the total, even in the event of an oversubscription by Eligible Members.

(c) Trustees and Officers (Third Priority). Each Trustee, Officer and employee of Amalgamated shall receive, without payment, Subscription Rights to purchase up to 25,000 shares of common stock sold in the Offering. Those Subscription Rights may be exercised only to the extent that there are shares of common stock remaining after satisfying the subscriptions of the policyholders and the ESOP. A Trustee, Officer or employee who is also an Eligible Member of Amalgamated is deemed to purchase shares first in his or her capacity as a member.

Public Offering and Purchase Commitments:

In general, participants 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 “public offering” phase.

Griffin has been engaged to find buyers for unsubscribed shares in a small public offering. In addition, several significant purchasers have committed to purchase substantial blocks of stock.

MCW Holdings, Inc., together with its principals Joseph Bracewell and Patrick Bracewell and their affiliates, have stated their intention to purchase approximately 250,000 shares of the common stock (the "Bracewell Investment"). At the midpoint of the offering range, this would represent 12.5% of HoldCo's outstanding common stock. When combined with 458,333 votes held by MCW Holdings, Inc. in its capacity as the holder of the Series A Preferred Stock, MCW Holdings, Inc., together with its principals Joseph Bracewell and Patrick Bracewell and their affiliates, will possess 28.8% of the total voting power of the outstanding shares of HoldCo's capital stock (measured at the midpoint of the offering range).

Roumell Opportunistic Value Fund ("RAMSX") has stated its intention to purchase approximately 243,375 shares of the common stock (the "RAM Investment"). RAMSX is a mutual fund managed by James Roumell, a trustee of Amalgamated and a director of HoldCo. With the purchase of approximately 243,375 shares, RAMSX will possess 9.9% of the voting power of the outstanding shares of HoldCo's capital stock (measured at the midpoint of the offering range).

Individual members of Amalgamated's board of trustees (not including Joseph Bracewell, Patrick Bracewell and James Roumell) and officers of Amalgamated have indicated an interest in purchasing a total of approximately 151,500 shares of HoldCo's common stock. No one of those individuals will purchase more than 5% of common stock to be sold in the Offering (measured at the midpoint of the offering range).

Mutual Capital Investment Fund, LP ("MCIF"), an investment fund managed by Mutual Capital Advisors, LLC ("MCA") intends to purchase up to 550,000 shares of HoldCo's common stock in the Public Offering (the "MCIF Investment"). Jason Wolfe, a member of the Board of Trustees of Amalgamated, is the Chief Executive Officer of MCA. If MCIF purchases 550,000 shares of HoldCo common stock in the Public Offering, such shares would represent 22.4% of the outstanding shares of HoldCo's capital stock (measured at the midpoint of the offering range).

The MCIF Investment, the Bracewell Investment and the RAM Investment are subject to Department approval under Section 21-906(l) of the Demutualization Act because each involves more than 5% of the shares of common stock sold in the Offering. The Applicant hereby requests the Department to approve such purchases.

One Time Cash Distribution to Eligible Members:

Amalgamated has included as a voluntary feature in the Plan a one-time cash distribution of \$7.3 million to the Eligible Members that will be paid shortly after completion of the conversion and the Offering. Because there are 1,589 Eligible Members, each Eligible Member will receive a payment of \$4,594 in cash if the conversion and the Offering are completed. Each Eligible Member will still have the right to exercise his or her subscription rights and invest in HoldCo common stock. This distribution will be an extraordinary distribution under the Holding Company Act as enacted in the District of Columbia. Accordingly, Amalgamated requests approval of this extraordinary dividend under Section 31-706(b).

Use of Proceeds

As the issuer of the stock, HoldCo will receive the proceeds of the Offering. It will use the proceeds of the Offering as follows: The costs and expenses of the Demutualization is estimated at approximately \$3,270,000. In addition, the placement fee that will be paid to Griffin will be approximately \$891,000 at the midpoint of the Offering. Those costs, together with the \$7.3 million cash distribution to Eligible Members will be paid from the proceeds of the Offering. HoldCo expects to repay \$1.4 million of debt assumed as part of the acquisition of ARM. After such transaction expenses and items, HoldCo will contribute substantially all of the remaining net proceeds to Amalgamated to support its organic growth initiatives as needed, future acquisitions, and general corporate purposes. As of the date of this Application, the Applicant does not have any specific acquisition transactions planned.

Corporate Governance

Forge Group, Inc. will conduct the Offering as a small public offering pursuant to Regulation A+ Tier 2 of the rules of the Securities and Exchange Commission (“SEC”). HoldCo intends to apply to have buy and sell offers for its shares of common stock reported on the OTC “Pink Sheets,” and, as a result, HoldCo will be required to have at least two independent directors and a majority of the members of its audit committee must be independent.

HoldCo and Amalgamated also will be subject to certain director and committee requirements applicable to any DC-domiciled insurance company that is a member of an insurance holding company system. In particular, not less than one-third of Amalgamated’s trustees and not less than one-third of the members of each committee of the board of trustees shall be “independent.” For these purposes, “independent” means persons who are not officers or employees of Amalgamated or of any entity controlling, controlled by, or under common control with Amalgamated and who are not beneficial owners of a controlling interest in the voting stock of Amalgamated or HoldCo. Further, at least one independent trustee and committee member must be included in any quorum for the transaction of business.

In addition, Amalgamated must establish one or more committees comprised solely of independent persons that shall have responsibilities of nominating candidates for trustee, evaluating the performance of Amalgamated’s principal officers, and recommending to the board the selection and compensation of the principal officers.

Finally, in accordance with generally-accepted governance principles and its past practice, Amalgamated will establish an audit committee composed entirely of independent trustees. The proposed forms of the Articles of Incorporation and Bylaws of HoldCo and Amalgamated, as converted into stock form, accompany this Application, and are found at Exhibits VI and VII.

The Boards of Directors of the insurance company and of HoldCo will be composed of the same individuals. A listing of the individuals expected to serve on the Boards is found at Exhibit VIII.

A listing of the expected officers of each of the corporations involved in these transactions is also found at Exhibit VIII.

Policyholder Approval

In accordance with Section 31-904(c) of the Demutualization Act, Amalgamated is required to obtain the approval of its Eligible Members. Under the Plan, an Eligible Member is any policyholder on the Adoption Date who is considered a member under Amalgamated's bylaws. Adoption of the Plan and Amalgamated's Amended and Restated Articles of Incorporation is subject to the approval of at least a majority of the votes cast by Eligible Members who are present in person or by proxy at a meeting of the policyholders.

Amalgamated intends to call a special meeting and to mail notice of the special meeting promptly after the Department has approved this Application. Advance written notice of at least thirty (30) days will be provided.

Amalgamated will send to the Eligible Members a Notice of the Special Meeting, together with a policyholder information statement regarding the Plan (a "Proxy Statement"), which contains a summary of the Plan, and a form of Special Proxy allowing the Eligible Members to vote for or against the Plan (the "Special Proxy"). The forms of the Notice of Special Meeting, Proxy Statement and Special Proxy are submitted for approval by the Department and are found at Exhibit IX.

Under the Bylaws of Amalgamated, a quorum at any regular or special meeting consists of a majority of the policyholders eligible to vote. Although Amalgamated has previously obtained proxies (the "General Proxies") from approximately 1,318 policyholders, Amalgamated will not use these General Proxies to establish a quorum at the special meeting or to vote at the special meeting. Only Eligible Members present in person or by Special Proxy will be counted for the purpose of establishing a quorum at the Special Meeting, and only the votes from the Special Proxies and from Eligible Members present in person at the Special Meeting will be counted in determining whether the Plan and the Amended Articles have been approved by at least a majority of the votes cast by Eligible Members.

Acquisition of Control Statement

At pages 4 and 5 above, under the caption "*Public Offering and Purchase Commitments*," it is noted that MCW Holdings, Inc. and MCIF will acquire more than ten percent of the voting stock of HoldCo. MCW and Joseph and Patrick Bracewell are currently considered to be in control of Amalgamated. They intend to amend the existing Form B on file with the Department to reflect the different mechanism for control that will result from the Demutualization. MCIF has filed a Form A with the Department with respect to the purchase of HoldCo common stock in the offering. Mutual Capital Group, Inc., a Pennsylvania mutual holding company, is the ultimate controlling party of MCIF and will agree to comply with all requirements of the Holding Company Act as enacted in the District of Columbia.

Effect of the Demutualization and Business Plan

In general, the proposed Conversion, in and of itself, will cause no changes to the operations of Amalgamated. Only the corporate organization matters discussed in this Application will change. In particular, immediately following the Demutualization, Amalgamated will continue to write the same lines of business and in the same states as it currently conducts operations. However, the availability of the capital from the Offering proceeds is expected to strengthen Amalgamated's financial position and to allow it to increase its scale and thus gain operating efficiencies.

Submission of Required Documents

In accordance with the provisions of the Demutualization Act, we are enclosing for filing the following documents:

Exhibit I – Plan: Contains a copy of the Amended and Restated Plan as unanimously adopted by the Board of Trustees of the Applicant.

Exhibit II – Organization Chart: Exhibit II is a diagram depicting the holding company structure resulting from the Plan.

Exhibit III – Fairness Opinion: Contains the fairness opinion delivered by Griffin to HoldCo in connection with the ARM acquisition.*

Exhibit IV – Presentation: Contains a copy of the presentation given by Griffin to the special committee of HoldCo's board in support of the fairness opinion.*

Exhibit V - Valuation: Contains the independent evaluation of pro forma market value of the converted insurance company required by the Demutualization Act, performed by Boenning.*

Exhibit VI – New Amalgamated Documents: This Exhibit contains the proposed forms of Articles of Incorporation and Bylaws for Amalgamated, after Amalgamated converts to stock form.*

Exhibit VII – New Holding Company Documents: This Exhibit contains the proposed form of Articles of Incorporation and Bylaws for Forge Group, Inc.

Exhibit VIII – Rosters of Trustees and Officers: This Exhibit contains rosters of the persons initially expected to serve as the directors and principal officers of Amalgamated, HoldCo and ARM.

Exhibit IX - Proxy Materials: Contains the form of notice of the policyholders meeting of Amalgamated, the form of proxy statement, and the form of proxy to be solicited from eligible members of Amalgamated.

Exhibit X – Notice to Post-Adoption Policyholders: Contains the form of notice to persons becoming policyholders after the date of adoption. (See Section 31-910 of the Demutualization Act.)

* These documents were previously filed with the Department.

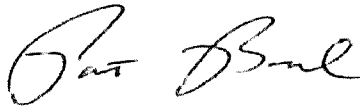
SEC Form 1-A

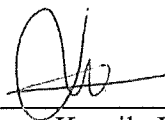
A copy of the SEC Form 1-A that was filed by HoldCo with the Securities and Exchange Commission and amendments through the date hereof have been filed with the Department. Additional amendments will also be filed with the Department.

[Remainder of Page Intentionally Blank – Signature Follows]

The Applicant, Amalgamated Casualty Insurance Company, has caused this Application to be duly signed on its behalf by its Chairman and Chief Executive Officer in Chevy Chase, Maryland on December 13, 2021.

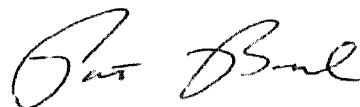
(SEAL)

By: 
Name: Patrick J. Bracewell
Title: Chairman and Chief Executive Officer

Attest: 
Name: Kamila K. Maciejewska
Title: Operations Manager

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended and Restated Application dated December 13, 2021, for and on behalf of Amalgamated Casualty Insurance Company and that he is the Chairman and Chief Executive Officer of such company, 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: 
Name: Patrick J. Bracewell
Title: Chairman and Chief Executive Officer

Signature Page to Amalgamated Conversion Application

Exhibit I

Amended and Restated Plan of Conversion

**AMENDED AND RESTATED PLAN OF CONVERSION
OF
AMALGAMATED CASUALTY INSURANCE COMPANY**

**Under Chapter 9 of Title 31 of the
District of Columbia Official Code (D.C. Code § 31-901 et seq.)**

**As Approved on November 9, 2021
by the Board of Trustees**

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AMENDED AND RESTATED PLAN OF CONVERSION
OF
AMALGAMATED CASUALTY INSURANCE COMPANY

**Under Chapter 9 of Title 31 of the
District of Columbia Official Code (D.C. Code §31-901 et seq.)**

This Amended and Restated Plan of Conversion provides for the conversion of Amalgamated Casualty Insurance Company, a mutual insurance company organized under the laws of District of Columbia (such entity, both before and after the Conversion, being referred to as “ACIC”), from a mutual insurance company into a stock insurance company (the “Conversion”) and the issuance by ACIC of newly-issued shares of common stock of ACIC to Forge Group, Inc., a Pennsylvania corporation (“HoldCo”), as authorized by Chapter 9 of Title 31 of the District of Columbia Official Code (D.C. Code §31-901 et seq.) (the “Demutualization Act”). In the Conversion, all Eligible Members will receive subscription rights to purchase shares of common stock of HoldCo, in exchange for the extinguishment of their Membership Interests in ACIC. As required by Section 902(a) of the Demutualization Act, this Plan of Conversion was originally approved and adopted by at least a majority of the members of the Board of Trustees (the “Board”) of ACIC, at a meeting duly called and held on February 3, 2021 (the “Adoption Date”). After receiving comments from the Department of Insurance, Securities and Banking of the District of Columbia, this Amended and Restated Plan of Conversion was approved and adopted by at least a majority of the members of the Board at a meeting duly called and held on November 9, 2021. Capitalized terms used herein without definition have the meaning set forth in Article 2 hereof.

ARTICLE 1
REASONS FOR THE CONVERSION

The principal purpose of the Conversion is to convert ACIC from a mutual insurance company into a stock insurance company in order to enhance its capital position and its strategic and financial flexibility and to provide the Eligible Members with the right to acquire an equity interest in HoldCo. The Board believes that the Conversion is in the best interest of ACIC because the additional capital resulting from the Conversion should: (i) sustain and enhance ACIC’s ability to write specialty transportation insurance currently written by ACIC; (ii) support organic growth and diversification initiatives; and (iii) enable HoldCo to attract institutional investors and engage in strategic transactions advantageous to HoldCo and its subsidiaries. The Board further believes that the transaction is fair and equitable, is consistent with the purpose and intent of the Demutualization Act and will not prejudice the interests of the Members.

In its present structure as a mutual insurance company, ACIC can increase its statutory capital only through earnings generated by the businesses of ACIC and its subsidiaries, or by the issuance of surplus notes by ACIC. Reliance on earnings to provide a long-term source of permanent capital, however, limits ACIC’s ability to develop new business, issue new insurance

products, and provide greater stability and protection for its policyholders. Surplus notes do not provide permanent capital and must be repaid out of the company's earnings.

ARTICLE 2 DEFINITIONS

2.01 Certain Terms. As used in this Plan of Conversion, the following terms have the meanings set forth below:

“ACIC” has the meaning specified in the Preamble.

“ACIC Records” means the books, records and accounts of ACIC.

“ACIC Shares” means the duly authorized shares of common stock of ACIC to be issued to HoldCo on the Plan Effective Date in accordance with this Plan of Conversion.

“Adoption Date” has the meaning specified in the preamble.

“Affiliate” means a Person who, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the Person specified or who is acting in concert with the Person specified.

“Amended and Restated Articles of Incorporation” has the meaning specified in Section 13.01(a).

“Amended and Restated Bylaws” has the meaning specified in Section 14.03(a).

“Application” has the meaning specified in Section 4.01.

“Appraised Value” means the estimated pro forma market value of ACIC, as determined by Boenning.

“Board” has the meaning specified in the preamble.

“Boenning” means Boenning and Scattergood, Inc., a registered broker dealer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commissioner” means the Commissioner of the Department.

“Common Stock” means the common stock of HoldCo, par value \$0.01 per share.

“Conversion” has the meaning specified in the preamble.

“D.C Code” means the District of Columbia Official Code.

“Decision and Order” means the final and effective decision and order issued by the Commissioner and evidencing the Commissioner’s approval of the Application and of this Plan of Conversion.

“Department” means the District of Columbia Department of Insurance, Securities, and Banking.

“Effective Date Filing” has the meaning specified in Section 14.03.

“Effective Time” means 12:01 a.m., Eastern Time, on the Plan Effective Date. This is the time that this Plan of Conversion is deemed to be effective.

“Eligible Member” means a Member on the Adoption Date; provided that a person insured under a group policy is not an Eligible Member unless all of the conditions in D.C. Code §31-901(3)(A) are satisfied.

“Eligible Policy” means any Policy that is In Force on the Adoption Date.

“Employee” means any natural person who is a full or part-time employee of ACIC.

“ESOP” means the Employee Stock Ownership Plan to be established by HoldCo prior to the commencement of the Offering.

“Gross Proceeds” means the product of (x) the Purchase Price and (y) the number of shares for which subscriptions and orders are received in the Offering and accepted by HoldCo.

“HoldCo” means Forge Group, Inc., a Pennsylvania corporation that will become the sole stockholder of ACIC, and which will issue shares of Common Stock in the Offering.

“In Force” has the meaning specified in Section 15.03(a).

“Insider” means any Officer or Trustee of ACIC.

“Maximum of the Valuation of Range” has the meaning specified in Section 5.01.

“Member” means a person who, according to the ACIC Records and pursuant to its bylaws and in accordance with Article 15 hereof, is deemed to be a holder of a Membership Interest in ACIC.

“Membership Interests” means, with respect to ACIC, the interests of Members arising under the law of the District of Columbia and the articles of incorporation and bylaws of ACIC prior to the Conversion, including the right to vote and the right to participate in any distribution of surplus in the event that ACIC is liquidated.

“Minimum of the Valuation of Range” has the meaning specified in Section 5.01.

“MRP” means any executive stock incentive plan that may be established by HoldCo and under which stock options, shares of restricted stock, or restricted stock units may be granted to directors and employees of HoldCo or any of its subsidiaries.

“Notice of Special Meeting” has the meaning specified in Section 13.02(a).

“Offering” means the offering of shares of Common Stock pursuant to this Plan in the Subscription Offering and any Public Offering.

“Offering Circular” means the one or more documents to be used in offering the Common Stock in the Offering and for providing information to Persons in connection with the Offering.

“Offering Statement” means the offering statement filed or to be filed with the SEC by HoldCo under Regulation A of the SEC with respect to the offer and sale of shares of HoldCo common stock in the Offering.

“Officer” means the people elected to serve as an officer by the Board.

“Order Form” means the form provided on behalf of HoldCo by which Common Stock may be ordered in the Offering.

“Owner” means, with respect to any Policy, the Person or Persons specified or determined pursuant to the provisions of Section 15.02.

“Participant” means a Person to whom Common Stock is offered in the Subscription Offering.

“Person” means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, trust, government or governmental agency, state or political subdivision of a state, public or private corporation, board, association, estate, trustee, or fiduciary, or any similar entity.

“Plan Effective Date” has the meaning specified in Section 14.04(a).

