

**Minutes of Annual Meetings of Policyholders for past seven (7)  
years.**

## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company (the "Company") was held on March 10, 2020 at 8401 Connecticut Avenue, Suite 105, Chevy Chase, Maryland 20815 at 1:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the Chairman, Patrick J. Bracewell.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. A count of the proxies was in the possession of Brian T. Mancino, Secretary of the Company. The Chairman announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2019 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2019 Annual Meeting of the Policyholders were approved.

Patrick J. Bracewell, Chairman of the Company, then gave the annual report of the officers. Mr. Bracewell stated that the Company had continued to make progress toward returning to profitability. The Chairman stated that the Company's decision to exit the non-emergency medical transportation (NEMT) line as well as certain underperforming states had begun to show positive results. The Chairman noted that the Company expected to return to profitability in 2020 as a result of the actions taken in 2019. The Chairman stated that the Company continued to face headwinds due to the impact of transportation network companies (TNCs) on the taxi and sedan vehicle classes. The Chairman stated that the Company would be commencing work in 2020 to devise a plan to profitably diversify its business over time.

In accordance with the By-Law Article I, Section VII, the election of trustees whose terms expire was held. In accordance with the By-Law Article II, Section I, as amended, the candidates for trustee of the Company, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were:

Three (3) years or until a successor is confirmed:

Fred L. Brewer

Jason K. Wolfe

One (1) year or until a successor is confirmed:

James C. Roumell

No other nominations were filed with the Secretary and no other candidates were nominated or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Enila Vasili and Anna Mackey were appointed by the Chairman as Inspectors of Election.

The polls were thereupon opened and the ballots of all the members present by proxies or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Mancino who announced that Fred L. Brewer, James C. Roumell, and Jason K. Wolfe were elected unanimously for terms as follows:

Three (3) years or until a successor is confirmed:  
Fred L. Brewer  
Jason K. Wolfe

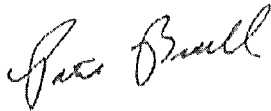
One (1) year or until a successor is confirmed:  
James C. Roumell

The inspectors' certificate is filed as a record of this meeting.

Upon motion duly made, seconded and unanimously carried, it was:

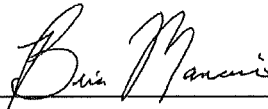
RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.



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Patrick J. Bracewell, Chairman



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Brian T. Mancino, Secretary

## INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 10, 2020, do report that Fred L. Brewer, James C. Roumell, and Jason K. Wolfe were elected unanimously for terms as follows:

Three (3) years or until a successor is confirmed:

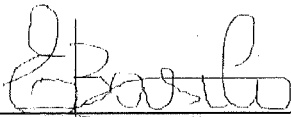
Fred L. Brewer

Jason K. Wolfe

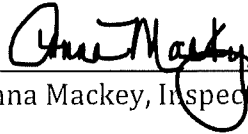
One (1) year or until a successor is confirmed:

James C. Roumell

Respectfully submitted,



Enila Vasili, Inspector



Anna Mackey, Inspector

## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company (the "Company") was held on March 12, 2019 at 8401 Connecticut Avenue, Suite 105, Chevy Chase, Maryland 20815 at 1:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the Chairman, Patrick J. Bracewell.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Brian T. Mancino, Secretary of the Company. The Chairman announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2018 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2018 Annual Meeting of the Policyholders were approved.

Patrick J. Bracewell, Chairman of the Company, then gave the annual report of the officers. Mr. Bracewell stated that the Company's underwriting results over the last year were below expectations and continue to be impacted by claims severity in the Company's non-emergency medical transportation (NEMT) line, which is in run-off, as well as certain states in which the Company operates. In addition, as a mono-line carrier, the Company has been disproportionately impacted by industry trends affecting the commercial auto segment, which is the worst-performing property and casualty segment currently. These trends include increased frequency and a severity. The Company is taking actions to improve its underwriting results and further reduce its exposure to claims severity and will be exiting certain underperforming states in 2019. In addition, the Company will be looking to prudently reduce its fixed operating expenses in recognition of the difficult underwriting environment. The Company's investments performed in line with expectations. The Company is currently focused on returning to profitability.

In accordance with the By-Law Article I, Section VII, the election of trustees whose terms expire was held. In accordance with the By-Law Article II, Section I, as amended, the candidates for trustee of the Company for a three-year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Joseph S. Bracewell, III and Shaza L. Andersen.

No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Kamila Maciejewska and Anna Mackey were appointed by the Chairman as Inspectors of Election.

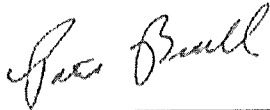
The polls were thereupon opened and the ballots of all the members present by proxies

or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Mancino who announced that Joseph S. Bracewell, III and Shaza L. Andersen were elected unanimously. The inspectors' certificate is filed as a record of this meeting.

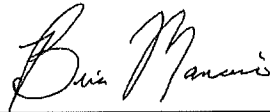
Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.



Patrick J. Bracewell, Chairman

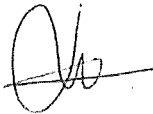


Brian T. Mancino, Secretary


#### INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 12, 2019, do report that for the term of three years or until a successor is elected and qualified, Joseph S. Bracewell, III and Shaza L. Andersen were unanimously elected Trustees.

Respectfully submitted,



Kamila Maciejewska, Inspector



Anna Mackey, Inspector



## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company was held on March 13, 2018 at 8401 Connecticut Avenue, Suite 105, Chevy Chase, Maryland 20815 at 1:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the President, Edward D. Arovas.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Mark A. Gilder, Secretary of the Company. The President announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2017 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2017 Annual Meeting of the Policyholders were approved unanimously.

Edward D. Arovas, President of the Company, then gave the annual report of the officers. Mr. Arovas stated the operating results of the Company over the last year were mixed. The Company have built a strong foundation for growth and have recruited an experienced executive team along with experienced staff members. Mr. Arovas stated the Written Premium grew to \$14,020,000 in 2017. This includes operation in a total of 15 states, including the District of Columbia. The Company is licensed in twenty-seven states total with six additional states pending. Mr. Arovas stated that the Company have plans to continue preparing for entering new states, but no plans to enter any new states in 2018.

Lastly, Mr. Arovas stated that the Company surplus growth and investment returns are consistent and in line with Company goals. The broad commercial auto market has performed poorly in recent years and the increased cost of auto repairs and medical expenses has not been avoided in our segment. In 2018 the Company will be focused on improving profitability and claims handling.

In accordance with the By-Law Article I, Section VII, the election of trustees whose terms expire was held. In accordance with the By-Law Article II, Section I, as amended, the candidates for trustee of the Company for a three-year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Patrick J. Bracewell and Edward D. Arovas.

No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended.



Horace Lewis and Anna Mackey were appointed by the President as Inspectors of Election.

The polls were thereupon opened and the ballots of all the members present by proxies or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Gilder who announced that Patrick J. Bracewell and Edward D. Arovas were elected unanimously. The inspectors' certificate is filed as a record of this meeting.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

Patrick J. Bracewell, Chairman

Brian T. Mancino, Secretary

#### INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 13, 2018, do report that for the term of three years or until a successor is elected and qualified, Patrick J. Bracewell and Edward D. Arovas were unanimously elected Trustees.

Respectfully submitted,

Horace Lewis, Inspector

Anna Mackey, Inspector





## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company was held on March 14, 2017 at 8401 Connecticut Avenue, Suite 105, Chevy Chase, Maryland 20815 at 3:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the President, Edward D. Arovas.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Mark A. Gilder, Secretary of the Company. The President announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2016 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2016 Annual Meeting of the Policyholders were approved unanimously.

Edward D. Arovas, President of the Company, then gave the annual report of the officers. Arovas reported that the underwriting results of the Company as of the end of the year were good. The written premium grew by approximately 33% to \$12,100,000 in 2016. This includes operations in a total of ten (10) states. The Company is licensed in a total of eighteen states with an additional fourteen (14) states pending. The Company plans to write business in four (4) to six (6) additional states in 2017. Continuous improvement in underwriting, claims-handling and personnel are beginning to bear fruit, as the Company's loss and combined ratios trend towards the Company's interim targets and historical norms. The Company's surplus growth and investment returns are consistent and in line with the Company's goals. Lastly, in July, 2016, the Company's planned relocation of its office to Chevy Chase, Maryland went smoothly. The Company is well positioned for the future.

