PLAN OF CONVERSION

OF

MEDICAL LIABILITY MUTUAL INSURANCE COMPANY

As adopted on May 31, 2018

by the Board of Directors

and revised by

Medical Liability Mutual Insurance Company

on June 15, 2018

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PLAN OF CONVERSION

OF

MEDICAL LIABILITY MUTUAL INSURANCE COMPANY

Under Section 7307 of the
New York Insurance Law

PREAMBLE

This Plan of Conversion provides for the conversion of Medical Liability Mutual Insurance Company, a mutual insurance company domiciled in New York (such entity, both before and after the conversion, being referred to as "MLMIC"), from a mutual insurance company into a stock insurance company (the "Conversion") and the purchase (the "Purchase" and, together with the Conversion, the "Sponsored Conversion") of the newly authorized shares of common stock of MLMIC by National Indemnity Company, an insurance company domiciled in Nebraska (the "Sponsor") pursuant to that certain Amended and Restated Acquisition Agreement, by and between MLMIC and the Sponsor, dated February 23, 2018 (the "Acquisition Agreement"), and Section 7307 of the New York Insurance Law.

As required by Section 7307 of the New York Insurance Law, resolutions specifying the reasons for and the purpose of the Conversion were approved and adopted by not less than a majority of the entire members of the Board of Directors (the "Board") of MLMIC at a meeting duly called and held on July 15, 2016 (the "Initial Resolutions").

Following the Plan Effective Date, the Eligible Policyholders, or their Designees, will receive Cash Consideration in consideration for the extinguishment of their Policyholder Membership Interests. In order to consummate the Conversion, the New York Insurance Law requires that the Superintendent hold a public hearing regarding the Plan of Conversion and that the Plan of Conversion be submitted to the Record Date Policyholders for a vote at the Special Meeting. The Plan of Conversion must be approved by at least two-thirds of all votes cast by the Record Date Policyholders actually present in person or by proxy and voting thereon.

Capitalized terms used herein without definition have the meanings set forth in Article 2 hereof.

ARTICLE 1
PURPOSE OF THE CONVERSION

The principal purpose of the Conversion is to convert MLMIC from a mutual insurance company into a stock insurance company. The Sponsored Conversion will provide Eligible Policyholders, or their Designees, with Cash Consideration. The Board believes that the transaction is fair and equitable, is consistent with the purpose and intent of Section 7307 of the New York Insurance Law and will not prejudice the interests of the policyholders of MLMIC.

The Sponsored Conversion will not reduce insurance coverages provided to the MLMIC policyholders under the Policies issued by MLMIC.

The amounts allocated to Eligible Policyholders shall vary according to the premiums properly and timely paid under their Eligible Policies, and shall be payable to Eligible Policyholders, or their Designees, as described in Article 8 of this Plan of Conversion, in respect of the extinguishment of all Policyholder Membership Interests. The portion of the Cash Consideration allocated to Eligible Policyholders will be based on qualifying premiums in accordance with the provisions of Article 8 of this Plan of Conversion and Section 7307 of the New York Insurance Law.

Through the transactions contemplated by this Plan of Conversion and the Acquisition Agreement, MLMIC will become a wholly owned Subsidiary of the Sponsor, and thereby a member of the Berkshire Hathaway group of companies.

ARTICLE 2
DEFINITIONS

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

"Acquisition Agreement" has the meaning specified in the preamble.

"Adoption Date" has the meaning specified in Section 3.1.

"Amended and Restated Bylaws" has the meaning specified in Section 6.3(a).

"Amended and Restated Charter" has the meaning specified in Section 5.1(a).

"Application" has the meaning specified in Section 4.1.

"Board" has the meaning specified in the preamble.

"Business Day" means any day other than a Saturday or Sunday or a day on which banks in the State of New York are permitted or required by law to be closed.

"Cash Consideration" means an amount equal to $2.502 billion ($2,502,000,000).

"Closing" has the meaning specified in Section 6.3(a).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Conversion" has the meaning specified in the preamble.

"Conversion Agent" means Computershare Trust Company, N.A., or such other bank, trust company or investor services company as designated by the Sponsor and acceptable to MLMIC and the Superintendent to act as agent in connection with this Plan of Conversion and

the Acquisition Agreement for transferring and delivering the MLMIC Shares to the Sponsor, and distributing cash amounts payable to Eligible Policyholders (or their Designees) pursuant to this Plan of Conversion and the Acquisition Agreement.

"Conversion Factor" has the meaning specified in Section 8.2(a)(iii).

"Conversion Payment" has the meaning specified in Section 8.2(a).

"Department" means the New York State Department of Financial Services.

"Designees" means Policy Administrators and EPLIP Employers, in each case, to the extent designated by Eligible Policyholders to receive the portion of the Cash Consideration allocated to such Eligible Policyholders.

"E-mail Estimate" has the meaning set forth in Section 8.3.

"Effective Time" means 12:01 a.m., New York time, on the Plan Effective Date or such other time on the Plan Effective Date as specified by MLMIC and the Sponsor, subject to any required consent of the Superintendent. This is the time that this Plan of Conversion is deemed to be effective.

"Eligibility Period" means the period from July 15, 2013 (being the date three years immediately preceding the Record Date) through the Record Date.

"Eligible Policy" means any Policy that is or was In Effect at any time during the Eligibility Period.

"Eligible Policyholder" means the Policyholder of an Eligible Policy. For Eligible Policies that identify multiple insureds, each Person so identified on the declarations page of such Policy shall be an Eligible Policyholder. Each such Eligible Policyholder that is a Record Date Policyholder shall be entitled to vote at the Special Meeting. In addition, each such Eligible Policyholder shall be entitled to an allocation of the Cash Consideration based on the Eligible Premium with respect to such Eligible Policyholder as set forth in the definition of Eligible Premium.