“Plan of Conversion” means this Amended and Restated Plan of Conversion, as it may be amended from time to time in accordance with Section 18.06 or corrected in accordance with Section 18.07. Any reference to the term “Plan of Conversion” shall be deemed to incorporate by reference all of the Exhibits thereto.

“Policy” or “Policies” has the meaning specified in Section 15.01(a).

“Public Offering” means a public offering through an underwriter of the shares not subscribed to in the Subscription Offering, as contemplated by Section 31-906(h) of the D.C. Code.

“Purchase Price” has the meaning specified in Section 5.02.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Special Meeting” has the meaning specified in Section 13.01.

“Significant Purchaser” has the meaning specified in Section 8.05.

“Stock Purchase Agreement” has the meaning specified in Section 8.05.

“Subscription Offering” means the offering of the Common Stock that is described in Section 7.01 hereof.

“Subscription Rights” means nontransferable rights to subscribe for Common Stock in the Subscription Offering granted to Participants as described in Section 7.01 hereof.

“Trustee” means the members of the Board of Trustees of ACIC.

“Valuation Range” means the range of the estimated pro forma market value of ACIC as converted to a stock insurance holding company as determined by Boenning in accordance with Section 5.01 hereof.

2.02 Terms Generally. As used in this Plan of Conversion, except to the extent that the context otherwise requires:

(a) when a reference is made in this Plan of Conversion to an Article, Section or Exhibit, such reference is to an Article or Section of, or an Exhibit to, this Plan of Conversion unless otherwise indicated;

(b) the words “hereby”, “herein”, “hereof”, “hereunder” and words of similar import refer to this Plan of Conversion as a whole (including any Exhibits hereto) and not merely to the specific section, paragraph or clause in which such word appears;

(c) whenever the words “include,” “includes,” or “including” (or similar terms) are used in this Plan of Conversion, they are deemed to be followed by the words “without limitation”;

(d) the definitions contained in this Plan of Conversion are applicable to the singular as well as the plural forms of such terms; and

(e) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

ARTICLE 3

ADOPTION BY THE BOARD OF TRUSTEES

3.01 Adoption by the Board. This Plan of Conversion has been approved and adopted by at least a majority of the members of the Board at a meeting duly called and held on November

9, 2021. This Plan of Conversion provides for the conversion of ACIC into a stock insurance holding company in accordance with the requirements of D.C. Code § 31-901 et seq.

ARTICLE 4

APPROVAL BY THE COMMISSIONER

4.01 Application for Approval. Following the adoption of this Plan of Conversion by the Board, ACIC shall file an amendment to the application (the “Application”) with the Commissioner for approval of this Plan of Conversion in accordance with Section 31-903 of the D.C. Code. The Application shall include true and complete copies of the following documents:

- (a) this Plan of Conversion, including the independent appraisal of market value of ACIC provided by Boenning in accordance with Section 5.01 and required by Section 31-906(i) of the D.C. Code;
- (b) the form of notice of the Special Meeting, required by Section 31-904(b) of the D.C. Code;
- (c) the form of information statement and proxy to be solicited from Eligible Members, required by Section 31-904(b) of the D.C. Code;
- (d) the form of notice to persons whose Policies are issued after the Adoption Date but before the Plan Effective Date, required by Section 31-910(a) of the D.C. Code;
- (e) the proposed amended and restated articles of incorporation and amended and restated bylaws of ACIC; and
- (f) any other information or documentation as the Commissioner may request.

If the Commissioner requires modifications to this Plan of Conversion, the Board shall submit any amended Plan of Conversion to the Commissioner for her review and approval.

4.02 Commissioner Approval. This Plan of Conversion is subject to the approval of the Commissioner.

ARTICLE 5

TOTAL NUMBER OF SHARES AND PURCHASE PRICE OF COMMON STOCK.

The number of shares of Common Stock required to be offered and sold by HoldCo in the Offering will be determined as follows:

5.01 Independent Appraiser. Boenning has been retained by ACIC to determine the Valuation Range. The Valuation Range will consist of a midpoint valuation, a valuation fifteen percent (15%) above the midpoint valuation (the “Maximum of the Valuation Range”) and a valuation fifteen percent (15%) below the midpoint valuation (the “Minimum of the Valuation Range”). The Valuation Range will be based upon the consolidated financial condition and results of operations of ACIC, the consolidated pro forma book value and earnings per share of ACIC as converted to a stock company, a comparison of ACIC with comparable publicly-held

insurance companies and insurance holding companies, and such other factors as Boenning may deem to be relevant, including that value that Boenning estimates to be necessary to attract a full subscription for the Common Stock. Boenning will submit to ACIC the Valuation Range and a related report that describes the data and methodology used to determine the Valuation Range.

5.02 Purchase Price. The Purchase Price for Common Stock in the Offering (the “Purchase Price”) will be \$10.00 per share and will be uniform as to all purchasers in the Offering.

5.03 Number of Shares of Common Stock to be Offered. The maximum number of shares of Common Stock to be offered in the Offering shall be equal to the Maximum of the Valuation Range divided by the Purchase Price, plus (ii) the number of shares required to enable the ESOP to purchase nine and nine-tenths percent (9.9%) of the total number of shares of Common Stock issued in the Offering.

5.04 Number of Shares of Common Stock to be Sold. Boenning will submit to ACIC the Appraised Value as of the quarter ended June 30, 2021. If the Gross Proceeds of the Offering do not equal or exceed the Minimum of the Valuation Range, then ACIC may cancel the Offering and terminate this Plan, establish a new Valuation Range and extend, reopen or hold a new Offering, or take such other action as it deems to be reasonably necessary.

5.05 Results of Offering.

(a) If the Gross Proceeds of the Offering equal or exceed the Minimum of the Valuation Range, the following steps will be taken:

(1) *Subscription Offering Exceeds Maximum*. If the number of shares to which Participants subscribe in the Subscription Offering multiplied by the Purchase Price is greater than the Maximum of the Valuation Range, then HoldCo on the Effective Date shall issue shares of Common Stock to the subscribing Participants; which shares shall be allocated among the subscribing Participants as provided in Section 7.01; *provided, however*, that the number of shares of Common Stock issued shall not exceed the number of shares of Common Stock offered in the Offering as provided in Section 5.03; and *provided further*, that no fractional shares of Common Stock shall be issued.

(2) *Subscription Offering Meets or Exceeds Minimum, but does not Exceed Maximum*. If the number of shares of Common Stock subscribed for by Participants in the Subscription Offering multiplied by the Purchase Price is equal to or greater than the Minimum of the Valuation Range, but less than or equal to the Maximum of the Valuation Range, then HoldCo on the Effective Date shall issue shares of Common Stock to the subscribing Participants in an amount sufficient to satisfy the subscriptions of such Participants in full. To the extent that shares of Common Stock remain unsold after the subscriptions of all Participants in the Subscription Offering have been satisfied in full, HoldCo shall have the right in its absolute discretion to accept, in whole or in part, orders received from purchasers in the Public Offering, including without limitation orders from any Significant Purchaser pursuant to a Stock Purchase Agreement; *provided, however*, that the number of shares of Common Stock

issued shall not exceed the Maximum of the Valuation Range; and, *provided further*, that no fractional shares of Common Stock shall be issued.

(3) *Subscription Offering Does Not Meet Minimum.* If the number of shares of Common Stock subscribed for by Participants in the Subscription Offering multiplied by the Purchase Price is less than the Minimum of the Valuation Range, then in such event HoldCo may accept orders received from purchasers in the Public Offering, including without limitation orders from Significant Purchasers. If the aggregate number of shares of Common Stock subscribed for in the Subscription Offering together with the orders for shares accepted in the Public Offering multiplied by the Purchase Price is equal to or greater than the Minimum of the Valuation Range, then on the Effective Date HoldCo shall: (A) issue shares of Common Stock to subscribing Participants in an amount sufficient to satisfy the subscriptions of such Participants in full, and (B) issue to purchasers in the Public Offering whose orders have been accepted such additional number of shares of Common Stock such that the aggregate number of shares of Common Stock to be issued to subscribing Participants and to purchasers in the Public Offering multiplied by the Purchase Price shall be at least equal to the Minimum of the Valuation Range and may be in any amount up to the Maximum of the Valuation Range, in ACIC's discretion. In no event shall fractional shares of Common Stock be issued.

(b) *Offering Does Not Meet Minimum.* If the aggregate number of shares of Common Stock subscribed for in the Subscription Offering together with the orders for shares accepted in the Public Offering multiplied by the Purchase Price is less than the Minimum of the Valuation Range, then in such event HoldCo and ACIC may (w) cancel the Offering and terminate this Plan, (x) establish a new Valuation Range, (y) extend, reopen or hold a new Offering, or (z) take such other action as they deem reasonably necessary. If a new Valuation Range is established and the Offering is extended, reopened or continued as part of a new Offering, Persons who previously submitted subscriptions or orders will be required to confirm, revise or cancel their original subscriptions or orders. If original subscriptions or orders are canceled, any related payment will be refunded (without interest).

If, following a reduction in the Valuation Range, the aggregate number of shares of Common Stock for which subscriptions and orders have been accepted in the Offering multiplied by the Purchase Price is equal to or greater than the Minimum of the Valuation Range (as such Valuation Range has been reduced), then HoldCo on the Effective Date shall: (i) issue shares of Common Stock to Participants in the Subscription Offering in an amount sufficient to satisfy the subscriptions of such subscribers in full, and (ii) issue to purchasers in the Public Offering whose orders have been accepted such additional number of shares of Common Stock such that the aggregate number of shares of Common Stock to be issued multiplied by the Purchase Price shall be at least equal to the Minimum of the Valuation Range (as such Valuation Range has been reduced).

(c) *Allocation of Shares.* In determining the allocation of shares of Common Stock to purchasers in the Offering: (i) only those orders and subscriptions accepted by ACIC and HoldCo shall be counted; (ii) any orders and subscriptions for shares in excess of the limitations on purchases set forth in Article 9 hereof shall be accepted only up to the applicable limitation on purchases set forth in Article 9 hereof; and (iii) any order or subscription for shares

of Common Stock shall only be accepted to the extent of the payment of the Purchase Price for such shares actually received prior to the termination of the Offering.

(d) *Participant Eligibility*. Notwithstanding anything to the contrary set forth in this Plan, ACIC and HoldCo shall have the right in their absolute discretion and without liability to any subscriber, purchaser, underwriter, broker-dealer, or any other Person to determine which proposed Persons and which subscriptions and orders in the Offering meet the criteria provided in this Plan for eligibility to purchase Common Stock and the number of shares eligible for purchase by any Person. The determination of these matters by HoldCo and ACIC shall be final and binding on all parties and all Persons. Except as provided to the contrary in a Stock Purchase Agreement, ACIC and HoldCo shall have absolute and sole discretion to accept or reject, in whole or in part, any offer to purchase that is made or received in the course of the Public Offering, irrespective of a Person's eligibility under this Plan to participate in the Public Offering.

ARTICLE 6

GENERAL PROCEDURE FOR THE OFFERINGS.

6.01 Commencement of Offerings. As soon as practicable after the Offering Statement is declared to be qualified by the SEC under Regulation A under the Securities Act, and after the receipt of all required regulatory approvals, the Common Stock shall be first offered for sale in the Subscription Offering. It is anticipated that any shares of Common Stock remaining unsold after the Subscription Offering will be sold through the Public Offering. The purchase price per share for the Common Stock shall be a uniform price determined in accordance with Section 5.02 hereof.

ARTICLE 7

SUBSCRIPTION OFFERING.

7.01 Allocation of Subscription Rights. Rights to purchase shares of Common Stock at the Purchase Price (the "Subscription Rights") will be distributed by HoldCo to the Participants in the following priorities:

(a) Eligible Members (First Priority). Each Eligible Member shall receive, without payment, nontransferable Subscription Rights to purchase up to 25,000 shares of Common Stock in the Subscription Offering; *provided, however*, that the maximum number of shares that may be purchased by Eligible Members in the aggregate shall be equal to the Maximum of the Valuation Range divided by the Purchase Price.

In the event of an oversubscription for shares of Common Stock pursuant to this Section 7.01(a), available shares shall be allocated among subscribing Eligible Members so as to permit each such Eligible Member, to the extent possible, to purchase a number of shares that will make his or her total allocation equal to the lesser of (i) the number of shares that he or she subscribed for or (ii) 1,000 shares. Any shares of Common Stock remaining after such initial allocation will be allocated among the subscribing Eligible Members whose subscriptions remain unsatisfied in the proportion in which (i) the aggregate number of shares as to which each such Eligible Member's subscription remains unsatisfied bears to (ii) the aggregate number of shares

as to which all such Eligible Members' subscriptions remain unsatisfied; *provided, however*, that no fractional shares of Common Stock shall be issued. If, because of the magnitude of the oversubscription, shares of Common Stock cannot be allocated among subscribing Eligible Members so as to permit each such Eligible Member to purchase the lesser of 1,000 shares or the number of shares subscribed for, then shares of Common Stock will be allocated among the subscribing Eligible Members in the proportion in which: (i) the aggregate number of shares subscribed for by each such Eligible Member bears to (ii) the aggregate number of shares subscribed for by all Eligible Members; *provided, however*, that no fractional shares of Common Stock shall be issued.

(b) ESOP (Second Priority). The ESOP shall receive, without payment, Subscription Rights to purchase at the Purchase Price a number of shares of Common Stock equal to nine and nine-tenths percent (9.9%) of the total number of shares of Common Stock to be issued in the Offering as set forth in Section 5.03. An oversubscription by Eligible Members shall not reduce the number of shares of Common Stock that may be purchased by the ESOP under this section.

(c) Trustees, Officers, and Employees of ACIC (Third Priority). Each Trustee, Officer, and Employee of ACIC shall receive, without payment, nontransferable Subscription Rights to purchase up to 25,000 shares of Common Stock in the Subscription Offering; *provided, however*, that such Subscription Rights shall be subordinated to the Subscription Rights of the Eligible Members and the ESOP; and *provided, further*, that such Subscription Rights may be exercised only to the extent that there are shares of Common Stock that could have been purchased by Eligible Members, but which remain unsold after satisfying the subscriptions of all Eligible Members. In the event of an oversubscription among the trustees, Officers, and Employees, the number of shares issued to any one Trustee, Officer, or Employee shall be equal to the product of (i) the number of shares available for issuance to all trustees, Officers, and Employees, and (ii) a fraction, expressed as a percentage, the numerator of which is the number of shares to which the subscribing Trustee, Officer, or Employee subscribed and the denominator of which is the total number of shares subscribed by all trustees, Officers, and Employee. The aggregate number of shares purchased by the Trustees, Officers, and Employees, whether purchased in the Subscription Offering in their capacity as Eligible Members, in the Public Offering, or otherwise, shall be limited as provided in Section 9.1 hereof.

A Trustee, Officer, or Employee who subscribes to purchase shares of Common Stock and who also is eligible to purchase shares of Common Stock as an Eligible Member will be deemed to purchase Common Stock first in his or her capacity as an Eligible Member, provided that any such person shall nevertheless only have subscription rights to purchase 25,000 shares of Common Stock in total (with any other purchases being made in the Public Offering).

(d) Limitations on Subscription Rights. Subscription rights granted under this Plan will be nontransferable, nonnegotiable personal rights to subscribe for and purchase shares of Common Stock at the Purchase Price. Subscription Rights under this Plan will be granted without payment, but subject to all the terms, conditions and limitations of this Plan. Any Person purchasing Common Stock hereunder will be deemed to represent and affirm to HoldCo and ACIC that such Person is purchasing for his or her own account and not on behalf of any other Person.

ARTICLE 8
PUBLIC OFFERING.

8.01 Public Offering. If less than the total number of shares of Common Stock offered by HoldCo in connection with the Conversion are sold in the Subscription Offering, it is anticipated that remaining shares of Common Stock shall, if practicable, be sold by HoldCo in the Public Offering.

8.02 Preference in Public Offering. In the Public Offering HoldCo shall accept orders in its discretion, subject, however, to any requirements contained in a Stock Purchase Agreement.

8.03 Delivery of Offering Materials. An Offering Circular and an Order Form shall be furnished to all offerees in the Public Offering. Except to the extent provided in a Stock Purchase Agreement, each order for Common Stock in the Public Offering shall be subject to the absolute right of HoldCo to accept or reject any such order in whole or in part either at the time of receipt of an order or as soon as practicable following completion of the Public Offering. In the event of an oversubscription, subject to the preferences described above, the terms of any Stock Purchase Agreement, and the right of HoldCo to accept or reject, in its sole discretion, any order received in the Public Offering, any available shares will be allocated so as to permit each purchaser whose order is accepted in the Public Offering to purchase, to the extent possible, the lesser of 1,000 shares and the number of shares subscribed for by such person. Thereafter, any shares remaining will be allocated among purchasers whose orders have been accepted but remain unsatisfied on a *pro rata* basis, provided no fractional shares shall be issued.

8.04 Commencement of Public Offering. HoldCo may commence the Public Offering concurrently with, at any time during, or as soon as practicable after the end of, the Subscription Offering, and the Public Offering must be completed within 45 days after the completion of the Subscription Offering, unless extended by HoldCo. The provisions of Section 9.01 hereof shall not be applicable to the sales to underwriters for purposes of the Public Offering, but shall be applicable to sales by the underwriters to persons other than any Significant Purchaser. The price to be paid by the underwriters in such an offering shall be equal to the Purchase Price less an underwriting discount to be negotiated among such underwriters and HoldCo, subject to any required regulatory approval or consent.

8.05 Significant Purchasers. Subject to Board approval, ACIC may enter into agreements with one or more Persons who will agree to purchase five percent (5%) or more of the total shares of Common Stock sold in the Offering (any such person, a “Significant Purchaser,” and any such agreement, a “Stock Purchase Agreement”). Any Significant Purchaser may be granted priority over other Persons who submit Order Forms in the Public Offering. All references in this Plan to sales of Common Stock in the Public Offering shall be deemed to include sales made to any Significant Purchaser pursuant to a Stock Purchase Agreement.

ARTICLE 9
LIMITATIONS ON SUBSCRIPTIONS AND PURCHASES OF COMMON STOCK.

9.01 Maximum Number of Shares That May be Purchased. The following additional limitations and exceptions shall apply to all purchases of Common Stock in the Offering:

(a) To the extent that shares are available, no Person may purchase fewer than the lesser of (i) 50 shares of Common Stock or (ii) shares of Common Stock having an aggregate purchase price of \$500.00 in the Offering.

(b) In addition to the other restrictions and limitations set forth herein, except for (i) purchases by any Significant Purchaser, and (ii) the purchase by the ESOP, the maximum amount of Common Stock which any Person together with any Affiliate may, directly or indirectly, subscribe for or purchase in the Offering (including without limitation the Subscription Offering and/or Public Offering), shall not exceed five percent (5%) of the total shares of Common Stock sold in the Offering, provided that any purchase of greater than five percent (5%) of the total shares of Common Stock sold in the Offering must be approved by the Commissioner as otherwise provided under the D.C. Code. The limit set forth in this section applies irrespective of the different capacities in which such person may have received Subscription Rights or other rights or options to place orders for shares of Common Stock under this Plan.