In accordance with the By-Law Article I, Section VII, the election of trustees whose terms expire was held. In accordance with the By-Law Article II, Section I, as amended, the candidates for trustee of the Company for a three-year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Fred L. Brewer and Jason K. Wolfe.

No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Horace Lewis and Anna Mackey were appointed by the President as Inspectors of Election.

The polls were thereupon opened and the ballots of all the members present by proxies or

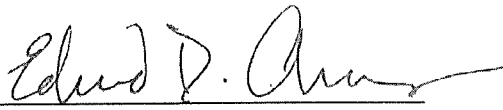


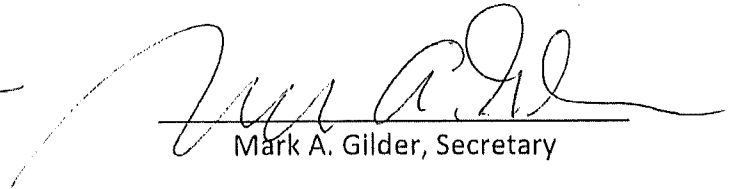
in person were cast. The polls were then closed and the inspectors presented their report to Mr. Gilder who announced that Fred L. Brewer and Jason K. Wolfe were elected unanimously. The Inspectors' certificate is filed as a record of this meeting.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

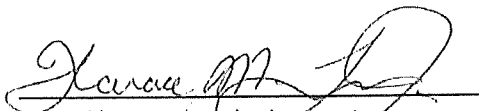
  
Edward D. Arovas, President

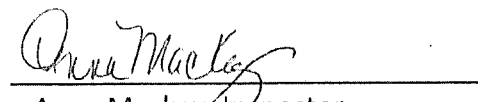
  
Mark A. Gilder, Secretary

#### INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 14, 2017, do report that for the term of three years or until a successor is elected and qualified, Fred L. Brewer and Jason K. Wolfe were unanimously elected Trustees.

Respectfully submitted,

  
Horace Lewis, Inspector

  
Anna Mackey, Inspector



## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company was held on March 8, 2016 at 500 Morse Street, N.E., Washington, D.C. at 1:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the President, Edward Arovos.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Secretary of the Company. The President announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2015 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2015 Annual Meeting of the Policyholders were approved unanimously.

Edward Arovos, President of the Company, then gave the annual report of the officers. Arovos reported that the underwriting results of the Company as of the end of the year were satisfactory. He also reported that, in accordance with the recommendations of the actuarial consultant, a contribution of \$65,000.00 was made to the defined benefit pension plan for plan year 2015; and a contribution in the amount of \$55,434.07 was made to the 401k plan for plan year 2015. This concluded the report of the officers.

In accordance with the By-Law Article I, Section VII, the election of trustees whose terms expire was held. In accordance with the By-Law Article II, Section I, as amended, the candidates for trustee of the Company for a three-year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Shaza L. Anderson and Joseph S. Bracewell III.

No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Janet Isenberg and Jacqueline Plenty were appointed by the President as Inspectors of Election.

The polls were thereupon opened and the ballots of all the members present by proxies or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Gilder who announced that Joseph S. Bracewell III and Shaza L. Anderson were elected unanimously. The inspectors' certificate is filed as a record of this meeting.



Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

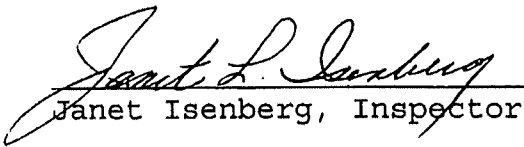
Edward Arovos, President

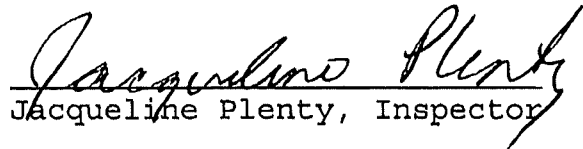
Mark A. Gilder, Secretary

INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 8, 2016, do report that for the term of three years or until a successor is elected and qualified, Shaza Andersen & Joseph Bracewell were unanimously elected Trustees.

Respectfully submitted,

  
Janet Isenberg, Inspector

  
Jacqueline Plenty, Inspector

## MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company was held on March 10, 2015 at 500 Morse Street, N.E., Washington, D.C. at 3:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the President, Ed Arovas.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Secretary of the Company. The President announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2014 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2014 Annual Meeting of the Policyholders were approved unanimously.

Edward Arovas, President of the Company, then gave the annual report of the officers. He reported that the operating results of the Company as of the end of the year were good. A combined ratio of just under 100% was achieved and was consistent with recent prior years. He reported that Written Premium grew by approximately 8% to \$5,900,000 in 2014. He reported that the Company hired a seasoned, industry expert to serve as the V.P. of Underwriting and Business Development to assist with the expansion effort.

He also reported that the company continued to implement the management transition plan. Fred Brewer retired and Ed Arovas became President in November 2014.

This concluded the report of the officers.

In accordance with By-Law Article I, Section VII, the election of trustees whose terms expire was held. The candidates for trustee of the Company for a three year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Patrick Bracewell and Kirk Goeldner.

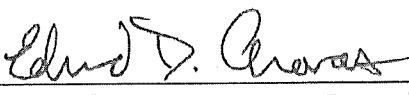
No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Janet Isenberg and Jacqueline Plenty were appointed by the President as Inspectors of Election.

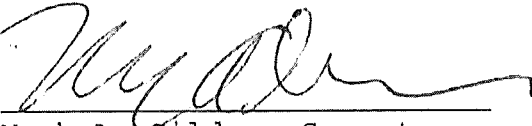
The polls were thereupon opened and the ballots of all the members present by proxies or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Gilder who announced that Patrick Bracewell and Kirk Goeldner were elected unanimously. The inspectors' certificate is filed as a record of this meeting.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

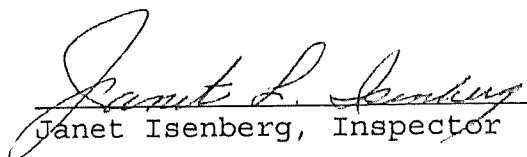
  
Edward D. Arovass, President

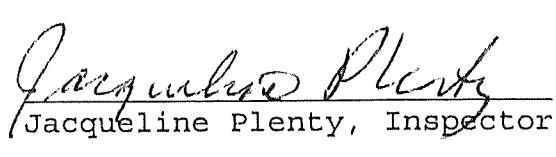
  
Mark A. Gilder, Secretary

#### INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 10, 2015, do report that for the term of three years or until a successor is elected and qualified, Patrick Bracewell & Kirk Goeldner were unanimously elected Trustees.

Respectfully submitted,

  
Janet Isenberg, Inspector

  
Jacqueline Plenty, Inspector

MINUTES OF THE ANNUAL MEETING OF POLICYHOLDERS

The Annual Meeting of the Policyholders of the Amalgamated Casualty Insurance Company was held on March 11, 2014 at 500 Morse Street, N.E., Washington, D.C. at 1:00 P.M. Proof of publication of notice of the meeting was filed as part of the record of the meeting.

In accordance with By-Law Article I, Section VI, the meeting was called to order and presided over by the President, Fred L. Brewer.

A roll call of the members, also known as policyholders as defined in the By-Law Article I, Section IV, as amended, was requested. The proxies were in the possession of the Secretary of the Company. The President announced that a quorum was present.

Upon motion duly made, seconded and unanimously passed, the reading of the minutes of the 2013 Annual Meeting of the Policyholders was waived. Upon motion duly made and seconded, the minutes of the minutes of the 2013 Annual Meeting of the Policyholders were approved unanimously.

Fred L. Brewer, President of the Company, then gave the annual report of the officers. He reported that the operating results of the Company as of the end of the year were good. The Net Underwriting income was \$119,984, the Net Investment Income was \$1,032,187, and the Written Premium grew by 8% to \$5,236,735 in 2013. The Company expanded its authority to write business in the State of Florida and addressed the deferred maintenance at its office.

Mr. Brewer also reported that, in accordance with the recommendation of the actuarial consultant, a contribution of \$150,000.00 was made to the defined benefit pension plan for plan year 2013; and a contribution in the amount of \$34,745 was made to the 401k plan for plan year 2012. This concluded the report of the officers.

