

**Form D Filings by MCW on Behalf of Amalgamated for 2017  
through 2020**

**FORM D**

**PRIOR NOTICE OF A TRANSACTION**

**Filed with:**

District of Columbia Department of Insurance, Securities and Banking

**By:**

MCW Holdings, Inc.

**On behalf of the following insurance company:**

Amalgamated Casualty Insurance Company  
8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20815

**Date filed:**

March 17, 2017

**Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:**

Patrick Bracewell  
President, Secretary, and Chairman of the Board  
MCW Holdings, Inc.  
8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20815  
Telephone: (202) 579-1034  
Email: [pjb@mcw-holdings.com](mailto:pjb@mcw-holdings.com)

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## ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

### **Party 1:**

Amalgamated Casualty Insurance Company (“ACI” or the “insurer”)

### **Home office and principal executive office address:**

4400 MacArthur Blvd., NW, Suite 301 (Statutory home office)  
Washington, DC 20007

8401 Connecticut Ave., Suite 105 (Principal executive office)  
Chevy Chase, MD 20814

### **Organizational structure:**

Mutual insurance company

### **Description of party’s business operations:**

ACI is a mutual property and casualty insurance company that principally writes commercial auto insurance, with a focus on taxicabs, black car sedans, and non-emergency medical transportation vehicles. ACI currently transacts business in the District of Columbia, Maryland, Virginia, Florida, South Carolina, Texas, Ohio, Kentucky, Missouri, and Tennessee.

### **Party 2:**

American Risk Management, Inc. (“ARM”)

### **Home office and principal executive office address:**

8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20814

### **Organizational structure:**

Corporation (District of Columbia)

### **Description of party’s business operations:**

ARM is a licensed insurance producer that focuses on the commercial auto segment, primarily taxicabs, black car sedans, and non-emergency medical transportation vehicles. ARM currently transacts business in the District of Columbia, Maryland, Virginia, Florida, South Carolina, Texas, Ohio, Kentucky, Missouri, and Tennessee.

### **Relationship to the insurer:**

In its Report on Examination dated June 29, 2010 (“Examination Report”), the District of Columbia Department of Insurance, Securities and Banking (“DISB”) determined that ACI is part of a holding company system along with its affiliated insurance agency, ARM.

## ITEM 2. DESCRIPTION OF THE TRANSACTION

**Furnish the following information for each transaction for which notice is being given:**

- a) **A statement as to whether notice is being given under Section 7(a)2(A), (B), (C), (D), or (E) of the Act.**

This notice is being given under Section 31-706(a)2(D) (management agreements, service contracts, and all cost-sharing arrangements).

- b) **A statement of the nature of the transaction.**

ACI and ARM are parties to an in-force nonexclusive agency agreement which has an effective date of October 1, 2011 and was submitted to DISB in a Form D filing dated September 23, 2011. In a letter dated September 27, 2011, DISB acknowledged that it had reviewed and had no objections to the nonexclusive agency agreement.

“Amendment No. 1” to the nonexclusive agency agreement, which authorizes ARM to operate as an agent on ACI’s behalf in three additional states (Virginia, Florida, and Georgia) effective May 1, 2014, was submitted to DISB in a Form D filing dated March 21, 2014. In a letter dated April 21, 2014, DISB acknowledged that it had reviewed and had no objections to “Amendment No. 1” to the nonexclusive agency agreement.

“Amendment No. 2” to the nonexclusive agency agreement, which amends the termination date of the agreement to December 31, 2017, was submitted to DISB in a Form D filing dated November 10, 2014. In a letter dated December 3, 2014, DISB acknowledged that it had reviewed and had no objections to “Amendment No. 2” to the nonexclusive agency agreement.

“Amendment No. 3” to the nonexclusive agency agreement, which authorizes ARM to operate as agent on ACI’s behalf in all states in which ACI and ARM are properly licensed to transact business, was submitted to DISB in a Form D filing dated January 15, 2015. In a letter dated January 23, 2015, DISB acknowledged that it had reviewed and had no objections to “Amendment No. 3” to the nonexclusive agency agreement.

The nonexclusive agency agreement, as amended (“Agency Agreement”), authorizes ARM to solicit commercial auto insurance business on behalf of ACI and sets forth various other terms of the business relationship between ACI and ARM.

This Form D filing relates to “Amendment No. 4” (attached herein) to the Agency Agreement. This amendment (1) authorizes ARM to solicit general liability insurance business on ACI’s behalf (in addition to commercial auto insurance) and (2) amends the termination date of the agreement to December 31, 2020.

**c) The proposed effective date of the transaction.**

The effective date of this amendment is May 1, 2017.

**ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS  
OF CREDIT, GUARANTEES OR INVESTMENTS**

There are no sales, purchases, exchanges, loans, extensions of credit, guarantees, or investments between the parties discussed in this Form D filing.

**ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE**

There are no loans or extension of credit to a non-affiliate discussed in this Form D filing.



## **ITEM 5. REINSURANCE**

There are no reinsurance transactions discussed in this Form D filing.

## **ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS COST-SHARING ARRANGEMENTS**

**For management and service agreements, furnish:**

- a) a brief description of the managerial responsibilities, or services to be performed.**

As described in the Applicant's Form D filing dated September 23, 2011, ARM and its predecessor entities have operated as a licensed insurance agency focused on taxicabs, black car sedans, and limousines in the District of Columbia and Maryland since 1938. Over time, ARM has developed significant expertise in the "light" public auto segment of the market, which includes taxicabs, black car sedans, and non-emergency medical transportation vehicles.

The in-force Agency Agreement authorizes ARM to solicit on behalf of and submit applications for insurance to ACI, to issue and deliver policies, certificates, endorsements, and binders that ACI may, from time to time, authorize to be issued and delivered. In addition, the in-force Agency Agreement authorizes ARM to collect and receipt for premiums on any policy issued by ACI, and to cancel any of the policies placed with ACI by or through ARM in ARM's sole discretion (where such cancellation is legally possible). Additionally, ARM is obligated to pay, within ten days after due date, all money due to ACI on policies placed with ACI by ARM. In addition, the in-force Agency Agreement states that ARM shall be answerable to ACI in respect to business placed with the ARM by a sub-agent and accepted by ACI as if such business had been produced directly by the ARM under the Agency Agreement.

The in-force Agency Agreement authorizes ARM to, among other things, solicit:

- (i) in the District of Columbia, commercial auto insurance except for physical damage coverage for limousines, and
- (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile insurance

ACI currently transacts business in the District of Columbia, Maryland, Virginia, Florida, South Carolina, Texas, Ohio, Kentucky, Missouri, and Tennessee.

This Form D filing relates to "Amendment No. 4" (attached herein) to the Agency Agreement. This amendment authorizes ARM to solicit general liability insurance business on ACI's behalf (in addition to commercial auto insurance). Non-emergency medical transportation businesses typically purchase general liability coverage as an added coverage on their base commercial auto policy so that they are covered during the period when the vehicle operator is loading and unloading the passenger. This is

an exposure that is more common to non-emergency medical transportation businesses (unlike taxicab and sedan businesses). The implications are that the amendment would facilitate ACI's strategic initiative to grow its non-emergency medical transportation line of business, which is consistent with the Company's overall expansion and diversification strategy. In addition, this amendment amends the termination date of the agreement from December 31, 2017 to December 31, 2020.

**b) a brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.**

ACI and ARM are parties to an in-force Agency Agreement which has an effective date of October 1, 2011. The Agency Agreement authorizes ARM to solicit business on behalf of ACI and sets forth various other terms of the business relationship between ACI and ARM. The Agency Agreement sets the commission to be paid to ARM at 18.3% on premiums collected by ARM.

On March 16, 2017, the members of the Audit Committee (comprised of independent trustees of ACI) recommended that the Board of Trustees authorize the Secretary of ACI to sign the proposed "Amendment No. 4" to the Agency Agreement, subject to DISB acknowledgement that it has reviewed and has no objections to this Form D filing. The members of the Audit Committee noted that the amendment was consistent with the Board's goals of expanding and diversifying ACI's business.

The members of the Audit Committee noted, however, that in their experience they believed that it was uncommon for such an agreement to have an expiration date. The members of the Audit Committee stated that typically such an agreement would not have an expiration date but would have a mechanism whereby either party to the agreement could terminate the agreement for any reason at any time, subject to a notice period of some sort. The members of the Audit Committee stated that agreements were typically structured in such a manner to promote long-term business planning by the parties to the contract and asked that management conduct some research on this topic and report back later in the year.

After a full discussion, and upon motion duly made and seconded, the Board of Trustees accepted the recommendation of the Audit Committee and authorized the Secretary of ACI to sign the proposed amendment on behalf of ACI, subject to DISB acknowledgement that it has reviewed and has no objections to this Form D filing.

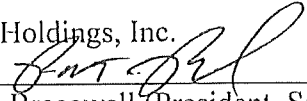
## ITEM 7. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

### SIGNATURE

Pursuant to the requirements of Section 7 of the Act, the Registrant has caused this notice to be duly signed on its behalf in the City of Washington and District of Columbia on the 17<sup>th</sup> day of March 2017.

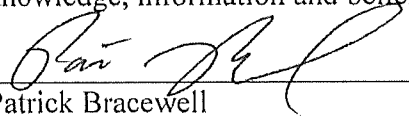
MCW Holdings, Inc.

BY:  \_\_\_\_\_

Patrick Bracewell (President, Secretary and Chairman of the Board)

### CERTIFICATION

The undersigned deposes and says that he duly executed the attached notice dated March 17, 2017, for and on behalf of MCW Holdings, Inc.; that he is the President, Secretary, and Chairman of the Board of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

 \_\_\_\_\_  
Patrick Bracewell

**EXHIBIT I: AMENDMENT NO. 4 (TO IN FORCE NONEXCLUSIVE AGENCY  
AGREEMENT)**

**AMENDMENT NO. 4**

This Amendment No. 4 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of May 1, 2017. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 1 of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) in the District of Columbia, commercial automobile and general liability insurance except for physical damage coverage for limousines and (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile and general liability insurance; all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid commercial automobile insurance by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

2. Section 10 of the Agreement, as amended, be and hereby is amended by changing the termination date from "December 31, 2017" to "December 31, 2020."

3. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:

AMERICAN RISK MANAGEMENT, INC.

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Patrick Bracewell, President

WITNESS:

AMALGAMATED CASUALTY INSURANCE COMPANY

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Mark A. Gilder, Secretary



**Government of the District of Columbia  
Department of Insurance, Securities and Banking**

Stephen C. Taylor  
Commissioner

March 30, 2017

Mr. Patrick Bracewell  
Amalgamated Casualty Insurance Company  
8401 Connecticut Ave  
Suite 105  
Chevy Chase, MD 20815

RE: Form D Filing, Liability Coverage Non-Emergency Medical Transportation.

Dear Mr. Bracewell:

Amalgamated Casualty Insurance Company (Company) submitted a Form D for the material transaction of updating the Agency Agreement (Agreement) between the Company and the affiliated agency American Risk Management Inc. (ARM), for approval by the Department of Insurance, Securities, and Banking (Department).

The Agreement provisions state that ARM will be permitted to solicit Liability Coverage for Non-Emergency Medical Transportation on behalf of the Company.

The Department requires that amendments to affiliate agreements comply with DC Code § 31-706(a)(2)(D). On completing its review of the Form D filing, the Department has determined that the Company has met this requirement and has no objection to the amendment.

Thank you for your prior notification. If you have any questions concerning this matter, please contact me at (202) 442-7786.

Sincerely,

Frank Ryan  
Financial Examiner

CC: Philip Barlow, Associate Commissioner  
Nathaniel K. Brown, Chief Financial Manager

STEVENS & LEE  
LAWYERS & CONSULTANTS

17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
(717) 234-1090 Fax (717) 234-1099  
www.stevenslee.com

Direct Dial: (717) 399-6634  
Email: shs@stevenslee.com  
Direct Fax: (610) 236-4182

May 10, 2018

**VIA FEDERAL EXPRESS**

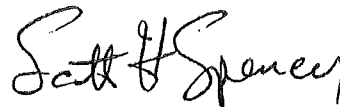
Department of Insurance, Securities and Banking  
Of the District of Columbia  
810 First Street NE, Suite 701  
Washington, DC 20002  
Attention: Frank Ryan

Re: Amalgamated Casualty Insurance Company  
Proposed Amendment No. 5 to the Agency Agreement

Dear Mr. Ryan:

Enclosed please find two (2) complete copies of a Form D and accompanying exhibit. This Form requests approval of an additional amendment to the in-force Agency Agreement. As explained in the filing, Amalgamated wishes to write an additional product not currently covered by the existing Agency Agreement. If you have any questions, please contact me. Thank you.

STEVENS & LEE



Scott H. Spencer

SHS:nro

Enclosures

cc: (email only)

Patrick J. Bracewell

Philadelphia • Reading • Valley Forge • Allentown • Harrisburg • Lancaster • Scranton  
Wilkes-Barre • Princeton • Charleston • New York • Wilmington

A PROFESSIONAL CORPORATION



**FORM D**

**PRIOR NOTICE OF A TRANSACTION**

**Filed with:**

District of Columbia Department of Insurance, Securities and Banking

**By:**

MCW Holdings, Inc.

**On behalf of the following insurance company:**

Amalgamated Casualty Insurance Company  
8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20815

**Date filed:**

May 10, 2018

**Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:**

Scott H. Spencer  
Stevens & Lee, P.C.  
17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
Telephone: (717) 399-6634  
Email: [shs@stevenslee.com](mailto:shs@stevenslee.com)

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**ITEM 7. SIGNATURE AND CERTIFICATION ..... 10**

**EXHIBIT I: AMENDMENT NO. 5 (TO IN FORCE NONEXCLUSIVE AGENCY AGREEMENT) ..... 11**

## ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

### **Party 1:**

Amalgamated Casualty Insurance Company (“ACI” or the “insurer”)

### **Home office and principal executive office address:**

4400 MacArthur Blvd., NW, Suite 301 (Statutory home office)  
Washington, DC 20007

8401 Connecticut Ave., Suite 105 (Principal executive office)  
Chevy Chase, MD 20814

### **Organizational structure:**

Mutual insurance company

### **Description of party’s business operations:**

ACI is a mutual property and casualty insurance company that principally writes commercial auto insurance, with a focus on taxicabs, black car sedans, and non-emergency medical transportation vehicles. ACI currently transacts business in fifteen (15) states, including the District of Columbia.

### **Party 2:**

American Risk Management, Inc. (“ARM”)

### **Home office and principal executive office address:**

8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20814

### **Organizational structure:**

Corporation (District of Columbia). ARM is wholly owned by MCW Holdings, Inc., the filer of this Form D.

### **Description of party’s business operations:**

ARM is a licensed insurance producer that principally focuses on the commercial auto segment, primarily taxicabs, black car sedans, and non-emergency medical transportation vehicles. ARM currently transacts business in fifteen (15) states, including the District of Columbia.

### **Relationship to the insurer:**

In its Report on Examination dated June 29, 2010 (“Examination Report”), the District of Columbia Department of Insurance, Securities and Banking (“DISB”) determined that ACI is part of a holding company system along with its affiliated insurance agency, ARM.

## ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

- a) **A statement as to whether notice is being given under Section 7(a)2(A), (B), (C), (D), or (E) of the Act.**

This notice is being given under Section 31-706(a)2(D) (management agreements, service contracts, and all cost-sharing arrangements).

- b) **A statement of the nature of the transaction.**

ACI and ARM are parties to an in-force nonexclusive agency agreement which has an effective date of October 1, 2011 and was submitted to DISB in a Form D filing dated September 23, 2011. In a letter dated September 27, 2011, DISB acknowledged that it had reviewed and had no objections to the nonexclusive agency agreement.

This Form D filing relates to "Amendment No. 5" (attached herein) to the nonexclusive agency agreement, as amended (the "Agency Agreement"). This amendment authorizes ARM to solicit contractual liability insurance coverage on ACI's behalf.

- c) **The proposed effective date of the transaction.**

The proposed effective date of this amendment is June 15, 2018.

**ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS  
OF CREDIT, GUARANTEES OR INVESTMENTS**

There are no sales, purchases, exchanges, loans, extensions of credit, guarantees, or investments between the parties discussed in this Form D filing.

**ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE**

There are no loans or extension of credit to a non-affiliate discussed in this Form D filing.

## ITEM 5. REINSURANCE

There are no reinsurance transactions discussed in this Form D filing.

## ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS COST-SHARING ARRANGEMENTS

For management and service agreements, furnish:

- a) a brief description of the managerial responsibilities, or services to be performed.

As described in the Applicant's Form D filing dated September 23, 2011, ARM and its predecessor entities have operated as a licensed insurance agency since 1938. Over time, ARM has developed significant expertise in the "light" public commercial automobile segment, which includes taxicabs, black car sedans, and non-emergency medical transportation vehicles.

The in-force Agency Agreement authorizes ARM to solicit on behalf of and submit applications for insurance to ACI, to issue and deliver policies, certificates, endorsements, and binders that ACI may, from time to time, authorize to be issued and delivered. In addition, the in-force Agency Agreement authorizes ARM to collect premiums on any policy issued by ACI, and to cancel any of the policies placed with ACI by or through ARM in ARM's sole discretion (where such cancellation is legally possible). Additionally, ARM is obligated to pay, within ten days after due date, all money due to ACI on policies placed with ACI by ARM. In addition, the in-force Agency Agreement states that ARM shall be answerable to ACI in respect to business placed with the ARM by a sub-agent and accepted by ACI as if such business had been produced directly by the ARM under the Agency Agreement.

The in-force Agency Agreement authorizes ARM to, among other things, solicit:

- (i) in the District of Columbia, commercial automobile and general liability insurance except for physical damage coverage for limousines, and
- (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile and general liability insurance.

This Form D filing relates to "Amendment No. 5" (attached herein) to the Agency Agreement. This amendment authorizes ARM to solicit contractual liability insurance on behalf of ACI. While ACI and ARM are currently operating in the "light" public commercial auto segment, both parties would like the ability to write other lines of business should there be attractive opportunities. Like many industries, the commercial auto insurance industry is evolving and market dynamics are constantly changing (e.g. ride-sharing, self-driving vehicles, etc.). In addition, the commercial auto insurance industry is in a deep cyclical trough. Among the major commercial lines of insurance, commercial auto has had the poorest underwriting results in recent



years, in recent years performing 15 points worse in combined ratio than other commercial property and casualty lines. In order to maximize flexibility to respond to market opportunities and threats, both ACI and ARM believe it would be prudent for the Agency Agreement to contemplate other product offerings to supplement the core commercial auto business. Because product lines (and even sub-lines within product lines) carry different commission rates due to different underlying economic characteristics, the amendment builds in a “general framework” for writing products other than commercial auto and general liability insurance (“Additional Business”, described in “Exhibit A”). At the present time, the new product being contemplated is a niche contractual liability insurance policy (“CLIP”) program whereby ACI will be guaranteeing the performance of golf hole-in-one prize providers.

Other than providing for the writing of the “Additional Business,” Amendment No. 5 makes no changes to the managerial or other services the ARM provides to ACI.

**b) a brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.**

On May 4, 2018, the Board of Trustees, including the members of the Audit Committee (comprised of independent trustees of ACI), discussed “Amendment No. 5” to the Agency Agreement which authorizes ARM to solicit contractual liability insurance in connection with hole-in-one golf competition promotions. The proposed commission rate for this product is 25%. They noted that the amendment was consistent with the Board’s goals of adding profitable product lines to ACI’s business. They also reviewed market guidance from Guy Carpenter, a reinsurance intermediary, as to the commission rate for the specific CLIP program being contemplated. They noted that the proposed commission rate of 25% for the CLIP program was consistent with the market guidance provided by Guy Carpenter.

After a full discussion, and upon motion duly made and seconded, the Board of Trustees, including the members of the Audit Committee, authorized the Secretary of ACI to sign the proposed amendment on behalf of ACI, subject to DISB acknowledgement that it has reviewed and has no objections to this Form D filing.

Amendment No. 5 makes no change to the existing duration of the in-force Agency Agreement.

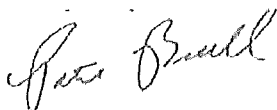
**ITEM 7. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 7 of the Act, the Registrant has caused this notice to be duly signed on its behalf in the City of Washington and District of Columbia on the 10<sup>th</sup> day of May 2018.

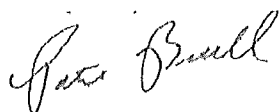
MCW Holdings, Inc.



BY: \_\_\_\_\_  
Patrick Bracewell (President, Secretary and Chairman of the Board)

**CERTIFICATION**

The undersigned deposes and says that he duly executed the attached notice dated May 10, 2018, for and on behalf of MCW Holdings, Inc.; that he is the President, Secretary, and Chairman of the Board of such company and that he is authorized to executed and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



\_\_\_\_\_  
Patrick Bracewell

**EXHIBIT I: AMENDMENT NO. 5 (TO IN FORCE NONEXCLUSIVE AGENCY  
AGREEMENT)**

AMENDMENT NO. 5

This Amendment No. 5 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of June 15, 2018. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 1 of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) commercial automobile and general liability insurance (collectively "Commercial Automobile Business") in the District of Columbia, except for physical damage coverage for limousines, (ii) Commercial Automobile Business in all other states in which both the Company and the Agent are properly licensed to transact business, and (iii) the types of business in the territories specified on Exhibit A attached hereto and made a part hereof (the "Additional Business"); all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid Commercial Automobile Business and Additional Business by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

2. Section 2 of the Agreement, as amended, be and hereby is further amended by adding the following language at the end of the first sentence of such Section 2, after the word "policies":

". . . that are Commercial Automobile Business, and a commission on premiums collected on the Additional Business at the rate or rates specified on Exhibit A."

3. "Exhibit A: Additional Business" be and hereby is added:

Type of Business	Territory	Commission Rate(s)
Other (miscellaneous) liability insurance coverage; this shall be limited to contractual liability insurance in connection with golf hole-in-one golf competition promotions	All states where the Company and Agent are properly licensed	25%

[Amendment No. 5 to the Nonexclusive Agency Agreement]

**Draft dated May 10, 2018  
For Regulatory Review**

4. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:

AMERICAN RISK MANAGEMENT, INC.

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Patrick Bracewell, President

WITNESS:

AMALGAMATED CASUALTY INSURANCE COMPANY

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Mark A. Gilder, Secretary

[Amendment No. 5 to the Nonexclusive Agency Agreement]



**Government of the District of Columbia  
Department of Insurance, Securities and Banking**

**Stephen C. Taylor  
Commissioner**

June 26, 2018

Mr. Patrick Bracewell  
Amalgamated Casualty Insurance Company  
8401 Connecticut Ave  
Suite 105  
Chevy Chase, MD 20815

RE: Form D Filing, Liability Coverage; Contractual Liability Insurance Policies (CLIP).

Dear Mr. Bracewell:

Amalgamated Casualty Insurance Company (Company) submitted a Form D for the material transaction of updating the Agency Agreement (Agreement) between the Company and the affiliated agency American Risk Management Inc. (ARM), for approval by the Department of Insurance, Securities, and Banking (Department).

The Agreement provisions state that ARM will be permitted to solicit Contractual Liability Insurance Policies (CLIP) on behalf of the Company.

The Department requires that amendments to affiliate agreements comply with DC Code § 31-706(a)(2)(D). On completing its review of the Form D filing, the Department has determined that the Company has met this requirement and has no objection to the amendment.

Thank you for your prior notification. If you have any questions concerning this matter, please contact me at (202) 442-7786.

Sincerely,

Frank Ryan  
Financial Examiner

CC: Philip Barlow, Associate Commissioner  
Nathaniel K. Brown, Chief Financial Manager

**STEVENS & LEE**  
**LAWYERS & CONSULTANTS**

17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
(717) 234-1090 Fax (717) 234-1099  
www.stevenslee.com

Direct Dial: (717) 399-6634  
Email: shs@stevenslee.com  
Direct Fax: (610) 236-4182

July 3, 2018

**VIA FEDERAL EXPRESS**

Department of Insurance, Securities and Banking  
Of the District of Columbia  
1050 First Street, NE, Suite 801  
Washington, DC 20002  
Attention: Frank Ryan

Re: Amalgamated Casualty Insurance Company  
Proposed Amendment No. 6 to the Agency Agreement

Dear Mr. Ryan:

Enclosed please find two (2) complete copies of a Form D and accompanying exhibit. This Form requests approval of an additional amendment to the in-force Agency Agreement. As explained in the filing, the parties desire to include an automatic renewal feature in the "term" provisions of the existing Agency Agreement. If you have any questions, please contact me. Thank you.

STEVENS & LEE



Scott H. Spencer

SHS:nro

Enclosures

cc: (email only)  
Patrick J. Bracewell

Philadelphia • Reading • Valley Forge • Allentown • Harrisburg • Lancaster • Scranton  
Wilkes-Barre • Princeton • Charleston • New York • Wilmington  
A PROFESSIONAL CORPORATION

**FORM D**

**PRIOR NOTICE OF A TRANSACTION**

**Filed with:**

District of Columbia Department of Insurance, Securities and Banking

**By:**

MCW Holdings, Inc.

**On behalf of the following insurance company:**

Amalgamated Casualty Insurance Company  
8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20815

**Date filed:**

July 3, 2018

**Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:**

Scott H. Spencer  
Stevens & Lee, P.C.  
17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
Telephone: (717) 399-6634  
Email: [shs@stevenslee.com](mailto:shs@stevenslee.com)



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## ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

### **Party 1:**

Amalgamated Casualty Insurance Company (“ACI” or the “insurer”)

### **Home office and principal executive office address:**

4400 MacArthur Blvd., NW, Suite 301 (Statutory home office)  
Washington, DC 20007

8401 Connecticut Ave., Suite 105 (Principal executive office)  
Chevy Chase, MD 20814

### **Organizational structure:**

Mutual insurance company

### **Description of party’s business operations:**

ACI is a mutual property and casualty insurance company that principally writes commercial auto insurance, with a focus on taxicabs, black car sedans, and non-emergency medical transportation vehicles. ACI currently transacts business in fifteen (15) states, including the District of Columbia.

### **Party 2:**

American Risk Management, Inc. (“ARM”)

### **Home office and principal executive office address:**

8401 Connecticut Ave., Suite 105  
Chevy Chase, MD 20814

### **Organizational structure:**

Corporation (District of Columbia)

### **Description of party’s business operations:**

ARM is a licensed insurance producer that principally focuses on the commercial auto segment, primarily taxicabs, black car sedans, and non-emergency medical transportation vehicles. ARM currently transacts business in fifteen (15) states, including the District of Columbia.

### **Relationship to the insurer:**

In its Report on Examination dated June 29, 2010 (“Examination Report”), the District of Columbia Department of Insurance, Securities and Banking (“DISB”) determined that ACI is part of a holding company system along with its affiliated insurance agency, ARM.

## ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

- a) **A statement as to whether notice is being given under Section 7(a)2(A), (B), (C), (D), or (E) of the Act.**

This notice is being given under Section 31-706(a)2(D) (management agreements, service contracts, and all cost-sharing arrangements).

- b) **A statement of the nature of the transaction.**

ACI and ARM are parties to an in-force nonexclusive agency agreement which has an effective date of October 1, 2011 and was submitted to DISB in a Form D filing dated September 23, 2011. In a letter dated September 27, 2011, DISB acknowledged that it had reviewed and had no objections to the nonexclusive agency agreement.

This Form D filing relates to "Amendment No. 6" (attached herein) to the nonexclusive agency agreement, as amended (the "Agency Agreement"). This amendment supplements the Agency Agreement's fixed term with an automatic renewal period in order to promote long-term business planning by both parties and to streamline administration.

- c) **The proposed effective date of the transaction.**

The proposed effective date of this amendment is August 15, 2018.

**ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS  
OF CREDIT, GUARANTEES OR INVESTMENTS**

There are no sales, purchases, exchanges, loans, extensions of credit, guarantees, or investments between the parties discussed in this Form D filing.

**ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE**

There are no loans or extension of credit to a non-affiliate discussed in this Form D filing.

## ITEM 5. REINSURANCE

There are no reinsurance transactions discussed in this Form D filing.

**ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS COST-SHARING ARRANGEMENTS**

**For management and service agreements, furnish:**

- a) a brief description of the managerial responsibilities, or services to be performed.**

As described in the Applicant's Form D filing dated September 23, 2011, ARM and its predecessor entities have operated as a licensed insurance agency since 1938. Over time, ARM has developed significant expertise in certain product lines, including the "light" public commercial automobile segment, which includes taxicabs, black car sedans, and non-emergency medical transportation vehicles.

The in-force Agency Agreement authorizes ARM to solicit on behalf of and submit applications for insurance to ACI, to issue and deliver policies, certificates, endorsements, and binders that ACI may, from time to time, authorize to be issued and delivered. In addition, the in-force Agency Agreement authorizes ARM to collect premiums on any policy issued by ACI, and to cancel any of the policies placed with ACI by or through ARM in ARM's sole discretion (where such cancellation is legally possible). Additionally, ARM is obligated to pay, within ten days after due date, all money due to ACI on policies placed with ACI by ARM. In addition, the in-force Agency Agreement states that ARM shall be answerable to ACI in respect to business placed with the ARM by a sub-agent and accepted by ACI as if such business had been produced directly by the ARM under the Agency Agreement.

The in-force Agency Agreement authorizes ARM to, among other things, solicit:

- (i) in the District of Columbia, commercial automobile and general liability insurance except for physical damage coverage for limousines, and
- (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile and general liability insurance.
- (iii) contractual liability insurance in connection with golf hole-in-one competitions

This Form D filing relates to "Amendment No. 6" (attached herein) to the Agency Agreement. This amendment supplements the Agency Agreement's fixed term with an automatic renewal period in order to promote long-term business planning by both parties and to streamline administration.

**b) a brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.**

At the March 16, 2017 meeting of the Board of Trustees of ACI, the Audit Committee and Board approved "Amendment No. 4" to the in-force Agency Agreement between ACI and ARM, subject to Form D approval by DISB. The amendment was approved by DISB on March 30, 2017 and (1) authorizes ARM to solicit general liability insurance business on ACI's behalf and (2) amends the expiration date of the Agency Agreement to December 31, 2020 (as it was set to expire on December 31, 2017).