"Eligible Premium" has the meaning specified in Section 8.2(a)(i).

"Employee Professional Liability Insurance Policy" means an Employee Professional Liability Insurance Policy issued by MLMIC during the Eligibility Period.

"EPLIP Employer" means, with respect to an Employee Professional Liability Insurance Policy, the employer designated on the declarations page of such Policy.

"Governmental Entity" means any foreign, domestic, federal, territorial, state or local U.S. or non-U.S. governmental authority, insurance regulatory authority, quasi-governmental authority, instrumentality, court, government, self-regulatory organization, commission, tribunal or organization or any political or other subdivision, department, branch or representative of any

of the foregoing, including, without limitation, the New York State Department of Financial Services.

"HMO" has the meaning specified in Section 5.1(a)(iii).

"In Effect" has the meaning specified in Section 7.4(a).

"Initial Resolutions" has the meaning specified in the preamble.

"Members" means the policyholders of MLMIC prior to the Conversion.

"MLMIC" has the meaning specified in the preamble.

"MLMIC Records" means the books, records and accounts of MLMIC and MLMIC's Subsidiaries.

"MLMIC Shares" means 200,000 shares of common stock of MLMIC, par value $100, which represent all of the duly authorized shares of common stock of MLMIC that will be issued upon the Conversion.

"New York Insurance Law" means Chapter 28 of the Consolidated Laws of the State of New York.

"Notice of Special Meeting" has the meaning specified in Section 5.2.

"Payment Fund" has the meaning specified in Section 6.3(c)(vi).

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

"Plan Effective Date" has the meaning specified in Section 6.3(a).

"Plan of Conversion" means this Plan of Conversion (including all Schedules and Exhibits hereto), as it may be amended from time to time in accordance with Section 10.4. Any reference to the term "Plan of Conversion" shall be deemed to incorporate by reference all of the Schedules and Exhibits thereto.

"Policy" or "Policies" has the meaning specified in Section 7.1.

"Policy Administrator" means a Person designated on the declarations page of the applicable Policy or otherwise as the administrator of the Policy on behalf of the applicable Policyholder, or any successor to such Person. For the avoidance of doubt, such Person may be an organization, a professional practice group or a third party.

"Policyholder" means, with respect to any Policy, the Person(s) identified on the declarations page of such Policy as the insured. For Policies that identify multiple insureds, each Person so identified on the declarations page of such Policy shall be a Policyholder. For the avoidance of doubt, no Person(s) identified as an additional insured under any Policy shall be considered a Policyholder with respect to such Policy.

"Policyholder Information Statement" means the information statement prepared by MLMIC with the Sponsor's assistance and cooperation in connection with the solicitation of approval of the Plan of Conversion by the Record Date Policyholders.

"Policyholder Membership Interests" means, with respect to MLMIC, the interests of Members arising under the New York Insurance Law and under the charter, bylaws and Policies of MLMIC prior to the Conversion, including the right to vote, the right to participate in any distribution of surplus, earnings and profits of MLMIC (including dividends), and the right to participate in meetings of members. "Policyholder Membership Interests" do not include insurance coverages provided under the Policies.

"Pre-Closing Filing" has the meaning specified in Section 5.3.

"Proposal" has the meaning specified in Section 5.1(a).

"Purchase" has the meaning specified in the preamble.

"Record Date" means July 14, 2016 (being the date immediately preceding the date of the adoption by the Board of the Initial Resolutions).

"Record Date Policyholder" means the Policyholder of a Policy In Effect on the Record Date. For Policies In Effect on the Record Date that identify multiple insureds, each Person so identified in such Policy shall be a Record Date Policyholder.

"Special Meeting" has the meaning specified in Section 5.1(a).

"Sponsor" has the meaning specified in the preamble.

"Sponsored Conversion" has the meaning specified in the preamble.

"Subsidiary" shall mean each of those Persons (i) of which another Person, directly or indirectly through one or more Subsidiaries, owns beneficially securities having more than 50% of the voting power in the election of directors (or Persons fulfilling similar functions or duties) of the owned Person (without giving effect to any contingent voting rights) or (ii) which another Person, directly or indirectly through one or more Subsidiaries, controls as the general partner, managing member or Person exercising a similar function.

"Superintendent" means the New York State Superintendent of Financial Services.

"Total Eligible Premium" has the meaning specified in Section 8.2(a)(ii).

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

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

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

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

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

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

ARTICLE 3
ADOPTION BY THE BOARD OF DIRECTORS

3.1. Adoption by the Board. This Plan of Conversion was unanimously adopted by the Board at a meeting duly called and held on May 31, 2018 (the "Adoption Date").

ARTICLE 4
APPROVAL BY THE SUPERINTENDENT

4.1. Application for Approval. On May 22, 2018, MLMIC received permission from the Superintendent to file an application with the Superintendent for approval of this Plan of Conversion (the "Application"). MLMIC shall file the Application no later than 45 days after such permission is granted, which shall include a copy of this Plan of Conversion and a copy of the Board resolution adopting this Plan of Conversion, both certified by the President and Secretary of MLMIC and affirmed by them as true under penalties of perjury and under the corporate seal of MLMIC. Thereafter, MLMIC shall provide such other additional documents and information as the Superintendent may require.

4.2. Notice of Hearing. As soon as reasonably practicable following the Adoption Date, but in any event not less than 60 days before the Superintendent's public hearing pursuant to Section 7307(g) of the New York Insurance Law, MLMIC shall mail notice of the Superintendent's public hearing to all Record Date Policyholders. Section 7307(g) provides that the notice of hearing shall be mailed to all Record Date Policyholders and shall be accompanied by a copy of this Plan of Conversion and any comment on this Plan of Conversion that the Superintendent considers necessary for the adequate information of the Record Date Policyholders. In addition, MLMIC shall give notice of the hearing by publication in a

newspaper of general circulation in New York County and in the two largest cities in each state in which MLMIC has underwritten insurance within the five years preceding the date of adoption of the Initial Resolutions. Section 7307(g) provides that such notice shall be accompanied by a summary approved by the Superintendent of this Plan of Conversion and any comment the Superintendent considers necessary for the adequate information of former policyholders and the public.