In accordance with By-Law Article I, Section VII, the election of trustees whose terms expire was held. The candidates for trustee of the Company for a three year term, as filed with the Secretary of the Company by the Chairman of the Board of Trustees, were Jason Wolfe and Fred Brewer.



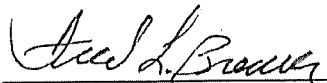
No other nominations were filed with the Secretary and no other candidates were nominated and/or qualified as a nominee pursuant to By-Law Article II, Section I, as amended. Janet Isenberg and Jacqueline Plenty were appointed by the President as Inspectors of Election.


The polls were thereupon opened and the ballots of all the members present by proxies or in person were cast. The polls were then closed and the inspectors presented their report to Mr. Gilder who announced that Jason Wolfe and Fred Brewer were elected unanimously. The inspectors' certificate is filed as a record of this meeting.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED: That the acts of the officers, the Board of Trustees, and committees of the Board of Trustees in the management of this Company during the past year be ratified, approved and confirmed as and for the legal and lawful acts of this Company.

There being no further business, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

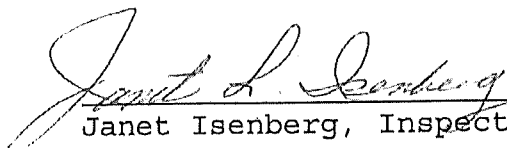
  
\_\_\_\_\_  
Fred L. Brewer, President

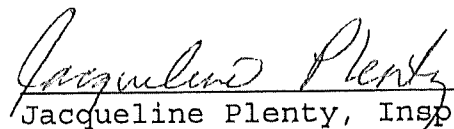
  
\_\_\_\_\_  
Mark A. Gilder, Secretary

#### INSPECTORS' CERTIFICATE

We, subscribers, Inspectors of Election appointed to act at the meeting of the Policyholders of Amalgamated Casualty Insurance Company, held March 11, 2014, do report that for the term of three years or until a successor is elected and qualified, Jason Wolfe and Fred Brewer were unanimously elected Trustee.

Respectfully submitted,

  
\_\_\_\_\_  
Janet Isenberg, Inspector

  
\_\_\_\_\_  
Jacqueline Plenty, Inspector

# **Minutes of the February 3, 2021 Board Meeting Approving the Plan**

**MINUTES OF THE SPECIAL MEETING  
OF THE  
BOARD OF TRUSTEES**

The Special Meeting of the Board of Trustees ("Board") of Amalgamated Casualty Insurance Company (the "Company") was held, pursuant to notice, February 3, 2021, at 2:00 P.M. telephonically.

The Chairman of the Board of Trustees, Mr. Patrick Bracewell, called the meeting to order. Mr. Bracewell noted that there was a quorum. Patrick J. Bracewell, Joseph S. Bracewell, Fred L. Brewer, Jason K. Wolfe, Shaza L. Andersen and James C. Roumell were present. The Chairman called the meeting to order and noted that he would serve as Secretary for the meeting.

The Chairman stated that the purpose of the meeting was to conduct business related to the Company's proposed demutualization transaction ("Demutualization"). The Chairman noted that also in attendance at the meeting were representatives from the Company's independent appraiser, Boenning & Scattergood, the Company's financial advisor, Griffin Financial Group, and the Company's regulatory and securities counsel, Stevens & Lee.

The Chairman then introduced Anthony Latini, Managing Director at Boenning & Scattergood. Mr. Latini was joined by Mr. Raffi Pounardjian, Vice President of Boenning & Scattergood. Mr. Latini then reviewed the Company's appraisal. A copy of the appraisal and the presentation made to the Board are included as part of these minutes. Mr. Latini indicated that the appraisal included both an appraisal of the as-converted value of the Company as well as an appraisal of the subscription rights, since the Company's Plan of Conversion ("Plan") included a feature whereby policyholders could redeem their unexercised subscription rights. After a fulsome review, Mr. Latini answered questions from the Board. After a fulsome discussion, the Board confirmed that they had thoroughly reviewed the appraisal of the as-converted value of the Company as well as the appraisal of the subscription rights upon motion duly made, seconded and unanimously approved.

Mr. Bracewell then thanked Mr. Latini and Mr. Pounardjian for their time and then introduced Mr. Scott Spencer from Stevens & Lee. Mr. Spencer then reviewed the draft Plan with the Board. Mr. Spencer reviewed the Plan with the Board in detail. After a fulsome review, Mr. Spencer answered questions from Trustees. After a fulsome discussion, the Board adopted the Plan upon motion duly made, seconded and unanimously approved.

The Chairman then thanked Mr. Spencer and asked Mr. Jason Wolfe to provide an update on the Special Committee which had been formed by the new holding company which would be the issuer in the conversion offering, Amalgamated Specialty Group Holdings, Inc. ("ASGH"). Mr. Wolfe stated that the Special Committee of ASGH, comprised, in addition to himself, of Ms. Andersen and Mr. Roumell, had finalized the terms of ASGH's acquisition of American Risk Management, Inc. ("ARM"), which would occur immediately after the closing of the Demutualization stock offering. Mr. Wolfe stated that the Special Committee had requested, and received, a fairness opinion from Griffin Financial Group ("Griffin"). Griffin's opinion stated that the transaction is fair, from a financial point of view, to ASGH. Mr. Wolfe discussed the advantages of having ARM owned by ASGH and indicated that Griffin and Stevens & Lee believed that the proposed ARM acquisition would be viewed favorably by both regulators and investors, as it consolidates under common ownership two sister companies and eliminated potential conflicts of interest.

The Chairman then referenced several documents related to ASGH which had been distributed to the Board. The Chairman reminded the Board that the Board of ASGH was identical to the Board of the Company. The first document was an ASGH organizational resolution. A copy of the ASGH organizational resolution is included as part of these minutes. After a fulsome discussion, the ASGH organizational resolution was approved upon motion duly made, seconded and unanimously approved. The second document was an ASGH resolution appointing officers and forming the Special Committee. A copy of the ASGH resolution appointing officers and forming the Special Committee is included as part of these minutes. After a fulsome discussion, the ASGH resolution appointing officers and forming the Special Committee was approved upon motion duly made, seconded and unanimously approved. The Chairman then noted that he had distributed an ASGH directors and officers questionnaire. Members of the Board stated that they would complete the questionnaire over the next week or two.

The Chairman then stated that there were two sets of Board minutes for review. The Chairman stated that draft minutes for the August 19, 2020 and December 22, 2020 meeting had been distributed to the Board. After a

fulsome discussion, a reading of the minutes for the August 19, 2020 and December 22, 2020 Board meetings was waived and the minutes were adopted upon motion duly made, seconded and unanimously approved.

RESOLVED, that the Board confirmed that they had thoroughly reviewed the appraisal of the as-converted value of the Company as well as the appraisal of the subscription rights; and it is further

RESOLVED, that the Board adopted the Plan of Conversion; and it is further

RESOLVED, that the ASGH organizational resolution was approved; and it is further

RESOLVED, that the ASGH resolution appointing officers and forming the Special Committee was approved; and it is finally

RESOLVED, that the minutes for the August 19, 2020 and December 22, 2020 Board meetings are approved.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.

The undersigned do hereby acknowledge that the foregoing minutes are true and correct of the proceedings at said meeting.