As discussed in the Form D filing accompanying "Amendment No. 4", during their discussion of the amendment, some of the members of the Audit Committee noted that in their experience they believed that it was uncommon for an agreement such as the Agency Agreement, which is meant to be long-term in nature and promote long-term business planning by both parties, to have an expiration date with no automatic renewal clause. They stated that in their experience agreements such as the Agency Agreement were typically structured with a fixed term and an automatic renewal feature (again, the latter to promote long-term business planning by the parties to the contract – e.g. both ACI and ARM are investing in people and infrastructure and it would be mutually-beneficial for both parties to know that if they perform under the terms of the contract, the contract will remain in-force without having to explicitly "extend" the expiration date every few years).

The members of the Audit Committee asked that management conduct additional research on this topic and report back later in the year. Management subsequently requested that Scott Spencer of Stevens & Lee, P.C., ACI's lead regulatory counsel, perform research on this matter. On May 4, 2018, the Board of Trustees, including the members of the Audit Committee (comprised of independent trustees of ACI), reviewed Mr. Spencer's research. Mr. Spencer agreed with the members of the Audit Committee that it was unusual for such an agreement to have a fixed term with no automatic renewal feature and that this was at odds with long-term business planning. Mr. Spencer recommended that an automatic renewal feature would be a more appropriate and administratively efficient and presented the proposed changes to the Agency Agreement that are outlined in "Amendment No. 6" to the Agency Agreement. After a full discussion, and upon motion duly made and seconded, the Board of Trustees, including the members of the Audit Committee, authorized the Secretary of ACI to sign the proposed "Amendment No. 6" to the Agency Agreement on behalf of ACI, subject to DISB acknowledgement that it has reviewed and has no objections to this Form D filing.



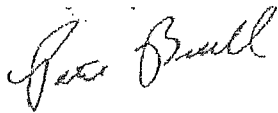
**ITEM 7. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 7 of the Act, the Registrant has caused this notice to be duly signed on its behalf in the City of Washington and District of Columbia on the 3<sup>rd</sup> day of July 2018.

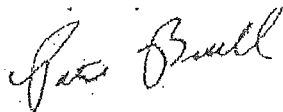
MCW Holdings, Inc.



BY: \_\_\_\_\_  
Patrick Bracewell (President, Secretary and Chairman of the Board)

**CERTIFICATION**

The undersigned deposes and says that he duly executed the attached notice dated July 3, 2018, for and on behalf of MCW Holdings, Inc.; that he is the President, Secretary, and Chairman of the Board of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



\_\_\_\_\_  
Patrick Bracewell

**EXHIBIT I: AMENDMENT NO. 6 (TO IN FORCE NONEXCLUSIVE AGENCY  
AGREEMENT)**

AMENDMENT NO. 6

This Amendment No. 6 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of August 15, 2018. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 10 of the Agreement, as amended, be and hereby is further amended by removing the second sentence in its entirety and replacing it with the following:

"10. This Agreement shall be for an initial term ending on December 31, 2020; provided that this Agreement shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term") unless either party determines not to renew the Agreement, which it shall do by providing prior written notice of nonrenewal to the other party not later than one hundred twenty (120) days prior to the scheduled end of the initial term or the then-current Renewal Term."

2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:

AMERICAN RISK MANAGEMENT, INC.

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Patrick Bracewell, President

WITNESS:

AMALGAMATED CASUALTY INSURANCE COMPANY

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Mark A. Gilder, Secretary

[Amendment No. 6 to the Nonexclusive Agency Agreement]



**Government of the District of Columbia  
Department of Insurance, Securities and Banking**

Stephen C. Taylor  
Commissioner

August 1, 2018

Mr. Patrick Bracewell  
Amalgamated Casualty Insurance Company  
8401 Connecticut Ave  
Suite 105  
Chevy Chase, MD 20815

RE: Form D Filing, Agency Agreement Term of Expiration:

Dear Mr. Bracewell:

Amalgamated Casualty Insurance Company (Company) submitted a Form D for the material transaction of updating the Agency Agreement (Agreement) between the Company and the affiliated agency American Risk Management Inc. (ARM), for approval by the Department of Insurance, Securities, and Banking (Department).

The Original Agreement provisions state that ARM will be permitted to a three-year term agreement to solicit insurance for the Company. The parties wish to amend the agreement to a three-year term with automatic annual renewals thereafter.

The Department requires that amendments to affiliate agreements comply with DC Code § 31-706(a)(2)(D). On completing its review of the Form D filing, the Department has determined that the Company has met this requirement and has no objection to the amendment.

Thank you for your prior notification. If you have any questions concerning this matter, please contact me at (202) 442-7786.

Sincerely,

Frank Ryan  
Financial Examiner

CC: Nathaniel K. Brown, Chief Financial Manager

# Form A Statement by MCW

**FORM A**

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR  
MERGER WITH A DOMESTIC INSURER**

**Name of Domestic Insurer:**  
Amalgamated Casualty Insurance Company

**By:**  
MCW Holdings, Inc.

**Filed with:**  
District of Columbia Department of Insurance, Securities, and Banking

**Date filed:**  
August 5, 2011

**Name, title, address and telephone number of individual to whom notices and  
correspondence concerning this statement should be addressed:**

Patrick Bracewell  
President, Secretary, and Chairman of the Board  
MCW Holdings, Inc.  
3224 45<sup>th</sup> Street, NW  
Washington, DC 20016  
Telephone: (202) 579-1034  
Email: [pjb@bracewell-asset.com](mailto:pjb@bracewell-asset.com)

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## ITEM 1: INSURER AND METHOD OF ACQUISITION

- a) State the name and address of the domestic insurer to which this application relates.

Amalgamated Casualty Insurance Company  
500 Morse Street, NE  
Washington, DC 20002  
Telephone: (202) 547-8700

- b) Provide a brief description of how control is to be acquired.

### Situation Background

Through a mutual acquaintance (Lawrence Mirel, currently a Partner at Wiley Rein LLP and previously Commissioner of the District of Columbia Department of Insurance, Securities, and Banking), Patrick Bracewell ("Bracewell") was introduced to Fred Brewer ("Brewer") in August 2010. Brewer is the Chairman and President of Amalgamated Casualty Insurance Company ("ACI") and is also the sole stockholder of American Risk Management, Inc. ("ARM") an insurance agency that produces most of ACI's premium.

### Change of Control

District of Columbia Official Code 31-701 states:

"Control", including the terms "controlling", "controlled by", and "under common control with", means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10% or more of the voting securities of any other person...

In its Report on Examination dated June 29, 2010 ("Examination Report"), the DISB determined that ACI is part of a holding company system along with its affiliated insurance agency, ARM. As previously noted, Brewer is the sole stockholder of ARM. Brewer and Bracewell have entered into a stock purchase agreement ("Purchase Agreement") whereby Bracewell would purchase, through a corporation, MCW Holdings, Inc. ("MCW" or "Applicant"), which is majority-owned by Bracewell, from Brewer 100% of the voting securities of ARM. If ARM is deemed to "control" ACI, then



the change of ownership of ARM from Brewer to MCW would result in a “change of control.”

#### ACI Management Transition

Brewer has been an employee of ACI for approximately 28 years and is approaching retirement age. In order to provide for an orderly transition of management at ACI, the ACI Board of Trustees has engaged in discussions with Bracewell whereby Bracewell would become an officer and a candidate for the Board of Trustees of ACI. Over a 3-year period, the parties expect that Bracewell will transition into Brewer’s current role as Chairman and President of ACI (subject to the ongoing approval of ACI’s Board of Trustees and elections by policyholders). Currently, Brewer has an employment agreement with ACI that extends until April 1, 2015. The parties expect that Brewer will remain in an executive capacity at ACI until this contract expires, thereby providing an orderly transition.

#### Regulatory Approvals

Bracewell and Brewer signed the Purchase Agreement on July 27, 2011. Closing is contingent upon, among other things, satisfactory approval by the DISB of this Form A application and the Form B registration. As Bracewell has represented to the DISB in previous in-person meetings, and as will be discussed more fully in “ITEM 5. FUTURE PLANS OF INSURER”, should this Form A application and the Form B registration be approved, the Applicant intends to adopt the governance structures suggested in the DISB’s Examination Report, including (but not limited to) registering as a Holding Company System. After receiving satisfactory approvals from the DISB of both the Form A and Form B filings, the Applicant will then fulfill its obligation to close on the purchase of ARM.

## ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

- a) **State the name and address of the applicant seeking to acquire control over the insurer.**

MCW Holdings, Inc.  
3224 45<sup>th</sup> Street, NW  
Washington, DC 20016  
Telephone: (202) 579-1034

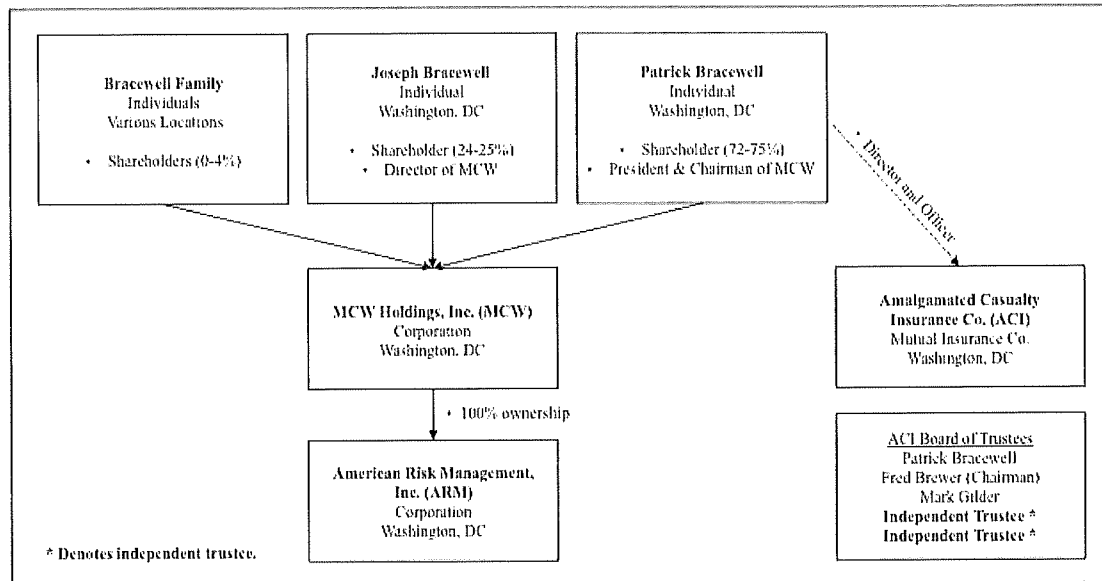
- b) **If the applicant is not an individual, state the nature of its business operations for the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.**

The Applicant is a District of Columbia corporation and will own 100% of ARM's voting securities. The Applicant was formed for the sole purpose of acquiring ARM and it is contemplated that its sole activity will be the ownership of the voting securities of ARM. ARM has historically operated as a licensed insurance agency in the District of Columbia and Maryland. ARM has historically focused on the commercial auto segment, primarily taxicabs in the District of Columbia and Maryland. It is anticipated that the Applicant will continue to operate ARM as it has operated historically. The Applicant intends to continue to focus on the commercial auto segment, and in particular taxicabs in the District of Columbia and Maryland. Over time, the Applicant intends to evaluate potential areas of expansion, either geographically within the commercial auto segment, or ancillary property and casualty insurance product lines, or both. The Applicant expects that if and when ARM expands its business, it will focus on specific niches in the property and casualty industry that are under-served by larger insurance carriers.

- c) **Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than 1/2 of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person is maintained other than by the ownership or control voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, set forth the title of the court, nature of proceedings and the date when commenced.**

After closing of the transaction contemplated by the Purchase Agreement, MCW would own 100% of the voting securities of ARM. MCW's voting securities would be owned by

the following: Bracewell (72-75%), Joseph Bracewell (24-25%), and other members of Bracewell’s family (0-4%). In addition, it is anticipated Bracewell will be an officer and a member of the Board of Trustees of ACI. It is contemplated that after Closing of the purchase of ARM, the Board of Trustees of ACI will be comprised of Brewer, Bracewell, Mark Gilder (currently an officer and member of the Board of Trustees of ACI), and two additional independent trustees. The professional backgrounds of the likely candidates for the Board of Trustees are described in more detail in “EXHIBIT I: BOARD OF TRUSTEES CANDIDATES” of this application.



**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED  
WITH THE APPLICANT**

State the following with respect to (1) the applicant if (s)he is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual.

**a) Name and business address;**

Patrick Bracewell (majority owner of MCW; President, Secretary, and Chairman of the Board of MCW)  
MCW Holdings, Inc.  
3224 45th Street, NW  
Washington, DC 20016

Joseph Bracewell (minority owner of MCW; Director of MCW)  
Bingham McCutchen LLP  
2020 K Street, NW  
Washington, DC 20006

**b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;**

Patrick Bracewell

**Organization:** MCW Holdings, Inc.  
**Position:** President, Secretary, and Chairman of the Board  
**Start and end dates:** July 2011 – Present  
**Principal business:** holding company  
**Address:** 3224 45<sup>th</sup> Street, NW, Washington, DC 20016

**Organization:** Bracewell Asset Management, LLC  
**Position:** Managing Member  
**Start and end dates:** May 2011 – Present  
**Principal business:** investment management firm  
**Address:** 3224 45<sup>th</sup> Street, NW, Washington, DC 20016

Joseph Bracewell

**Organization:** Bingham McCutchen LLP (previously McKee Nelson LLP)  
**Position:** Partner  
**Start and end dates:** January 2002 – Present  
**Principal business:** law firm

**Address:** 2020 K Street, NW, Washington, DC 20006

- c) **Material occupations, positions, offices or employment during the last five years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required by licensing or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.**

Patrick Bracewell

**Organization:** Bracewell Asset Management, LLC

**Position:** Managing Member

**Start and end dates:** May 2011 – Present

**Principal business:** investment management firm

**Address:** 3224 45<sup>th</sup> Street, NW, Washington, DC 20016

**Required licensing:** none

**Organization:** FBR Capital Markets & Co.

**Position:** Vice President

**Start and end dates:** March 2004 – May 2011

**Principal business:** broker-dealer

**Address:** 1001 19<sup>th</sup> Street North, Arlington, VA 22209

**Required licensing:** FINRA (NASD) licenses (Series 7 and 63); all are active

Professional bio:

Mr. Bracewell currently serves as President, Secretary, and Chairman of the Board of MCW. Additionally, Mr. Bracewell serves as Managing Member of Bracewell Asset Management, LLC (“BAM”), a boutique investment management firm. In this capacity, Mr. Bracewell serves as a securities analyst and co-portfolio manager. Mr. Bracewell devotes approximately 15% of his time to his duties at BAM. On May 17, 2011, Mr. Bracewell resigned from FBR Capital Markets & Co. (“FBR”), a leading middle-market investment-banking firm, where he had served most recently as Vice President in the Insurance Investment Banking Group. Mr. Bracewell resigned in anticipation of the transactions contemplated herein. Mr. Bracewell joined FBR in 2004 and has advised financial services businesses, principally insurance companies and insurance distribution businesses, on mergers and acquisitions (“M&A”), investments, and capital formation. During his tenure, FBR consistently ranked as the top equity underwriter and M&A advisor for small and mid-sized insurance companies. Mr. Bracewell has worked directly on approximately \$3 billion of corporate finance and advisory transactions. Mr. Bracewell worked extensively with leading U.S. and Bermuda insurance and reinsurance companies across a broad spectrum of commercial and personal product lines. Mr.