(c) For purposes of the foregoing limitations and the determination of Subscription Rights, (i) Trustees, Officers, and Employees shall not be deemed to be Affiliates or a group acting in concert solely as a result of their capacities as such, and (ii) shares of Common Stock purchased by any plan participant in any tax-qualified retirement account using personal funds or funds held in any tax-qualified retirement account pursuant to the exercise of Subscription Rights granted to such plan participant in his individual capacity as an Eligible Member or as a Trustee or Officer and/or purchases by such plan participant in the Public Offering in such plan participant's capacity as an employee, Trustee, Officer, or Employee shall not be deemed to be purchases by the tax-qualified retirement account for purposes of calculating the maximum amount of Common Stock that the tax-qualified retirement account may purchase, but shall count towards the individual limitations on purchases set forth in this Plan.

(d) Each Person who purchases Common Stock in the Offering shall be deemed to confirm that such purchase does not conflict with the purchase limitations under this Plan or otherwise imposed by law. ACIC shall have the right to take any action as it may, in its sole discretion, deem necessary, appropriate or advisable in order to monitor and enforce the terms, conditions, limitations and restrictions contained in this Section and elsewhere in this Plan and the terms, conditions and representations contained in the Order Form, including, but not limited to, the absolute right of ACIC and HoldCo to reject, limit or revoke acceptance of any order and to delay, terminate or refuse to consummate any sale of Common Stock that they believe might violate, or is designed to, or is any part of a plan to, evade or circumvent such terms, conditions, limitations, restrictions and representations. Any such action shall be final, conclusive and binding on all Persons, and HoldCo and ACIC shall be free from any liability to any Person on account of any such action.

ARTICLE 10
TIMING OF THE OFFERINGS, MANNER OF
PURCHASING COMMON STOCK AND ORDER FORMS.

10.01 Commencement of the Offering. The exact timing of the commencement of the Offering shall be determined by HoldCo in consultation with any financial advisory or investment banking firm retained by it in connection with the Offering. HoldCo may consider a number of factors in determining the exact timing of the commencement of the Offering, including, but not limited to, its pro forma current and projected future earnings, local and national economic conditions and the prevailing market for stocks in general and stocks of insurance companies in particular. HoldCo shall have the right to withdraw, terminate, suspend, delay, revoke or modify the Offering at any time and from time to time, as it in its sole discretion may determine, without liability to any Person, subject to any necessary regulatory approval or concurrence.

10.02 Right to Reject Orders. Subject to the terms of any Stock Purchase Agreement, ACIC and HoldCo shall have the absolute right, in their sole discretion and without liability to any Person, to reject any Order Form as to which there appears to be an irregularity, including, but not limited to, any Order Form that is (i) improperly completed or executed, (ii) not timely received, (iii) not accompanied by the proper payment, or (iv) submitted by a Person whose representations ACIC or HoldCo believes to be false or who it otherwise believes, either alone, or acting in concert with others, is violating, evading or circumventing, or intends to violate, evade or circumvent, the terms and conditions of this Plan. HoldCo and ACIC may, but will not be required to, waive any irregularity on any Order Form or may require the submission of corrected Order Forms or the remittance of full payment for shares of Common Stock by such date as ACIC and HoldCo may specify. The interpretation of ACIC and HoldCo of the terms and conditions of the Order Forms shall be final and conclusive. Once HoldCo receives an Order Form, the order shall be deemed placed and will be irrevocable; *provided, however*, that no Order Form shall be accepted until the Offering Circular has been filed with the SEC and mailed or otherwise made available to the Persons entitled to Subscription Rights in the Offering, and any Order Form received prior to that time shall be rejected and no sale of Common Stock shall be made in respect thereof.

10.03 Policyholders Outside the United States. HoldCo shall make reasonable efforts to comply with the securities laws of all jurisdictions in the United States in which Persons entitled to subscribe reside. However, HoldCo has no obligation to offer or sell shares to any Person under the Plan if such Person resides in a foreign country or in a jurisdiction of the United States with respect to which (i) there are few Persons otherwise eligible to subscribe for shares under this Plan who reside in such jurisdiction, (ii) the granting of Subscription Rights or the offer or sale of shares of Common Stock to such Persons would require HoldCo or its trustees, Officers or employees, under the laws of such jurisdiction, to register as a broker or dealer, salesman or selling agent or to register or otherwise qualify the Common Stock for sale in such jurisdiction, or HoldCo would be required to qualify as a foreign corporation or file a consent to service of process in such jurisdiction, or (iii) such registration or qualification in the judgment of HoldCo would be impracticable or unduly burdensome for reasons of cost or otherwise.

ARTICLE 11

PAYMENT FOR COMMON STOCK.

11.01 Purchase Price for Shares. Payment for shares of Common Stock ordered by Persons in the Offering shall be equal to the Purchase Price per share multiplied by the number

of shares that are being ordered. Payment for shares subscribed for or ordered in the Subscription Offering or the Public Offering shall be made by bank draft, check, or money order at the time the Order Form is delivered to HoldCo, or in HoldCo's sole and absolute discretion by delivery of a wire transfer of immediately available funds. Payment for all shares of Common Stock subscribed for must be received in full and collected by HoldCo or by any subscription agent engaged by HoldCo. All subscription payments will be deposited by HoldCo in an escrow account at a bank designated by HoldCo and ACIC and any wire transfers will be delivered directly to such escrow account.

11.02 Payment for Shares by ESOP. Consistent with applicable laws and regulations, payment for shares of Common Stock ordered by the ESOP may be made with funds contributed or loaned by HoldCo or ACIC and/or funds obtained pursuant to a loan from an unrelated financial institution pursuant to a loan commitment which is in force from the time that any such plan submits an Order Form until the closing of the transactions contemplated hereby.

11.03 Shares Nonassessable. Each share of Common Stock issued in the Offering shall be fully-paid and nonassessable upon payment in full of the Purchase Price.

ARTICLE 12

CONDITIONS OF THE OFFERING

12.01 Closing Conditions. Consummation of the Offering is subject to (i) the receipt of all required federal and state approvals for the issuance of Common Stock in the Offering, (ii) approval of the Plan by the members of ACIC as provided in Section 31-904(c) of the D.C. Code, and (iii) the sale in the Offering of such minimum number of shares of Common Stock within the Valuation Range as may be determined by the Board.

ARTICLE 13

APPROVAL BY ELIGIBLE MEMBERS

13.01 Special Meeting.

(a) After the approval of the Application by the Commissioner, ACIC shall hold a special meeting of Eligible Members to vote on this Plan of Conversion (the "Special Meeting"). At the Special Meeting, each Eligible Member shall be entitled to vote on a single proposal (the "Proposal") to (i) adopt and approve this Plan of Conversion and the other transactions contemplated by this Plan of Conversion, and (ii) amend and restate the articles of incorporation of ACIC to read in the form attached as Exhibit A (the "Amended and Restated Articles of Incorporation"). The number of votes that each Eligible Member is entitled to cast at the Special Meeting shall be governed by the Bylaws of ACIC. In order to establish a quorum at the Special Meeting, at least a majority of the Eligible Members must be present, either in person or by proxy. Eligible Members will be permitted to vote at the Special Meeting with respect to each Proposal by written proxy or by telephone or internet voting pursuant to the Bylaws of ACIC and such rules and conditions consistent with such Bylaws as are established by the Board.

(b) Adoption of this Plan of Conversion and the Amended and Restated Articles of Incorporation, pursuant to Section 31-904(c) of the D.C. Code, is subject to the approval of at

least a majority of the votes cast by Eligible Members who are present in person or by proxy at the Special Meeting.

13.02 Notice of the Special Meeting.

(a) ACIC shall mail notice of the Special Meeting in a form satisfactory to the Department (the “Notice of Special Meeting”). The Notice of Special Meeting shall be mailed within forty-five (45) days following the Commissioner’s approval of this Plan of Conversion. Such notice shall inform each Eligible Member of such Eligible Member’s right to vote upon the Proposal and the place, the day, and the hour of the Special Meeting. Such notice and other materials set forth in Section 13.02(b) shall be mailed by first class or priority mail or an equivalent of first class or priority mail, to the last-known address of each Eligible Member as it appears on the ACIC Records, at least thirty (30) days prior to the date of the Special Meeting, and shall be in a form satisfactory to the Commissioner.

Beginning on the date that the first Notice of Special Meeting is mailed pursuant to Section 13.02(a) and continuing until the Plan Effective Date, ACIC shall also make available at its statutory home office located at 8401 Connecticut Avenue #105, Chevy Chase, Maryland 20815, during regular business hours, copies of the Notice of Special Meeting, this Plan of Conversion and its Exhibits, each in its entirety, for inspection by Eligible Members.

(b) The Notice of the Special Meeting shall be accompanied by information relevant to the Special Meeting, including a copy or summary of this Plan of Conversion, a form of proxy allowing the Eligible Members to vote for or against the Plan of Conversion, a policyholder information statement regarding this Plan of Conversion, and such other explanatory information that the Commissioner approves or requires, all of which shall be in a form satisfactory to the Commissioner. With the prior approval of the Commissioner, ACIC may also send supplemental information relating to this Plan of Conversion to Eligible Members either before or after the date of the Special Meeting.

ARTICLE 14 **THE CONVERSION**

14.01 Effect on ACIC. On the Plan Effective Date, ACIC shall be converted from a mutual insurance company into a stock insurance company in accordance with Section 31-911 of the D.C. Code and the closing of the Offering shall occur in accordance with this Plan of Conversion. Under the terms of this Plan of Conversion, HoldCo will acquire all of the ACIC Shares. HoldCo thereupon will become the sole shareholder of ACIC and will have all the rights, privileges, immunities and powers and will be subject to all of the duties and liabilities to the extent provided by law of a shareholder of a corporation organized under the laws of the District of Columbia.

14.02 Effect on Existing Policies. Any Policy In Force on the Plan Effective Date will remain In Force under the terms of such Policy, except that the following rights, to the extent they existed in ACIC, shall be extinguished on the Plan Effective Date:

(a) any voting rights of the policyholder provided under or as a result of the Policy;

(b) any right to share in the surplus of ACIC.

14.03 Filing of Plan of Conversion and Amended and Restated Articles. As soon as practicable following (i) the receipt of the Decision and Order, (ii) the Commissioner's determination that all conditions to such approval contained in the Decision and Order have been satisfied, except for those conditions required by the Decision and Order to be satisfied after the Plan Effective Date and with respect to which the Commissioner has received commitments, acceptable to the Commissioner, from ACIC and/or HoldCo to satisfy after the Plan Effective Date, (iii) the adoption of this Plan of Conversion and the Amended and Restated Articles of Incorporation by the Eligible Members as provided in this Plan of Conversion, and (iv) the satisfaction or waiver of all of the conditions contained in this Plan of Conversion, ACIC shall file with the Commissioner (A) the minutes of the Special Meeting, and (B) the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws of ACIC (the filing described in clauses (A) and (B), the "Effective Date Filing").

14.04 Effectiveness of Plan of Conversion.

(a) The "Plan Effective Date" of the Plan of Conversion shall be the date and time as of which all of the following steps have been completed: (i) the Plan of Conversion has been approved by the Commissioner, (ii) the Eligible Members have approved the Plan of Conversion by the requisite vote, (iii) the Amended and Restated Articles of Incorporation have been duly adopted, (iv) the Effective Date Filing shall have been made by ACIC, and (v) the Articles of Incorporation of HoldCo have been filed with the Pennsylvania Secretary of State. Subsequent to the Plan Effective Date, the bylaws of ACIC shall be substantially in the form attached hereto as Exhibit B (the "Amended and Restated Bylaws"). This Plan of Conversion shall be deemed to have become effective at the Effective Time.

(b) At the Effective Time:

(1) ACIC shall by operation of Section 31-911 of the D.C. Code become a stock insurance company;

(2) the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws shall without further action become effective; and

(3) all of the Membership Interests shall be extinguished.

(c) On the Plan Effective Date:

(1) ACIC shall issue all of the authorized ACIC Shares to HoldCo, representing all of the issued and outstanding common stock of ACIC; and

(2) HoldCo shall issue shares of Common Stock to Persons whose subscriptions and orders were accepted in the Offering.

14.05 Tax Considerations. This Plan of Conversion shall not become effective and the Conversion shall not occur unless, on or prior to the Plan Effective Date, ACIC shall have received a favorable opinion of Stevens & Lee, P.C., special counsel to ACIC, or other

nationally-recognized independent tax counsel to ACIC, dated as of the Plan Effective Date, addressed to the Board and in form and substance satisfactory to ACIC, which, notwithstanding any qualifications expressed therein, is substantially to the effect that ACIC will not recognize any gain or loss for U.S. federal income tax purposes as a result of the Conversion.

14.06 Producer. This Plan of Conversion shall not become effective and the Conversion shall not occur unless, on or prior to the Plan Effective Date, HoldCo shall have acquired or shall simultaneously acquire all of the outstanding voting stock of American Risk Management, Inc., a District of Columbia corporation and the controlling producer of ACIC (“ARM”), such that ARM shall on the Plan Effective Date be a wholly-owned subsidiary of HoldCo.

ARTICLE 15

POLICIES

15.01 Policies.

(a) For the purposes of this Plan of Conversion, the term “Policy” means each insurance policy that has been issued or will be issued or assumed through assumption reinsurance, if any, by ACIC.

(b) The following policies and contracts shall be deemed not to be Policies for purposes of this Plan of Conversion:

(1) any reinsurance assumed by ACIC as a reinsurer on an indemnity basis (but assumption certificates may constitute Policies if they otherwise fall within the definition of Policies as provided in Section 15.01(a));

(2) all administrative services agreements; and

(3) any policy or contract issued by ACIC and ceded to another insurance company through assumption reinsurance.

15.02 Determination of Ownership. Unless otherwise stated herein, the Owner of any Policy as of any date shall be determined on the basis of the ACIC Records as of such date in accordance with the following provisions:

(a) the Owner shall be the owner of the Policy as shown on the ACIC Records;

(b) an additional insured under a Policy shall not be an Owner of the Policy and shall not be a Member;

(c) except as otherwise set forth in this Section 15.02, the identity of the Owner of a Policy shall be determined without giving effect to any interest of any other Person in such Policy;

(d) in any situation not expressly covered by the foregoing provisions of this Section 15.02, the owner of the Policy, as reflected on the ACIC Records, and as determined in good faith by ACIC, shall conclusively be presumed to be the Owner of such Policy for purposes

of this Section 15.02, and except for administrative errors, ACIC shall not be required to examine or consider any other facts or circumstances;

(e) the mailing address of an Owner as of any date for purposes of this Plan of Conversion shall be the Owner's last known address as shown on the ACIC Records as of such date;

(f) in no event may there be more than one Owner of a Policy, although more than one Person may constitute a single Owner. If a Person owns a Policy with one or more other Persons, they will constitute a single Owner with respect to the Policy; and

(g) any dispute as to the identity of the Owner of a Policy or the right to vote shall be resolved in accordance with the foregoing and such other procedures as ACIC may determine. Any determinations made by ACIC shall be conclusive as between ACIC and any Owner of a Policy or any other Person with an interest therein but shall not preclude any actions among such Persons.

15.03 In Force.

(a) A Policy shall be deemed to be in force ("In Force") as of any date if, as shown in the ACIC Records:

(1) the Policy has been issued or coverage has been bound by ACIC or assumed by ACIC through assumption reinsurance as of such date; and

(2) such Policy has not expired, cancelled, non-renewed or otherwise terminated, provided that a Policy shall be deemed to be In Force after lapse for nonpayment of premiums until expiration of any applicable grace period (or similar period however designated in such Policy) during which the Policy is in full force for its basic benefits.

(b) The date of expiration, cancellation or termination of a Policy shall be as shown on the ACIC Records.

(c) A Policy shall not be deemed to be In Force as of a given date if the Policy is returned to ACIC and all premiums are refunded within thirty (30) days of such date.

(d) Any dispute as to whether a Policy is In Force shall be resolved in accordance with the foregoing.

ARTICLE 16 **SUBSEQUENT POLICYHOLDERS**

16.01 Notice to Subsequent Policyholders. Upon the issuance of a Policy that becomes effective after the Adoption Date and before the Plan Effective Date (excluding renewals of Policies In Force on the Adoption Date), ACIC shall send to the Owner of such Policy (a "Subsequent Policyholder") a written notice regarding this Plan of Conversion in accordance with Section 31-910 of the D.C. Code. Such notice shall specify such Subsequent Policyholder's right to rescind such Policy as provided in Section 16.02 within thirty (30) days after the Plan

Effective Date and shall be accompanied by a copy or summary of this Plan of Conversion. The form of such notice shall be filed with and approved by the Commissioner.

16.02 Option to Rescind. Each Subsequent Policyholder shall be entitled to rescind his Policy and receive a full refund of any amounts paid for the Policy within fifteen (15) days after the receipt by ACIC of the notice of rescission by such Subsequent Policyholder. No Subsequent Policyholder, the estate of such Subsequent Policyholder, or any beneficiary under such policy that has made or filed a claim under a Policy will be entitled to rescission or refund of any premiums paid for such policy. If a Subsequent Policyholder rescinds its Policy pursuant to the right described in this Section 16.02, such Subsequent Policyholder, the estate of such Subsequent Policyholder, or any beneficiary under such policy will have no insurance coverage under such Policy and may not make or file a claim under such Policy.

ARTICLE 17

OFFICERS AND TRUSTEES

17.01 Trustees. Each of the members of ACIC's Board immediately prior to the Effective Time shall remain as a Trustee of ACIC as of the Effective Time, and thereafter, HoldCo, as the sole shareholder of ACIC, shall have the right to elect the Trustees of ACIC.

17.02 Officers. The Officers of ACIC immediately prior to the Effective Time shall serve as Officers of ACIC after the Effective Time until new Officers are duly elected pursuant to the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws.

ARTICLE 18

ADDITIONAL PROVISIONS

18.01 Continuation of Corporate Existence. Upon the conversion of ACIC to a stock insurance company in accordance with the terms of this Plan of Conversion and the provisions of Section 31-911 of the D.C. Code:

(a) the corporate existence of ACIC as a mutual insurance company shall be continued in ACIC's corporate existence as a stock insurance company;

(b) all the rights, franchises and interests of ACIC as a mutual insurance company in and to every type of property, real, personal and mixed, and things in action thereunto belonging, shall be deemed transferred to and vested in ACIC as a stock insurance company without any deed or transfer;

(c) ACIC (as converted to a stock insurance company) shall be deemed to have assumed all the obligations and liabilities of ACIC (as the former mutual insurance company);

(d) Except to the extent any surplus note or other convertible instrument is converted to shares of HoldCo common stock in accordance with its terms, all outstanding surplus notes, guaranty fund interests or other surplus debentures issued by ACIC prior to the Effective Time shall remain in full force and effect following the Conversion.