\_\_\_\_\_  
Patrick J. Bracewell, Chairman

\_\_\_\_\_  
Jason Wolfe, Trustee

February 3, 2021

AMALGAMATED CASUALTY INSURANCE COMPANY

**Resolutions for consideration by the Board of Directors  
re: Plan of Conversion**

**Approval of the Plan of Conversion**

WHEREAS, Amalgamated Casualty Insurance Company (the "Company") is a District of Columbia mutual insurance company; and

WHEREAS, the Company desires to convert from mutual to stock form of organization pursuant to the Plan of Conversion of Amalgamated Casualty Insurance Company in substantially the form presented to the Board of Directors at this meeting (the "Plan of Conversion"), pursuant to which, among other things, upon the terms and conditions contained therein, (i) the Company will, pursuant to a subscription rights method of demutualization, convert from mutual to stock form; (ii) the Company will form a holding company, as authorized by the Official Code of the District of Columbia ("HoldCo"); (iii) HoldCo will, pursuant to a private offering under Regulation A that is exempt from registration under the Securities Act of 1933, as amended, offer to sell to Participants (as defined in the Plan of Conversion), at the Purchase Price (as defined in the Plan of Conversion), shares of common stock of HoldCo (the "Offering"), and (iv) the Company will issue and sell to HoldCo all of the Company's authorized capital stock, pursuant to the terms and conditions set forth in the Plan of Conversion;

NOW, THEREFORE, BE IT RESOLVED, after due deliberation, that it is advisable and fair to and in the best interests of the Company for the Company to approve and adopt the Plan of Conversion pursuant to Section 902 of Title 31 of the District of Columbia Official Code, D.C. Code § 31-901 et seq. (the "Act"), subject to amendment or withdrawal of the Plan of Conversion by the Board of Directors pursuant to its terms prior to the approval of the Plan of Conversion by the Commissioner of the District of Columbia Department of Insurance, Securities and Banking (the "Commissioner");

FURTHER RESOLVED, that the Board of Directors finds that the terms of the Plan of Conversion and the related transactions contemplated by the Plan of Conversion (the "Conversion") are advisable and fair to and in the best interests of the Company, and hereby declares advisable and adopts and approves the Plan of Conversion, the Conversion and the other transactions contemplated thereby;

FURTHER RESOLVED, that the President and Chief Executive Officer and the Chief Financial Officer of the Company, or, in their absence, any Vice President designated by the Board of Directors (collectively, the "Authorized Officers" and each an "Authorized Officer"), are hereby authorized and directed, for and on behalf of and in the name of the Company, to submit for approval the Plan of Conversion, with such non-material changes therein as such officers, upon the advice of the Company's counsel and financial advisor, deem necessary or advisable, to the Commissioner as required by the Act;

FURTHER RESOLVED, that the Authorized Officers and the officers of the Company's various direct and indirect subsidiaries be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company and such subsidiaries, to cause any of such subsidiaries to enter into any agreements and transactions related to the Conversion and the Plan of Conversion, and to consummate such other transactions, as may be necessary or advisable in the judgment of the Authorized Officers in connection with and in furtherance of the Conversion or any of the transactions contemplated by the Plan of Conversion or any other related agreements; and

### **Resolutions re Proposal to Amend and Restate Articles of Incorporation and Bylaws**

WHEREAS, in connection with the Conversion, the Board of Directors desires to amend and restate each of the Articles of Incorporation and the Bylaws of the Company consistent with its conversion from mutual to stock form upon the effectiveness of the Conversion;

NOW THEREFORE, BE IT RESOLVED, that, subject to adoption and approval by the members of the Company and upon effectiveness of the Conversion, each of the Articles of Incorporation and the Bylaws of the Company be amended and restated to read in full and in their respective entirety as set forth in *Exhibit A* (the "A&R Articles of Incorporation") and *Exhibit B* (the "A&R Bylaws") attached hereto, with such non-material changes therein as such officers, upon the advice of the Company's counsel and financial advisor, deem necessary or advisable (collectively, the "Amendments");

FURTHER RESOLVED, that the Board of Directors has determined that the Amendments are advisable and fair to and in the best interests of the Company;

FURTHER RESOLVED, that the Amendments are hereby adopted and approved subject to and upon the effectiveness of the Conversion and subject to adoption and approval by the members of the Company;

FURTHER RESOLVED, that the Authorized Officers be and they hereby are authorized and directed to submit the A&R Articles of Incorporation to the members of the Company for their consideration, adoption and approval;

FURTHER RESOLVED, that, subject to the adoption and approval of the A&R Articles of Incorporation by the members of the Company and approval of the Plan of Conversion by the Commissioner, the Authorized Officers be and they hereby are authorized and directed, for and on behalf of the Company, to cause to be executed and filed with the Department of Consumer and Regulatory Affairs of the District of Columbia the A&R Articles of Incorporation with its effectiveness to be the Effective Date (as defined in the Plan of Conversion); and

### **Special Meeting of Members; Recommendation to Members**

FURTHER RESOLVED, that a special meeting of the members of the Company shall be called for the purpose of adopting and approving the Plan of Conversion and the A&R Articles of Incorporation and such other matters as the Board of Directors may determine (the "Special Meeting"), in accordance with the applicable provisions of the Act, District of Columbia law and

the Articles of Incorporation and Bylaws of the Company, and the authority of the Board of Directors to fix the date, time and place of the Special Meeting, and to take other relevant action in the foregoing respects, including appointing such persons as such officer deems appropriate to serve as a judge of election and as proxyholders of the Company in connection with such meeting, is delegated, to the fullest extent permitted under the Act, District of Columbia law and the Articles of Incorporation and Bylaws of the Company, to the Authorized Officers unless otherwise determined by the Board of Directors subsequent to the date hereof;

FURTHER RESOLVED, that the Board of Directors recommends that the members of the Company adopt and approve the Plan of Conversion and the Conversion;

FURTHER RESOLVED, that the Board of Directors recommends that the members of the Company adopt and approve the A&R Articles of Incorporation; and

**Governmental and Regulatory Approvals and Filings; Information Statement and Proxy Statement**

FURTHER RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company, to prepare and file all such applications and any and all certificates, documents, letters and other instruments with the applicable insurance regulatory or other governmental authorities necessary or desirable for approval of the transactions contemplated by the Conversion and the Plan of Conversion, with full power and authority by such officers and counsel to take any and all such action as may be necessary or advisable in their judgment to obtain such approvals, including, without limitation, appearing before any such insurance regulatory or other governmental authority;

FURTHER RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, with the assistance of counsel and its other advisors, in the name and on behalf of the Company, to prepare an offering statement on Form 1-A of HoldCo (together with amendments and supplements thereto, the "Offering Statement"), a proxy statement of the Company (the "Proxy Statement") to be used in connection with the Special Meeting, and an offering circular of HoldCo (the "Offering Circular") to be used in connection with the Offering, which will be a part of the Offering Statement;

FURTHER RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, with the assistance of counsel and its other advisors to cause the Offering Statement to be filed with the United States Securities and Exchange Commission (the "SEC") and to cause the Proxy Statement to be mailed to eligible members of the Company and the Offering Circular to be mailed to Participants, and, in connection with the Proxy Statement, together with a notice of meeting, in connection with the solicitation by the Board of Directors of proxies in connection with the Special Meeting, and to take all action which they deem necessary and proper in connection with any such filing, mailing, solicitation and meeting;

FURTHER RESOLVED, that the Authorized Officers are hereby authorized and directed, for and on behalf of the Company to take any additional actions and to prepare and execute any additional documents, including without limitation the preparation and filing of any reports or other documents with the Commissioner, the SEC, or state securities commissions, as

they, in their discretion, deem necessary or desirable to effect the intent of the foregoing resolutions; and

### **Issuance of Shares pursuant to the Amendment**

FURTHER RESOLVED, subject to and effective upon the filing of the A&R Articles of Incorporation and otherwise subject to and effective upon the Conversion, that the offer of HoldCo to purchase all of the shares of common stock of the Company, par value \$0.01 per share (the "Common Stock"), specifically, 1,000 shares of Common Stock, for the cash consideration to be agreed upon pursuant to, and in accordance with, the Plan of Conversion (which consideration has a value not less than the aggregate par value of such shares of Common Stock), be, and hereby is, accepted and approved, and further, that the Company issue and sell such shares to HoldCo for the foregoing amount of cash consideration paid to the Company, and upon issuance and payment therefor as aforesaid, such shares shall be duly and legally issued, fully paid and nonassessable, and further, that the Authorized Officers be, and each of them acting alone hereby is, authorized and empowered to issue and cause to be delivered to HoldCo a properly executed certificate for such shares and, if requested, a receipt for payment for such shares;

FURTHER RESOLVED, subject to and effective upon the filing the A&R Articles of Incorporation and otherwise subject to and effective upon the Conversion, that a form of certificate for the Common Stock consistent with applicable law be, and hereby is, adopted as the form of certificates to represent shares of the Common Stock; and