ARTICLE 5
APPROVAL BY RECORD DATE POLICYHOLDERS

5.1. Special Meeting.

(a) Following the hearing and the approval of this Plan of Conversion by the Superintendent, MLMIC shall hold a special meeting of Record Date Policyholders to vote on this Plan of Conversion (the "Special Meeting"). At the Special Meeting, each Record Date Policyholder shall be entitled to vote in accordance with MLMIC's bylaws in effect as of the Record Date for or against a single proposal (the "Proposal") to adopt and approve this Plan of Conversion, including the amended and restated charter of MLMIC in the form attached to this Plan of Conversion as Exhibit A (the "Amended and Restated Charter"). The Record Date Policyholders shall be entitled to cast the following numbers of votes:

(i) one vote if the Record Date Policyholder is an individual.

(ii) one vote if the Record Date Policyholder is a professional entity such as professional service corporation, professional limited liability company, partnership or limited partnership.

(iii) two votes if the Record Date Policyholder is a group-model health maintenance organization ("HMO"), a preferred provider organization or a similar managed health care facility not having its own physical plant where medical treatment is provided.

(iv) five votes if the Record Date Policyholder is a staff-model HMO, clinic, medical center or similar entity having its own physical plant where medical treatment is provided.

(v) ten votes if the Record Date Policyholder is a hospital.

(b) In accordance with MLMIC's bylaws, at least ten percent (10%) of the Record Date Policyholders must be present (in person or by proxy) to constitute a quorum at the Special Meeting. Absent a quorum, any vote by the Record Date Policyholders shall be ineffective.

(c) The Proposal is subject to approval by vote of not less than two-thirds of the votes cast by the Record Date Policyholders actually present in person or by proxy and voting thereon at the Special Meeting.

(d) This Plan of Conversion by its terms, including the Amended and Restated Charter, if adopted, will **only** be effective upon the Closing of the Purchase.

5.2. Notice of Special Meeting.

MLMIC shall give at least 30 days' notice to Record Date Policyholders of the time, place and purpose of the Special Meeting ("Notice of Special Meeting"). Voting at the Special Meeting may be by proxy in a manner as prescribed by the Superintendent. The form of proxy is attached hereto as Exhibit B, which will be subject to the approval of the Superintendent. The Notice of Special Meeting shall be accompanied by a true and correct copy of this Plan of Conversion, the Policyholder Information Statement and a proxy card to be provided to Record Date Policyholders in connection with the solicitation of the approval of the Plan of Conversion at the Special Meeting. Such documents shall be delivered personally, or deposited in the post office, postage prepaid, and addressed to each Record Date Policyholder at his or her last post office address appearing in the MLMIC Records.

5.3. Filing of Plan of Conversion and Amended and Restated Charter. As soon as practicable following the adoption of this Plan of Conversion, including the Amended and Restated Charter, by the Record Date Policyholders as provided in Section 5.1, MLMIC shall file with the Superintendent: (a) a certified copy of this Plan of Conversion as voted on, and (b) a certificate of MLMIC setting forth the results of the vote on the Plan of Conversion and certifying as to whether or not it was approved by not less than two-thirds of the votes cast by the Record Date Policyholders voting in person or by proxy at the Special Meeting, both of which shall be subscribed by the President of MLMIC and attested to by the Secretary of MLMIC, under the corporate seal of MLMIC, and affirmed by them as true under the penalties of perjury (the filing described in clauses (a) and (b) above, the "Pre-Closing Filing"). MLMIC shall also file with the Superintendent such other documents as the Superintendent shall require.

ARTICLE 6
THE CONVERSION AND PURCHASE

6.1. Effect on MLMIC. On the Plan Effective Date, MLMIC shall be converted from a mutual insurance company into a stock insurance company in accordance with Section 7307 of the New York Insurance Law and the Purchase shall occur in accordance with this Plan of Conversion and the Acquisition Agreement. Under the terms of the Acquisition Agreement, the Sponsor will acquire all of the MLMIC Shares issued pursuant to the Conversion. Payment of the Cash Consideration allocable to the Eligible Policyholders will constitute adequate consideration for the transfer of the MLMIC Shares to the Sponsor. The Sponsor thereupon will become the sole shareholder of MLMIC and will have all of the rights, privileges, immunities and powers and will be subject to all of the duties and liabilities to the extent provided by law of a shareholder of an insurance company under the laws of the State of New York.

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

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

(b) any right to share in the surplus, earnings or profits of MLMIC, including dividends; and

(c) the right to attend annual meetings of members (which will no longer occur).

6.3. Effectiveness of Plan of Conversion and Acquisition Agreement.

(a) The "Plan Effective Date" of this Plan of Conversion shall be the date of the closing of the Purchase under the Acquisition Agreement (the "Closing"), subject to any required consent of the Superintendent, after all of the following steps having been completed: (i) this Plan of Conversion has been approved by the Superintendent, (ii) the Record Date Policyholders have approved this Plan of Conversion by the requisite vote, (iii) the Amended and Restated Charter has been duly adopted as part of the Plan of Conversion, (iv) the Pre-Closing Filing shall have been made by MLMIC, (v) MLMIC shall have filed the Amended and Restated Charter with the Superintendent with her approval endorsed thereon and (vi) a new certificate of authority shall have been issued by the Superintendent. Subsequent to the Plan Effective Date, the bylaws of MLMIC shall be substantially in the form attached hereto as Exhibit C (the "Amended and Restated Bylaws"). This Plan of Conversion shall be deemed to have become effective at the Effective Time.