Bracewell has developed deep relationships with leading insurance company executives as well as industry consultants and vendors. Mr. Bracewell received an A.B. from Bowdoin College.

Joseph Bracewell

**Organization:** Bingham McCutchen LLP (previously McKee Nelson LLP)

**Position:** Partner

**Start and end dates:** January 2002 – Present

**Principal business:** law firm

**Address:** 2020 K Street, NW, Washington, DC 20006

**Required licensing:** Member of District of Columbia Bar; active

**Organization:** Bracewell Asset Management, LLC

**Position:** Managing Member

**Start and end dates:** December 2007 – Present

**Principal business:** investment management firm

**Address:** 4718 Foxhall Crescents, NW, Washington, DC 20007 (home)

**Required licensing:** none

**Organization:** WashingtonFirst Bankshares, Inc.

**Position:** Chairman

**Start and end dates:** April 2004 – Present

**Principal business:** commercial bank

**Address:** 11636 Plaza America Drive, Reston, VA 20190 (corporate headquarters)

**Required licensing:** none

Professional bio:

Mr. Bracewell currently serves as Director of MCW. Additionally, Mr. Bracewell is currently a Partner in the law firm of Bingham McCutchen LLP, a global law firm with offices in Washington, DC and New York, NY, where he specializes in partnership tax law. He was previously (since 2002) a Partner in the law firm of McKee Nelson LLP until its combination with Bingham in 2009. In addition, Mr. Bracewell is Chairman of the Board of WashingtonFirst Bankshares, Inc. and its subsidiary, WashingtonFirst Bank, a position he has held since the bank opened for business in April 2004. Finally, Mr. Bracewell serves as a Managing Member of Bracewell Asset Management, LLC, a boutique investment management firm. Previously, Mr. Bracewell served as Chairman of the Board, President and Chief Executive Officer of Century Bancshares, Inc. and its subsidiary, Century National Bank, from the inception of the bank in 1982 through its merger with United Bankshares, Inc. in 2001. He served as a director of United Bankshares, Inc. for a year following the merger. While at Century, Mr. Bracewell served as a director of the Independent Community Bankers of America and as a director and Vice Chairman of Federal Home Loan Bank of Atlanta. He also served as a Director of Breeze-Eastern Corporation (AMEX: BZC, formerly Transtechnology Corp.) from 2006 to September 12, 2007. Mr. Bracewell received an A.B. from Harvard University,

an M.B.A from Stanford University, and a J.D from American University (Washington College of Law).

**d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.**

Patrick Bracewell: No

Joseph Bracewell: No

#### ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

- a) **Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.**

Subject to the terms of the Purchase Agreement, the Applicant will purchase from Fred Brewer 100% of the issued and outstanding stock of ARM for up to \$4,500,000 of total consideration. This consideration will be paid over a three-year period. The Applicant expects to finance 50-60% of the purchase price through one or more loans from a local community bank, WashingtonFirst Bank, which loans would be issued by such bank in the ordinary course of business. The remaining 40-50% of the consideration will be contributed by the owners of the Applicant.

- b) **Explain the criteria used in determining the nature and amount of such consideration.**

Amount of consideration was determined based on an arms-length negotiation and based on precedent insurance agency mergers and acquisitions.

- c) **If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, he must specifically request that the identity be kept confidential.**

The Applicant and its affiliates are under the assumption that the information in this application, including information about the financing of the acquisition of ARM, will be kept confidential by the DISB.



## ITEM 5. FUTURE PLANS OF INSURER

**Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such insurer, to sell its assets to or merged it with any person or persons or to make any other material change in its business operations, corporate structure or management.**

The Applicant has no plans for ACI to declare an extraordinary dividend, to liquidate ACI or sell its assets, to merge ACI with any person or persons, or to make any other material change to ACI's business operations, corporate structure, or management.

In terms of future plans for ACI, the Applicant has focused on two distinct categories of initiatives:

### **A. Business Operations**

The Applicant's initial initiatives as it regard's ACI's business operations will include the following:

1. Preserve existing franchise: The Applicant intends to preserve ACI's leading position as a taxicab insurer in the District of Columbia and select areas in Maryland. ACI has operated in the District of Columbia for over seventy years and has a significant market share in its target niche. One of the Applicant's primary initial initiatives will be to ensure that ACI continues to provide customers with competitive products and high-quality customer service.
2. Expand specialty business: The Applicant plans to analyze expansion opportunities in light of the current resources available at ACI. Thus, the Applicant believes that it would be premature to highlight specific growth initiatives, as any growth initiatives would be undertaken to complement the existing operations and will be dependent in some part on the skill-set of the existing employees, which the Applicant plans to assess after Closing. Thematically, the Applicant plans to evaluate geographic expansion opportunities (i.e. expand in writings of existing products in new markets) and product expansion opportunities (e.g. offering new products such as commercial auto to customer groups in addition to taxicab drivers, surety, or workers' compensation). The Applicant expects that if and when ACI expands its business, it will focus on specific niches in the property and casualty industry that are under-served by larger insurance carriers.
3. Protect and grow surplus: Investment returns are significant driver of surplus growth for ACI, as they are for many insurance carriers. Historically, ACI has had a significant percentage of its portfolio invested in municipal bonds. While the Applicant has no reason to believe that ACI's municipal bond investments are

exposed to undue credit risk, it is the intention of the Applicant to review the investment portfolio in light of current economic developments. The Applicant believes there may be a benefit to diversify ACI's investments into other asset classes as well as manage the portfolio's duration so as to minimize the impact of rising interest rates which, given the developments in both the national and global debt markets, the Applicant believes we are not unlikely to experience.

4. Continue to operate conservatively: Over time, ACI has developed a significant expertise in its niche. The management team of ACI has operated in a conservative manner from an underwriting and claims handling perspective for many years. The Applicant intends to continue to maintain this conservative approach. The Applicant believes that operating in a conservative manner is the most prudent long-term approach, particularly in the insurance industry, where your "cost of goods sold" isn't known until long after you've collected your revenue. Given this fundamental dynamic of the insurance industry, it is critical to maintain diligent focus and operate conservatively.

## **B. Regulatory and Governance**

In its Examination Report, the DISB made several comments and recommendations, primarily as it relates to regulatory and governance practices. Several of the recommendations were subsequently adopted by ACI. Others, such as those related to the DISB's opinion that ACI operates within a Holding Company System, were disputed by ACI and have not been adopted. As has been represented to the DISB in in-person meetings, the Applicant intends to cause ACI to register as a Holding Company System and adopt DISB's recommendations pertaining thereto. Specifically, regarding comments and recommendations in the Examination Report, the Applicant anticipates taking the following approach:

### 1. Holding Company System

The Examination determined that ACI is part of a holding company system along with its affiliated insurance agency, ARM. The examiner recommended that ACI adhere to the provisions of the District of Columbia Official Code regarding holding companies which include, but are not limited to: the filing of an annual registration statement that complies with the requirements of District of Columbia Code 31-705; the required standards and management of an insurer within a holding company system as detailed in District of Columbia Code 31-706. In accordance with Code 31-706, transaction among affiliates within a holding company system must meet a 'fair and reasonable' standard.

**Proposed Resolution**: If this Application is approved and the transactions described herein are consummated, Applicant intends for ACI to adhere to the provisions of the District of Columbia Official Code regarding holding companies, and to file an annual registration statement on an ongoing basis. Additionally, the Applicant intends to manage the affairs of ACI in such a manner to be compliant with the required standards and

management of an insurer within a holding company system as detailed in District of Columbia Code 31-706.

2. Producer-Controlled Insurer

The Examination found that ACI is a producer controlled insurance company as described in Chapter 4 of Title 31. The examiner recommended that ACI adhere to the provisions of Title 31, Chapter 4 of the District of Columbia Official Code which include required contract provisions between ACI and the producer, establishment of an audit committee, annual reporting of certain loss reserves and commissions information, and written notice to insureds disclosing the relationship between the producer and the controlled insurer.

**Proposed Resolution:** If this Application is approved and the transactions described herein are consummated, Applicant intends to comply with the above recommendations of the DISB. Since the Examination Report, ACI's agency agreement has been amended, a committee of the whole serves as the audit committee, and loss reserve and commission information have been filed.

3. Lack of Independent Directors:

The Examination found that ACI is not in compliance with District of Columbia Code Section 31-405 and 31- 706(c)(3) which states that no less than 1/3 of the directors of a domestic insurer and not less than 1/3 of the members of each committee of the board of directors of any domestic insurer shall be persons who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with the insurer and who are not beneficial owners of a controlling interest in the voting stock of the insurer or such an entity. The Examiner recommended that ACI adhere to the provisions of the District of Columbia Official Code concerning independent directors.

**Proposed Resolution:** If this Application is approved and the transactions described herein are consummated, Applicant intends to comply with the above recommendations of the DISB. It is expected that the ACI Board of Trustees would include two additional Trustees ("Independent Trustees") who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with the insurer, and who are not beneficial owners of a controlling interest in the voting stock of the insurer or any such entity (see "EXHIBIT I. BOARD OF TRUSTEES CANDIDATES" for biographical information on the proposed candidates for Independent Trustees). As a result, forty percent (40%) of the members of the Board of Trustees would meet the independence standards set forth above. In addition, committees of the Board would be constituted in such a way as to ensure that Independent Trustee(s) constitute no less than one-third (1/3) of the membership of each such committee.

4. Lack of Independent Committees of the Board:

The Examination found that pursuant to District of Columbia Code Section 31-706(c)(4) the board of directors of a domestic insurer shall establish 1 or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with the insurer, and who are not beneficial owners of a controlling interest in the voting stock of the insurer or any such entity. The committee or committees shall have responsibility for recommending the selection of independent certified public accountants, reviewing the insurer's financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer, and recommending to the board of directors the selection and compensation of the principal officers. The examiner concluded that ACI must establish committees of the board of trustees pursuant to District of Columbia Code Section 31-706(c)(4).

**Proposed Resolution:** If this Application is approved and the transactions described herein are consummated, Applicant intends to comply with the above recommendations of the DISB. As described above, it is expected that the ACI Board of Trustees would include two (2) Independent Trustees. Additionally, it is expected that the ACI Board of Trustees would appoint a committee comprised solely of such Independent Trustees, and that such committee would have responsibility for recommending the selection of independent certified public accountants, reviewing the insurer's financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for Trustee for election by policyholders, evaluating the performance of officers deemed to be principal officers of the insurer, and recommending to the Board of Trustees the selection and compensation of the principal officers.

#### 5. Minutes of the Directors:

The Examination found that ACI could not provide evidence that the board approved the investments made by the investment committee. Additionally, there were no minutes from the investment committee concerning investments and return on investments. The examiner recommended that the Board of Directors approve investments in accordance with District of Columbia Official Code 31-1371.04(b) and (c) "The Board of Directors shall evidence by formal resolution, at least annually..." "On no less than a quarterly basis.....Receive and review a summary report on the insurer's investment portfolio"

**Proposed Resolution:** If this Application is approved and the transactions described herein are consummated, Applicant intends to establish an Investment Committee, which will include independent members of the Board of Trustees. The committee will, on at least a quarterly basis, receive and review a summary analysis report of ACI's investment portfolio.

#### 6. Cost Sharing Agreement

The Examination found that in the cost sharing agreement, ARM is to pay a percentage of expenses as the rent to ACI. But, since ACI owns the building no rent for space was

being paid by ARM to ACI. The examiner recommended that ACI's management draft a new agreement with ARM that includes an appropriate provision for rental cost for the space occupied by the agency. The agreement must be submitted to the DISB for prior approval in accordance with the holding company statutes. The agreement must also meet the 'fair and reasonable' standard of the statute.

**Proposed Resolution:** Since the Examination Report, ARM and ACI have entered into a new cost sharing agreement. This agreement includes a provision for rental cost for the space occupied by ARM and has been submitted to DISB. If this Application is approved and the transactions described herein are consummated, the Applicant intends to file Form B under the holding company provisions, and the cost sharing agreement will be included, among other things.

#### 7. Proxies

The Examination found that ACI did not provide evidence that policyholders are apprised of their rights as mutual policyholders. ACI's Bylaws provide that the responsibility of the control and management of the affairs, property and interest of ACI is vested in its Board of Trustees who shall be elected annually by the policyholders. The examiner recommended that ACI clearly and effectively communicate to policyholders their rights as mutual policyholders.

**Proposed Resolution:** Since the Examination Report, ACI has prepared additional written materials for its policyholders to apprise them of their rights as mutual policyholders. These materials include a pamphlet which is routinely made available to policyholders together with advertising and a mailing that was sent to each policyholder as of July 2011.

## ITEM 6. VOTING SECURITIES TO BE ACQUIRED

**State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.**

As a mutual insurance company, ACI has no voting securities.

As previously described, MCW will acquire 100% of the voting securities of ARM. Currently, ARM is named as a designee by proxy by a majority of ACI's policyholders.

As previously described, MCW's voting securities would be owned by the following: Bracewell (72-75%), Joseph Bracewell (24-25%), and other members of Bracewell's family (0-4%).

**ITEM 7. OWNERSHIP OF VOTING SECURITIES**

**State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.**

Not applicable. Please refer to "ITEM 6. VOTING SECURITIES TO BE ACQUIRED."

**ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH  
RESPECT TO VOTING SECURITIES OF THE INSURER**

Give a full description of any contracts, arrangement or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits division of losses or profits, or the giving or withholding of Proxies. Such description shall identify the persons with who such contracts, arrangements or understanding have been entered into.

Not applicable. Please refer to "ITEM 6. VOTING SECURITIES TO BE ACQUIRED."



#### **ITEM 9. RECENT PURCHASE OF VOTING SECURITIES**

**Describe any purchase of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such shares so purchased are hypothecated.**

Not applicable. Please refer to "ITEM 6. VOTING SECURITIES TO BE ACQUIRED."

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

**Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.**

Not applicable. Please refer to "ITEM 6. VOTING SECURITIES TO BE ACQUIRED."

#### **ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

**Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.**

Not applicable. Please refer to "ITEM 6. VOTING SECURITIES TO BE ACQUIRED."

## ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

- (a) **Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.**

Exhibits:

- I. Board of Trustees Candidates
- II. Stock Purchase Agreement

- (b) **The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.**

The financials of ACI are public record and have been filed with the DISB. As a newly organized corporation formed for the specific purpose of acquiring ARM pursuant to the Purchase Agreement, MCW has no financial or operating history.

- (c) **File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, the agreements to acquire or change any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by Form A or District Regulations.**

Bracewell has not entered into an employment agreement as of the date of this application. It is expected that he would enter into an employment contract with terms that are similar to those in the other employment contracts at ACI.

**ITEM 13. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 4 of the Act, MCW Holdings, Inc. has caused this application to be duly signed on its behalf in the City of Washington and District of Columbia on the 5th day of August 2011.