### **General Enabling Resolutions**

FURTHER RESOLVED, that, if the members of the Company shall have voted to adopt and approve the Plan of Conversion, and if the other conditions to the Company's obligations to effect the Conversion set forth in the Plan of Conversion shall have been fulfilled or duly waived, the Authorized Officers be, and each of them hereby is, authorized to consummate the Conversion in accordance with the Plan of Conversion and in connection therewith to execute and deliver and, as appropriate, file all documents and instruments in the name of the Company and HoldCo, as applicable, and, if so required, under their respective corporate seals or otherwise as such officer shall deem necessary or desirable, including without limitation, the A&R Articles of Incorporation and a stock certificate, in each case, with such non-material additions, deletions or changes therein and modifications thereof, if any, as such Authorized Officer executing the same shall approve (the execution thereof by any such Authorized Officer to be conclusive evidence of his or her approval of any such additions, deletions, changes or modifications);

FURTHER RESOLVED, that the Authorized Officers are hereby authorized to take any and all actions as may be necessary or appropriate in connection with preparing for and effecting the Conversion and the Offering, including without limitation, engaging such third parties as such Authorized Officers deem necessary to staff and operate any Stock Information Center in connection with the Offering, print and mail the Proxy Statement and the Offering Circular, and assist the Company in soliciting proxies in connection with the Special Meeting;



FURTHER RESOLVED, that the Authorized Officers be and they hereby are authorized and directed to take such other actions as such officers consider, in their discretion, to be necessary, proper, appropriate or desirable in order to effect the actions contemplated by the foregoing resolutions, including those related to the Plan of Conversion, the A&R Articles of Incorporation, the A&R Bylaws, and the transactions contemplated thereby;

FURTHER RESOLVED, that, until further action of the Board of Directors, the Board of Directors hereby authorizes each of the Authorized Officers to approve the taking of any actions, the payment of any costs and expenses and the forms and terms of any instruments, documents or agreements, consistent with these resolutions, in connection with the Conversion, the Offering, the Special Meeting, the transactions contemplated thereby and the other transactions referred to in or contemplated by these resolutions, including, without limitation, approval of any non-material amendment to, waiver of, or consent under, the Plan of Conversion or any other agreement or instrument authorized or contemplated by these resolutions as the Authorized Officers shall deem necessary or advisable, upon the advice of the Company's counsel, in connection with the Conversion and the transactions contemplated thereby; and

FURTHER RESOLVED, that for purposes the Act or any other applicable law or any applicable provision of the Company's Articles of Incorporation, the Plan of Conversion, the A&R Articles of Incorporation, the A&R Bylaws, and the transactions contemplated thereby are approved and adopted by an affirmative vote of at least a majority of the members of the Board of Directors; and

FURTHER RESOLVED, that the actions heretofore taken and to be taken by any Authorized Officer to accomplish the purpose and intent of these resolutions are hereby ratified, confirmed and approved in all respects.

Exhibit A

Amended and Restated Articles of Incorporation

Exhibit B

Amended and Restated Bylaws

**Copy of Standard Form of General Proxy**

## PROXY

The undersigned, as a policyholder of Amalgamated Casualty Insurance Company (the "Company"), hereby appoints American Risk Management, Inc., with full power of substitution, my attorney to attend any annual or special meeting or meetings of the policyholders of the Company, at its principal office in the Washington, D.C. metropolitan area where the meetings are held and on the dates such meetings are held, and thereat to vote on my behalf for the election of trustees and in its discretion for or against any other matter which may properly come before the meeting or any adjournment thereof.

THIS PROXY IS REVOCABLE by the undersigned but unless revoked in person at the meeting or by written notice to the Secretary of the Company received by such Secretary prior to a meeting, this proxy shall remain in full force and effect at any and all times during which the undersigned is a policyholder of the Company (including all renewals and reinstatements of policies).

**Policy Number:**

**Name:**

**Date:**

**Signature:**



Dear Policyholder:

We are pleased to enclose your commercial auto insurance policy.

Your liability insurance coverage provides protection for damage or injuries to others caused by you. Since each person you allow to drive the vehicle should be named on your policy, you should contact your agent with the name of any additional person you want to drive your vehicle.

If you also purchased physical damage insurance coverage, as shown on your declarations page, protection would be included for damage to your own vehicle.

Liability insurance coverage alone does not provide reimbursement for damage to your own vehicle. If you have not purchased, but would like coverage for your own vehicle, please ask your agent for physical damage coverage.

In the event of an accident:

- 1) Write down the names, addresses, and telephone numbers of the other driver, passengers, and witnesses.
- 2) Note the date, time and place of the accident.
- 3) Do not admit fault for the accident.
- 4) If a police report is made, get the police report number, the police officer's name, badge number, and the precinct where the officer works.
- 5) Report any and all accidents to the insurance company immediately. You can report the accident by telephone via our toll-free claims line at 1-844-4TIC365 (1-844-484-2365). When reporting the accident, please have available your policy number, driver's license, commercial driver's license and registration card for the vehicle you were driving at the time of the accident. Please be cooperative when giving your report to the claims adjuster. Through cooperation, we will be better able to serve you.

It is our pleasure to serve you.

If you have any questions, please contact your agent.



## EXPLANATION OF POLICYHOLDERS' RIGHTS

As a policyholder, you have certain rights which are associated with your insurance policy issued by Amalgamated Casualty Insurance Company ("the Company"). The following is a description of those rights:

1. Policyholders have the right to reasonable underwriting.
2. Policyholders have the right to reasonable premiums.
3. Policyholders have the right to notice of change in the premium.
4. Policyholders have the right to have valid claims paid.
5. Policyholders have the right to counsel to defend a suit arising out of a covered accident.
6. Policyholders have the right to reimbursement for expenses incurred at the Company's request.
7. Policyholders are entitled to notice of policyholders meetings.
8. Policyholders elect the trustees to the Board.
9. Policyholders have the right to vote at the meetings of the Policyholders.
10. Policyholders have the right to the names of all the candidates for election to the Board upon written notice to the Secretary of the Company.
11. Each Policyholder shall have one vote, regardless of the number of policies.
12. Policyholders shall be members of the Company.
13. Policyholders have the right to a dividend, if declared.
14. Policyholders do not have to provide a proxy in order to obtain a policy.
15. Policyholders can cancel a proxy at any time upon written notice to the Company.
16. A candidate for the Board of Trustees may be nominated by a group of one hundred or more policyholders by filing with the Secretary of the Company a certificate signed by each such member of the group giving the name of the candidate.
17. Annual meeting of the Policyholders shall be held on the second Tuesday of March at 3:00 P.M. at the principal office of the Company, 8401 Connecticut Ave., Suite 105, Chevy Chase, MD 20815.

# **Business Plan of Amalgamated Casualty Insurance Company**



# **Amalgamated Casualty Insurance Company: Business Plan Update**

August 11, 2021



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## Recent History

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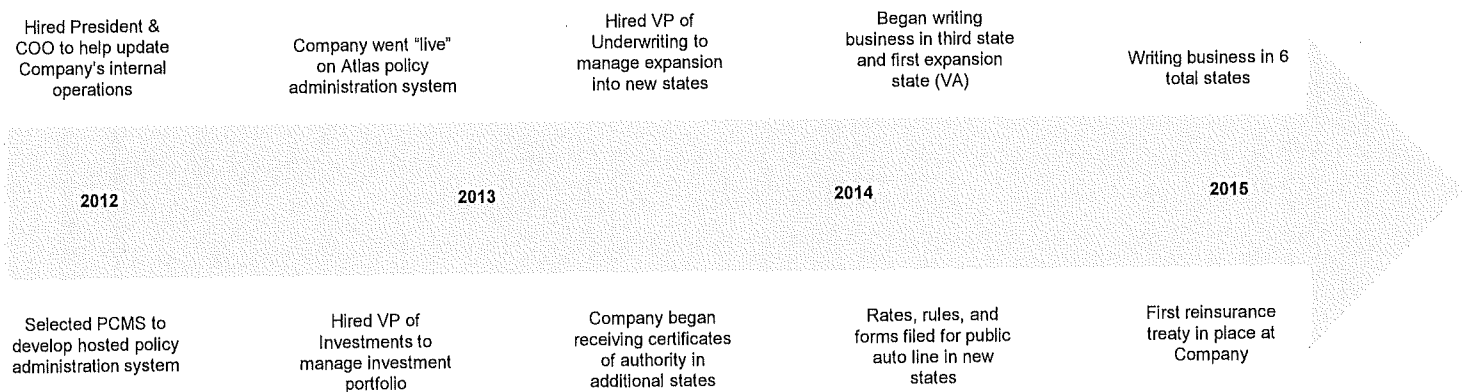