18.02 Conflict of Interest. No Trustee, Officer, agent or Employee of ACIC, or any of its subsidiaries or affiliates or any other person shall receive any fee, commission or other valuable consideration whatsoever, other than his or her usual regular salary and compensation, for in any manner aiding, promoting or assisting in the transactions contemplated by this Plan of Conversion; *provided*, that ACIC may pay reasonable fees and compensation to attorneys, accountants and actuaries for services performed in the independent practice of their professions, even if such attorney, accountant or actuary is also a Trustee or agent of ACIC or any of its subsidiaries.

18.03 Restrictions on Transfer of Common Stock.

(a) All shares of the Common Stock which are purchased in the Offering by Persons other than Trustees and Officers of ACIC or by a Significant Purchaser shall be transferable without restriction. Shares of Common Stock purchased by trustees and Officers of ACIC in the Offering shall be subject to the restriction that such shares shall not be sold for a period of one year following the date of purchase. Shares of Common Stock purchased by a Significant Purchaser shall be subject such restrictions as are set forth in the applicable Stock Purchase Agreement. The shares of Common Stock issued by HoldCo to Officers and trustees of ACIC shall bear the following legend giving appropriate notice of such one year restriction:

The shares represented by this Certificate may not be sold by the registered holder hereof for a period of one year from the date of the issuance printed hereon. This restrictive legend shall be deemed null and void after one year from the date of this Certificate.

In addition, HoldCo shall give appropriate instructions to the transfer agent for its Common Stock with respect to the applicable restrictions relating to the transfer of restricted stock. Any shares issued at a later date as a stock dividend, stock split or otherwise with respect to any such restricted stock shall be subject to the same holding period restrictions as may then be applicable to such restricted stock.

(b) The foregoing restriction on transfer shall be in addition to any restrictions on transfer that may be imposed by federal and state securities laws.

18.04 No Preemptive Rights. No Member or other Person shall have any preemptive right to acquire ACIC shares in connection with this Plan of Conversion.

18.05 Amendment or Withdrawal of Plan of Conversion.

(a) At any time prior to the Plan Effective Date, ACIC may, by resolution of not less than a majority of the Board, amend or withdraw this Plan of Conversion (including the Exhibits hereto). Any amendment shall require the written consent of the Commissioner. No amendment may change the Plan of Conversion after its approval by the Eligible Members in a manner that the Commissioner determines is material unless the Plan of Conversion, as amended, is submitted for reconsideration by the Eligible Members of ACIC pursuant to the provisions of Sections 13.01 and 13.02. No amendment may change the Adoption Date of the Plan of Conversion.

(b) After the Plan Effective Date, the Amended and Restated Articles of Incorporation adopted pursuant to this Plan of Conversion may be amended pursuant to the provisions of such articles of incorporation, the D.C. Code and the statutory provisions generally applicable to the amendment of the articles of incorporation of insurance companies, or such other statutory provisions as may be applicable at the time of the amendment.

18.06 Corrections. Prior to the Plan Effective Date, ACIC, with the prior consent of the Commissioner, may make such modifications as are appropriate to correct errors, cure ambiguities, clarify existing items or make additions to correct manifest omissions in this Plan of Conversion or any exhibits hereto.

18.07 Notices. If ACIC complies substantially and in good faith with the notice requirements of the Demutualization Act with respect to the giving of any required notice to Members, the failure of ACIC to give any Member any required notice does not impair the validity of any action taken under the Demutualization Act.

18.08 Limitation of Actions. Any action or proceeding challenging the validity of or arising out of acts taken or proposed to be taken pursuant to the Demutualization Act shall be commenced within 30 days after the Plan Effective Date. No Person shall have any rights or claims against ACIC or its Board based upon the withdrawal or termination of this Plan of Conversion.

18.09 Costs and Expenses. All the costs and expenses related to the Plan of Conversion, including the costs of outside advisors and consultants of the regulatory agencies, shall be borne, directly or indirectly, by ACIC or HoldCo.

18.10 Headings. Article and Section headings contained in this Plan of Conversion are for convenience only and shall not be considered in construing or interpreting any of the provisions hereof.

18.11 Governing Law. The Plan of Conversion shall be governed by and construed in accordance with the laws of the District of Columbia, without regard to such State's principles of conflicts of law.

18.12 Limitation on Acquisition of Shares of Common Stock. In accordance with Section 31-906(1) of the D.C. Code, no person or group of persons acting in concert may acquire more than 5% of the outstanding shares of Common Stock, through a public offering or subscription rights, for a period of five (5) years after the Effective Time without the prior approval of the Commissioner.

18.13 Payment of Special Dividend to Policyholders. On the Plan Effective Date, ACIC shall pay to each Eligible Member, a special cash dividend equal to the quotient of (x) \$7,300,000 divided by (y) the number of Eligible Members.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, ACIC by authority of its Board, has caused this Amended and Restated Plan of Conversion to be duly executed as of the day and year first above written.

Amalgamated Casualty Insurance Company

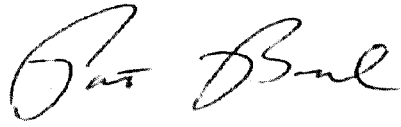
By: 
Name: Patrick Bracewell
Title: Chairman and Chief Executive Officer

Exhibit II
Organization Chart

Following the completion of these actions, our corporate structure will be as shown in the following chart:

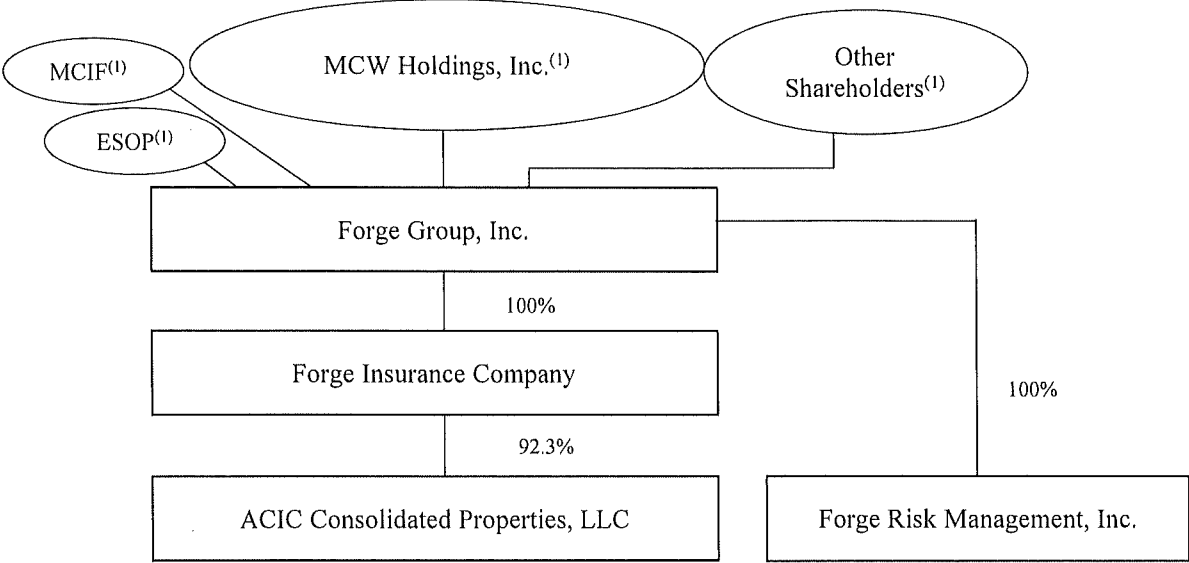


Exhibit VII

Articles of Incorporation and Bylaws for Forge Group, Inc.

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
FORGE GROUP, INC.**

A Business-Stock Domestic Corporation

The Articles of Incorporation of Forge Group, Inc., a Pennsylvania corporation, are hereby amended and restated to read as follows:

FIRST: The name of the corporation is: Forge Group, Inc. (the "Corporation").

SECOND: The location and address of the Corporation's registered office in this Commonwealth of Pennsylvania and the county of venue is: c/o: Corporation Service Company, 2595 Interstate Drive, Suite 103, Harrisburg, Pennsylvania 17110, Dauphin County.

THIRD: The purpose of the Corporation is to have unlimited power to engage in, and do any lawful act concerning, any or all lawful business for which corporations may be incorporated under the provisions of the Pennsylvania Business Corporation Law of 1988, as amended (15 Pa. C.S. §§ 1101, et seq.) (the "Business Corporation Law"), specifically to act as an insurance holding company.

FOURTH: The term for which the Corporation is to exist is perpetual.

FIFTH: The aggregate number of shares of capital stock that the Corporation shall have authority to issue is ten million (10,000,000) shares, divided into two classes consisting of nine million (9,000,000) shares of common stock, par value \$0.01 per share ("Common Stock") and one million (1,000,000) shares of preferred stock, without par value ("Preferred Stock"). Any or all classes of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner of such shares a written notice required by Section 1528(f) of the Business Corporation Law. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

SIXTH: The Preferred Stock may be issued from time to time as a class without series or, if so determined by the board of directors of the Corporation, either in whole or in part, in one or more series. There is hereby expressly granted to and vested in the board of directors of the Corporation authority to fix and determine (except as fixed and determined herein), by resolution, the par value, voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, including specifically, but not limited to, the dividend rights, conversion rights, redemption rights and liquidation preferences, if any, of any wholly unissued series of Preferred Stock (or the entire class of Preferred Stock if none of such shares have been issued), the number of shares constituting any such series and the terms and conditions of the issue thereof. Prior to the issuance of any shares of Preferred Stock, a statement setting forth a copy of each such resolution or resolutions and the number of shares of Preferred Stock of each such class or series shall be executed and filed in accordance with the Business Corporation Law. Unless otherwise provided in any such resolution or resolutions, the number of shares of capital stock of any such class or series so set forth in such resolution or resolutions may thereafter be increased or decreased (but not below the number of shares then outstanding), by a statement likewise

executed and filed setting forth a statement that a specified increase or decrease therein had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors of the Corporation. In case the number of such shares shall be decreased, the number of shares so specified in the statement shall resume the status they had prior to the adoption of the first resolution or resolutions.

SEVENTH: The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

EIGHTH: No holder of any class of capital stock of the Corporation shall have preemptive rights, and the Corporation shall have the right to issue and to sell to any person or persons any shares of its capital stock or any option, warrant or right to acquire capital stock, or any securities having conversion or option rights, without first offering such shares, rights or securities to any holder of any class of capital stock of the Corporation.

NINTH: Each holder of Common Stock shall have one vote for each share held by such holder on all matters voted upon by the shareholders of the Corporation. The shareholders of the Corporation shall not be entitled to cumulate their votes for the election of directors.

TENTH: The management, control and government of the Corporation shall be vested in a board of directors consisting of not less than three (3) nor more than fifteen (15) members in number, as fixed by the board of directors of the Corporation from time to time. The directors of the Corporation shall be divided into three classes: Class I, Class II and Class III. Each Class shall be as nearly equal in number as possible. If the number of Class I, Class II or Class III directors is fixed for any term of office, it shall not be increased during that term, except by a majority vote of the board of directors. The term of office of the initial Class I directors shall expire at the annual election of directors by the shareholders of the Corporation in 2022; the term of office of the initial Class II directors shall expire at the annual election of directors by the shareholders of the Corporation in 2023; and the term of office of the initial Class III directors shall expire at the annual election of directors by the shareholders of the Corporation in 2024. After the initial term of each Class, the term of office of each Class shall be three (3) years, so that the term of office of one class of directors shall expire each year when their respective successors have been duly elected by the shareholders and qualified. At each annual election by the shareholders of the Corporation, the directors chosen to succeed those whose terms then expire shall be identified as being of the same class as the directors they succeed. If, for any reason, a vacancy occurs on the board of directors of the Corporation, a majority of the remaining directors shall have the exclusive power to fill the vacancy by electing a director to hold office for the unexpired term in respect of which the vacancy occurred. No director of the Corporation shall be removed from office, as a director, by the vote of shareholders, unless the votes of shareholders cast in favor of the resolution for the removal of such director constitute at least a majority of the votes which all shareholders would be entitled to cast at an annual election of directors.

ELEVENTH: No action required to be taken or which may be taken at any annual or special meeting of shareholders of the Corporation may be taken without a meeting, and the power of the shareholders of the Corporation to consent in writing to action without a meeting is specifically denied. The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum of shareholders at any annual or special meeting of shareholders of the Corporation.

TWELFTH: Except as set forth below, the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes which all shareholders of the Corporation are entitled to cast, and

if any class of shares is entitled to vote as a separate class, the affirmative vote of shareholders entitled to cast at least a majority of the votes entitled to be cast by the outstanding shares of such class (or such greater amount as required by the provisions of these Articles of Incorporation establishing such class) shall be required to approve any of the following:

- A. any merger or consolidation of the Corporation with or into any other corporation;
- B. any share exchange in which a corporation, person or entity acquires the issued or outstanding shares of capital stock of the Corporation pursuant to a vote of shareholders;
- C. any sale, lease, exchange or other transfer of all, or substantially all, of the assets of the Corporation to any other corporation, person or entity; or
- D. any transaction similar to, or having similar effect as, any of the foregoing transactions.

An affirmative vote as provided in the foregoing provisions shall be, to the extent permitted by law, in lieu of the vote of the shareholders otherwise required by law.

The board of directors of the Corporation shall have the power and duty to determine, for purposes of this Article TWELFTH, on the basis of information known to the board, if any transaction is similar to, or has an effect similar to, any of the transactions identified above in this Article TWELFTH. Any such determination shall be conclusive and binding for all purposes of this Article TWELFTH.

The Corporation may voluntarily completely liquidate and/or dissolve only in accordance with all applicable laws and only if the proposed liquidation and/or dissolution is approved by the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes which all shareholders are entitled to cast.

The provisions of this Article TWELFTH shall not apply to any transaction that is approved in advance by at least two-thirds of the members of the board of directors of the Corporation, at a meeting duly called and held.

THIRTEENTH:

Subsection 1. Except for Mutual Capital Investment Fund, LP and MCW Holdings, Inc., no Person or Group Acting in Concert shall Acquire Voting Control of the Corporation, at any time, except in accordance with the provisions of this Article THIRTEENTH. The terms "Acquire," "Voting Control," "Group Acting in Concert," and "Person" as used in this Article THIRTEENTH are defined in Subsection 4 hereof.

Subsection 2. If Voting Control of the Corporation is acquired in violation of this Article THIRTEENTH, all shares with respect to which any Person or Group Acting in Concert has acquired Voting Control in excess of the number of shares the beneficial ownership of which is deemed under Subsection 4 hereof to confer Voting Control of the Corporation (as determined without regard to this Subsection 2) shall be considered from and after the date of acquisition by such Person or Group Acting in Concert to be "excess shares" for purposes of this Article THIRTEENTH. All shares deemed to be excess shares shall thereafter no longer be entitled to vote on any matter or to take other shareholder action. If, after giving effect to the first two sentences of this Subsection 2, any Person or Group Acting in Concert still shall be deemed to be in Voting Control of the Corporation based on the number of votes then entitled to be cast (rather than the number of issued and outstanding shares of common stock of the

Corporation), then shares held in excess of the number of shares deemed to confer Voting Control upon such Person or Group Acting in Concert also shall not be entitled to vote on any matter or take any other shareholder action, but this subsequent reduction in voting rights shall be effected only once. The provisions of this Subsection 2 deeming shares to be excess shares shall only apply for so long as such shares shall be beneficially owned by such Person or Group Acting in Concert who has acquired Voting Control. Notwithstanding the foregoing, shares held in excess of the number of shares the beneficial ownership of which would otherwise be deemed under Subsection 4 to confer Voting Control of the Corporation shall not be deemed to be excess shares if such shares are held by a Qualified Stock Plan.

Subsection 3. The provisions of this Article THIRTEENTH shall be of no further force and effect after the consummation of a transaction in which another Person Acquires shares of capital stock of the Corporation entitled to cast eighty percent (80%) or more of the votes which all shareholders are entitled to cast (as determined without regard to the application of this Article THIRTEENTH) and such transaction was approved in advance by two-thirds of the members of the board of directors of the Corporation.

Subsection 4. For purposes of this Article THIRTEENTH:

The term "Acquire" includes every type of acquisition, whether effected by purchase, exchange, operation of law or otherwise.

"Voting Control" means the sole or shared power to vote or to direct the voting of, or to dispose or to direct the disposition of, more than ten percent (10%) of the issued and outstanding shares of common stock of the Corporation; provided that (i) the solicitation, holding and voting of proxies obtained by the board of directors of the Corporation pursuant to a solicitation of proxies shall not constitute Voting Control, (ii) a Qualified Stock Plan that holds more than ten percent (10%) of the voting shares of the Corporation shall not be deemed to have Voting Control of the Corporation, and (iii) any trustee, member of any administrative committee or employee beneficiary of a Qualified Stock Plan shall not be deemed to have Voting Control of the Corporation either (A) as a result of their control of a Qualified Stock Plan, and/or their beneficial interest in voting shares held by a Qualified Stock Plan, or (B) as a result of the aggregation of both their beneficial interest in voting shares held by a Qualified Stock Plan and voting shares held by such trustee, administrative committee member or employee beneficiary independent of a Qualified Stock Plan.

"Group Acting in Concert" includes Persons (i) knowingly participating in a joint activity or interdependent conscious parallel action toward a common goal whether or not pursuant to an express agreement; or (ii) seeking to combine or pool their voting or other interests in the voting shares for a common purpose, pursuant to any contract, understanding, relationship, agreement or other arrangement, whether written or otherwise, provided, that a "Group Acting in Concert" shall not include (w) the members of the board of directors of the Corporation solely as a result of their board membership, (x) the members of the board of directors of the Corporation as a result of their solicitation, holding and voting of proxies obtained by them pursuant to a solicitation of proxies, (y) any member or all the members of the board of directors of the Corporation, or (z) any Qualified Stock Plan and the trustees, administrative committee members and employee beneficiaries thereof.

The term "Person" includes an individual, a Group Acting in Concert, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, an unincorporated organization, or any similar entity, syndicate or any other group formed for the purpose of acquiring, holding or disposing of the equity securities of the Corporation.

The term "Qualified Stock Plan" means any defined benefit plan or defined contribution plan of the Corporation, such as an employee stock ownership plan, stock bonus plan, profit sharing plan or other plan that, with its related trust, meets the requirements to be "qualified" under Section 401 of the Internal Revenue Code of 1986, as amended.

Subsection 5. This Article THIRTEENTH shall not apply to the purchase of securities of the Corporation by underwriters in connection with a public offering of such securities by the Corporation or by a holder of shares of capital stock of the Corporation with written consent of at least two-thirds of the members of the board of directors of the Corporation; provided, however, that purchasers of securities of the Corporation from any underwriter shall be subject to the provisions of this Article THIRTEENTH.