(b) The Acquisition Agreement sets forth conditions to Sponsor's obligations to complete the Purchase, including, but not limited to: a loss portfolio transfer whereby MLMIC would cede to Sponsor all of MLMIC's existing insurance liabilities as of the Closing (involving transferred assets and reserves currently estimated at $3.11 billion as of March 31, 2018); an extraordinary dividend to Sponsor to reduce MLMIC's company action level risk-based capital ratio to as low as 300% (which such dividend request was subsequently agreed by the Sponsor to be $1.905 billion, which would maintain such risk-based capital ratio above 350%); and a quota share reinsurance agreement whereby MLMIC would cede 85% of its post-Closing business to Sponsor and an affiliate of Sponsor. Each of the loss portfolio transfer, extraordinary dividend, and quota share reinsurance agreement is subject to approval by the Superintendent. In addition to the conditions set forth above and the other conditions set forth in the Acquisition Agreement, it shall be a condition to Closing and the obligation of the parties to complete the Sponsored Conversion that: (i) all regulatory approvals required for the Closing shall have been received; (ii) no order, injunction or decree issued by any Governmental Entity of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Sponsored Conversion or any of the transactions contemplated by the Sponsored Conversion shall be in effect; and (iii) no statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits, materially restricts or makes illegal the consummation of the Sponsored Conversion. For the avoidance of doubt, the Conversion is conditioned upon the completion of the Purchase (i.e., MLMIC shall not convert to a stock insurance company unless the sale to Sponsor shall also be completed).

(c) On the Plan Effective Date:

(i) MLMIC shall by operation of Section 7307 of the New York Insurance Law and any other applicable provisions of New York law become a stock insurance company;

(ii) the Amended and Restated Charter and the Amended and Restated Bylaws shall become effective;

(iii) all of the Policyholder Membership Interests shall be extinguished, as provided in this Plan of Conversion;

(iv) MLMIC shall issue the MLMIC Shares, representing all of the issued and outstanding common stock of MLMIC, to the Conversion Agent for the benefit of the Eligible Policyholders, at an offer price of $12,510 per share (such offer price being less than an amount equal to one-half of the median equitable share of the interests of the Eligible Policyholders in the Cash Consideration);

(v) the Sponsor shall deposit, or cause to be deposited, via wire transfer of immediately available funds, the Cash Consideration with the Conversion Agent for distribution to the Eligible Policyholders, or their Designees, and MLMIC in accordance with Section 6.3(d) hereof;

(vi) the Conversion Agent shall deposit the Cash Consideration into an interest bearing account (the "Payment Fund"); and

(vii) the Conversion Agent shall transfer and distribute all of the MLMIC Shares to the Sponsor, representing all of the issued and outstanding common stock of MLMIC.

(d) As promptly as practicable following the Plan Effective Date:

(i) MLMIC shall give notice of Conversion by publication in New York County and in the two largest cities in each state in which MLMIC is licensed to do business. Such notice shall be accompanied by a correct copy of this Plan of Conversion or a summary thereof approved by the Superintendent;

(ii) the Conversion Agent shall send or cause to be sent to each Eligible Policyholder (or its Designee) a notice of the method by which the amount of such cash payment was derived from the allocation of the Cash Consideration in accordance with Section 8.2 of this Plan of Conversion; and

(iii) the Conversion Agent shall distribute to each Eligible Policyholder, or its Designee, or, in the event of a dispute and in accordance with the provisions set forth in Schedule I, hold in escrow, the portion of the Payment Fund allocable to such Eligible Policyholder pursuant to this Plan of Conversion. Interest shall be payable on amounts

held in the Payment Fund for longer than twenty (20) Business Days at the rate of interest earned on the Payment Fund during such period.

(e) MLMIC, the Sponsor and the Conversion Agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Plan of Conversion and the Acquisition Agreement to any Eligible Policyholder, or its Designee, such amounts as the Sponsor, MLMIC or the Conversion Agent is required to deduct and withhold with respect to the making of such payment under the Code, or any other applicable provision of U.S. federal, state, local or non-U.S. tax law. To the extent that such amounts are properly withheld by the Sponsor, MLMIC or the Conversion Agent, such withheld amounts will be treated for all purposes of this Plan of Conversion as having been paid to the Eligible Policyholder, or its Designee, in respect of whom such deduction and withholding were made by the Sponsor or the Conversion Agent.

(f) The amount distributable to each Eligible Policyholder shall be paid directly to such Eligible Policyholder unless such Eligible Policyholder has affirmatively designated a Policy Administrator or EPLIP Employer to receive such amount on its behalf, in which case such amount shall be distributed to such Designee. In the event that a Policy Administrator or EPLIP Employer believes that it has a legal right to receive any Cash Consideration allocated to an Eligible Policyholder, it may file an objection with MLMIC at any time prior to the date of the Superintendent's public hearing in accordance with the provisions set forth in Schedule I, and such objection will be resolved in accordance with such provisions.

ARTICLE 7
POLICIES

7.1. Policies. For the purposes of this Plan of Conversion, the term "Policy" means any contract for insurance issued by MLMIC.

7.2. Determination of Eligible Policyholders. MLMIC will determine with utmost good faith the Policyholder of any Policy (including Eligible Policies) as of any date on the basis of the MLMIC Records as of such date.

7.3. Mailing Addresses. The mailing address of a Policyholder (or its Designee) as of any date for purposes of this Plan of Conversion shall be the last known address of such Policyholder (or its Designee) as shown in the MLMIC Records as of such date.