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## 2012-2015 Period

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- From 2012-2015, Amalgamated Casualty Insurance Company (“ACIC” or the “Company”) invested in its business (e.g., modernized corporate governance and regulatory compliance functions, expanded state licensing, filed public auto product in new states, implemented technology system, updated physical office plant, entered first reinsurance treaty, and added new personnel) in preparation for business expansion



## Market Challenges

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- Beginning in 2015, Company's core public auto (i.e., taxi and sedan) business class began to experience significant pressure due to impact of competition from ride-sharing companies (e.g., Uber and Lyft) with taxis and sedans, resulting in a shrinking market (i.e., fewer vehicles to insure)
- In an effort to continue to diversify and grow, while staying within its "core competency" of public auto, the Company expanded its geographic presence (expanding from DC and MD to a total of 18 states by 2018)
- In an effort to mitigate its concentration on taxi vehicle class, Company began insuring non-emergency medical transportation ("NEMT") vehicle class in 2017, which, as a class of vehicles, was less exposed to competitive pressures from ride-sharing companies
- Underwriting results from certain "expansion states" and NEMT vehicle class proved to be significantly below-target, resulting in net losses on a consolidated basis in 2017 and 2018



## 2019 Turnaround Actions Taken

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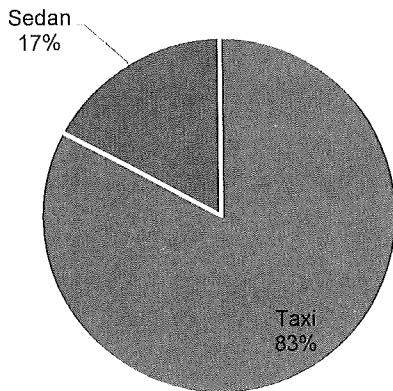
- In response to significantly below-target underwriting results in 2017-2018, implemented a number of initiatives geared toward rapidly restoring Company to financial stability
1. **Re-focused on core taxi and sedan business in select states**
    - a) Exited underperforming NEMT vehicle class
    - b) Exited certain underperforming (FL, GA, MS) and sub-scale (KY) states
    - c) TX exposure limited to low-limit San Antonio where Company had favorable results
  2. **Restructured excess of loss (XOL) reinsurance program**
    - a) Moved XOL program to Guy Carpenter effective June 1, 2019
    - b) Based on reinsurance optimization analysis, increased net retention to \$400k
    - c) Increase XOL treaty limit from \$1mm to \$2mm (reduces use of facultative coverage)
    - d) Realize ~ \$180k in annual savings
  3. **Reduced run-rate fixed costs by \$1.3mm, or approximately 30%**
    - a) Dramatically reduced utilization of outside claims services
    - b) Claims handling fully "in-house" by year-end 2019; annualized savings of \$375k
    - c) Reduced FTEs (including senior officers) from 25 to 20 (20% reduction)
    - d) Realized ~ \$545k of run-rate salary and compensation cost savings (24% reduction)



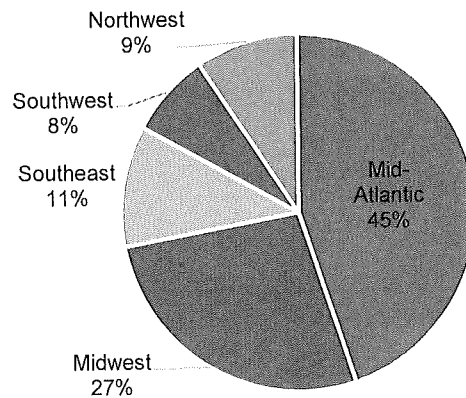
## Emerging from 2019 Turnaround

- As a result of decisive actions taken, returned Company to profitability in 4Q19 (vs. aggregate net loss of \$4.8mm in 2018)
- At February 29, 2020, Company's "core" public auto business totaled approximately \$12mm of in-force premium across 5 regions and 13 states <sup>(1)</sup>

In-Force Business by Vehicle Type



In-Force Business by Region



(1) States include: DC, MD, VA (Mid-Atlantic), IN, MN, MO, OH, WI (Midwest), SC, TN (Southeast), TX, OK (Southwest), OR (Northwest).



## COVID-19 Pandemic Impact on Business

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- COVID-19 pandemic, which disproportionately impacted the travel and leisure industries, dramatically accelerated pressure on Company's public auto business class, which had been under pressure for several years due to competition from ride-sharing companies
- Over the course of 3 months, Company's premium in-force declined from approximately \$12mm (at the end of February 2020) to approximately \$6mm in mid-2020, a decline of approximately 50%
- COVID-19 pandemic created heightened sense of urgency to profitably diversify vehicle classes and migrate Company to a "healthier" segment of the commercial auto insurance market





## Strategic Planning Work

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## Business Planning Work

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- In light of pressure on core taxi and sedan classes, Company spent most of 2020 developing a robust go-forward strategy for profitable growth
- Core to the Company's business planning process was identifying targeted commercial auto insurance segments that are exposed to lower risk (i.e., below-average loss frequency and severity) and have reduced exposure to price competition
- Company spent 8 months working with external consultants and advisors; these individuals were previously senior executives at Markel and Progressive (and were heavily involved in the development of Progressive's commercial auto business)
- Identified a seasoned professional, Richard Hutchinson, to join the Company as President & COO to lead the execution of the go-forward business plan



## Review of Corporate Structure

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- Board had been evaluating corporate structure alternatives for several years, including converting from mutual to stock form; in the context of business planning work, determined that proceeding with a conversion at this time was in the best interest of the Company and its members
  - Affords current members an opportunity to participate in any future success of the Company, which will be tied in large part to the successful execution of go-forward business plan, through the purchase of stock or, alternatively, receive value for their contributions to the Company's' historical success through the redemption of subscription rights
  - Ahead of execution of go-forward business plan and anticipated policy count growth, affords longer-term members, particularly District of Columbia members, a meaningful allocation of priority subscription rights
  - Additional capital from the conversion will enable the Company to achieve sufficient scale and balance sheet strength to execute its growth strategy and absorb earnings volatility inherent in growing from a small base
  - Will permit the Company to adopt stock incentive plans to enhance its ability to attract and retain highly qualified employees, executives, and directors
  - Will better position the Company to seek an upgrade of its A.M. Best rating, which will be an important factor for future profitable growth, by bolstering its capital base and providing access to future capital
  - Will provide for a more traditional corporate governance structure and enhance corporate flexibility for future strategic options, including enabling the Company to pursue strategic acquisitions with cash or, alternatively, using its stock as acquisition currency



## Business Plan Overview

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## Business Overview

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- Company is licensed as a property and casualty (“P&C”) insurer in 30 states (including the District of Columbia) and has focused on specialty commercial auto insurance since 1938
- Company has historically focused on writing insurance for taxicab owners and operators, and that remains largest business segment today; also write policies for sedans, golf carts, and other specialty public transportation vehicles
- Developing new commercial auto insurance products targeting trade and service providers such as electricians, plumbers, carpenters, and other service providers that the Company intends to introduce in the fourth quarter of 2021
- While the Company is committed to continuing to serve its traditional public auto customer segment, expects these new products to be the principal growth driver for the Company in the future



## Go-Forward Growth Strategies

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- **Introduce New Insurance Products to Trade and Service Providers.** We are developing a commercial auto insurance product that we intend to introduce to trade and service providers such as electricians, plumbers, carpenters, and other service providers that our research has indicated present lower loss risk. In this market, the vehicle is a tool used in the business and is typically driven significantly fewer miles than in the taxicab and passenger sedan business where the vehicle is the business.
- **Expand our Distribution Capacity by Increasing our Agent Force.** We intend to significantly expand our small force of independent producers by recruiting a substantial number of additional producers over the next five years. We also intend to explore relationships with agency networks and insurers that offer insurance to trade and service providers but who do not have a commercial auto product.
- **Pursue Acquisitions of Insurance Companies and Related Businesses.** We intend to use the additional capital provided by this offering to explore possible acquisitions of other insurance companies to grow our business and leverage our existing available administrative capacity. We will also explore opportunities to acquire related businesses, such as insurance agencies, that can expand our distribution network.



## Building Blocks to Make Strategic Vision A Reality

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### II. PREMIUM BRAND

A premium brand creates differentiated value for the customer leading to increased sales and retention.