MCW Holdings, Inc.

BY: \_\_\_\_\_

Patrick Bracewell (President, Secretary and Chairman of the Board)

**CERTIFICATION**

The undersigned deposes and says that he duly executed the attached application dated August 5, 2011, for and on behalf of MCW Holdings, Inc.; that he is the President, Secretary, and Chairman of the Board of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

\_\_\_\_\_  
Patrick Bracewell

## EXHIBIT I. BOARD OF TRUSTEES CANDIDATES

**1. Patrick Bracewell**

(biographical information provided in previous sections)

**2. Shaza Andersen (proposed independent trustee of ACI)**

WashingtonFirst Bank  
11636 Plaza America Drive  
Reston, VA 20190

**3. Jason Wolfe (proposed independent trustee of ACI)**

Paragon Capital Group, LLC  
6150 Parkland Boulevard, Suite 250  
Cleveland, OH 44124

**Shaza Andersen**

Currently serves as Chief Executive Officer and Director of WashingtonFirst Bankshares, Inc. ("WashingtonFirst"), a community bank with approximately \$500 million of assets and 10 branch locations in the Washington, DC Metropolitan area.

Ms. Andersen has not been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

**Organization:** WashingtonFirst Bankshares, Inc.

**Position:** Chief Executive Officer and Director

**Start and end dates:** April 2004 – Present

**Principal business:** commercial bank

**Address:** 11636 Plaza America Drive, Reston, VA 20190 (corporate headquarters)

**Required licensing:** none

**Professional bio:**

Ms. Andersen is founder and Chief Executive Officer of WashingtonFirst Bank, headquartered in Reston, Virginia and a wholly owned subsidiary of WashingtonFirst Bankshares, Inc. Ms. Andersen is responsible for the overall strategic direction and growth of the Bank, and under her leadership, the Bank has grown to more than \$480 million in assets with 10 branches in Virginia, Maryland and Washington, DC. Prior to starting WashingtonFirst, Ms. Andersen served as the Executive Vice President and Chief Operating Officer of Century National Bank until Century was acquired by United Bank.

In addition to serving as CEO of WashingtonFirst, Ms. Andersen serves on the Treasury Board of Virginia (as appointed by Governor Bob McDonnell), on the Board of Directors of the Wolf Trap Foundation, on the Board of Trustees for Youth For Tomorrow and is a member of the National Association of Women Business Owners (NAWBO) Leadership

Circle. She previously served on the Board of Directors of the Federal Home Loan Bank of Atlanta where she was Vice Chair of the Corporate Governance Committee and a member of the Housing Committee.

Ms. Andersen founded the WashingtonFirst Youth Foundation, a local not-for-profit organization dedicated to enriching the physical, social and mental well-being of children in the Washington, DC Metropolitan area. She was honored as one of the Washington Business Journal's 2008 Women Who Mean Business and was included in SmartCEO Magazine's March 2010 Top Bankers list. Ms. Andersen is sought after to provide her opinions and insights regarding banking and capital market matters and is often quoted in the media, appearing on CNBC and Fox News. Ms. Andersen received her bachelor's degree from George Mason University.

Ms. Andersen has considerable management expertise, particularly in the areas of employee evaluation and development and corporate governance. She also has significant regulatory and business relationships, particularly in the Washington, DC Metropolitan area. Ms. Andersen is a resident of Great Falls, VA.

### **Jason Wolfe**

Currently serves as a Managing Director at Paragon Capital Group, LLC ("Paragon"), a middle-market merchant-banking firm based in Cleveland, OH that advises insurance companies and other financial services businesses.

Mr. Wolfe has not been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

**Organization:** Paragon Capital Group, LLC

**Position:** Managing Director

**Start and end dates:** October 2010 – Present

**Principal business:** merchant banking firm (advisory and principal investments)

**Address:** 6150 Parkland Boulevard, Suite 250, Mayfield Heights, Ohio 44124

**Required licensing:** FINRA (NASD) licenses (Series 7, 63, 24); all are active

**Organization:** FBR Capital Markets & Co.

**Position:** Managing Director

**Start and end dates:** March 2001 – July 2010

**Principal business:** broker-dealer

**Address:** 1001 19<sup>th</sup> Street North, Arlington, VA 22209

**Required licensing:** FINRA (NASD) licenses (Series 7, 63, 24); all are active

### **Professional bio:**

Mr. Wolfe is a Managing Director at Paragon Capital Group, LLC ("Paragon"), a merchant banking firm that advises and provides growth capital to middle-market businesses in various industries including financial institutions, insurance, real estate, and

diversified industrials. Mr. Wolfe joined Paragon in 2010 and specializes in providing merger and acquisition (“M&A”) advisory and capital raising services for insurance companies and other financial services businesses. Prior to joining Paragon, Mr. Wolfe worked at FBR Capital Markets & Co. (“FBR”) as a Managing Director in the firm’s Insurance Investment Banking Group, which he joined in 2001. Mr. Wolfe was a founding member of FBR’s Insurance Investment Banking Group, which quickly grew to become a leading provider of corporate finance and M&A advisory services to small and mid-sized insurance companies throughout the United States and Bermuda. During his career, Mr. Wolfe has advised numerous publicly traded and privately held stock companies as well companies with alternative corporate structures, such as mutual insurance companies and reciprocal exchanges. Mr. Wolfe led the insurance M&A advisory business at FBR, advising on a wide variety of transactions including related party transactions, negotiated transactions, traditional public company auction transactions, and run-off company transactions, and has served clients on both the buy-side and sell-side. Prior to joining FBR, Mr. Wolfe worked with banks, thrifts and insurance companies in the Financial Institutions Group at McDonald Investments, Inc. (“McDonald”). Over the course of his career, Mr. Wolfe has helped raise over \$3.5 billion of equity capital for insurance companies and has advised on over \$1.5 billion of insurance company M&A transactions. Mr. Wolfe has a B.S. in chemical engineering from Case Western Reserve University. Mr. Wolfe has significant experience advising leading insurance businesses on such matters as capital raising, mergers, acquisitions, and growth initiatives. Mr. Wolfe has significant relationships with executives, consultants, and advisors throughout the insurance industry.



**EXHIBIT II. STOCK PURCHASE AGREEMENT**

**See Tab 3 of this Closing Set**





Government of the District of Columbia  
Vincent C. Gray, Mayor  
Department of Insurance, Securities and Banking



William P. White  
Commissioner

September 19, 2011

Patrick Bracewell  
President and Chairman of the Board  
MCW Holdings, Inc.  
3224 45<sup>th</sup> Street, NW  
Washington, DC 20016

Re: Amalgamated Casualty Insurance Company (the Company)  
Form A – Acquisition of Control

Dear Mr. Bracewell:

The Department of Insurance, Securities and Banking (DISB) has received and reviewed the Form A submission dated August 5, 2011. Please respond in writing to the following questions prepared by the Department's Financial Surveillance Branch. A few of the items are advisory notices only and do not require a response.

1. Form A, Item 4, Nature, Source and Amount of Consideration notes that the \$4.5 million of total consideration will be financed 50%-60% through one or more loans from WashingtonFirst Bank, issued in the ordinary course of business. Please describe the source of funds for repayment by MCW of this loan. Also summarize any significant debt covenants and collateral required or provide a copy of the loan documents.
2. Thank you for providing a summary of planned initiatives as part of Form A, Item 5A, Business Operations. Our understanding is that there are no immediate plans for expansion, but that after "Closing", opportunities will be analyzed, including evaluating whether the Company has existing staff with sufficient expertise. Please be advised that DISB expects an updated business plan and projections, including assumptions prior to any significant change.
3. Form A, Item 5B, Regulatory and Governance, included proposed resolutions to several open Financial Examination issues, as outlined beginning on next page:

Amalgamated Casualty Insurance Company  
Response to Forms A submission

- a. Holding Company System – you are agreeing to adhere to the provisions of the DC Official Code Title 31, Chapter 7, regarding holding companies, including registration statement (Form B) annual filing requirements and the standards and management of an insurer within a holding company system as described in DC Code §31-706.
- b. Producer-Controlled Insurer – you are agreeing to comply with DC Official Code, Title 31, Chapter 4, including required contract provisions between the Company and the producer, establishment of an audit committee, annual reporting of certain loss reserve and commission information, and written notice to insureds disclosing the relationship between the producer and the controlled insurer. You noted that the Company’s agency agreement has been amended, that a committee of the whole now serves as the audit committee and that loss reserve and commission information have been filed.
  - i. DC Code §31-405, Audit Committee, states, “Every controlled insurer shall have an audit committee of the board of directors composed of independent directors. The audit committee shall annually meet with management, the insurer’s independent certified public accountants, and an independent casualty actuary, or other independent loss reserve specialist acceptable to the Mayor, to review the adequacy of the insurer’s loss reserves.” Please note that the “committee of the whole” cannot serve as the audit committee for the purpose of complying with this law, since it is not composed of independent directors. Also, going forward, the independent Audit Committee must annually meet with those individuals outlined above to review the adequacy of the Company’s loss reserves.
  - ii. Regarding the loss and reserve information filed, please note that the required loss reserve information pertains to business produced by the controlling producer only. It is unclear that the actuarial report submitted only pertains to business produced by American Risk Management, Inc. (ARM). This should be clarified in future reports. Going forward, the loss and reserve information as well as the commission information should be routinely supplied to DISB in compliance with DC Code §31-406, Reporting Requirements, by April 1 each year.
- c. Lack of Independent Directors – you are agreeing to comply with DISB recommendations in the Examination Report and explained the plan to add two new independent members of the Board of Trustees. Once the new Board members are added, please submit their NAIC format Biographical Affidavits. Any concern about independence will be formally addressed at that time.
- d. Lack of Independent Committees of the Board - you are agreeing to comply with DISB recommendations in the Examination Report regarding the

Amalgamated Casualty Insurance Company  
Response to Forms A submission

establishment of 1 or more committees comprised solely of independent members of the Board that will be responsible for recommending selection of the independent certified public accountant, for reviewing the Company's financial condition and the scope and results of any internal audit, for nominating candidates for elections to the Board, for evaluating performance of principal officers and for recommending the selection and compensation of principal officers of the Company. You noted that the plan is for the Company's Board of Trustees to appoint a committee comprised of independent Trustees to perform the duties described above.

- e. Minutes of the Directors – you are agreeing to establish an Investment Committee, which will include independent members of the Board of Trustees, to meet at least quarterly to receive and review a summary analysis report of the Company's investment portfolio. Please note that the Examination finding pertained to the lack of evidence of Board approval in compliance with DC Official Code §31-1371.04, which includes the documentation of minutes of the Investment Committee and Board resolutions approving investments, as well as the adoption of a written investment plan. DISB expects compliance with all provisions in this section of the Code.
- f. Cost Sharing Agreement – you are agreeing to submit a new cost sharing agreement, covering all costs incurred by the Company for services allocable to ARM, including the cost pertaining to the space occupied by the agency. The Examination Report noted that the affiliated agreement must be submitted under Holding Company Statutes for review under the "Fair and Reasonableness" standard.
- g. Proxies – the Examination Report recommended that the Company clearly and effectively communicate with policyholders their rights as mutual policyholders. You noted that the Company prepared additional materials for its policyholders to apprise them of their rights as mutual policyholders, including a pamphlet, routinely made available to policyholders together with advertising and a mailing that was sent to each policyholder as of July 2011.
  - i. Please provide a copy of all relevant documents and discuss the details of the July 2011 mailing, including what group of policyholders received the mailing, the source for the list of policyholders to whom the mailing was sent and a sample of any other materials sent in the mailing.
  - ii. DISB has not received a copy of a sample proxy listing ARM as the sole designated proxy. Please provide a copy of the most current proxy in use and any other active versions. Fully describe the timing of the changes to the language of the proxy, steps taken to obtain new proxies and an accounting of current existing proxies by version and year signed.

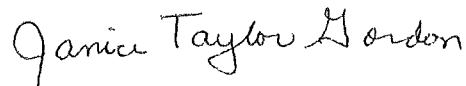
Amalgamated Casualty Insurance Company  
Response to Forms A submission

4. Holding Company Filings:

- a. As noted in item 4 above, a Form B registration statement is an annual filing required by DC Code §31-705 and any material changes during the year should be provided as necessary. Thank you for drafting and submitting the Company's initial Form B Filing on September 6, 2011. Form B filings are reviewed internally, but generally, there is no communication from DISB related to this filing.
- b. A Form A filing related to the acquisition of control, on the other hand, is a one-time filing, required by DC Code §31-703.
- c. A Form D, Prior Notification of a Material Transaction filing, required by DC Code §31-706 is submitted ad hoc in advance of implementation of any affiliated agreements and for other transactions requiring prior notification. Once the acquisition of control is complete, all existing or proposed affiliated agreements would need to be submitted for review under Form D filing. The information required is different than required for Form B. We appreciate your promise to bring the Company into compliance. The "fair and reasonableness" standard is also defined in the Statement of Statutory Accounting Practices # 25. Any affiliated charges must be identified as either an allocation of costs (direct and indirect) or as current market basis and supported by reasonable documentation.
- d. I am available to provide guidance on any filing requirements that may be confusing. For example, Item 7 on your Form B filing, Statement Regarding Plan or Series of Transactions, relates to transactions that might be material in the aggregate, but that are broken into parts to avoid thresholds, as detailed in DC Code §31-706 (a) (4). The annual affirmation in the Form B filing verifies that Company has not engaged in this type of activity during the year. Please do not hesitate to contact me with questions.

If you have any questions regarding this letter, please contact me at (202) 442-7783 or Nathaniel (Kevin) Brown, Chief Financial Manager at (202) 442-7785.

Sincerely,



Janice Taylor Gordon  
Senior Financial Analyst  
Financial Surveillance Branch





September 23, 2011

Janice Taylor Gordon  
Senior Financial Analyst  
Financial Surveillance Branch  
Department of Insurance, Securities and Banking  
810 First Street, NE, Suite 701  
Washington, DC 20002

Re: Amalgamated Casualty Insurance Company (the Company)  
Form A – Acquisition of Control

Dear Ms. Gordon:

Thank you for your comment letter dated September 19, 2011 regarding the August 5, 2011 Form A submission. Please find below responses to your specific requests:

**Item 1:** As described in Form A, Item 4, 50-60% of the total consideration paid by MCW Holdings, Inc. (“MCW”) for the voting securities of American Risk Management, Inc. (“ARM”) will be financed with one or more loans from WashingtonFirst Bank (“Bank”), issued in the ordinary course of business. The total consideration paid by MCW will range between \$3,900,000 and \$4,500,000, of which \$2,250,000 will be paid in cash at Closing, and the balance will be paid by MCW to the Seller over a three-year period. The initial cash payment of \$2,250,000 will be financed \$1,250,000 by the Bank and \$1,000,000 from equity capital invested in MCW by Bracewell family members (who will also invest an additional \$300,000 in MCW for transaction expenses and working capital). The Bank has also committed to advance funds, at the end of three years, to finance the final payment to the Seller, which could range between \$726,805 and \$1,250,000. Payments on the Bank loan are projected to be \$133,000 per year for the first three years (while certain deferred payments are being made to the Seller), and then \$389,000 per year for the remaining final seven years of the loan. The source of repayment for such loans will be the commission income generated by ARM. Over the last 6 years, from 2005-2010, ARM has generated average annual commission revenues of approximately \$790,000, which is more than twice the amount necessary to make the payments on the Bank loan. The debt covenants are as follows: MCW (borrower) is to maintain a debt service coverage ratio of 1.15x annually, increasing to 1.20x beginning in year 4. In addition, I (Patrick Bracewell, majority owner of MCW) will be personally guaranteeing the loan and pledging certain personal assets as additional collateral, including my personal residence and my interest in Bracewell Value Partnership, L.P. (an investment partnership with investments in publicly-traded common stocks).