Subsection 6. The board of directors of the Corporation shall have the power and duty to determine, for purposes of this Article THIRTEENTH, on the basis of information known to the Board, if and when a Person has acquired Voting Control of the Corporation, and/or if any transaction is similar to, or has a similar effect as, any of the transactions identified in this Article THIRTEENTH. Any such determination shall be conclusive and binding for all purposes of this Article THIRTEENTH.

FOURTEENTH: Except as required by applicable law, the authority to make, amend, alter, change or repeal the Bylaws of the Corporation is hereby expressly and solely granted to and vested in the board of directors of the Corporation, subject always to the power of the shareholders to change such action by the affirmative vote of shareholders of the Corporation entitled to cast at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the votes which all shareholders are entitled to cast, except that provisions of the Bylaws of the Corporation relating to limitations on directors' liabilities and indemnification of directors, officers and others may not be amended to increase the exposure to liability for directors or to decrease the indemnification of directors, officers and others except by the affirmative vote of at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the entire board of directors or by the affirmative vote of shareholders of the Corporation entitled to cast at least eighty percent (80%) of the votes which all shareholders are entitled to cast.

FIFTEENTH: The board of directors of the Corporation, when evaluating any offer of another party to (a) make a tender or exchange offer for any equity security of the Corporation, (b) merge or consolidate the Corporation with another corporation, (c) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, or (d) engage in any transaction similar to, or having similar effects as, any of the foregoing transactions, may, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its shareholders, give due consideration to all relevant factors, including without limitation (i) the social and economic effects of the proposed transaction on the policyholders, employees, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries operate or are located, (ii) the business reputation of the other party, and (iii) the board of directors' evaluation of the then value of the Corporation in a freely negotiated sale and of the future prospects of the Corporation as an independent entity.

SIXTEENTH: If any corporation, person, entity, or group becomes the beneficial owner, directly or indirectly, of shares of capital stock of the Corporation having the right to cast in the aggregate thirty-five percent (35%) or more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation entitled to vote, such corporation, person, entity or group shall within thirty (30) days thereafter offer to purchase all shares of capital stock of the Corporation issued, outstanding and entitled to vote. Such offer to purchase shall be at a price per share equal to the highest price paid for shares of the respective class or series of capital stock of the Corporation purchased by such corporation, person, entity or group within the preceding twelve (12) months. If such corporation, person, entity or

group did not purchase any shares of a particular class or series of capital stock of the Corporation within the preceding twelve (12) months, such offer to purchase shall be at a price per share equal to the fair market value of such class or series of capital stock on the date on which such corporation, person, entity or group becomes the beneficial owner, directly or indirectly, of shares of capital stock of the Corporation having the right to cast in the aggregate twenty-five percent (25%) or more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation. Such offer shall provide that the purchase price for such shares shall be payable in cash.

The provisions of this Article SIXTEENTH shall not apply to any corporation, person, entity, or group if at least two-thirds of the members of the board of directors of the Corporation approve in advance the acquisition of beneficial ownership by such corporation, person, entity or group, of shares of capital stock of the Corporation having the right to cast in the aggregate thirty-five percent (35%) or more of all votes entitled to be cast by all issued and outstanding shares of capital stock of the Corporation.

SEVENTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in its Articles of Incorporation in the manner now or hereafter prescribed by statute and all rights conferred upon shareholders and directors herein are hereby granted subject to this reservation; provided, however, that the provisions set forth in Articles EIGHTH through SEVENTEENTH, inclusive, of these Articles of Incorporation may not be repealed, altered or amended, in any respect whatsoever, unless such repeal, alteration or amendment is approved by either (a) the affirmative vote of shareholders of the Corporation entitled to cast at least eighty percent (80%) of the votes which all shareholders of the Corporation are then entitled to cast, or (b) the affirmative vote of at least two-thirds of the members of the board of directors of the Corporation and the affirmative vote of shareholders of the Corporation entitled to cast at least a majority of the votes which all shareholders of the Corporation are then entitled to cast.

EIGHTEENTH: The Corporation expressly elects not to be governed by the provisions contained in Subchapters E (Control Transactions), F (Business Combinations), G (Control-Share Acquisitions), H (Disgorgement by Certain Controlling Shareholders Following Attempts to Acquire Control), I (Severance Compensation for Employees Terminated Following Certain Control-Share Acquisitions) and J (Business Combination Transactions – Labor Contracts) of Chapter 25 of the Business Corporation Law.

NINETEENTH: To the fullest extent permitted by Pennsylvania law, a director of the Corporation shall not be personally liable for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements)) for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

TWENTIETH: The Corporation shall indemnify any officer or director of the Corporation against any and all expenses, judgments, fines, amounts paid in settlement, and any other liabilities to the fullest extent permitted by the Business Corporation Law and may, at the discretion of the Board, purchase and maintain insurance, at the Corporation's expense, to protect itself, the directors and officers of the Corporation, and any other persons against any such expense, judgment, fine, amount paid in settlement, or other liability, whether or not the Corporation would have the power to so indemnify such person under the Business Corporation Law.

TWENTY-FIRST: A special meeting of the shareholders of the Corporation may be called only by: (i) the Chief Executive Officer, (ii) the Executive Committee of the Board of Directors, or (iii) two-thirds of the members of the board of directors of the Corporation.

TWENTY-SECOND: The Board of Directors of the Corporation may take any action that could be taken at a meeting of the Board of Directors by written consent, provided that such consent is executed by the number of directors required to approve such action at a meeting of the Board of Directors.

TWENTY-THIRD: The fiscal year of the Corporation shall begin on January 1 and shall end on December 31 of each year.

TWENTY-FOURTH: The name and post office address of the incorporator of the Corporation is: Melissa M. Zeiders, 17 North Second Street, 16th Floor, Harrisburg, PA 17101.

IN WITNESS WHEREOF, Forge Group, Inc. has caused these Amended and Restated Articles of Incorporation to be executed in its name by its duly authorized officer this November ____, 2021.

Melissa M. Zeiders, Incorporator

**BYLAWS
OF
FORGE GROUP, INC.**

**ARTICLE 1
OFFICES**

Section 1.1. Registered Office. The registered office of Forge Group, Inc. (the "Corporation") in the Commonwealth of Pennsylvania shall be as specified in the Amended and Restated Articles of Incorporation of the Corporation, as they may be amended from time to time (the "Articles"), or at such other place as the Board of Directors of the Corporation (the "Board") may specify in a statement of change of registered office filed with the Department of State of the Commonwealth of Pennsylvania.

Section 1.2. Other Offices. The Corporation may also have an office or offices at such other place or places either within or without the Commonwealth of Pennsylvania as the Board may from time to time determine or as the business of the Corporation requires.

ARTICLE 2

MEETINGS OF THE SHAREHOLDERS

Section 2.1. Place. All meetings of the shareholders shall be held at such places, within or without the Commonwealth of Pennsylvania, as the Board may from time to time determine. If, as permitted by the Board pursuant to Section 2.15 hereof, a meeting of the shareholders is held by means of the Internet or other electronic communications technology in a fashion pursuant to which the shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the directors, the meeting need not be held at a particular geographic location.

Section 2.2. Annual Meetings.

(1) A meeting of the shareholders for the election of directors and the transaction of such other business as may properly be brought before the meeting shall be held once each calendar year on such date and at such time as may be fixed by the Board.

(2) Nominations of persons for election to the Board and the proposal of business to be considered by the shareholders at an annual meeting of shareholders may be made (A) pursuant to the Corporation's notice of meeting, (B) by or at the direction of the Board or (C) by any shareholder of the Corporation who was a shareholder of record at the time of giving of notice provided for in this Article 2, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Article 2.

(3) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (C) of paragraph (2) of this Section 2.2, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation (the "Secretary") and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the 60th day nor earlier than the 90th day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder must be so received not earlier than the 90th day prior to the annual meeting and not later than the later of the 60th day prior to the annual meeting or the 15th day following the day on which public announcement of the date of the meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Notwithstanding the foregoing, if the Corporation is required under Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act") to include a shareholder's

proposal in its proxy statement, such shareholder shall be deemed to have given timely notice for purposes of this paragraph (3) of Section 2.2 with respect to such proposal. A shareholder's notice shall set forth (A) as to each person whom the shareholder proposes to nominate for election or reelection as a director: (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest or is otherwise required pursuant to Regulation 14A under the Exchange Act, if applicable, (ii) a description of any arrangements or understandings among the shareholder and each such person and any other person with respect to such nomination, and (iii) the consent of each such person to being named in the proxy statement as a nominee and to serving as a director of the Corporation if so elected; (B) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner; (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner; and (iii) a representation that such shareholder and beneficial owner intend to appear in person or by proxy at the meeting. At the request of the Corporation, any person nominated by a shareholder for election as a director must furnish to the Secretary such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such shareholder's nomination shall not be considered in proper form pursuant to this Section 2.2.

(4) Notwithstanding anything in paragraph (3) of this Section 2.2 to the contrary, in the event that the number of directors to be elected to the Board at the annual meeting is increased pursuant to an act of the Board and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board on or before the date which is 15 days before the latest date by which a shareholder may timely notify the Corporation of nominations or other business to be brought by a shareholder in accordance with paragraph (3) of this Section 2.2, a shareholder's notice required by this Section 2.2 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the 15th day following the day on which such public announcement is first made by the Corporation.

(5) In addition to the requirements of this Section 2.2 and Section 2.3, a shareholder must also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.2 and Section 2.3; *provided, however*, that any references in this Section 2.2 to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements applicable to proposals as to any other business to be considered pursuant to this Section 2.2 or Section 2.3.

Section 2.3. Special Meetings of Shareholders. A special meeting of the shareholders for any purpose or purposes shall be called only by the Chief Executive Officer, the Executive Committee of the Board, or two-thirds of the members of the Board. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board or (2) provided that the Board has determined that directors shall be elected at such meeting, by any shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section 2.3, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.3. In the event the Corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the shareholder's notice required by

paragraph (3) of Section 2.2 shall be received by the Secretary at the principal executive offices of the Corporation not earlier than the 90th day prior to such special meeting and not later than the later of the 60th day prior to such special meeting or the 15th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a shareholder's notice as described above.

Section 2.4. Written Ballot. Unless required by vote of the shareholders before the voting begins, elections of directors need not be by written ballot.

Section 2.5. Conduct of Shareholders Meeting. There shall be a presiding officer at every meeting of the shareholders. The presiding officer shall be appointed in the manner provided by the Board. If the Board fails to designate a presiding officer, the Chairman of the Board or in his absence by the Chief Executive Officer, or in their absence by the President, or in his absence by a Vice President, shall be the presiding officer. The Secretary of the Corporation shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The presiding officer shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting of the shareholders. Any action by the presiding officer in adopting rules for, and in conducting, a meeting of the shareholders shall be fair to the shareholders. The presiding officer shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto, may be accepted.

Section 2.6. General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Article 2 and Section 3.5 shall be eligible to serve as directors to the Board and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Article 2. Except as otherwise provided by law, the Articles or the Bylaws of the Corporation (the "Bylaws"), the presiding officer at the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Article 2 and, if any proposed nomination or business is not in compliance with this Article 2, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Article 2, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) Nothing in this Article 2 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors.

Section 2.7. Notice of Meetings. Written notice of every meeting of the shareholders, stating the place, the date and hour thereof and, in the case of a special meeting of the shareholders, the general nature of the business to be transacted thereat, shall be given in a manner consistent with the provisions of Section 11.4 of these Bylaws at the direction of the Secretary or, in the absence of the Secretary, any Assistant Secretary, at least ten (10) days prior to the day named for a meeting called to consider a fundamental change under Chapter 19 of the Pennsylvania Business Corporation Law of 1988, as it may from time to time be amended (the "1988 BCL"), or five (5) days prior to the day named for the meeting in any other case, to each shareholder entitled to vote thereat on the date fixed as a record date in accordance with Section 7.1 of these Bylaws or, if no record date be fixed, then of record at the close of business on the tenth (10th) day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day immediately preceding the day of the meeting, at such

address (or facsimile, electronic mail address or telephone number), as appears on the transfer books of the Corporation. Any notice of any meeting of shareholders may state that, for purposes of any meeting that has been previously adjourned for one or more periods aggregating at least fifteen (15) days because of an absence of a quorum, the shareholders entitled to vote who attend such a meeting, although less than a quorum pursuant to Section 2.8 of these Bylaws, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the original notice of the meeting that was so adjourned.

Section 2.8. Quorum.

(1) The shareholders present in person or by proxy, entitled to cast at least a majority of the votes that all shareholders are entitled to cast on any particular matter to be acted upon at the meeting, shall constitute a quorum for the purposes of consideration of, and action on, such matter. Treasury shares shall not be counted in determining the total number of outstanding shares for voting purposes at any given time. The shareholders present in person or by proxy at a duly organized meeting can continue to do business until the adjournment thereof notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If a meeting cannot be organized because a quorum has not been achieved, the shareholders present in person or by proxy may, except as otherwise provided by the 1988 BCL and subject to the provisions of Section 2.9 of these Bylaws, adjourn the meeting to such time and place as they may determine.

(2) Abstentions and broker votes and broker nonvotes (only when accompanied by broker votes with respect to at least one matter at the meeting) are considered present and entitled to vote for purposes of establishing a quorum for the transaction of business at a meeting of shareholders. A “broker vote” occurs when a broker votes the shares on any matter pursuant to either (i) the voting instructions and authority received from its client who is the beneficial owner of the shares or (ii) the broker’s discretionary authority to vote the shares under the applicable rules and regulations of the NASDAQ Stock Market LLP (“NASDAQ”) or other national securities exchange governing the voting authority of brokers. A “broker nonvote” occurs when a broker has not received voting instructions from its client who is the beneficial owner of the shares and the broker is barred from exercising its discretionary authority to vote the shares under the applicable rules and regulations of NASDAQ or other securities exchange governing the voting authority of brokers.

Section 2.9. Adjournments and Postponements.

(1) Any meeting of the shareholders, including one at which directors are to be elected, may be adjourned for such period as the shareholders present in person or by proxy and entitled to vote shall direct. Notice of the adjourned meeting or the business to be transacted thereat need not be given, other than announcement at the meeting at which adjournment is taken, unless the Board fixes a new record date for the adjourned meeting or the 1988 BCL requires notice of the business to be transacted and such notice has not previously been given. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting as originally noticed. Those shareholders entitled to vote present in person or by proxy, although less than a quorum pursuant to Section 2.8 of these Bylaws, shall nevertheless constitute a quorum for the purpose of (a) electing directors at a meeting called for the election of directors that has been previously adjourned for lack of a quorum, and (b) acting, at a meeting that has been adjourned for one or more periods aggregating fifteen (15) days because of an absence of a quorum, upon any matter set forth in the original notice of such adjourned meeting, provided that such original notice shall have complied with the last sentence of Section 2.7 of these Bylaws.

(2) Any meeting of the shareholders, including one at which directors are to be elected, may be postponed for any proper purpose for such period as the Board shall determine.

Section 2.10. Action at a Meeting. Subject to the provisions of Section 3.3, any matter brought before a duly organized meeting for a vote of the shareholders, including, without limitation, the amendment of any provision of these Bylaws, shall be decided by a majority of the votes cast at such meeting by the shareholders present in person or by proxy and entitled to vote thereon, unless the matter is one for which a

different vote is required by express provision of the 1988 BCL, the Articles or a provision of these Bylaws adopted by the shareholders, in any of which case(s) such express provision shall govern and control the decision on such matter. For clarification purposes, abstentions and broker nonvotes will not be counted as votes cast.

Section 2.11. Voting Rights. Except as otherwise provided in the Articles, at every meeting of the shareholders, every shareholder entitled to vote shall have the right to one vote for each share having voting power standing in his or her name on the books of the Corporation. Shares of the Corporation owned by it, directly or indirectly, including treasury shares, shall not be voted.

Section 2.12. Proxies. Every shareholder entitled to vote at a meeting of the shareholders or to express consent or dissent to a corporate action in writing may authorize another person to act for him or her by proxy appointed by an instrument in writing executed (or transmitted by electronic means which results in a writing) by such shareholder or by the shareholder's attorney thereunto authorized, and delivered to the Secretary or its designated agent. The presence of, or vote or other action at a meeting of shareholders, or the expression of consent or dissent to corporate action in writing, by a proxy of a shareholder, shall constitute the presence of, or vote or action by, or written consent or dissent of the shareholder. Every proxy shall be executed in writing by the shareholder or by the shareholder's duly authorized attorney-in-fact and filed with the Secretary or its designated agent. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice of revocation has been given to the Secretary or its designated agent in writing. An unrevoked proxy shall not be valid after three (3) years from the date of its execution, unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary or its designated agent.

Section 2.13. Voting Lists. The officer or agent having charge of the transfer books for securities of the Corporation shall make a complete list of the shareholders entitled to vote at a meeting of the shareholders, arranged in alphabetical order, with the address of and the number of shares held by each shareholder, which list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. If the Corporation has 1,000 or more shareholders, it may make such information available at the meeting by any other means.

Section 2.14. Judges of Election. In advance of any meeting of the shareholders, the Board may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of any such meeting may, and on the request of any shareholder shall, appoint judges of election at the meeting. The number of judges shall be either one (1) or three (3), as determined by the Board or presiding officer, as the case may be, to be appropriate under the circumstances. No person who is a candidate for office to be filled at the meeting shall act as a judge at the meeting. The judges of election shall do all such acts as may be proper to conduct the election or vote with fairness to all shareholders, and shall make a written report of any matter determined by them and execute a certificate of any fact found by them, if requested by the presiding officer of the meeting or any shareholder or the proxy of any shareholder. If there are three (3) judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

Section 2.15. Participation by Electronic Means. The right of any shareholder to participate in any shareholders' meeting by means of conference telephone, the Internet or other electronic means by which all persons participating in the meeting may hear each other and, in which event, all shareholders so participating shall be deemed present at such meeting, shall be granted solely in the discretion of the Board.

Section 2.16. No Written Consent in Lieu of a Meeting. The shareholders of the Corporation may not take any action by written consent in lieu of a meeting, and must take any actions at a duly called annual or special meeting of shareholders and the power of shareholders to consent in writing without a meeting is

specifically denied.

ARTICLE 3 DIRECTORS

Section 3.1. Powers. The business and affairs of the Corporation shall be managed under the direction of the Board, which may exercise all powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles or these Bylaws directed or required to be exercised and done by the shareholders.

Section 3.2. Number, Elections and Term of Office. Subject to the provisions of the Articles (including, but not limited to, for purposes of these Bylaws, pursuant to any duly authorized certificate of designation), the number of directors of the Corporation shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of the whole Board, but the size of the Board shall not be less than three or greater than fifteen. The directors, other than those who may be elected by the holders of any series or class of stock, as provided in the Articles, shall be divided into three (3) classes, as nearly equal in term as possible, shall be elected to serve a term of three (3) years and shall hold office until his or her successor shall have been duly elected and qualified, subject to his earlier death, resignation, disqualification or removal. No decrease in the number of authorized directors constituting the whole Board shall shorten the term of any incumbent director. At each annual meeting of the shareholders of the Corporation, commencing with the 2022 annual meeting, the successors of the class of directors whose term expires at that meeting shall be elected by a plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election.