7.4. In Effect.

(a) A Policy shall be deemed to be in effect ("In Effect") as of any date if, as shown in the MLMIC Records:

(i) the Policy has been issued or coverage had been bound by MLMIC as of such date; and

(ii) such Policy has not expired, cancelled, been non-renewed or otherwise terminated (other than upon or following the expiration of its term); provided that, with respect to a Policy that has expired, was cancelled, non-renewed or was otherwise

terminated prior to July 15, 2013, for which an extended reporting period ("tail" coverage) was In Effect on or after July 15, 2013, such tail coverage shall not be considered to be a Policy In Effect during the extended reporting period.

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

ARTICLE 8
VALUATION OF POLICYHOLDER MEMBERSHIP INTERESTS AND ALLOCATION OF CONSIDERATION

8.1. Valuation of Policyholder Membership Interests. On July 15, 2016, the Board agreed to a formula set forth in the initial acquisition agreement as of that date for determining, post-closing, the cash amount to be paid by the Sponsor, which the Board determined would result in a fair value of MLMIC as a converted stock insurance company. In making such determination, the Board took into account such factors as it deemed relevant, including the following: MLMIC's earnings, financial condition, and business prospects; the competitive position of MLMIC; and the market value pricing ratios of other insurance companies in conversions and in merger and acquisition transactions as reflected in a presentation made by Keefe, Bruyette, & Woods, Inc. to the Board on March 16, 2016.

Subsequently, MLMIC provided the initial acquisition agreement to the Department. The Department determined and advised MLMIC there was an inconsistency between a purchase price to be determined post-closing and the procedural steps set forth in Section 7307 of the New York Insurance Law. Specifically, Section 7307 requires both approval by the Superintendent of the Plan of Conversion (with such approval including a determination that the purchase price is fair and equitable) and a vote by the Record Date Policyholders (who require adequate notice before voting), each of which would need to occur before the Closing. The Department commented that these requirements could not be met without determining the purchase price before these steps are taken. In response to these comments from the Department, and having considered changes to New York law regarding the statute of limitations for certain medical malpractice claims, MLMIC and the Sponsor negotiated the cash amount to be paid by the Sponsor. On February 23, 2018, the Board voted unanimously to approve an amended and restated version of the acquisition agreement providing a fixed Cash Consideration of $2.502 billion. In addition, the termination date under the agreement was extended from June 30, 2018 to September 30, 2018. In exchange for their Policyholder Membership Interests, the Eligible Policyholders shall be entitled to receive the Cash Consideration as provided in Section 8.2 below.

8.2. Allocation of Cash Consideration for the Eligible Policyholders.

(a) Each Eligible Policyholder (or its Designee) shall receive a cash payment in an amount equal to the applicable Conversion Payment. The "Conversion Payment" with respect to an Eligible Policyholder shall be an amount equal to the product of (A) the Conversion Factor applicable to such Eligible Policyholder multiplied by (B) the Cash Consideration. As used herein:

(i) The "Eligible Premium" means, with respect to each Eligible Policyholder, the sum of the net premiums (gross premium less return premium and dividend paid) properly and timely paid on each Eligible Policy. For Eligible Policies that identify multiple insureds, the Eligible Premium with respect to each Eligible Policyholder under such Eligible Policy means the sum of the net premiums (gross premium less return premium and dividend paid) properly and timely paid and allocable to such Eligible Policyholder under the Eligible Policy. Eligible Premiums shall exclude premiums resulting from an endorsement to an Eligible Policy which is first effective after the Record Date and premium paid for an extended reporting period ("tail" coverage) with respect to a Policy that expired, was cancelled, non-renewed or was otherwise terminated prior to July 15, 2013. Eligible Premiums shall include adjustments attributable to any premiums resulting from audits and retrospective premium adjustments relating to an Eligible Policy to the extent billed within 180 days after the Record Date, provided such premium is properly and timely paid. In addition, Eligible Premium shall include premiums, if any (and subject to the preceding sentence), under an Eligible Policy issued to any predecessor in interest to an Eligible Policyholder. For the purpose of determining Eligible Premium, MLMIC shall allocate premium paid on Eligible Policies on a daily basis over the term of each Eligible Policy and multiply such daily rate by the number of days that such Eligible Policy was In Effect during the Eligibility Period, adjusted on a consistent basis for all adjustments to gross premium as specified above.

(ii) "Total Eligible Premium" means the sum of all Eligible Premiums of all Eligible Policyholders, calculated in accordance with Section 8.2(a)(i) above. The Total Eligible Premium is approximately $1.303 billion.

(iii) "Conversion Factor" means, with respect to an Eligible Policyholder, an amount equal to the Eligible Premium with respect to such Eligible Policyholder divided by the Total Eligible Premium.

8.3. Determination of the Allocation. MLMIC shall use utmost good faith in making the allocations set forth in this Article 8. Eligible Policyholders (or their Designees) may within thirty-three (33) days of the date of mailing of the Policyholder Information Statement, request that MLMIC calculate the applicable Conversion Payment. If so requested, MLMIC will send to each Eligible Policyholder (or its Designee) an e-mail (or by other form of delivery if so requested by such Eligible Policyholder or its Designee) that sets forth MLMIC's estimate of such Conversion Payment, the manner in which it was calculated and to whom it will be distributed (either the Eligible Policyholder or its Designee) (an "E-mail Estimate"). Disputes as to the determination by MLMIC may be resolved in accordance with the procedures set forth in Schedule I. Eligible Policyholders (and their Designees) will not have the right to dispute such allocations in accordance with such procedures unless they do so within such thirty-three (33) day period or within five (5) Business Days after receipt of such E-mail Estimate from MLMIC, whichever is later; provided, however, that the Eligible Policyholders' legal rights and other claims against MLMIC under New York law shall not be prejudiced.

ARTICLE 9
OFFICERS AND BOARD OF DIRECTORS

9.1. Officers. The officers of MLMIC immediately prior to the Effective Time shall serve as officers of MLMIC after the Effective Time until new officers are duly elected pursuant to the Amended and Restated Charter and the Amended and Restated Bylaws.