**Item 3(g)(i):** A special policyholder meeting was held on September 2, 2011 to consider an amendment to Article Seven of ACI’s Certificate of Incorporation. Article Seven addresses the qualification requirements of the members of the board of trustees. As amended, the Certificate of Incorporation would allow for non-policyholder board members to serve on the board of trustees. ACI’s management and Board of Trustees believes that amending Article Seven of the Certificate of Incorporation will allow it to access a broader pool of independent, qualified candidates with

the requisite financial and business expertise to serve on the Board of Trustees of an insurance company in a holding company system. Included as Exhibit I is a copy of the mailing that was sent to each policyholder in advance of the September 2, 2011 special policyholder meeting. These materials include a letter describing the purpose of the meeting, a proxy form, and a summary of policyholders' rights. The materials were sent by mail to all active policyholders as of the date of the mailing (approximately 3,000 policyholders). The source of the list of policyholders is the customer list maintained by ARM. Included as Exhibit II is a summary of the proposed language changes to Article Seven of the Certificate of Incorporation which was considered at the meeting.

Included as Exhibit III is a pamphlet that ACI has made available to its policyholders at its offices and which it made available to policyholders at the September 2, 2011 meeting. Among other things, this pamphlet provides a summary of policyholders' rights.

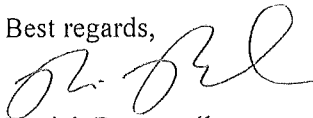
**Item 3(g)(ii):** Included as Exhibit IV is the current proxy in use, which lists ARM, Fred Brewer, and Mark Gilder as designees. If this Form A application is approved, it is anticipated that after Closing, policyholders would be solicited with the new proxy form, which lists ARM as the sole designee (included as Exhibit V).

As of September 20, 2011, there were 2,988 active policyholders at ACI. Of these, 2,032 (or 68%) have executed proxies. The proxies were executed in the following years: 2011 (1,038), 2010 (105), 2009 (52), 2008 (35), 2007 (45), 2006 (76), 2005 (143), 2004 (94), 2003 (58), 2002 (112), 2001 (66), 2000 (49), 1999 (59), 1998 (27), 1997 (34), 1996 (25), 1995 (9), 1994 (3), 1991 (1), 1990 (1).

**Item 4(c):** The appropriate Form D filings are accompanying this response letter. They relate to the 3 agreements described in the Form B filing made on September 6, 2011: (1) non-exclusive agency agreement, (2) cost sharing agreement, and (3) proposed Bracewell employment agreement. It is my intention to receive explicit DISB approval of these 3 agreements before Closing on the purchase of ARM.

Please let me know if you have any questions.

Best regards,



Patrick Bracewell  
President and Chairman of the Board  
MCW Holdings, Inc.  
3224 45<sup>th</sup> Street, NW  
Washington, DC 20016  
Tel: (202) 579-1034  
Email: [pjb@bracewell-asset.com](mailto:pjb@bracewell-asset.com)

cc: Associate Commissioner Barlow  
Nathaniel (Kevin) Brown, Chief Financial Manager

Exhibit I

# AMALGAMATED CASUALTY INSURANCE COMPANY

AMERICAN RISK MANAGEMENT

500 Morse Street, N.E. Washington, D.C. 20002

August 1, 2011

~~Tianyu Lin~~  
3010 Rhode Island Ave. N.E.  
Washington, DC 20018-2900

Dear Policyholder:

Amalgamated Casualty Insurance Company was founded in 1938 and over the years a number of regulatory changes have occurred. In order to address regulatory changes in the requirements for corporate governance, it is necessary for the Company to change the qualification criteria for candidates for election to its board of trustees. To affect this change, a special meeting of the policyholders will be held on September 2, 2011, at 4:00 P.M. at 500 Morse St. N.E., Washington, D.C. to amend the Seventh Article of the Company's Certificate of Incorporation. If you will not be available to attend the meeting, please sign and date the Proxy below and return it in the attached postage paid envelope.

Thank you for your support for amending the Certificate of Incorporation and for allowing us to continue to serve you.

Sincerely,

Fred Brewer  
President

Mark Gilder  
Secretary

---

## PROXY

The undersigned, as a policyholder of Amalgamated Casualty Insurance Company (the "Company"), hereby appoints American Risk Management, Inc., Fred L. Brewer, and Mark A. Gilder each or all of them, with full powers of substitution, my attorneys to attend any annual or special meeting or meetings of the policyholders of the Company, at its offices in Washington, D.C. 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 their discretion for or against any other matter which may properly come before the meeting or any adjournment thereof. The proxy shall be cast as the majority of the foregoing persons shall designate.

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 him 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: 80357

~~Tianyu Lin~~

Date \_\_\_\_\_

Signature: X \_\_\_\_\_

## EXPLANATION OF POLICYHOLDER'S 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, 500 Morse St., N.E., Washington, D.C.

## Exhibit II

### CURRENT

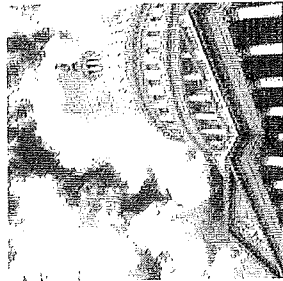
Seventh: The management of this corporation shall be vested in a Board of Trustees consisting of not less than three (3) trustees *who shall be Policyholders during the period of their term of office*. The trustees shall be divided into three (3) classes, each, as nearly as possible, consisting of one-third of the whole number of the Board of Trustees and all trustees of the corporation shall hold office until their successors are elected and qualified. At the first annual meeting held after *the date of the amendment to this Article*, the trustee(s) of the first class shall be elected for a term of three (3) years; the trustee(s) of the second class shall be elected for a term of two (2) years; and the trustee(s) of the third class shall be elected for a term of one (1) year; and at each annual meeting thereafter, the successors to the class of trustee(s) whose term shall expire that year shall be elected to hold office for the term of three (3) years, so that the term of office of one class of trustee(s) shall expire in each year. A trustee designated to fill a vacancy occurring during a term shall serve only for the unexpired period of that term.

### PROPOSED

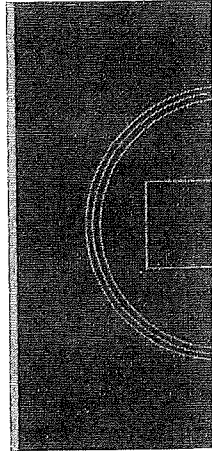
Seventh: The management of this corporation shall be vested in a Board of Trustees consisting of not less than three (3) trustees. The trustees shall be divided into three (3) classes, each, as nearly as possible, consisting of one-third of the whole number of the Board of Trustees and all trustees of the corporation shall hold office until their successors are elected and qualified. At the first annual meeting held after *January 26, 1999*, the trustee(s) of the first class shall be elected for a term of three (3) years; the trustee(s) of the second class shall be elected for a term of two (2) years; and the trustee(s) of the third class shall be elected for a term of one (1) year; and at each annual meeting thereafter, the successors to the class of trustee(s) whose term shall expire that year shall be elected to hold office for the term of three (3) years, so that the term of office of one class of trustee(s) shall expire in each year. A trustee designated to fill a vacancy occurring during a term shall serve only for the unexpired period of that term.

**Exhibit III**

# AMALGAMATED CASUALTY INSURANCE COMPANY



Founded in 1938,  
Amalgamated has  
provided proven  
protection in the  
Washington  
Metropolitan area  
for over 65 years.



## 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.
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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, 509 Morse St., N.E., Washington, D.C.

# AMALGAMATED CASUALTY INSURANCE COMPANY

*is mutually owned*



PROVIDING PROVEN PROTECTION SINCE 1938



## COMMITTED TO CUSTOMER SERVICE

Our well-qualified experienced staff provides the best in professional, courteous service. From assisting our customers with selecting the appropriate insurance coverage to resolving complex claims litigation, Amalgamated's knowledgeable staff is dedicated to meeting customers' needs. Members of our staff are members of recognized professional and industry organizations, such as state and federal bars, Maryland Association of Certified Public Accountants, The American Institute for Chartered Property Casualty Underwriters and The American Academy of Actuaries.

Amalgamated is committed to quality insurance protection, reliable service and financial integrity. Our goal is to find and serve the needs of responsible policyholders at a reasonable price. Many of our satisfied policyholders see us as a mutual friend.

## SPECIALIZING IN TAXICAB INSURANCE

Amalgamated specializes in taxicab insurance products. We are an independent company that does not own or control a taxicab company or association. A leader in taxicab insurance, Amalgamated has initiated insurance products, and promoted the interest and growth of the taxicab industry.

Amalgamated has been a leader in fighting against the rising costs of insurance. Over the past several years, our premium rates have decreased both in Maryland and Washington D.C.

While keeping costs down we are committed, now and in the future, to providing the best value in the industry. We have consistently generated sufficient capital to sustain prudent growth while carefully protecting our policyholders.

## EXCELLENT RATING

In 2003, the A.M. Best Company, an insurance company ratings organization, assigned Amalgamated Casualty Insurance Company a rating of A-(Excellent). The rating was in part based on the company's expertise within its specialty, and on its proven track record of favorable earnings and solid capitalization.

What does this mean to our customers and associates? Amalgamated is a stable, reliable and experienced company, qualified to support transactions with banks and government agencies.

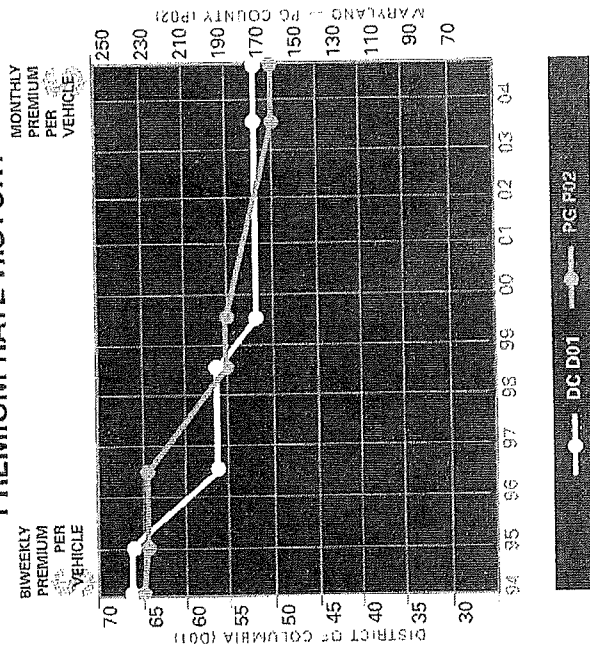
Conveniently located in the heart of Washington, D.C., Amalgamated is a property and casualty insurance carrier with a long history of:

- Sound Management
- Outstanding Customer Service
- A Strong Capital Foundation.

AMALGAMATED CASUALTY  
INSURANCE COMPANY

*a mutual friend*

## PREMIUM RATE HISTORY



AMALGAMATED CASUALTY INSURANCE COMPANY

500 Morse Street, N.E.  
Washington, D.C. 20002

202.547.8700

Exhibit IV

PROXY

The undersigned, as a policyholder of Amalgamated Casualty Insurance Company (the "Company"), hereby appoints American Risk Management, Inc., Fred L. Brewer and Mark A. Gilder each or all of them, with full powers of substitution, my attorneys to attend any annual or special meeting or meetings of the policyholders of the Company, at its offices in Washington, D.C. 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 their discretion for or against any other matter which may properly come before the meeting or any adjournment thereof. The proxy shall be cast as the majority of the foregoing persons shall designate.

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 him 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

Signature

Date

Exhibit V

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 offices in Washington, D.C. 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

Signature

Date





Government of the District of Columbia  
Vincent C. Gray, Mayor  
Department of Insurance, Securities and Banking



William P. White  
Commissioner

September 27, 2011

Patrick Bracewell  
President and Chairman of the Board  
MCW Holdings, Inc.  
3224 45<sup>th</sup> Street, NW  
Washington, DC 20016

RE: Form A Filing (Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer)

Dear Mr. Bracewell:

The District of Columbia Department of Insurance, Securities and Banking (“the Department”) has reviewed and analyzed in detail the Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (“Form A”) by MCW Holdings, Inc., dated August 5, 2011 requesting approval by the Department, as required by District of Columbia Code §31-703, for acquisition and control of Amalgamated Casualty Insurance Company.

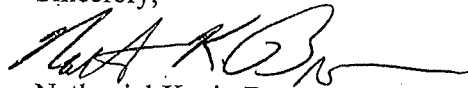
On completing its review of the Form A filing and pursuant to the Holding Company System Act of 1993, the Department has no objection to the proposed acquisition of control of Amalgamated casualty Insurance Company by MCW Holdings, Inc., subject to the satisfaction of the following conditions and undertakings, each of which shall be deemed to be supplementary to, and not in derogation of, existing applicable statutes, and regulations:

1. The Board of Trustees of Amalgamated Casualty Insurance Company shall have approved the acquisition of control in accordance with applicable law and the Articles of Incorporation and Bylaws of Amalgamated Casualty prior to the consummation of the acquisition of control that is the subject of the Form A.
2. There are no plans or proposals of MCW Holdings, Inc. to liquidate Amalgamated Casualty Insurance Company, sell its assets, or consolidate or merge it with any person, or to make any other material changes in Amalgamated Casualty Insurance Company’s business management that are unfair and unreasonable to its policyholders or are not in the public interest.
3. During the two (2) year period commencing upon the consummation of the merger that is the subject of the Form A, MCW Holdings, Inc. shall notify the Department prior to effecting any material change to the proposed Future Plans of Insurer (Item 5 of the Form A).

4. During the five (5) year period commencing upon the consummation of the acquisition of control that is the subject of the Form A, Amalgamated shall maintain its headquarters and domicile in the District of Columbia and shall not redomesticate without the prior approval of the Department.
5. MCW Holdings, Inc. shall submit to the Department, biographical affidavits for newly appointed officers and trustees of Amalgamated Casualty Insurance Company.
6. The Commissioner shall have full access to the books and records of Amalgamated Casualty Insurance Company, American Risk Management, Inc., and any other companies that may be a part of their holding company structure, regardless of the location of such books and records.

Thank you for your prior notification. If you have any questions concerning this matter, please contact me at (202) 442-7785.