Section 3.3. Plurality Voting. When directors are to be elected at a meeting of shareholders, the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors; *provided that*, whenever the holders of any class or series of common stock of the Corporation are entitled to elect one or more directors pursuant to the provisions of the Articles, such directors shall be elected by a plurality of the votes of such class or series present in person or represented by proxy at the meeting and entitled to vote in the election of such directors.

Section 3.4. Qualifications. Directors shall be natural persons, shall be 18 years or older, and need not be residents of the Commonwealth of Pennsylvania or security holders of the Corporation.

Section 3.5. Nominations of Directors. Nominees for election to the Board shall be selected by the Board or a committee of the Board to which the Board has delegated the authority to make such selections pursuant to Section 3.13 of these Bylaws. Nominees for election to the Board may also be selected by shareholders, provided that such nominations are made in accordance with, and accompanied by the information required by, Section 2.2 and Section 2.3. Only persons duly nominated for election to the Board in accordance with this Section 3.5, Section 2.2 or Section 2.3.

Section 3.6. Vacancies. Subject to the rights of the holders of any capital stock of the Corporation, as specified in the Articles, and unless the Board otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and shall not be filled by the shareholders unless there are no directors remaining on the Board. Any director so chosen, if chosen to fill a vacancy, shall be a director of the same class as the director whose vacancy he or she fills.

Section 3.7. Removal.

(a) Removal by the Shareholders. Subject to the rights of the holders of any series or class of capital stock pursuant to provisions of the Articles, any director may be removed from office at

any time, but only for cause and by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

(b) Removal by the Board. The Board may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one year, or if, within one hundred twenty days after notice of election, the director does not accept such office either in writing or by attending a meeting of the Board.

Section 3.8. Place of Board Meetings. Meetings of the Board may be held at such place within or without the Commonwealth of Pennsylvania as the Board may from time to time appoint or as may be designated in the notice of the meeting.

Section 3.9. First Meeting of Newly Elected Board. The first meeting of each newly elected Board may be held at the same place and immediately after the meeting at which such directors were elected and no notice shall be required other than announcement at such meeting. If such first meeting of the newly elected Board is not so held, notice of such meeting shall be given in the same manner as set forth in Section 3.10 of these Bylaws with respect to notice of regular meetings of the Board.

Section 3.10. Regular Board Meetings; Notice. Regular meetings of the Board may be held at such times and places as shall be determined from time to time by resolution of the Board at a duly convened meeting, or by unanimous written consent. Notice of each regular meeting of the Board shall specify the purpose, date, place and hour of the meeting and shall be given to each director at least five (5) days before the meeting. Notice shall be given in a manner consistent with Section 11.4 of these Bylaws.

Section 3.11. Special Board Meetings; Notice. Special meetings of the Board may be called by the Chairman of the Board, if any, by the Chief Executive Officer or President, or by a majority of the directors then in office on one day's notice to each director, either by telephone, or, if in writing, in accordance with the provisions of Section 11.4 of these Bylaws.

Section 3.12. Quorum of the Board; Action of the Board. At all meetings of the Board, the presence of a majority of the directors then in office shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the Board. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting. It shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which such adjournment is taken.

Section 3.13. Committees of Directors. The Board may establish one or more committees, each committee to consist of one or more of the directors, and may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee. Any such committee, to the extent provided in such resolution of the Board or in these Bylaws, shall have and may exercise all of the powers and authority of the Board; *provided, however*, that no such committee shall have any power or authority to (a) submit to the shareholders any action requiring approval of the shareholders under the 1988 BCL, (b) create or fill vacancies on the Board, (c) amend or repeal these Bylaws or adopt new Bylaws, (d) amend or repeal any resolution of the Board that by its terms is amendable or repealable only by the Board, (e) act on any matter committed by these Bylaws or by resolution of the Board to another committee of the Board, (f) amend the Articles or adopt a resolution proposing an amendment to the Articles, or (g) adopt a plan or an agreement of merger or consolidation, share exchange, asset sale or division. In the absence or disqualification of a member or alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not a quorum is present, may unanimously appoint another director to act at the meeting in the place of any absent or disqualified member. Minutes of all meetings of any committee of the Board shall be kept by the person designated by such committee to keep such minutes. Copies of such minutes and any writing

setting forth an action taken by written consent without a meeting shall be distributed to each member of the Board promptly after such meeting is held or such action is taken. Each committee of the Board shall serve at the pleasure of the Board.

Section 3.14. Chairman of the Board. The Chairman of the Board, if one is elected, shall preside at all meetings of the Board and of the shareholders. The Chairman of the Board shall perform all duties incident to the office of Chairman of the Board and shall have such other powers and duties as the Board assigns to that individual.

Section 3.15. Participation in Board Meetings by Electronic Means. One or more directors may participate in a meeting of the Board or of a committee of the Board by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other, and all directors so participating shall be deemed present at the meeting.

Section 3.16. Action by Written Consent of Directors. Any action required or permitted to be taken at a meeting of the Board or of a committee of the Board may be taken without a meeting if, prior or subsequent to the action, a consent or consents in writing setting forth the action so taken shall be signed by all of the directors then in office or the members of the committee, as the case may be, and filed with the Secretary. For purposes of this Section 3.16, a consent may be given by means of a physical written copy or may be transmitted by facsimile transmission, e-mail or similar electronic communications technology.

Section 3.17. Compensation of Directors. The Board may, by resolution, fix the compensation of directors for their services as directors. A director may also serve the Corporation in any other capacity and receive compensation therefor.

Section 3.18. Directors' Liability. A director of the Board shall not be personally liable for monetary damages as such (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements)) for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office under the Articles, these Bylaws or applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

ARTICLE 4 OFFICERS

Section 4.1. Number, Qualifications and Designation. The officers of the Corporation shall consist of a President, a Treasurer, and a Secretary and such other officers, including a Chairman of the Board, a Chief Executive Officer, and one or more Vice-Presidents, Assistant Secretaries, or Assistant Treasurers, as the Board of Directors may elect or appoint in accordance with the provisions of this Section 4.1 or Section 4.3 of this Article. One person may hold more than one office. Officers may but need not be directors or shareholders of the Corporation.

Section 4.2. Election and Term of Office. The officers of the Corporation, except those elected by delegated authority pursuant to Section 4.3 of this Article, shall be elected annually by the Board, and each such officer shall hold office until the next annual organization meeting of Board and until a successor shall have been duly chosen and qualified, or until his or her earlier death, resignation, or removal.

Section 4.3. Other and Subordinate Officers, Committees and Agents. The Board may from time to time appoint such other officers and appoint such committees, employees or other agents as the business of the Corporation may require, including an executive Chairman of the Board and one or more deputy or vice-chairmen, a chief executive officer, a chief operating officer, one or more assistant secretaries, and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws, or as the Board may from time to time determine. The Board may delegate to any

officer or committee the power to appoint subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 4.4. Resignations. Any officer or agent may resign at any time by giving written notice to the Board, or to the President or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.5. Removal. Any officer, committee, employee or other agent of the Corporation may be removed, either with or without cause, by the Board or other authority which elected or appointed such officer, committee or other agent. Election or appointment of an officer or employee or other agent shall not of itself create contract rights.

Section 4.6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.3 of this Article, as the case may be, and if the office is one for which these Bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 4.7. General Powers. All officers of the Corporation as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided by or pursuant to resolutions or orders of the Board, or in the absence of controlling provisions in the resolutions or orders of the Board, as may be determined by or pursuant to these Bylaws.

Section 4.8. The Chief Executive Officer. The Chief Executive Officer shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board. The Chief Executive Officer shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Corporation; and, in general, shall perform all duties incident to such office or assigned from time to time by the Board. In the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the shareholders and all meetings of the Board of Directors.

Section 4.9. The President. The President shall be the Corporation's chief operations officer and shall have general supervision over the day-to-day business and operations of the Corporation, subject, however, to the control of the Chief Executive Officer and the Board. The President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned by the Board or by the Chief Executive Officer. In the absence of the Chief Executive Officer, the President shall exercise the duties of Chief Executive Officer.

Section 4.10. The Vice Presidents. In the absence of the President, a Vice President, as designated by the Board, shall perform the duties of the President and such other duties as may from time to time be assigned to them by the Board, by the Chief Executive Officer, or by the President.

Section 4.11. The Secretary. The Secretary or an Assistant Secretary shall attend all meetings of the Shareholders and of the Board and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the Board and of committees of the Board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board, by the Chief Executive Officer, or the President.

Section 4.12. The Treasurer. The Treasurer or an Assistant Treasurer shall have or provide for the custody of the funds or other property of the Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the Board may from time to time designate; shall, whenever so required by the Board, render an account showing all transactions as treasurer, and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board, by the Chief Executive Officer, or the President.

Section 4.13. Officers' Bonds. Any officer shall give a bond for the faithful discharge of the duties of the officer in such sum, if any, and with such surety or sureties as the Board may require.

Section 4.14. Salaries. The salaries of the officers elected by the Board shall be fixed from time to time by the Board or by such officer as may be designated by resolution of the Board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 4.1 of this Article. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the Corporation.

ARTICLE 5 CERTIFICATES FOR SHARES

Section 5.1. Share Certificates. Any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board, except as otherwise required by law or the Articles. To the extent that certificates for shares of the Corporation are issued, such certificates shall be numbered and registered in a share register as they are issued. The share register shall exhibit the names and addresses of all registered holders and the number and class of shares and the series, if any, held by each. To the extent that certificates for shares of the Corporation are issued, each such certificate shall state that the Corporation is incorporated under the laws of the Commonwealth of Pennsylvania, the name of the registered holder and the number and class of shares and the series, if any, represented thereby. If, under its Articles, the Corporation is authorized to issue shares of the Corporation of more than one class or series and certificates for such shares are issued, each such certificate shall set forth, or shall contain a statement that the Corporation will furnish to any shareholder upon request and without charge, a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the Board to fix and determine such rights.

Section 5.2. Execution of Certificates. Every share certificate shall be executed, by facsimile or otherwise, by or on behalf of the Corporation, by the Chief Executive Officer and/or President, by any Vice-President, or by the Secretary. In case any officer who has signed or whose facsimile signature has been placed upon any share certificate shall have ceased to be such officer, because of death, resignation or otherwise, before the certificate is issued, it may be issued by the Corporation with the same effect as if the officer had not ceased to be such at the time of issue.

ARTICLE 6 TRANSFER OF SHARES

Section 6.1. Transfer. Transfers of shares shall be made on the share register of the Corporation only by the record holder of such shares, or by the appropriate person or accompanied by proper evidence of succession, assignment or authority to transfer, and, in the case of shares represented by a certificate, upon the presentment of the certificate therefore in the manner set forth herein. Upon presentment to the Corporation or its transfer agent of a share certificate endorsed by the appropriate person or accompanied by proper evidence of

succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto and the old certificate canceled and the transfer registered upon the books of the Corporation, unless either: (a) the Corporation has received a demand from an appropriate person to make an indorsement on such certificate that the Corporation not register transfer; or (b) the Corporation has been served with a restraining order, injunction or other process from a court of competent jurisdiction enjoining it from registering the transfer. Any demand to the Corporation not to register transfer shall identify the registered owner and the issue of which such share is a part and provide an address to send communications directed to the person making the demand. No demand described in Section 6.1(a) above shall be effective unless it is received by the Corporation at a time and in a manner affording the Corporation a reasonable opportunity to act on it. To the extent that shares are not represented by certificates, transfer of such shares shall be made pursuant to such procedures as the Board may adopt.

Section 6.2. Request to Register Transfer After Demand. If a share certificate is presented to the Corporation or its transfer agent with a request to register transfer after a demand that the Corporation not register transfer of such certificate has become effective pursuant to Section 6.1 of these Bylaws, then the Corporation shall promptly communicate to each of the person who initiated the demand and the person who presented the certificate for registration of transfer a notification stating that: (a) the certificate has been presented for registration of transfer; (b) a demand that the Corporation not register transfer of such certificate had previously been received; and (c) the Corporation will withhold registration of transfer of such certificate for a period of thirty (30) days (or such shorter period of time as stated in the notification that is not manifestly unreasonable) from the date of the notification in order to provide the person who initiated the demand an opportunity to obtain legal process or an indemnity bond.

Section 6.3. Limitation of Liability. The Corporation shall not be liable to a person who initiated a demand that the Corporation not register transfer for any loss the person suffers as a result of registration of transfer if the person who initiated demand does not, within the time stated in the notification described in Section 6.2 of these Bylaws, either (a) obtain an appropriate restraining order, injunction or other process from a court of competent jurisdiction enjoining the Corporation from registering the transfer, or (b) file with the Corporation an indemnity bond, sufficient in the Board's reasonable discretion to protect the Corporation or its transfer agent from any loss it or they may suffer by refusing to register the transfer.

ARTICLE 7 RECORD DATE; IDENTITY OF SHAREHOLDERS

Section 7.1. Record Date. The Board may fix a time, prior to the date of any meeting of the shareholders, as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except in the case of an adjourned meeting, shall not be more than ninety (90) days prior to the date of the meeting. Except as otherwise provided in Section 7.2 of these Bylaws, only the shareholders of record at the close of business on the date so fixed shall be entitled to notice of, or to vote at, such meeting, notwithstanding any transfer of securities on the books of the Corporation after any record date so fixed. The Board may similarly fix a record date for the determination of shareholders for any other purpose. When a determination of shareholders of record has been made as herein provided for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting.

Section 7.2. Certification of Nominee. The Board may adopt a procedure whereby a shareholder may certify in writing to the Secretary that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. The Board, in adopting such procedure, may specify (a) the classification of shareholder who may certify, (b) the purpose or purposes for which the certification may be made, (c) the form of certification and the information to be contained therein, (d) as to certifications with respect to a record date, the date after the record date by which the certification must be received by the Secretary, and (e) such other provisions with respect to the procedure as the Board deems necessary or desirable. Upon receipt by the Secretary of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of

shares specified instead of the persons making the certification.

ARTICLE 8 REGISTERED SHAREHOLDERS

Before due presentment for transfer of any shares, the Corporation shall treat the registered owner thereof as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner, and shall not be bound to recognize any equitable or other claim or interest in such securities, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the Commonwealth of Pennsylvania or Section 7.2 of these Bylaws.

ARTICLE 9 LOST CERTIFICATES

If the owner of a share certificate claims that it has been lost, destroyed, or wrongfully taken, the Corporation shall issue a new certificate in place of the original certificate if the owner so requests before the Corporation has notice that the certificate has been acquired by a bona fide purchaser, and if the owner has filed with the Corporation an indemnity bond and an affidavit of the facts satisfactory to the Board or its designated agent, and has complied with such other reasonable requirements, if any, as the Board may deem appropriate.

ARTICLE 10 DISTRIBUTIONS

Section 10.1. Distributions. Distributions upon the shares of the Corporation, whether by dividend, purchase or redemption or other acquisition of its shares subject to any provisions of the Articles related thereto, may be authorized by the Board at any regular or special meeting of the Board and may be paid directly or indirectly in cash, in property or by the incurrence of indebtedness by the Corporation.

Section 10.2. Reserves. Before the making of any distributions, there may be set aside out of any funds of the Corporation available for distributions such sum or sums as the Board from time to time, in its absolute discretion, deems proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board shall deem conducive to the interests of the Corporation, and the Board may abolish any such reserve in the manner in which it was created.

Section 10.3. Stock Dividends/Splits. Stock dividends or splits upon the shares of the Corporation, subject to any provisions of the Articles related thereto, may be authorized by the Board at any regular or special meeting of the Board.

ARTICLE 11 GENERAL PROVISIONS

Section 11.1. Checks and Notes. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers as the Board may from time to time designate.

Section 11.2. Fiscal Year. The fiscal year of the Corporation shall begin on each January 1 and end on each December 31.

Section 11.3. Seal. The corporate seal, if any, shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Pennsylvania." Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced. The affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement of any instrument or other document by the Corporation.

Section 11.4. Notices. Whenever, under the provisions of the 1988 BCL or of the Articles or of these Bylaws or otherwise, written notice is required to be given to any person, it may be given to such person either personally or by sending a copy thereof by first class or express mail, postage prepaid, telegram (with messenger service specified), courier service (with charges prepaid), electronic mail, facsimile transmission or by any other means permitted by the 1988 BCL, to his, her or its address, (or to his, her or its electronic mail address, facsimile number or other place as specified in the 1998 BCL), appearing on the books of the Corporation or, in the case of directors, supplied by the director to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person. A notice given by electronic mail or facsimile transmission shall be deemed to have been given when dispatched. Notice or other communications need not be sent to any shareholder with whom the Corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder are returned unclaimed or the shareholder has otherwise failed to provide the Corporation with a current address. Whenever such shareholder provides the Corporation with a current address, the Corporation shall commence sending notices and other communications to such shareholder in the same manner as to other shareholders.

Section 11.5. Waiver of Notice. Whenever any notice is required to be given by the 1988 BCL or by the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted nor the purpose of a meeting need be specified in the waiver of notice of the meeting. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting, except where any person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened, and the person so objects at the beginning of the meeting.

ARTICLE 12 AMENDMENTS

In furtherance and not in limitation of the powers conferred by the 1988 BCL, the Board is expressly authorized to make, alter, amend, change, add to or repeal any provision of these Bylaws by the affirmative vote of a majority of the total number of directors then in office, subject to the power of the holders of the then outstanding capital stock of the Corporation to alter, amend, change, add to or repeal any provision of these Bylaws made by the Board. Subject to Article FOURTEENTH of the Articles, any alteration, amendment, change, addition to, adoption or repeal of any provision of these Bylaws will require the affirmative vote of a majority of the total number of directors then in office, or the affirmative vote of a majority of the combined voting power of all of the then outstanding shares of the Corporation entitled to vote on such alteration, amendment, change, addition to, adoption or repeal of such provision of these Bylaws.

ARTICLE 13 INDEMNIFICATION

Section 13.1. Officers and Directors - Direct Actions. The Corporation shall indemnify any director or officer of the Corporation (as used herein, the phrase "director or officer of the Corporation" shall mean any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise), who was or is a party (other than a party plaintiff suing on his or her own behalf), or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director or officer of the Corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she met the standard of conduct of (a) acting in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and (b) with respect to any criminal proceeding, having no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order,

settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person (x) did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and (y) with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 13.2. Officers and Directors - Derivative Actions. The Corporation shall indemnify any director or officer of the Corporation who was or is a party (other than a party suing in the right of the Corporation), or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in the Corporation's favor by reason of the fact that he or she is or was a director or officer of the Corporation, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of the action, suit or proceeding if he or she met the standard of conduct of acting in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation. Indemnification shall not be made under this Section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the judicial district embracing the county in which the registered office of the Corporation is located or the court in which the action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses that the Court of Common Pleas or other court deems proper.