9.2. Directors. Each member of the Board immediately prior to the Effective Time shall serve as a director of MLMIC after the Effective Time until new directors are duly elected pursuant to the Amended and Restated Charter and the Amended and Restated Bylaws.

ARTICLE 10
ADDITIONAL PROVISIONS

10.1. Continuation of Corporate Existence. Upon the Conversion in accordance with the terms of this Plan of Conversion and the provisions of Section 7307 of the New York Insurance Law:

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

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

(c) MLMIC as a stock insurance company shall be deemed to have assumed all the obligations and liabilities of MLMIC as a mutual insurance company.

10.2. Compensation. MLMIC, whether before or after the Conversion, shall pay no compensation of any kind to any person other than regular salaries to existing personnel, in connection with the Conversion, other than for clerical and mailing expenses, except that, with the Superintendent's approval, payment may be made at reasonable rates for printing costs, and for legal and other professional fees for services actually rendered.

10.3. No Preemptive Rights. No Member or other Person shall have any preemptive right to acquire MLMIC Shares in connection with this Plan of Conversion.

10.4. Amendment or Withdrawal of Plan of Conversion.

(a) At any time prior to the Plan Effective Date, MLMIC may, by resolution of not less than a majority of the entire Board, amend or withdraw this Plan of Conversion (including the Schedules and Exhibits hereto). Any amendment shall require the written consent of the Superintendent. No amendment may change the Plan of Conversion after its approval by the Record Date Policyholders unless the Plan of Conversion, as amended, is submitted for reconsideration by the Record Date Policyholders of MLMIC pursuant to the provisions of

Sections 5.1 and 5.2. The Plan of Conversion as so amended shall be filed with the Superintendent.

(b) After the Plan Effective Date, the Amended and Restated Charter adopted pursuant to this Plan of Conversion may be amended pursuant to the provisions of such Amended and Restated Charter, the New York Insurance Law and the statutory provisions generally applicable to the amendment of the charter of insurance companies, or such other statutory provisions as may be applicable at the time of the amendment.

10.5. Costs and Expenses. Subject to Section 10.2, all the costs and expenses related to the Plan of Conversion, including the costs and expenses of and incurred by outside advisors and consultants of the regulatory agencies, shall be borne by MLMIC.

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

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

[Remainder of this page intentionally left blank]

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

Medical Liability Mutual Insurance Company

By: John Lombardo MD

Name: John Lombardo, M.D.
President

SEAL

Attest:
Medical Liability Mutual Insurance Company

By: Richard M Peer MD

Name: Richard Peer, M.D.
Secretary

Schedule I

Objection Procedures

Objection to MLMIC's Calculation of Allocable Cash Consideration

If an Eligible Policyholder (or its Designee) believes that the amount of its allocation as estimated by MLMIC in the E-mail Estimate to such Eligible Policyholder (or its Designee) pursuant to Section 8.3 is incorrect, the Eligible Policyholder (or its Designee) may, within thirty-three (33) days from the date of the mailing of the Policyholder Information Statement, send MLMIC a letter (return receipt requested) or an e-mail (preferably an e-mail) that sets forth the amount that such Eligible Policyholder (or its Designee) believes is the correct amount, along with any documentation that such Eligible Policyholder (or its Designee) has to support its calculation. Eligible Policyholders (and their Designees) will not have the right to dispute such allocations in accordance with these procedures unless they do so within such thirty-three (33) day period or within five (5) Business Days after receipt of the E-mail Estimate, whichever is later. Notwithstanding the foregoing, the Eligible Policyholders' legal rights and other claims against MLMIC under New York law shall not be prejudiced.

The Comptroller of MLMIC will then review the objection and MLMIC will inform such Eligible Policyholder (or its Designee) in writing of the Comptroller's determination as to whether the Eligible Policyholder's (or its Designee's) calculation is correct.

If the Eligible Policyholder (or its Designee) still disagrees with MLMIC's calculation, it may appeal that determination to an impartial ombudsman by sending a request to MLMIC, who will forward the appeal to the ombudsman. The ombudsman will review both the Eligible Policyholder's (or its Designee's) calculation and that of MLMIC and issue a decision prior to the date of the Superintendent's public hearing. The ombudsman's decision will be communicated in writing to the Eligible Policyholder (or its Designee) and to MLMIC. The impartial ombudsman will be appointed by MLMIC, subject to approval by the Superintendent.

Objection to Recipient of Cash Consideration

If a Policy Administrator or EPLIP Employer has not been specifically designated to receive the Cash Consideration allocated to an Eligible Policyholder, but nevertheless believes that it has a legal right to receive such Cash Consideration, such Policy Administrator or EPLIP Employer may send MLMIC a letter (return receipt requested) or an e-mail (preferably an e-mail) that sets forth such position, along with a statement to the effect that it has provided a copy of such letter or e-mail to the applicable Eligible Policyholders, at any time prior to the date of the Superintendent's public hearing. If sent by mail, the objection will be considered to be received by MLMIC only when actually received. If MLMIC receives a properly filed objection, the allocated Cash Consideration will be held in escrow by the Conversion Agent until MLMIC receives joint written instructions from the Eligible Policyholder and the Policy Administrator or EPLIP Employer as to how the allocation is to be distributed, or a non-appealable order of an arbitration panel or court with proper jurisdiction ordering payment of the allocation to the Policy Administrator or EPLIP Employer or the Eligible Policyholder.