Sincerely,



Nathaniel Kevin Brown  
Chief Financial Examiner  
Financial Examination Branch

**Nonexclusive Agency Agreement effective October 1, 2011 (and amendments) and Cost Sharing Agreement effective October 1, 2011 (and amendments) between Amalgamated and ARM**

## Item 10

***Nonexclusive Agency Agreement (incl. all amendments) and Cost Sharing Agreement (incl. all amendments)***

### **Nonexclusive Agency Agreement**

- Original Agreement. Approved 9/27/11
- Amendment No. 1. Approved 4/21/14
- Amendment No. 2. Approved 12/3/14
- Amendment No. 3. Approved 1/23/15
- Amendment No. 4. Approved 3/30/17
- Amendment No. 5. Approved 6/26/18
- Amendment No. 6. Approved 8/1/18

### **Cost Sharing Agreement**

- Original Agreement. Approved 9/27/11
- Amendment No. 1. Approved 12/3/14
- Amendment No. 2. Approved 1/9/17
- Amendment No. 3. Approved 4/20/20



NONEXCLUSIVE AGENCY AGREEMENT  
AMALGAMATED CASUALTY INSURANCE COMPANY  
OF WASHINGTON, D.C.

THIS AGREEMENT, made this 1<sup>st</sup> day of October, 2011 between AMALGAMATED CASUALTY INSURANCE COMPANY, a District of Columbia Corporation having its principal office in the City of Washington, D.C. (the "Company"), and AMERICAN RISK MANAGEMENT, INC. (the "Agent").

WITNESSETH:

WHEREAS, the Agent is an experienced insurance agent with knowledge about and expertise in the Company's taxicab and limousine insurance business; and

WHEREAS, the Company needs agents to aid it in soliciting taxicab and limousine insurance customers and servicing those customers; and

WHEREAS, continuing an agency relationship between the Company and the Agent would be mutually beneficial to the Company and the Agent,

NOW, THEREFORE, in consideration of the premises and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) in the state of Maryland, taxicab and limousine physical damage and liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, (ii) in the District of Columbia, (a) taxicab physical damage and liability insurance business providing bodily injury and property damage coverage and

personal injury and uninsured motorist protection, (b) limousine liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, and (c) private passenger automobile physical damage and liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection; all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid taxicab and limousine insurance by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company.

2. The Company will pay to the Agent a commission of 18.3% on premiums collected for all policies. This schedule of commission allowances may be changed at any time by the written agreement of both the Company and the Agent, or by regulation or law.
3. The Agent is authorized to solicit on behalf of and submit applications for insurance to the Company; to issue and deliver policies, certificates, endorsements, and binders that the Company may, from time to time, authorize to be issued and delivered; to collect and receipt for premiums on any policy issued by the Company; and to cancel any of the policies placed with the Company by or through the Agent in the Agent's sole discretion where such cancellation is legally possible.
4. The Agent agrees to pay, within ten days after due date, all money due the Company on the policies placed with the Company by or through the Agent. After payment by the Agent to the Company pursuant to the following, the Company will pay the commission due the

Agent under Paragraph 2 of this Agreement; but in any event, the Agent agrees to guarantee the payment of the premiums on all the policies placed with the Company by or through the Agent, even though said policies should be issued by the Company and paid for directly to the Company.

5. In the event the Company shall, either during the continuance of this Agreement or after its termination, refund premiums, by reason of cancellation or otherwise, under any policy placed with the Company by or through the Agent, the Agent shall immediately return to the Company the portion of the commission originally retained by it representing the pro rata amount of the commission on the amount of the premiums so refunded. The Company reserves the right to cancel directly any contract of insurance.
6. The Agent shall be answerable to the Company in respect to business placed with the Agent by a sub-agent and accepted by the Company as if such business had been produced directly by the Agent under this Agreement.
7. Any unused policies, forms, or other unused Company supplies furnished by the Company to the Agent shall always remain the property of the Company and shall be accounted for and returned by the Agent to the Company on demand.
8. The Agent shall not be entitled to any remuneration for services of any kind rendered to the Company, except as enumerated in this Agreement. The Company may offset against any claims made by the Agent any debt or debts of the Agent to the Company.
9. Upon termination of this Agreement for any reason and provided the Agent has promptly accounted for and paid to the Company all premiums and other monies or securities collected or held for or on behalf of the Company for which the Agent may be liable, the records of the Agent and the use and control of expirations shall remain the property of the

Agent and be left in its undisturbed possession. Should the Agent fail to promptly account for and pay to the Company all premiums and other monies or securities collected or held for or on behalf of the Company for which the Agent may be liable, the expirations and records pertaining thereto shall become the property of the Company.

10. This Agreement is effective October 1, 2011. If this Agreement does not otherwise terminate pursuant to the following, it shall terminate on December 31, 2014. This Agreement may be terminated by the Company only (1) if the Agent fails to comply with the provisions of this Agreement, and continues to fail to comply thirty (30) days after receipt of written notice of the failure to comply from the Company, or (2) if the Agent shall be found by any properly authorized governmental authority to be violating any insurance law or regulation and the Board of Trustees of the Company shall determine in good faith that such violation is materially adverse to the business of the Company. The Agent may terminate this Agreement if the Company fails to comply with this Agreement and continues to fail to comply thirty (30) days after receipt of written notice of default from the Agent.
11. This Agreement supersedes all previous agreements, whether oral or written, between the Company and the Agent.
12. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
13. Neither this Agreement nor any obligation hereunder of any of the parties hereto may be assigned without the prior written consent of each of the parties to this Agreement.
14. No provisions of this Agreement may be amended, nor any waivers or consents granted thereunder or with respect thereto, except by written instrument executed by both the

Agent and the Company.

15.

- a) The Company may terminate the Agreement for cause, upon written notice to the Agent. The Company shall suspend the authority of the Agent to write business during the pendency of any dispute regarding the cause for termination.
- b) The Agent shall render accounts to the Company detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the Agent.
- c) The Agent shall remit all funds due under the terms of the Agreement to the Company on at least a monthly basis. The due date shall be fixed so that premiums or installments collected shall be remitted no later than 90 days after the effective date of any policy placed with the Company under this Agreement.
- d) All funds collected for the Company's account shall be held by the Agent in a fiduciary capacity, in one or more appropriately identified bank accounts in banks that are members of the Federal Reserve System, in accordance with applicable provisions of insurance law of the District of Columbia.
- e) The Agent shall maintain separately identifiable records of business written for the Company.
- f) The Agreement shall not be assigned in whole or in part by the Agent.
- g) The Company shall provide the Agent with its underwriting standards, rules and procedures, manuals setting forth the rates to be charged, and the conditions for the acceptance or rejection of the risks. The Agent shall adhere to the standards, rules, procedures, rates, and conditions. The standards, rules, procedures, rates, and

conditions are the same as those applicable to comparable business placed with the Company by a producer other than the Agent.

- h) The rates and terms of the Agent's commissions, charges, or other fees and the purposes for these charges or fees shall be included. The rates of the commissions, charges, and other fees shall be no greater than those applicable to comparable business placed with the Company by producers other than Agent. For purposes of this paragraph and paragraph (g) of this section, examples of "comparable business" include the same lines of insurance, same kinds of insurance, same kinds of risks, similar policy limits, and similar quality of business.
- i) The limit on the Agent's writings in relation to the Company's surplus and total writings is 100% of the Company's surplus. The Company shall notify the Agent when the applicable limit is approached and shall not accept business from the Agent if the limit is reached. The Agent shall not place business with the Company if it has been notified by the Company that the limit has been reached.
- j) The Agent may negotiate, but shall not bind, reinsurance on behalf of the Company on business the Agent places with the Company except that the Agent may bind facultative reinsurance contracts pursuant to obligatory facultative agreements if the contract with the Company contains underwriting guidelines, including, for both reinsurance assumed and ceded, a list of reinsurers with which automatic agreements are in effect, the coverages and amounts or percentages that may be reinsured, and commission schedules.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its hand and seal on this day and

year above written.

WITNESS:

*Fred L. Brewer*

AMERICAN RISK MANAGEMENT, INC.

By: *Fred L. Brewer* (SEAL)  
Fred L. Brewer, President

WITNESS:

*Mark A. Gilder*

AMALGAMATED CASUALTY INSURANCE  
COMPANY:

By: *Mark A. Gilder* (SEAL)  
Mark A. Gilder, Trustee

*Carisa D. Stanley*

By: *Carisa D. Stanley* (SEAL)  
Carisa D. Stanley, Trustee

AMENDMENT NO. 1

This Amendment No. 1 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of May 1, 2014. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 1 of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) in the state of Maryland, taxicab and limousine physical damage and liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, (ii) in the District of Columbia, (a) taxicab physical damage and liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, (b) limousine liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, and (c) private passenger automobile physical damage and liability insurance business providing bodily injury and property damage coverage and personal injury and uninsured motorist protection, (iii) in the State of Florida, commercial automobile insurance, (iv) in the Commonwealth of Virginia, commercial automobile insurance, (v) in the State of Georgia, commercial automobile insurance; all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid commercial automobile insurance by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

3. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and originals or facsimile counterparts thereof have been delivered to the other party.

[Signature Page Immediately Follows]



IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:

*Paul L. Brannen*

AMERICAN RISK MANAGEMENT, INC.

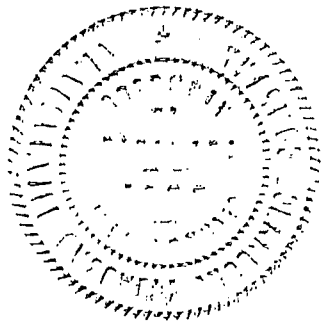
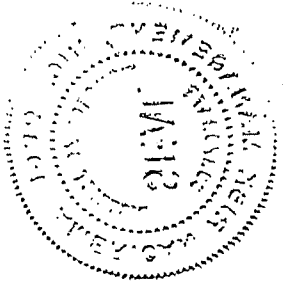
By: *Patrick Bracewell* (SEAL)  
Patrick Bracewell, President

WITNESS:

*Paul L. Brannen*

AMALGAMATED CASUALTY INSURANCE COMPANY

By: *Mark A. Gilder* (SEAL)  
Mark A. Gilder, Secretary



AMENDMENT NO. 2

This Amendment No. 2 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of January 1, 2015. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to extend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

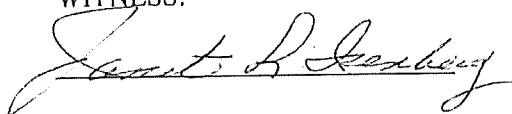
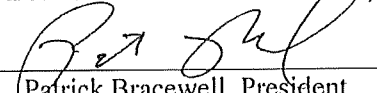
1. Section 10 of the Agreement be and hereby is amended by changing the termination date from "December 31, 2014" to "December 31, 2017."

2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

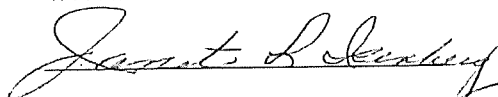
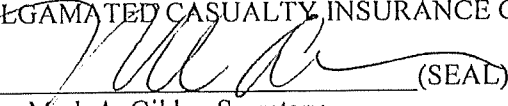
WITNESS:

AMERICAN RISK MANAGEMENT, INC.

 By:  (SEAL)  
Patrick Bracewell, President

WITNESS:

AMALGAMATED CASUALTY INSURANCE COMPANY

 By:  (SEAL)  
Mark A. Gilder, Secretary

AMENDMENT NO. 3

This Amendment No. 3 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of March 1, 2015. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

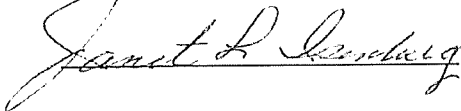
1. Section I of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) in the District of Columbia, commercial auto insurance except for physical damage coverage for limousines and (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile insurance; all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid commercial automobile insurance by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

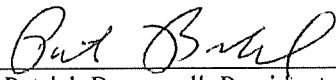
2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

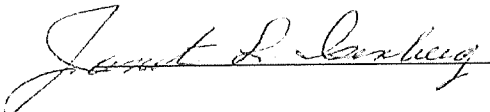
WITNESS:



AMERICAN RISK MANAGEMENT, INC.

By:  (SEAL)  
Patrick Bracewell, President

WITNESS:



AMALGAMATED CASUALTY INSURANCE COMPANY

By:  (SEAL)  
Mark A. Gilder, Secretary

AMENDMENT NO. 4

This Amendment No. 4 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of May 1, 2017. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 1 of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

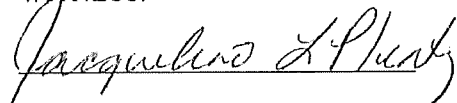
"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) in the District of Columbia, commercial automobile and general liability insurance except for physical damage coverage for limousines and (ii) in all other states in which both the Company and the Agent are properly licensed to transact business, commercial automobile and general liability insurance; all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid commercial automobile insurance by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

2. Section 10 of the Agreement, as amended, be and hereby is amended by changing the termination date from "December 31, 2017" to "December 31, 2020."

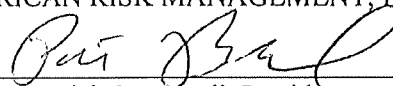
3. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:



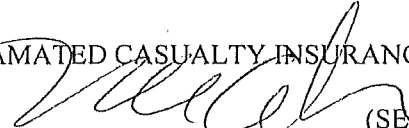
AMERICAN RISK MANAGEMENT, INC.

By:  (SEAL)  
Patrick Bracewell, President

WITNESS:



AMALGAMATED CASUALTY INSURANCE COMPANY

By:  (SEAL)  
Mark A. Gilder, Secretary

**AMENDMENT NO. 5**

This Amendment No. 5 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of June 15, 2018. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 1 of the Agreement be and hereby is amended by deleting such section in its entirety and replacing it with the following:

"1. The Company hereby grants nonexclusive authority to the Agent to solicit (i) commercial automobile and general liability insurance (collectively "Commercial Automobile Business") in the District of Columbia, except for physical damage coverage for limousines, (ii) Commercial Automobile Business in all other states in which both the Company and the Agent are properly licensed to transact business, and (iii) the types of business in the territories specified on Exhibit A attached hereto and made a part hereof (the "Additional Business"); all within the policy limits set by the Company with respect to the applicable jurisdiction, and subject to any restrictions placed upon the Agent by the laws of the jurisdictions in which such Agent is authorized to write insurance. The Agent agrees to use its best efforts, consistent with its past policies and practices, to further the writing of the aforesaid Commercial Automobile Business and Additional Business by the Company. Except as herein expressly provided, the Agent is not authorized to solicit business for or on behalf of the Company."

2. Section 2 of the Agreement, as amended, be and hereby is further amended by adding the following language at the end of the first sentence of such Section 2, after the word "policies":

". . . that are Commercial Automobile Business, and a commission on premiums collected on the Additional Business at the rate or rates specified on Exhibit A."

3. "Exhibit A: Additional Business" be and hereby is added:

Type of Business	Territory	Commission Rate(s)
Other (miscellaneous) liability insurance coverage; this shall be limited to contractual liability insurance in connection with golf hole-in-one golf competition promotions	All states where the Company and Agent are properly licensed	25%

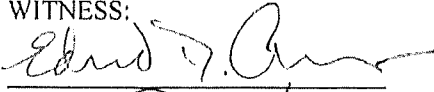
[Amendment No. 5 to the Nonexclusive Agency Agreement]

Execution Copy

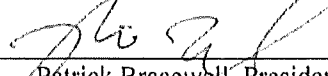
4. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

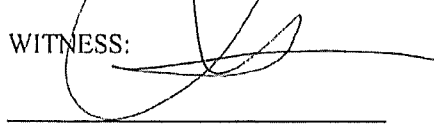
WITNESS:

  
\_\_\_\_\_

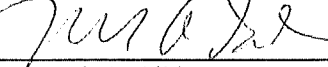
AMERICAN RISK MANAGEMENT, INC.