### III. SUPERIOR DIGITAL MODEL

A superior digital model allows for a low acquisition cost, fast and easy business processes, and a customized experience.

### V. OMNI DISTRUBUTION

Growth in all parts of the complex distribution ecosystem. We meet the customer in the way they want to be sold and serviced.

### I. RIGHT SEGMENTS & RISK EXPOSURE

Focus on the "work truck" (tool in the business) in lower liability states. Preferred risk with relatively short tail loss exposure.

### IV. EVOLVED PRODUCT OFFERINGS

Leads to relevance and authenticity through knowledgeable products and services that meet our clients' evolving business needs.



## Two-Tiered Segmentation

### Right Segments & Risk Exposure

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- Two-tiered segmentation approach developed to (a) ensure lower-risk business plan while (b) ensuring organization investing in a large total addressable market (“TAM”) that provides a long runway for future profitable growth
- 1. Geographic segmentation (better states = lower loss severity)**
    - Focused on “Tier 1-3 States” <sup>(1)</sup> → lower and more stable “base rate” loss ratios
  - 2. Business class segmentation (better classes = lower loss frequency)**
    - Focused on lower-risk business classes <sup>(2)</sup> → loss ratio outperformance vs. state average

(1) See definition in subsequent slides.  
(2) See definition in subsequent slides.

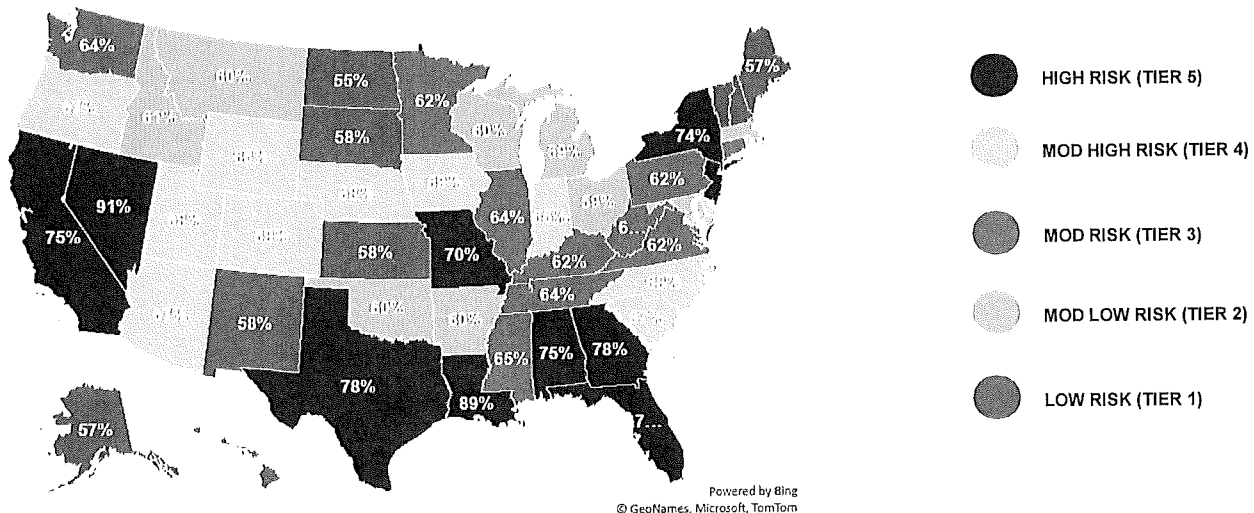




## Geographic Segmentation

### Right Segments & Risk Exposure

- Based on external data and our own internal experience, believe that in order to achieve above-average underwriting results, we must focus on those states that are more “insurance friendly” and provide better odds of success (i.e., lower severity)
- Over time, we expect to migrate the profile of our business to focus on profitable growth in Tier 1-3 states



Source: SNL.  
 Note: Chart showing commercial auto gross loss & DCC ratio for each state for 2019.

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## Business Class Segmentation

### Right Segments & Risk Exposure

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- Think about commercial vehicles as fitting into 2 general groups:
  - **Tools:** vehicle is used as a tool in the overall business
  - **Business:** vehicle is the business
- Our existing public auto book is comprised entirely of vehicles that “are the business” (i.e., taxi, sedan, etc.); in this segment, the vehicle must be on the road for the business to generate revenue
- As we move forward, we are building products to support the expansion into business classes that are primarily “tools” in the business as we believe this group presents lower risk, more favorable profitability characteristics, less price competition, and higher customer retention



## Business Class Risk Spectrum

Right Segments & Risk Exposure

RISK GROUP (1)	BUSINESS SEGMENT
HIGH RISK	Local Passenger Transportation
	Specialized Freight Trucking, Long-Distance
MOD HIGH RISK	Taxicabs
	General Freight Trucking, Local
MOD RISK	Plumbing, Heating, Air-conditioning
	Masonry and Other Stonework
MOD LOW RISK	Carpentry Work
	Electrical Work
LOW RISK	Automotive Dealers
	Painting and Paper Hanging

(1) Risk Group based on calculation of combined rating factor (using factors for multiple coverages) by unique business class. Derived based on analysis of rate and rule filings made by Progressive.



## Segmenting the Small Business Commercial Auto Market

### Right Segments & Risk Exposure

- Believe that the “small business” (i.e., < 5 commercial vehicles) commercial auto market is approximately \$22bn <sup>(1)</sup> in the U.S.
- Our focus will be on lower-risk business segments in lower-risk states

	HIGH STATE	MOD HIGH STATE	MOD STATE	MOD LOW STATE	LOW STATE
HIGH BIZ SEG					
MOD BIZ HIGH SEG		\$269 M	\$347 M	\$243 M	\$62 M
MOD BIZ SEG		\$422 M	\$549 M	\$397 M	\$98 M
MOD LOW BIZ SEG		\$984 M	\$1.3 B	\$937 M	\$252 M
LOW BIZ SEG		\$1.7 B	\$2.1 B	\$1.5 B	\$390 M



(1) Internal company estimates.

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## Total Addressable Market Opportunity

### Right Segments & Risk Exposure

- Believe that there is approximately \$7.6bn <sup>(1)</sup> “target market opportunity” (lower-risk business segments in lower-risk states)
- Considerable market opportunity provides long runway for future profitable growth and will support profitable long-term investments in the business

BUSINESS SEGMENT GROUPS	MOD STATE	MOD LOW STATE	LOW STATE	GRAND TOTALS
ARTISAN CONTRACTORS	\$1.1 B	\$767 M	\$197 M	\$2.5 B
BUSINESS SERVICES	\$1.7 B	\$1.2 B	\$304 M	\$3.2 B
GOVERNMENT AGENCIES	\$3 M	\$2 M	\$1 M	\$6 M
LIGHT MANUFACTURING	\$17 M	\$12 M	\$3 M	\$32 M
REAL ESTATE & INSURANCE	\$189 M	\$140 M	\$39 M	\$368 M
RETAIL TRADE	\$1 B	\$732 M	\$196 M	\$2 B
<b>GRAND TOTALS</b>	<b>\$4 B</b>	<b>\$2.9 B</b>	<b>\$740 M</b>	<b>\$7.6 B</b>

(1) Internal company estimates.

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## Preliminary Business Class Focus

Right Segments & Risk Exposure

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- Have isolated 4 initial major business class segments that we believe present favorable loss characteristics; plan to begin introducing products to these business classes in the fourth quarter of 2021



**Business Services**

Consulting, legal, engineering, religious organizations



**Artisan Contractors**

Single-family housing construction, skilled trades (electricians, plumbers, carpenters, etc.)