Section 13.3. Employees and Agents. The Corporation may, to the extent permitted by the 1988 BCL, indemnify any employee or agent of the Corporation (as used in this Article 13, the phrase "employee or agent of the Corporation" shall mean any person who is or was an employee or agent of the Corporation, other than an officer, or is or was serving at the request of the Corporation as an employee or agent of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise) who was or is a party, or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding by reason of the fact that he or she is or was an employee or agent of the Corporation, provided he or she has met the standard of conduct set forth in Sections 13.1 and 13.2, subject to the limitations set forth in Section 13.2 in the case of an action, suit or proceeding by or in the right of the Corporation to procure a judgment in the Corporation's favor.

Section 13.4. Mandatory Indemnification. To the extent that a director or officer of the Corporation or any employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action or proceeding referred to in Sections 13.1, 13.2 or 13.3 of this Article 13, or in defense of any claim, issue or matter therein, he or she shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 13.5. Advancing Expenses. Expenses (including attorneys' fees) incurred by a director or officer of the Corporation or an employee or agent of the Corporation in defending any action or proceeding referred to in this Article 13 may be paid by the Corporation in advance of the final disposition of the action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 13.

Section 13.6. Procedure.

(a) Unless ordered by a court, any indemnification under Section 13.1, 13.2 or 13.3 or advancement of expenses under Section 13.5 of this Article 13 shall be made by the Corporation only as authorized in a specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 13.1, 13.2 or 13.3.

(b) All determinations under this Section 13.6 shall be made:

(i) With respect to indemnification under Section 13.3 and advancement of expenses to an employee or agent of the Corporation, other than an officer, by the Board.

(ii) With respect to indemnification under Section 13.1 or 13.2 and advancement of expenses to a director or officer of the Corporation,

(A) By the Board, by a majority vote of a quorum consisting of directors who were not parties to such action or proceeding, or

(B) If such a quorum is not obtainable, or, if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or

(C) By the shareholders.

Section 13.7. Nonexclusivity of Indemnification.

(a) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article 13 shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to actions in his or her official capacity and as to actions in another capacity while holding that office. Section 1728 (relating to interested directors; quorum) of the 1988 BCL, or any successor section, shall be applicable to any bylaw, contract or transaction authorized by the directors under this Section 13.7. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article 13 or otherwise.

(b) Indemnification pursuant to Section 13.7(a) hereof shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted self-dealing, willful misconduct or recklessness.

(c) Indemnification pursuant to Section 13.7(a) under any bylaw, agreement, vote of shareholders or directors or otherwise, may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any other provision of law except as provided in this Section 13.7 and whether or not the indemnified liability arises or arose from any threatened or pending or completed action by or in the right of the Corporation.

Section 13.8. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation or an employee or agent of the Corporation, against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the provisions of this Article 13 or otherwise.

Section 13.9. Past Officers and Directors. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article 13 shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs and personal representatives of that person.

Section 13.10. Surviving or New Corporations. References to "the Corporation" in this Article 13 include all constituent corporations absorbed in a consolidation, merger or division, as well as the surviving or new corporation resulting therefrom, so that any director, officer, employee or agent of the constituent, surviving

or new corporation shall stand in the same position under the provisions of this Article 13 with respect to the surviving or new corporation as he or she would if he or she had served the surviving or new corporation in the same capacity.

Section 13.11. Employee Benefit Plans.

(a) References in this Article 13 to “other enterprise” shall include employee benefit plans and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation that imposes duties on, or involves services by, the person with respect to an employee benefit plan, its participants or beneficiaries.

(b) Excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be deemed “fines.”

(c) Action with respect to an employee benefit plan taken or omitted in good faith by a director, officer, employee or agent of the Corporation in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be action in a manner that is not opposed to the best interests of the Corporation.

Exhibit VIII
Roster of Trustees and Officers

Exhibit VIII

Directors: ACIC, ARM, and HoldCo

Shaza Andersen
Joseph Bracewell
Fred Brewer
Jason Wolfe
Patrick Bracewell
James Roumell
Tom Hampton

Officers: ACIC

Chairman & CEO	Patrick Bracewell
President & COO	Richard Hutchinson
Vice President	Dan McFadden
Vice President & Secretary	Brian Mancino
Vice President	Mike McColley
Vice President	Joe Niemer
Treasurer	Jackie Plenty

Officers: ARM & HoldCo

Chairman & President	Patrick Bracewell
Treasurer & Secretary	Dan McFadden

Exhibit IX
Proxy Statement and Proxy

NOTICE OF SPECIAL MEETING OF ELIGIBLE MEMBERS
TO BE HELD _____, 2022

TO ELIGIBLE MEMBERS OF AMALGAMATED CASUALTY INSURANCE COMPANY:

Notice is hereby given that the Special Meeting of Eligible Members (the "Special Meeting") of Amalgamated Casualty Insurance Company (the "Company" or "ACIC") will be held at _____m., local time, on _____, _____, 2022, at the Company's offices at 8401 Connecticut Avenue, Suite 300, Chevy Chase, Maryland 20815 to consider and vote upon the following:

1. the adoption and approval of an Amended and Restated Plan of Conversion (the "Plan of Conversion") (a copy of which is enclosed and labeled as Exhibit A);
2. the adoption and approval of the proposed amended and restated articles of incorporation of ACIC (a copy of which is enclosed and labeled as Exhibit B);
3. a proposal to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient Eligible Members present in person or by proxy to establish a quorum or there are not sufficient votes at the time of the Special Meeting to approve the Plan of Conversion and the amended and restated articles of incorporation; and
4. to transact any other business that may properly come before the Special Meeting or any adjournment or postponement thereof.

In accordance with the Company's Bylaws, action of the Board of Trustees, the Plan of Conversion and the provisions of Title 31, Section 904 of the Official Code of the District of Columbia, 31 D.C. 904, only those persons who were named insureds under Amalgamated Casualty Insurance Company insurance policies that were in force on February 3, 2021, which is the date that the Board of Trustees of the Company adopted the Plan of Conversion, are entitled to notice of and to vote at the Special Meeting and any adjournment or postponement thereof.

Whether or not you plan to attend the Special Meeting, your vote is very important, and we encourage you to vote promptly. To vote, please mark, sign and date the enclosed proxy and mail it promptly in the enclosed, postage-paid return envelope. Your proxy will not be valid if received at the Company's offices after _____, 2022. If you execute a proxy but later decide to attend the Special Meeting in person, your proxy may be revoked and you may vote in person.

By Order of the Board of Trustees,

Secretary

Chevy Chase, Maryland
_____, 2022

PROXY STATEMENT

Your proxy, in the form enclosed, is solicited by the board of trustees of Amalgamated Casualty Insurance Company (“ACIC” or the “Company”) for use at a Special Meeting of its members to be held on _____, 2022 and any adjournment of that meeting, for the purposes set forth below. Only persons owning policies issued by the Company that were in force at the close of business on February 3, 2021 are entitled to notice of and to vote at the Special Meeting. The board of trustees urges you to sign and return your proxy even if you plan to attend the Special Meeting.

IMPORTANT NOTICE

The Plan of Conversion described in this Proxy Statement was approved by the District of Columbia Department of Insurance, Securities, and Banking (the “Insurance Department”). Approval of the Plan of Conversion by the Insurance Department does not constitute or imply that the Insurance Department has endorsed the Plan of Conversion described in this Proxy Statement, nor does such approval constitute investment advice or a recommendation by the Insurance Department on how you should vote on the Plan of Conversion.

Introduction

A special meeting of the Eligible Members (defined below) of ACIC will be held at the Company’s offices at 8401 Connecticut Avenue, Chevy Chase, Maryland 20815 on _____, _____, 2022, at _____ m., local time (the “Special Meeting”). The purpose of the Special Meeting is to consider and vote upon (i) a Plan of Conversion, as amended (the “Plan of Conversion”), and (ii) the proposed amended and restated articles of incorporation of ACIC (a copy of which is enclosed and labeled as Exhibit B). The Plan of Conversion has been adopted by the Company’s board of trustees and approved by the Insurance Department, and a copy of the Plan of Conversion is enclosed and labeled as Exhibit A. If the Plan of Conversion is approved at the Special Meeting, the Company will convert from a District of Columbia mutual insurance company to a District of Columbia stock insurance company (the “Conversion”) and will form a new stock holding company pursuant to the provisions of Chapter 9 of Title 31 of the District of Columbia Official Code, 31 D.C. 901 (the “Act”).

“Eligible Members” are the persons who were named insureds under ACIC insurance policies that were in force on February 3, 2021, which is the date that the board of trustees of the Company adopted the Plan of Conversion.

Overview of the Conversion

ACIC currently exists and operates as a mutual insurance company. This means that ACIC has no shareholders. Instead, ACIC has members consisting of the policyholders who have insurance coverage with ACIC.

Under the Act, a District of Columbia mutual insurance company, such as ACIC, can adopt a plan to convert from a mutual insurance company to a stock insurance company. Mutual insurance companies may decide to convert into stock companies for many different reasons. Mutual insurance companies have limited access to the capital markets. By converting to stock form, a mutual insurance company gains the ability to raise capital through sales of its stock. By raising additional capital, ACIC enhances its ability to pay claims made by its policyholders. Stock insurance companies also are better able to make strategic acquisitions of other insurance companies and to enter into strategic business combinations with other insurers and insurance holding companies. In addition, stock insurance companies can use stock incentive programs to help them attract and retain key management personnel.

The principal purpose of the Conversion is to convert ACIC from a mutual insurance company into a stock insurance company in order to enhance its strategic and financial flexibility and to provide Eligible Members with the right to acquire an equity interest in HoldCo (as defined below). ACIC’s board of trustees believes that the Conversion is in the best interest of the Company because the additional capital resulting from the Conversion should: (i) support further organic growth in direct written premiums; (ii) provide a more cost effective capital structure; and (iii) enable HoldCo to attract institutional investors and engage in strategic transactions advantageous to HoldCo and ACIC. In addition, the additional capital and holding company structure should enhance the

Company's ability to acquire other property and casualty insurance companies. The Company's board of trustees further believes that the transaction is fair and equitable, is consistent with the purpose and intent of the Act and will not prejudice the interests of ACIC's members.

In its present structure as a mutual insurance company, ACIC can increase its statutory capital only through earnings generated by ACIC and its subsidiaries or the sale of surplus notes. Reliance on earnings to provide a long-term source of permanent capital, however, limits the Company's ability to develop new business, offer new insurance products, make acquisitions, and provide greater stability and protection for the Company's policyholders.

The Company's Plan of Conversion consists of the following steps:

1. ACIC will convert to a stock company. As part of the conversion, ACIC will issue all of its shares of capital stock to Forge Group, Inc., a newly formed Pennsylvania corporation ("HoldCo"). ACIC policyholders who formerly were "members" of ACIC will no longer be members of ACIC. The insurance policies issued by ACIC will remain in full force and effect as insurance policies of ACIC. The Conversion will not change the price, benefits, renewability or any other feature, term or condition of a policyholder's insurance coverage.
2. HoldCo will offer shares of its common stock ("Conversion Stock") for sale in an offering described in greater detail below (hereinafter, the "Offering"). The common stock of HoldCo will be offered for sale pursuant to an Offering Statement and an Offering Circular filed with and qualified by the United States Securities and Exchange Commission. Immediately after completion of the Offering and the Conversion, ACIC will become a wholly-owned subsidiary of HoldCo. Therefore, HoldCo, through its board of directors, will be able to control who is elected to ACIC's board of trustees.
3. Eligible Members will be granted rights to subscribe to purchase shares of common stock of HoldCo in the Offering. These subscription rights provide such members the opportunity to purchase shares before orders from any other purchasers may be accepted. If shares remain available for sale after the subscriptions of the Eligible Members are filled, such remaining shares will be sold to other purchasers (as described in greater detail in the Offering Circular of HoldCo accompanying this Proxy Statement). The Conversion Stock will be offered for sale at \$10.00 per share. An Eligible Member who wishes to subscribe must purchase at least 50 shares of stock and may not subscribe to purchase more than 25,000 shares of stock in the subscription offering. **Upon completion of the Conversion and the Offering, the Company will distribute \$4,594 in cash to each Eligible Member.** For a description of this cash distribution, see "Cash Distribution to Eligible Members" below. Other limitations apply to the Offering, which are described in greater detail in the Offering Circular.

Information Relating to Voting at the Special Meeting

In accordance with the terms of ACIC's articles of incorporation and bylaws, the terms of the Plan of Conversion and the provisions of the Act, each Eligible Member is entitled to notice of, and to vote at, the Special Meeting. At the Special Meeting, each Eligible Member is entitled to cast one vote on each proposal considered at the Special Meeting.

Approval of each of the Plan of Conversion and the amended and restated articles of incorporation will require the affirmative vote, either in person or by proxy, of at least a majority of the votes cast at the Special Meeting.

Eligible Members may vote at the Special Meeting or any adjournment thereof in person or by proxy. Proxies may be voted by returning the proxy card in the envelope provided or by internet or telephone voting. Instructions for internet or telephone voting are included with this proxy statement mailing. All properly executed proxies received by ACIC before the Special Meeting will be voted in accordance with the instructions indicated thereon. If no contrary instructions are given, such proxies will be voted in favor of (i) the Plan of Conversion, (ii) the amended and restated articles of incorporation of ACIC, and (iii) the adjournment of the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient Eligible Members present to establish

a quorum or there are not sufficient votes at the time of the Special Meeting to approve the Plan of Conversion and the amended and restated articles of incorporation. If any other matters are properly presented before the Special Meeting, the proxies solicited hereby will be voted on such matters by the proxyholders according to their discretion. Any Eligible Member giving a proxy will have the right to revoke his or her proxy at any time before it is voted by delivering written notice or a duly executed proxy bearing a later date to the Secretary of ACIC at any time prior to or at the Special Meeting or by attending the Special Meeting and voting in person.

The proxies solicited hereby will be used only at the Special Meeting and at any adjournment thereof. They will not be used at any other meeting.

Under the Bylaws of ACIC, a quorum at any regular or special meeting consists of a majority of the policyholders eligible to vote. If Eligible Members do not return a sufficient number of proxies to constitute a quorum at the Special Meeting, those Eligible Members present at the special meeting, in person or by proxy, may vote to adjourn the Special Meeting to a future date in order to provide the Company with additional time to solicit additional proxies.

Relationship Between this Proxy Statement and the Offering Circular

A copy of the Offering Circular for the offering of HoldCo's common stock accompanies this Proxy Statement. This Proxy Statement summarizes and presents selected information from the Offering Circular and may not contain all the information that might be important to an Eligible Member in deciding whether to (i) vote for adoption and approval of the Plan of Conversion, and/or (ii) subscribe for the purchase of Conversion Stock in the Offering. To understand the Offering fully, Eligible Members should read the Offering Circular carefully, including the financial statements and the notes to financial statements of ACIC that are included in the Offering Circular. Eligible Members also may wish to review the Plan of Conversion. A copy of the Plan of Conversion is attached hereto as Exhibit A and is available for review and downloading on ACIC's website at www.asginsurance.com.¹

The decisions to be made by an Eligible Member in voting on the Plan of Conversion and in deciding whether to purchase Conversion Stock are separate. For instance, you may vote in favor of the Plan of Conversion, but decide not to purchase any Conversion Stock. Or, you may vote against the Plan of Conversion, but decide to purchase Conversion Stock.

If for any reason the Plan of Conversion is not approved by Eligible Members, the Conversion will not be completed, no Conversion Stock will be sold, your subscription rights will expire without any consideration, and no cash distribution will be paid to the Eligible Members.

The Parties

HoldCo

HoldCo is a Pennsylvania business corporation organized on November 19, 2020 for the purpose of becoming the stock holding company of ACIC and its subsidiaries following closing on the Conversion. HoldCo's executive offices are located at 8401 Connecticut Avenue, Suite 300, Chevy Chase, Maryland 20815. HoldCo's board of directors will consist of Shaza L. Andersen, Patrick J. Bracewell, Joseph S. Bracewell III, Fred L. Brewer, James C. Roumell, Thomas E. Hampton, and Jason K. Wolfe, who are currently trustees of the Company.

HoldCo will not have engaged in any operations prior to completion of the Conversion. After completion of the Conversion, HoldCo's primary assets will be the outstanding capital stock of ACIC, the outstanding capital stock of American Risk Management, Inc., which is being acquired by HoldCo as part of the Conversion and the Offering as described in the Offering Circular, and the net proceeds realized from the Offering of its common stock that remain after the use of such proceeds as described in the Offering Circular.

¹ This reference to ACIC's website includes only the documents available for review under the "ACIC Plan of Conversion" tab. Any other information available on ACIC's website is not part of this Proxy Statement.

HoldCo does not intend to apply to have its common stock listed for trading on the NASDAQ Stock Market or any other stock exchange.

ACIC

Amalgamated Casualty Insurance Company is a District of Columbia mutual insurance company organized in 1938. Its main offices are located at 8401 Connecticut Avenue, Suite 300, Chevy Chase, Maryland 20815, and its telephone number is (202) 547-8700. At December 31, 2020, ACIC had total consolidated assets of \$88.3 million and total equity of \$42.2 million. During the year ended December 31, 2020, ACIC had total premiums written of \$6.3 million. ACIC issues property and casualty insurance policies in 13 states and the District of Columbia.

The Conversion

ACIC adopted the Plan of Conversion on February 3, 2021. The Conversion involves a series of transactions by which ACIC will convert from a mutual insurance company to a stock insurance company. Following the Conversion, ACIC will become a subsidiary of HoldCo.

As an integral part of the Conversion, HoldCo will offer for sale in a subscription rights offering between 1,700,000 and 2,300,000 shares of HoldCo's common stock ("Subscription Offering"). The Subscription Offering will be made in the following order of priority:

1. *First to "Eligible Members"* – "Eligible Members" are the named policyholders of ACIC who were insured under ACIC insurance policies that were in force on February 3, 2020.
2. *Second to the ESOP* – HoldCo will form an employee stock ownership plan (the "ESOP") for the benefit of its employees. The ESOP will purchase 9.9% of the total number of shares sold in the Offering. HoldCo will make a loan to the ESOP to fund the purchase of such shares.
3. *Third, to Trustees, Officers, and Employees* – The trustees, officers and employees of ACIC.

Subscriptions will be accepted by HoldCo in order of the priorities described above.

If any shares of Conversion Stock remain available for purchase after the Subscription Offering, any remaining shares will be offered to the general public (the "Public Offering"). HoldCo may accept subscriptions under the Subscription Offering and orders received under the Public Offering simultaneously. Payments received on stock orders that are not accepted will be refunded (without interest).

The purchase price for the Conversion Stock will be \$10.00 per share. All purchasers will pay the same price per share in the Offering.