By:  (SEAL)  
Patrick Bracewell, President

WITNESS:

  
\_\_\_\_\_

AMALGAMATED CASUALTY INSURANCE COMPANY

By:  (SEAL)  
Mark A. Gilder, Secretary

[Amendment No. 5 to the Nonexclusive Agency Agreement]

AMENDMENT NO. 6

This Amendment No. 6 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of August 15, 2018. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 10 of the Agreement, as amended, be and hereby is further amended by removing the second sentence in its entirety and replacing it with the following:

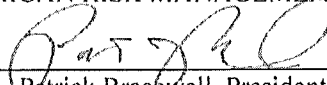
"10. This Agreement shall be for an initial term ending on December 31, 2020; provided that this Agreement shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term") unless either party determines not to renew the Agreement, which it shall do by providing prior written notice of nonrenewal to the other party not later than one hundred twenty (120) days prior to the scheduled end of the initial term or the then-current Renewal Term."

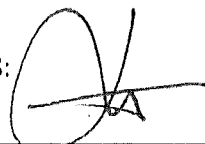
2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:   
\_\_\_\_\_

AMERICAN RISK MANAGEMENT, INC.

By:  (SEAL)  
Patrick Bracewell, President

WITNESS:   
\_\_\_\_\_

AMALGAMATED CASUALTY INSURANCE COMPANY

By: \_\_\_\_\_ (SEAL)  
Brian T. Mancino, Secretary



AMENDMENT NO. 6

This Amendment No. 6 (this "Amendment") to the Nonexclusive Agency Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. (the "Agent") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and the Agent effective as of August 15, 2018. The Company and the Agent are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 10 of the Agreement, as amended, be and hereby is further amended by removing the second sentence in its entirety and replacing it with the following:

"10. This Agreement shall be for an initial term ending on December 31, 2020; provided that this Agreement shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term") unless either party determines not to renew the Agreement, which it shall do by providing prior written notice of nonrenewal to the other party not later than one hundred twenty (120) days prior to the scheduled end of the initial term or the then-current Renewal Term."

2. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and the Agent has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

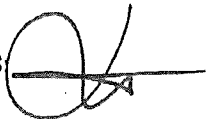
WITNESS:

AMERICAN RISK MANAGEMENT, INC.

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Patrick Bracewell, President

WITNESS



AMALGAMATED CASUALTY INSURANCE COMPANY

By: Brian T. Mancino (SEAL)  
Brian T. Mancino, Secretary

## **COST-SHARING AGREEMENT**

This agreement is made this 2/2/11 day of October, 2011 between AMALGAMATED CASUALTY INSURANCE COMPANY, a District of Columbia Corporation having its principal office in the City of Washington, D.C. (the "Company"), and AMERICAN RISK MANAGEMENT, INC. (ARM). This term of this agreement shall be from October 1, 2011 through December 31, 2014.

### **BACKGROUND**

The Company and ARM are parties to an agency agreement wherein the Company granted ARM authority to solicit insurance business, submit applications to the Company, and to collect and receipt for premiums on policies issued by the Company for which the company pays a commission to ARM. The Company and ARM have shared a portion of the Company's office space.

### **REIMBURSEMENT**

ARM hereby agrees to reimburse the Company an amount equal to ten percent (10%) of "Reimbursable Expenses", plus basic rent of \$4,000 per year. The Company shall provide to ARM an invoice for reimbursable amount together with copies of the invoices and/or bills which comprise the "reimbursable expenses". The reimbursable amount shall be due and payable within 10 days from the date ARM is provided with the invoice and accompanying documents.

### **REIMBURSABLE EXPENSES**

The only Company expenses which shall be included in the calculation of the amount of reimbursement under this agreement are janitorial fee, pest extermination fee, security, cleaning supplies, utilities, trash removal, property and liability insurance premiums for the premises, fidelity bond premiums, and the salary of one lead underwriter.

### **ASSIGNABILITY**

This agreement is binding upon and shall inure to the benefit of the parties hereto, their successors or assigns, but this agreement may not be assigned by either party without prior written consent of the other party.

### **DISPUTE RESOLUTION**

In the event a dispute shall arise between the parties to this contract, it is hereby agreed that the dispute shall be referred to the American Arbitration Association (or another mutually-agreeable arbitrator) for arbitration in accordance with the applicable United States Arbitration and Mediation Rules of Arbitration. The arbitrator's decision shall be final and legally binding and judgment may be entered

thereon. Each party shall be responsible for its share of the arbitration fees in accordance with the applicable Rules of Arbitration. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with the arbitrator's award, the other party is entitled to costs of suit, including a reasonable attorney's fee for having to compel arbitration or defend or enforce the award.

#### **TERMINATION**

This agreement may be terminated by either party providing the other with not less than 60 days notice of its intent to terminate.

#### **NOTICES**

Any notice required to be given to the parties shall be deemed to have been properly given if delivered, in writing, in person or by first class mail to the address stated below or to such other address as may be designated in writing by the parties from time to time during the term of this Agreement.

Amalgamated Casualty Insurance Company  
500 Morse Street, N.E.  
Washington, D.C. 20002

American Risk Management, Inc.  
500 Morse Street, N.E.  
Washington, D.C. 20002

#### **MODIFICATION**

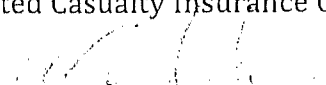
Any amendment to or modification of this Agreement must be in writing and agreed by both parties.

**THIS AGREEMENT SHALL BECOME EFFECTIVE UPON THE SIGNATURE OF BOTH PARTIES.**

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH AFFECTS YOUR LEGAL RIGHTS AND MAY BE ENFORCED BY THE PARTIES.**

Amalgamated Casualty Insurance Company

American Risk Management, Inc.

  
\_\_\_\_\_  
Mark A. Gilder, Vice President

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

AMENDMENT NO. 1

This Amendment No. 1 (this "Amendment") to the Cost Sharing Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. ("ARM") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and ARM effective as of January 1, 2015. The Company and ARM are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The last sentence of the first paragraph of the Agreement be and hereby is amended by changing the termination date from "December 31, 2014" to "December 31, 2017."
2. The first sentence in the third paragraph of the Agreement be and hereby is amended by changing the basic rent from "\$4,000 per year" to "\$6,800 per year."
3. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and ARM has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:

AMERICAN RISK MANAGEMENT, INC.

*Jane L. Schanberg*

By:

*Patrick Bracewell*

(SEAL)

Patrick Bracewell, President

WITNESS:

AMALGAMATED CASUALTY INSURANCE COMPANY

*Jane L. Schanberg*

By:

*Mark A. Gilder*

(SEAL)

Mark A. Gilder, Secretary

AMENDMENT NO. 2

This Amendment No. 2 (this "Amendment") to the Cost Sharing Agreement by and between AMALGAMATED CASUALTY INSURANCE COMPANY, (the "Company") and AMERICAN RISK MANAGEMENT, INC. ("ARM") dated October 4, 2011 (the "Agreement") is entered into by and between the Company and ARM effective as of January 15, 2017. The Company and ARM are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

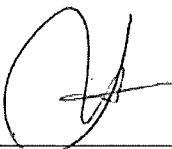
NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

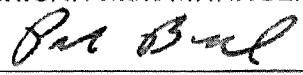
1. The first sentence in the third paragraph of the Agreement be and hereby is amended by changing the basic rent from "\$6,800 per year" to "the amount specified in EXHIBIT A: SCHEDULE OF RENT DUE", which exhibit is attached hereto and shall be made a part of this Agreement; and

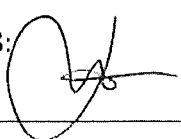
2. The fourth paragraph of the Agreement be and hereby is amended by changing the "reimbursable expenses" from "janitorial fee, pest extermination fee, security, cleaning supplies, utilities, trash removal, property and liability insurance premiums for the premises, fidelity bond premiums, and the salary of one lead underwriter" to "property and liability insurance premiums for the premises, fidelity bond premiums, and the salary of one lead underwriter"; this due to the fact that the landlord of the new office location is responsible for paying for the removed items pursuant to the lease (i.e. janitorial fee, pest extermination fee, security, cleaning supplies, utilities, and trash removal are provided by the landlord and are included in the cost of the rent).


3. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its properly authorized officer and ARM has set its corporate name to be subscribed by its properly authorized officer, as of the date first written above.

WITNESS:   
\_\_\_\_\_

AMERICAN RISK MANAGEMENT, INC.  
By:  (SEAL)  
Patrick Bracewell, President

WITNESS:   
\_\_\_\_\_

AMALGAMATED CASUALTY INSURANCE COMPANY  
By:  (SEAL)  
Mark A. Gilder, Secretary

**EXHIBIT A: SCHEDULE OF RENT DUE**

Lease Year	Lease Year Beginning	Total Space Occupied			ARM Portion (10%)		Calendar Year	
		Square Feet	Rent Due (Per Sq. Ft.)	Annual Rent Due	Square Feet	Annual Rent Due	Year	Annual Rent Due
1	July 1, 2016	7,500	\$28.75	\$215,625	750	\$21,562	2016	\$14,181
2	July 1, 2017	7,500	\$29.47	\$221,016	750	\$22,102	2017	\$21,832
3	July 1, 2018	7,500	\$30.21	\$226,541	750	\$22,654	2018	\$22,378
4	July 1, 2019	7,500	\$30.96	\$232,205	750	\$23,220	2019	\$22,937
5	July 1, 2020	7,500	\$31.73	\$238,010	750	\$23,801	2020	\$23,511
6	July 1, 2021	7,500	\$32.53	\$243,960	750	\$24,396	2021	\$24,098
7	July 1, 2022	7,500	\$33.34	\$250,059	750	\$25,006	2022	\$24,701
8	July 1, 2023	7,500	\$34.17	\$256,310	750	\$25,631	2023	\$25,318
9	July 1, 2024	7,500	\$35.03	\$262,718	750	\$26,272	2024	\$25,951
10	July 1, 2025	7,500	\$35.90	\$269,286	750	\$26,929	2025	\$26,600
11	July 1, 2026	7,500	\$36.80	\$276,018	750	\$27,602	2026	\$27,265
12	July 1, 2027	7,500	\$37.72	\$282,919	750	\$28,292	2027	\$27,947
13	July 1, 2028	7,500	\$38.67	\$289,992	750	\$28,999	2028	\$28,646
14	July 1, 2029	7,500	\$39.63	\$297,242	750	\$29,724	2029	\$29,362
15	July 1, 2030	7,500	\$40.62	\$304,673	750	\$30,467	2030	\$30,096

*Note: Lease at new office location began on July 1, 2016 and ends on July 1, 2031. Calendar year rental amounts due adjust for mis-match between lease year and calendar year.*

**AMENDMENT NO. 3**

This Amendment No. 3 (this "Amendment") to the Cost Sharing Agreement dated October 4, 2011, as amended, by and between AMALGAMATED CASUALTY INSURANCE COMPANY (the "Company") and AMERICAN RISK MANAGEMENT, INC. ("ARM") (the "Agreement") is entered into by and between the Company and ARM effective as of April 15, 2020. The Company and ARM are sometimes referred to herein as a "Party" or the "Parties."

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment;

NOW, THEREFORE, for good and value consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

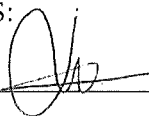
1. The second sentence of the first paragraph be and hereby is amended by replacing the existing sentence with the following: "This Agreement shall be for an initial term ending on December 31, 2020; provided that this Agreement shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term") unless either party determines not to renew the Agreement, which it shall do by providing prior written notice of nonrenewal to the other party not later than one hundred twenty (120) days prior to the scheduled end of the initial term or the then-current Renewal Term."

2. The amount of rent expense reimbursable pursuant to the Agreement be and hereby is amended by amending EXHIBIT A: SCHEDULE OF RENT DUE to be in the form attached to this Amendment, which amended Exhibit A shall supersede and replace the existing Exhibit A to the Agreement; and

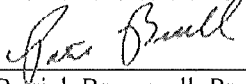
3. Except as set forth in this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, each Party has executed this Agreement through its properly authorized officer as of the date first written above.

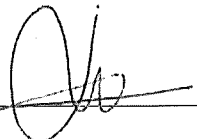
WITNESS:

  
\_\_\_\_\_

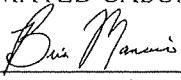
AMERICAN RISK MANAGEMENT, INC.

By:  (SEAL)  
Patrick Bracewell, President

WITNESS:

  
\_\_\_\_\_

AMALGAMATED CASUALTY INSURANCE COMPANY

By:  (SEAL)  
Brian T. Mancino, Secretary

**EXHIBIT A: SCHEDULE OF RENT DUE**

Lease Year	Lease Year Beginning	Total Space Occupied			ARM Portion (10%)		Rent Schedule (Proposed)	
		Square Feet	Rent Due (Per Sq. Ft.)	Annual Rent Due	Square Feet	Annual Rent Due	Calendar Year	
							Year *	Annual Rent Due
1	July 1, 2016	7,500	\$28.75	\$215,625	750	\$21,562	2016	\$14,181
2	July 1, 2017	7,500	\$29.47	\$221,016	750	\$22,102	2017	\$21,832
3	July 1, 2018	7,500	\$30.21	\$226,541	750	\$22,654	2018	\$22,378
4	July 1, 2019	5,535	\$30.96	\$171,367	554	\$17,137	2019 <sup>f</sup>	\$22,937
5	July 1, 2020	5,535	\$31.73	\$175,651	554	\$17,565	2020	\$17,351
6	July 1, 2021	5,535	\$32.53	\$180,042	554	\$18,004	2021	\$17,785
7	July 1, 2022	5,535	\$33.34	\$184,544	554	\$18,454	2022	\$18,229
8	July 1, 2023	5,535	\$34.17	\$189,157	554	\$18,916	2023	\$18,685
9	July 1, 2024	5,535	\$35.03	\$193,886	554	\$19,389	2024	\$19,152
10	July 1, 2025	5,535	\$35.90	\$198,733	554	\$19,873	2025	\$19,631
11	July 1, 2026	5,535	\$36.80	\$203,702	554	\$20,370	2026	\$20,122
12	July 1, 2027	5,535	\$37.72	\$208,794	554	\$20,879	2027	\$20,625
13	July 1, 2028	5,535	\$38.67	\$214,014	554	\$21,401	2028	\$21,140
14	July 1, 2029	5,535	\$39.63	\$219,364	554	\$21,936	2029	\$21,669
15	July 1, 2030	5,535	\$40.62	\$224,848	554	\$22,485	2030	\$22,211

*Note: Lease began on July 1, 2016 and ends on July 1, 2031. Calendar year rental amounts due adjust for mis-match between lease year and calendar year.  
\* ARM has already reimbursed ACI for rent expense under the existing rent schedule for calendar years 2016-2019.*