**Retail Trade**

Barbers, beauty shops, eating places, child day care services, general automotive repair shops



**Real Estate & Insurance**

Real estate agents, property managers, insurance agents



## Board & Executive Leadership Team

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## Board of Trustees

### Shaza Andersen, Trustee

*Committees: Audit, Human Capital/Compensation (Chair), Strategy/Risk*

Background:

- Trustee of ACIC since 2011
- Founder & CEO of Trustar Bank
- Previously, Vice Chair of the Board of Sandy Spring Bank
- Previously, Founder & CEO of WashingtonFirst Bank
- Previously, member of the Federal Home Loan Bank of Atlanta

### Patrick Bracewell, Chairman & CEO

*Committees: Finance/Investment, Strategy/Risk (Chair)*

Background:

- Chairman of ACIC since 2011
- President of ARM since 2011
- Previously, investment banker at FBR Capital Markets
- B.A. Bowdoin College

### Joseph Bracewell, Trustee

*Committees: Finance/Investment, Nominating/Corporate Governance, Strategy/Risk*

Background:

- Trustee of ACIC since 2013
- Founder & Chairman, Trustar Bank
- Previously, Founder & Chairman of WashingtonFirst Bank
- Previously, Partner at McKee Nelson LLP (and Bingham McCutchen LLP)
- A.B. Harvard University, M.B.A. Stanford University, J.D. American University

### Fred Brewer, Trustee

*Committees: Audit, Nominating/Corporate Governance, Strategy/Risk*

Background:

- Trustee of ACIC since 1984
- Previously, President of ACIC
- Previously, Chairman & President of ARM
- Previously, Deputy Superintendent and Actuary of DISB
- B.S. Southeast Missouri State University

### Thomas Hampton, Trustee

*Committees: Audit, Human Capital/Compensation, Strategy/Risk*

Background:

- Trustee of ACIC since 2021
- Senior Advisor at Dentons LLP
- Previously, Commissioner of DISB
- B.S. North Carolina Central University, M.B.A. St. Johns University
- Certified Public Accountant, Certified Financial Examiner

### James Roumell, Trustee

*Committees: Finance/Investment (Chair), Strategy/Risk*

Background:

- Trustee of ACIC since 2017
- Founder, Partner, and Portfolio Manager of Roumell Asset Management, LLC
- Previously, Registered Principal at Raymond James
- B.A. Wayne State University

### Jason Wolfe, Lead Independent Trustee

*Committees: Audit (Chair), Human Capital/Compensation, Strategy/Risk*

Background:

- Trustee of ACIC since 2011
- Managing Member at Arbor Hills Asset Management, LLC
- Previously, Managing Director at Paragon Capital Group, LLC
- Previously, Managing Director at FBR Capital Markets
- B.S. Case Western Reserve University





## Executive Leadership Team

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### **Patrick Bracewell**

*Chairman & CEO of ACIC (joined in 2011)*

Background:

- Chairman of ACIC since 2011
- President of ARM since 2011
- Previously, investment banker at FBR Capital Markets
- B.A. Bowdoin College

### **Brian Mancino**

*Secretary and Vice President — Distribution of ACIC (joined in 2013)*

Background:

- Previously, Analyst at Ramsey Asset Management, LLC
- Previously, Capital Markets Group at FBR Capital Markets
- B.S. and M.S. Miami University (Ohio)
- Chartered Financial Analyst (CFA) charter holder
- Previously, Certified Public Accountant (CPA)

### **Daniel McFadden**

*Controller and Vice President — Finance of ACIC (joined in 2017)*

Background:

- Previously, Controller and Director of Finance at Maksin (AIG)
- Previously, Vice President of Accounting at Global Indemnity, Ltd.
- Previously, Assistant Controller at Pegasus Satellite Television, Inc.
- Previously, Director of Finance at Colonial Penn (GE)
- B.S. Pennsylvania State University, M.S. Drexel University
- Certified Public Accountant (CPA), Certified Property Casualty Underwriter (CPCU)

### **Richard Hutchinson**

*President & COO of ACIC (joined in 2021)*

Background:

- Previously, President of Hagerty Insurance Agency
- Previously, Preferred Auto and Home Business Leader at Progressive
- Previously, Usage Based Insurance Leader at Progressive
- Previously, Senior leadership positions in Commercial Auto Division at Progressive
- B.A. Yale University, M.B.A. University of Chicago

### **Michael McColley**

*Vice President — Insurance Operations of ACIC (joined in 2017)*

Background:

- Previously, Associate Director – Claims at Nationwide
- Previously, Field Claims Manager at Nationwide
- Previously, Non-Standard Claims Manager at Nationwide
- Previously, Quality Assurance Leader at Nationwide
- B.A. Virginia Commonwealth University

### **Joseph Niemer**

*Vice President — Digital Commerce & Technology of ACIC (joined in 2021)*

Background:

- Previously, VP – Digital Commerce & Valuation at Hagerty Insurance Agency
- Previously, Manager – Business Analysis at BCBS of Michigan
- B.A. University of Michigan
- M.S. University of Michigan



## Pro Forma Financials

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## Offering Assumptions & Capitalization

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- Assume offering closing date of October 31, 2021

(\$ 000s), GAAP Basis			
<u>Conversion Offering</u>			<u>Capitalization Table</u>
Shares Sold in Offering <sup>(1)</sup>	2,660		Shareholders' Equity (12/31/20) <sup>(4)</sup>
Offering Price Per Share	\$ 10.00		Add: Net Offering Proceeds
Gross Offering Proceeds	26,600		<u>18,224</u>
			<b>Pro Forma Shareholders' Equity (12/31/20)</b>
			<b>59,671</b>
<u>Net Offering Proceeds</u>			
Gross Offering Proceeds	26,600		
Less: Shares Purchased by ESOP <sup>(2)</sup>	(2,633)		
Less: Underwriter Fees	(1,238)		
Less: Other Offering Expenses	(2,186)		
Less: Redemption of Subscription Rights <sup>(3)</sup>	<u>(2,320)</u>		
<b>Net Offering Proceeds</b>	<b>18,224</b>		
<sup>(1)</sup> Based on the midpoint of appraisal range (Boenning & Scattergood). <sup>(2)</sup> Employee Stock Ownership Plan (ESOP) will purchase 9.9% of offering shares. <sup>(3)</sup> Based on Boenning & Scattergood assumption that 2% of subscription rights will be exercised. <sup>(4)</sup> Net of noncontrolling interest.			



## Pro Forma Financial Projections

- Pro forma financial projections for full-year 2021 plus 3 full years post-conversion

(\$ 000s), GAAP Basis	2021E	2022E	2023E	2024E
<b>Income Statement</b>				
Gross Premiums Written	8,999	11,392	15,926	22,092
Net Premiums Written	8,658	10,813	15,116	20,969
Net Premiums Earned	8,328	9,915	13,179	18,265
Net Loss & LAE Incurred	5,311	7,262	9,662	13,293
Other Underwriting Expenses Incurred	5,588	5,606	6,344	7,378
<b>Net Underwriting Gain (Loss)</b>	<b>(2,571)</b>	<b>(2,952)</b>	<b>(2,827)</b>	<b>(2,406)</b>
Net Investment Income (incl. Other Income)	1,945	2,503	2,488	2,521
<b>Pre-Tax Income (Loss)</b>	<b>(626)</b>	<b>(449)</b>	<b>(339)</b>	<b>115</b>
Income Tax Expense	-	-	-	-
<b>After-Tax Income</b>	<b>(626)</b>	<b>(449)</b>	<b>(339)</b>	<b>115</b>
<b>Balance Sheet</b>				
Total Cash & Investments	92,393	92,785	95,611	100,079
Shareholders' Equity <sup>(1)</sup>	58,950	58,417	58,005	58,060
<b>Operating Metrics</b>				
ROE (%)	-1.2%	-0.8%	-0.6%	0.2%
<sup>(1)</sup> Net of noncontrolling interest.				



## Stock Ownership Table

Amalgamated Specialty Group Holdings, Inc. (HoldCo)  
Joseph Bracewell & Patrick Bracewell Ownership

	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Offering Shares	2,260,000	2,660,000	3,060,000
Shares Issuable (Series A Preferred)	458,333	458,333	458,333
<b>Total HoldCo Shares</b>	<b>2,718,333</b>	<b>3,118,333</b>	<b>3,518,333</b>

**Item 17**

<b>Joseph Bracewell</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Shares Purchased in Offering	98,566	98,566	98,566
Shares Issuable (Series A Preferred)	96,250	96,250	96,250
<b>Total</b>	<b>194,816</b>	<b>194,816</b>	<b>194,816</b>
<i>% Total HoldCo Shares</i>	7.2%	6.2%	5.5%

**Item 18**

<b>Patrick Bracewell</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
Shares Purchased in Offering	69,668	69,668	69,668
Shares Issuable (Series A Preferred)	334,583	334,583	334,583
<b>Total</b>	<b>404,251</b>	<b>404,251</b>	<b>404,251</b>
<i>% Total HoldCo Shares</i>	14.9%	13.0%	11.5%