EXHIBIT A

AMENDED AND RESTATED CHARTER

(attached)

AMENDED AND RESTATED CHARTER
OF
MEDICAL LIABILITY MUTUAL INSURANCE COMPANY

(To Be Renamed As MLMIC Insurance Company)
(Under Section 805 of the Business Corporation Law and Section 1206 of the Insurance Law)

We, the undersigned, being the President and Secretary of Medical Liability Mutual Insurance Company, do hereby certify as follows:

1. The name of the corporation is Medical Liability Mutual Insurance Company (the "Corporation"). The Corporation was originally incorporated under the name of Hospital Underwriters Mutual Insurance Company, and its name was thereafter changed to Healthcare Underwriters Mutual Insurance Company, and its name was thereafter changed to Medical Liability Mutual Insurance Company, the Corporation's present name. The name of the Corporation shall be further changed to MLMIC Insurance Company upon the effectiveness of this amended and restated charter ("Amended and Restated Charter").

2. The Charter was filed in the Office of the Department of Insurance of the State of New York on September 30, 1976.

3. The Amendment and Restatement of this Charter is made to effectuate the following changes:

   (a) Revise Article 1 to change the name of the Corporation;

   (b) Update Article 3, which describes the types of insurance to be transacted by the Corporation, in accordance with New York law;

   (c) Revise Article 4 to (i) delete the provisions related to mutual insurance companies and (ii) specify the capital of the Corporation;

   (d) Revise Article 5, Section 2(a) to delete certain requirements regarding directors that are not required of stock insurance companies; and

   (e) to make certain other corresponding and definitional changes throughout the Amended and Restated Charter.

4. The text of the Charter as amended heretofore is hereby amended and restated to read as herein set forth in full:

Article 1

The name of the corporation shall be MLMIC Insurance Company (the "Corporation").

Article 2

The principal office of the Corporation shall be located in the City of New York, County of New York, State of New York.

The Corporation may establish and maintain other offices, agencies or branches inside or outside the State of New York and in any part of the world.

Article 3

The kinds of insurance which the Corporation is organized to transact are those accident and health and property and casualty kinds of insurance specified in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 26, 27, 28, 29, 30, 31 and 32 of Subsection (a) of Section 1113 of the Insurance Law of the State of New York, and the kinds of insurance and reinsurance described in Section 4102(c) of the Insurance Law of the State of New York, as follows:

(3) "Accident and health insurance," meaning (i) insurance against death or personal injury by accident or by any specified kind or kinds of accident and insurance against sickness, ailment or bodily injury, including insurance providing disability and family leave benefits pursuant to article nine of the workers' compensation law, except as specified in item (ii) hereof; and (ii) non-cancellable disability insurance, meaning insurance against disability resulting from sickness, ailment or bodily injury (but excluding insurance solely against accidental injury) under any contract which does not give the insurer the option to cancel or otherwise terminate the contract at or after one year from its effective date or renewal date.

(4) "Fire insurance," meaning insurance against loss of or damage to any property resulting from fire, including loss or damage incident to the extinguishment of a fire or to the salvaging of property in connection therewith.

(5) Miscellaneous property insurance," meaning loss of or damage to property resulting from: (A) lightning, smoke or smudge, windstorm, tornado, cyclone, earthquake, volcanic eruption, rain, hail, frost and freeze, weather or climatic conditions, excess or deficiency of moisture, flood, the rising of the waters of the ocean or its tributaries; (B) insects, or blights, or disease of such property except animals; (C) electrical disturbance causing or concomitant with a fire or an explosion in public service or public utility property; (D) bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, any order of a civil authority made to prevent the spread of a conflagration, epidemic or catastrophe, vandalism or malicious mischief, strike or lockout, collapse from any cause, or explosion; but excluding any kind of insurance specified in paragraph nine of Section 1113(a) of the Insurance Law of the State of New York, except insurance against loss of or damage to property resulting from: (i) explosion of pressure vessels (except steam boilers of more than fifteen pounds pressure) in buildings designed and used solely for residential purposes by not more than four families, (ii) explosion of any kind originating outside of the insured building or outside of the building containing the property insured, (iii) explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets, or (iv) electrical disturbance causing or concomitant with an explosion in public service or public utility property; or (E) lateral or vertical subsidence of the earth caused by past or present mining operations.

(6) "Water damage insurance," meaning insurance against loss or damage by water or other fluid or substance to any property resulting from the breakage or leakage of sprinklers, pumps or other apparatus erected for extinguishing fires or of water pipes or other conduits or containers, or resulting from casual water entering through leaks or openings in buildings or by seepage through building walls, but excluding loss or damage resulting from flood or the rising of the waters of the ocean or its tributaries; and including insurance against accidental injury of such sprinklers, pumps, fire apparatus, conduits or containers.

(7) "Burglary and theft insurance," meaning: (A) Insurance against loss of or damage to any property resulting from burglary, theft, larceny, robbery, forgery, fraud, vandalism, malicious mischief, confiscation or wrongful conversion, disposal or concealment by any person, or from any attempt thereof; (B) Insurance against loss of or damage to moneys, coins, bullion, securities, notes, drafts, acceptances or any other valuable papers or documents, resulting from any cause, except while in the custody or possession of and being transported by any carrier for hire or in the mail; (C) Insurance of individuals by means of an all-risk type of policy commonly known as the "Personal Property Floater" against any kind and all kinds of loss of or damage to, or loss of use of, any personal property other than merchandise; (D) Insurance covering a ransom or reward payment incurred as the result of an abduction or the theft of property; travel and lodging expense and lost wages incurred as the result of an act or threatened act of violence; expense incurred to locate or identify a missing or abducted person; or other expenses to respond to a violent act or threatened act, or to prevent a reoccurrence thereof; and (E) Insurance against losses and expenses resulting from a "stolen identity event," which shall include the theft, accidental release, or publication of, or misappropriation of information related to, an individual's personal identification, social security number, or other method of identifying the individual, that has resulted in, or could reasonably result in, the wrongful use of the information..

(8) "Glass insurance," meaning insurance against loss of or damage to glass and its appurtenances resulting from any cause.