The Conversion will permit policyholders of ACIC and the management and employees of ACIC to become equity owners of HoldCo and to share in its future. The Conversion also will provide additional capital that will enhance the ability of ACIC to expand its business.

Completion of the Conversion is subject to various conditions, including approval of the Conversion by the Eligible Members of ACIC, completion of the Offering, and receipt of all necessary regulatory approvals.

Transfers of Subscription Rights

Eligible Members will be granted subscription rights in connection with the Conversion that will permit them to purchase shares of HoldCo common stock in the Offering (the "subscription rights"). An Eligible Member may not transfer such member's subscription rights.

Each Eligible Member has a subscription right to purchase up to 25,000 shares in the subscription offering and may offer to purchase additional shares in the public offering. HoldCo has the right to accept or reject, in whole or in part, any offer to purchase shares in the public offering.

The Company's Reasons for the Conversion

The principal purpose of the Conversion is to convert ACIC from a mutual insurance company into a stock insurance company in order to enhance its strategic and financial flexibility and to provide the Eligible Members with the right to acquire an equity interest in HoldCo. The Company's board of trustees believes that the Conversion is in the best interest of the Company because the additional capital resulting from the Conversion should: (i) support organic growth in direct written premiums; (ii) provide a more cost effective capital structure; and (iii) enable HoldCo to attract institutional investors and engage in strategic transactions advantageous to HoldCo and ACIC. In addition, the additional capital and holding company structure should enhance the Company's ability to acquire other property and casualty insurance companies. The Company's board of trustees further believes that the transaction is fair and equitable, is consistent with the purpose and intent of the Act and will not prejudice the interests of its members.

In its present structure as a mutual insurance company, ACIC can increase its statutory capital only through earnings generated by ACIC and its subsidiaries or the sale of surplus notes. Reliance on earnings to provide a long-term source of permanent capital, however, limits the Company's ability to develop new business, offer new insurance products, make acquisitions, and provide greater stability and protection for ACIC's policyholders.

Effects of the Conversion on Policyholders

In General

Each policyholder of a mutual insurance company, such as ACIC, has certain interests in the insurance company, including the contractual right to insurance coverage and the right to vote when provided by the insurance company's articles of incorporation or bylaws or as provided by law. Policyholders also may have the right to share in a liquidating distribution of the insurer's net worth if the insurer were to voluntarily dissolve and liquidate its business and properties.

A policyholder must have an in-force insurance policy issued by the insurance company in order to be a member of that mutual insurance company. Except to the extent that a membership interest is deemed to have value in connection with the conversion of an insurance company from mutual to stock form, this interest as a member has no market value because it cannot be separated from the underlying policy and, in any event, is not transferable. A policyholder whose policy lapses or is cancelled, terminated or not renewed will lose his or her interest as a member. As of the completion of the Conversion, all membership interests in ACIC, except contract rights under policies of insurance, will terminate.

If the Plan of Conversion is not approved by the Eligible Members, or if the Conversion is not completed for any other reason, ACIC will continue to operate as a mutual insurance company. In that case, members will retain the rights described above.

Continuity of Insurance Coverage and Business Operations

ACIC's conversion to stock form will not change the insurance protection or premiums under ACIC's in-force insurance policies. During and after the Conversion, the normal business of issuing insurance policies and paying claims will continue without change or interruption. After the Conversion, ACIC will continue to provide insurance coverage and services to its policyholders under in-force policies.

Voting Rights

After the Conversion, the voting rights of all members of ACIC will cease. Policyholders will no longer have the right to vote on any matter involving ACIC. HoldCo will own all of the outstanding shares of ACIC capital stock and will elect the trustees of ACIC.

Voting rights in HoldCo will be held by the shareholders of HoldCo. Each holder of HoldCo common stock will be entitled to vote on any matter to be considered by HoldCo shareholders, subject to the terms of HoldCo's articles of incorporation and bylaws and to the provisions of Pennsylvania law.

Policyholder Dividends

All in-force insurance policies that "participate" or provide for the payment of policy dividends will continue unchanged and any right to the payment of any dividends under such policies will continue. Therefore, the Conversion will not cause any policyholder to lose dividend rights or expectancies that may have existed in the period when ACIC operated as a mutual insurance holding company.

Rights Upon Dissolution After Conversion

After the Conversion, policyholders will have no right to receive a pro rata distribution of any remaining surplus of ACIC upon its dissolution. Instead, this right will vest in HoldCo, as the sole shareholder of ACIC. In the event of a liquidation, dissolution or winding up of HoldCo, shareholders of HoldCo would be entitled to receive, after payment of all debts and liabilities of HoldCo, a pro rata portion of any liquidating distribution that is made of HoldCo's remaining assets.

Determination of the Price per Share and the Number of Shares to be Offered

The Act requires that, as part of the mutual-to-stock conversion of ACIC, Eligible Members must be offered the right to purchase stock of the converted company (or a holding company for the converted company, in this case, HoldCo). In such stock offering, the aggregate pro forma value of ACIC is determined by a qualified valuation expert engaged for this purpose. The value can be expressed as a valuation range. Boenning & Scattergood, Inc. ("Boenning"), which was engaged to serve as the independent valuation expert in the Conversion, prepared an appraisal report valuing ACIC (the "Appraisal Report"). In its report dated October 15, 2021, Boenning estimated that the appraised value of ACIC is between \$17,000,000 and \$23,000,000, with a midpoint value of \$20,000,000. Accordingly, under the Plan of Conversion, we will offer for sale up to 2,300,000 shares of HoldCo, based upon the underlying pro forma appraised value of ACIC.

The Conversion Stock will be sold at \$10.00 per share consistent with the typical offering price per share for many converting mutual companies.

If HoldCo is unable to sell at least 1,700,000 shares, then unless the Offering range is revised with the approval of the Insurance Department, the Conversion and Offering must be terminated, all subscriptions and orders cancelled and all funds returned.

Boenning's valuation is not a recommendation as to the advisability of purchasing shares of HoldCo. In preparing its Appraisal Report, Boenning did not independently verify the financial statements and other information provided by ACIC, nor did Boenning value independently the assets or liabilities of ACIC. The Appraisal Report considers ACIC as a going concern and should not be considered as an indication of the liquidation value of ACIC. Moreover, because such valuation is necessarily based upon estimates and projections of a number of matters, any of which are subject to change from time to time, no assurance can be given that persons purchasing common stock in the Conversion will thereafter be able to sell such shares at prices at or above the initial purchase price in the Conversion of \$10.00 per share.

Cash Distribution to Eligible Members

If the Conversion and the Offering are completed, the Company will distribute \$4,594 in cash to each Eligible Member. The distribution will be made shortly after completion of the Conversion and the Offering. It is not necessary to purchase shares in the Offering to receive the cash distribution. If the Conversion and the Offering are not completed for any reason, including failure to obtain sufficient votes to approve the Plan of Conversion at the Special Meeting, no cash distribution will be made.

Limitations on Conversion Stock Purchases

The Plan of Conversion includes the following limitations on the number of shares of Conversion Stock that may be purchased in the Conversion:

- No fewer than 50 shares or \$500 of Conversion Stock may be purchased, to the extent such shares are available;
- The maximum number of shares of stock subscribed for in the subscription offering by an eligible member, together with associates of and groups of persons acting in concert with such persons, cannot exceed 25,000 shares;
- no person, together with such person's associates or a group acting in concert, may acquire, directly or indirectly more than 5% of the capital stock of the Company without the approval of the District of Columbia Commissioner of Insurance.

Restrictions on Transfer of Subscription Rights and Shares

Subscription rights granted under the Plan of Conversion are not transferable. Accordingly, any person receiving subscription rights under the Plan of Conversion may not transfer or enter into any agreement or understanding to transfer the legal or beneficial ownership of those subscription rights or the shares of Conversion Stock to be issued upon their exercise. Subscription rights may be exercised only for the account of the person receiving those rights under the Plan of Conversion. A person subscribing to Conversion Stock by exercise of subscription rights received under the Plan of Conversion will be required to certify that he or she is purchasing the shares solely for his or her own account and also that there is no agreement or understanding with any other person regarding the sale or transfer of such shares.

Shares of HoldCo common stock purchased in the Offering will thereafter be freely transferable under the Securities Act of 1933, as amended ("1933 Act"); *provided, however* that shares issued to trustees and officers of ACIC will be restricted as to transfer for a period of one year from the effective date of the Conversion pursuant to the provisions of the Act (except for certain limited permitted transfers) and will be subject to additional transfer restrictions under Rule 144 of the 1933 Act.

Tax Effects

For a discussion of the material United States federal income tax consequences of the conversion to ACIC and to an Eligible Member of ACIC, see the section titled "Certain Federal Income Tax Considerations" in the accompanying Offering Circular.

ACIC's Articles of Incorporation and Bylaws

The following is a summary of certain provisions of the Amended Articles of Incorporation and bylaws of ACIC, which will become effective upon the conversion of ACIC from a mutual insurance company to a stock insurance company.

ACIC's amended and restated Articles of Incorporation will authorize ACIC to issue 100,000 shares of common stock. All of ACIC's outstanding common stock will be owned by HoldCo. Accordingly, exclusive voting rights with respect to the affairs of ACIC after the Conversion will be vested in the board of directors of HoldCo.

As required by District of Columbia law, ACIC's amended and restated Articles of Incorporation may be further amended only if such amendment is approved by the board of trustees of ACIC, and, if and to the extent required by law, approved by the Insurance Department and by HoldCo as ACIC's sole shareholder. The bylaws may be amended by a majority vote of the board of trustees of ACIC or by the board of directors of HoldCo as ACIC's sole shareholder.

Termination of the Plan of Conversion

The Plan of Conversion may be terminated at any time prior to the effective date of the Conversion by the board of trustees of ACIC.

Interpretation and Amendment of the Plan of Conversion

All interpretations of the Plan of Conversion by the board of trustees of ACIC and the board of directors of HoldCo will be final, conclusive and binding upon all persons. The Plan of Conversion may be amended by ACIC's board of trustees at any time before it is approved by the Insurance Department.

Adjournment

In the event that there are not sufficient votes to constitute a quorum or to approve the proposal to approve the Plan of Conversion and/or the amended and restated articles of incorporation of the Company at the special meeting, the proposals could not be approved unless such meeting was adjourned or postponed to a later date or dates in order to permit further solicitation of proxies. In order to allow proxies that have been received by us at the time of the special meeting to be voted for adjournment or postponement, you are being asked to consider a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if necessary to obtain additional votes in favor of the proposals.

If there are sufficient votes to constitute a quorum and approve the proposal to approve and adopt the Plan of Conversion and the amended and restated articles of incorporation of the Company at the special meeting, the chairman of the special meeting may determine that no action will be taken on the proposal to adjourn.

* * * * *

RECOMMENDATION OF THE BOARD OF TRUSTEES

The board of trustees recommends that you vote "FOR" approval of the Plan of Conversion, "FOR" approval of the Amended and Restated Articles of Incorporation of ACIC, and "FOR" the adjournment of the special meeting, if necessary, to solicit additional proxies.

PLEASE NOTE: A vote in favor of the Plan of Conversion does not mean that you must purchase conversion stock in the Offering, and a vote against the Plan of Conversion does not mean you may not purchase stock in the Offering. You may vote in favor of the Plan of Conversion and decide not to purchase stock in the Offering. You may also vote against the Plan of Conversion and decide to purchase stock in the conversion. If the Plan of Conversion is not approved by the Eligible Members, the Conversion will not be completed, and no stock will be sold.

ADDITIONAL INFORMATION

WE URGE YOU TO CONSIDER CAREFULLY THIS PROXY STATEMENT, INCLUDING PARTICULARLY THE OFFERING CIRCULAR THAT ACCOMPANIES THIS PROXY STATEMENT. WHETHER OR NOT YOU PLAN TO BE PRESENT IN PERSON AT THE SPECIAL MEETING, WE REQUEST THAT YOU FILL

IN, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE TO ASSURE THAT YOUR VOTE WILL BE COUNTED. IF YOU EXECUTE A PROXY BUT LATER DECIDE TO ATTEND THE SPECIAL MEETING IN PERSON, YOUR PROXY MAY BE REVOKED AND YOU MAY VOTE IN PERSON. YOUR PROXY SHOULD BE COMPLETED, SIGNED AND MAILED USING THE ENCLOSED ENVELOPE SO THAT IT IS RECEIVED ON OR BEFORE _____, 2022.

THIS PROXY STATEMENT IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CONVERSION STOCK. SUCH OFFERS MAY BE MADE ONLY BY MEANS OF THE OFFERING CIRCULAR.

_____, 2022
Chevy Chase, Maryland

**PROXY FOR AMALGAMATED CASUALTY INSURANCE COMPANY
SPECIAL MEETING OF MEMBERS**

The undersigned hereby constitutes and appoints Patrick J. Bracewell and Daniel P. McFadden, or any of them, as his or her lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, to vote on behalf of the undersigned, and to otherwise act in his or her name, place and stead, at the Special Meeting of Members of the Company to be held at _____ on _____, _____ 2022 for the following purposes:

1. To approve the Amended and Restated Plan of Conversion of Amalgamated Casualty Insurance Company (the "Plan of Conversion") and the transactions contemplated hereby, including without limitation the Amended and Restated Articles of Incorporation of the Company.

FOR

AGAINST

2. To approve an adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient members present in person or by proxy to establish a quorum or are not sufficient votes at the time of the Special Meeting to approve and adopt the Plan of Conversion referenced in Proposal 1 above.

FOR

AGAINST

3. To transact such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

A signed Proxy which does not give direction to vote for or against the above actions will be treated as a vote FOR such actions.

SIGNATURE OF PERSON WHOSE NAME APPEARS ABOVE

DATE _____, 2022

COMPANY USE ONLY:

Exhibit X

Notice to Post-Adoption Policyholders

**NOTICE TO POLICYHOLDERS OF
AMALGAMATED CASUALTY INSURANCE COMPANY POLICIES ISSUED
AFTER FEBRUARY 3, 2021**

REGARDING A PLAN OF DEMUTUALIZATION ADOPTED BY AMALGAMATED

On February 3, 2021, the Board of Directors of Amalgamated Casualty Insurance Company (“Amalgamated”) adopted a plan of demutualization (the “Plan of Demutualization”) pursuant to which, if all approvals are obtained, Amalgamated will convert from mutual to stock form (the “Demutualization”). On November 9, 2021, the Board of Directors of Amalgamated amended and restated the Plan of Demutualization.

**THE CONVERSION WILL NOT CAUSE ANY CHANGE
IN YOUR INSURANCE COVERAGE UNDER YOUR POLICY OR YOUR PREMIUM.**

In accordance with § 31-910 of the District of Columbia Code of Laws, Amalgamated hereby notifies you of your right to cancel your policy within fifteen (15) days after receipt of this notice and (subject to the next paragraph) your right to receive a pro rata refund of unearned premiums. If you elect to cancel your policy, please provide a timely written notice to Amalgamated at Amalgamated Casualty Insurance Company, 8401 Connecticut Ave., Suite 300, Chevy Chase, MD 20815. Your policy will be cancelled and void as of the date your notice is received by Amalgamated and a pro rata refund of unearned premiums, if appropriate, will be sent to you.

If you have already made or filed a claim under your current policy, you will not be entitled to any refund. In addition, if you exercise your right to cancel your policy, you will not be entitled to make or file any claim under your policy.

A summary of the Plan of Demutualization is attached to this notice.

THIS NOTICE APPLIES ONLY TO POLICIES ISSUED AFTER FEBRUARY 3, 2021, AND NOT TO POLICIES THAT WERE IN FORCE ON FEBRUARY 3, 2021. IN ADDITION THIS NOTICE DOES NOT APPLY TO ANY POLICIES ISSUED AFTER THE EFFECTIVE DATE OF THE PLAN OF DEMUTUALIZATION.

**SUMMARY OF PLAN OF DEMUTUALIZATION
AMALGAMATED CASUALTY INSURANCE COMPANY
FOR NEW POLICYHOLDERS AFTER FEBRUARY 3, 2021**

Background

The board of trustees of Amalgamated Casualty Insurance Company (“ACIC” or the “Company”) adopted a Plan of Conversion on February 3, 2021 (the “Plan of Conversion”), pursuant to which ACIC will convert from mutual to stock form. “Eligible Members” are the persons who were named insureds under ACIC insurance policies that were in force on February 3, 2021. The board of trustees of ACIC adopted an amendment and restatement of the Plan of Conversion on November 9, 2021. Eligible Members have rights to vote on the Plan of Conversion and receive subscription rights. Persons who become policyholders after February 3, 2021 do not have these rights, but have the rights described in the Notice (of which this Summary is a part).

Overview of the Conversion

ACIC currently exists and operates as a mutual insurance company. This means that ACIC has no shareholders. Instead, ACIC has members consisting of the policyholders who have insurance coverage with ACIC.

Under Chapter 9 of Title 31 of the District of Columbia Official Code, 31 D.C. 901 (the “Act”), a District of Columbia mutual insurance company, such as ACIC, can adopt a plan to convert from a mutual insurance company to a stock insurance company. Mutual insurance companies may decide to convert into stock companies for many different reasons. Mutual insurance companies have limited access to the capital markets. By converting to stock form, a mutual insurance company gains the ability to raise capital through sales of its stock. By raising additional capital, ACIC enhances its ability to pay claims made by its policyholders. Stock insurance companies also are better able to make strategic acquisitions of other insurance companies and to enter into strategic business combinations with other insurers and insurance holding companies. In addition, stock insurance companies can use stock incentive programs to help them attract and retain key management personnel.

The Company’s Plan of Conversion consists of the following steps:

ACIC will convert to a stock company. As part of the conversion, ACIC will issue all of its shares of capital stock to Amalgamated Specialty Group Holdings, Inc., a newly formed Pennsylvania corporation (“HoldCo”). ACIC policyholders who formerly were “members” of ACIC will no longer be members of ACIC. The insurance policies issued by ACIC will remain in full force and effect as insurance policies of ACIC. The Conversion will not change the price, benefits, renewability or any other feature, term or condition of a policyholder’s insurance coverage.

HoldCo will offer shares of its common stock (“Conversion Stock”) for sale in an offering described in greater detail below (hereinafter, the “Offering”). The common stock of HoldCo will be offered for sale pursuant to an Offering Statement and an Offering Circular filed with and qualified by the United States Securities and Exchange Commission. Immediately after completion of the Offering and the Conversion, ACIC will become a wholly-owned subsidiary of HoldCo. Therefore, HoldCo, through its board of directors, will be able to control who is elected to ACIC’s board of trustees.

Eligible Members will be granted rights to subscribe to purchase shares of common stock of HoldCo in the Offering. These subscription rights provide such members the opportunity to purchase shares before orders from any other purchasers may be accepted. If shares remain available for sale after the subscriptions of the Eligible Members are filled, such remaining shares will be sold to other purchasers. The Conversion Stock will be offered for sale at \$10.00 per share.

The Plan of Conversion is subject to approval by the District of Columbia Department of Insurance, Securities and Banking.