(9) "Boiler and machinery insurance," meaning insurance against loss of or damage to any property of the insured, resulting from explosion of or injury to: (A) any boiler, heater or other fired pressure vessel; (B) any unfired pressure vessel; (C) pipes or containers connected with any such boilers or vessels; (D) any engine, turbine, compressor, pump or wheel; (E) any apparatus generating, transmitting or using electricity; or (F) any other machinery or apparatus connected with or operated by any such boilers, vessels or machines; and including the incidental power to make inspections of, and issue certificates of inspection upon, any such boilers, apparatus and machinery, whether insured or otherwise.

(10) "Elevator insurance," meaning insurance against loss of or damage to any property of the insured, resulting from ownership, maintenance or use of elevators, except loss or damage by fire.

(11) "Animal insurance," meaning insurance against loss of or damage to any domesticated or wild animal resulting from any cause.

(12) "Collision insurance," meaning insurance against loss of or damage to any property of the insured resulting from collision of any other object with such property, but excluding collision to or by elevators, or to or by vessels, craft, piers or other instrumentalities of ocean or inland navigation.

(13) "Personal injury liability insurance," meaning insurance against legal liability of the insured, and against loss, damage or expense incident to a claim of such liability (including the insurer's obligation to pay medical, hospital, surgical and disability benefits to injured persons, and funeral and death benefits to dependents, beneficiaries or personal representatives of persons who are killed, irrespective of legal liability of the insured), arising out of death or injury of any person, or arising out of injury to the economic interests of any person, as the result of negligence in rendering expert, fiduciary or professional service, but excluding any kind of insurance specified in paragraph (15) of Section 1113(a) of the Insurance Law of the State of New York except insurance to protect an insured against liability for indemnification or contribution to a third party held responsible for injury to the insured's employee arising out of and in the course of employment when such insurance is written pursuant to paragraph (13) and not written pursuant to paragraph (15) of Section 1113(a) of the Insurance Law of the State of New York.

(14) "Property damage liability insurance," meaning insurance against legal liability of the insured, and against loss, damage or expense incident to a claim of such liability, arising out of the loss or destruction of, or damage to, the property of any other person, but not including any kind of insurance specified in paragraph (13), (15) or (28) of Section 1113(a).

(15) "Workers' compensation and employers' liability insurance," meaning insurance against the legal liability, under common law or statute or assumed by contract, of any employer for the death or disablement of, or injury to, his employee, including volunteer firefighters' benefit insurance provided pursuant to the volunteer firefighters' benefit law and including volunteer ambulance workers' benefit insurance provided pursuant to the volunteer ambulance workers' benefit law and insurance for workers' compensation benefits for death and injuries arising out of crimes provided by the independent livery driver benefit fund pursuant to article six-G of the executive law.

(16) "Fidelity and surety insurance," meaning:

(A) Guaranteeing the fidelity of persons holding positions of public or private trust; and indemnifying banks, thrifts, brokers and other financial institutions against loss of money, securities, negotiable instruments, other specified valuable papers and tangible items of personal property caused by larceny, misplacement, destruction or other stated perils including loss while being transported in an armored motor vehicle or by messenger; and insurance for loss caused by the forgery of signatures on, or alteration of, specified documents and valuable papers;

(B) Insurance against losses that financial institutions become legally obligated to pay by reason of loss of customers' property from safe deposit boxes;

(C) Any contract bond; including a bid, payment or maintenance bond or a performance bond where the bond is guaranteeing the execution of any contract other than a contract of indebtedness or other monetary obligation;

(D) An indemnity bond for the benefit of a public body, railroad or charitable organization; a lost security or utility payment bond;

(E) Becoming surety on, or guaranteeing the performance of, any lawful contract, not specifically provided for in this paragraph, but does not include becoming surety on, or guaranteeing the performance of: (i) any insurance contract except as authorized pursuant to Section 1114 of the Insurance Law of the State of New York; or (ii) any contract, if becoming surety on, or guaranteeing the performance of that contract, would constitute:

a. mortgage guaranty insurance as defined in Section 6501(a) of the Insurance Law of the State of New York;

b. financial guaranty insurance as defined in Section 6901(a) of the Insurance Law of the State of New York; or

c. service contract reimbursement insurance as defined in paragraph (28) of Section 1113(a) of the Insurance Law of the State of New York;

(F) Becoming surety on, or guaranteeing the performance of, bonds and undertakings required or permitted in all judicial proceedings or otherwise by law allowed, including surety bonds accepted by states and municipal authorities in lieu of deposits as security for the performance of insurance contracts; and

(G) Becoming surety on, or guaranteeing the performance of, any agreement for the lease or rental of non-residential real property or tangible personal property, provided that the obligation of the insurer shall not exceed a period of five years, and the bond is not issued directly or indirectly in connection with the sale of securities, a pooling of financial assets or a credit default swap as defined by article sixty-nine of the Insurance Law of the State of New York;

(H) Becoming surety on, or guaranteeing the performance of, a contract of indebtedness or other monetary obligation where: (i) the aggregate gross principal, interest, and other amounts of indebtedness or other monetary obligations of any obligor whose obligations are guaranteed by the insurer under all bonds issued to that obligor pursuant to this subparagraph by the insurer does not exceed ten million dollars; and (ii) the bond is not issued directly or indirectly in connection with the sale of securities, a pooling of financial assets, or a credit default swap as defined by article sixty-nine of the Insurance Law of the State of New York; and (iii) the bond by its terms terminates upon any sale or other transfer of the insured obligation in connection with the sale of securities, a pooling of financial assets, or a credit default swap as defined by article sixty-nine of the Insurance Law of the State of New York;

(I) A depository bond that insures deposits in financial institutions to the extent of the excess over the amount insured by the Federal Deposit Insurance Corporation; and

(J) Becoming surety on, or guaranteeing the performance of, a bond, which shall not exceed a period greater than five years, that guarantees the payment of a premium, deductible, or self-insured retention to an insurer issuing a workers' compensation or liability policy.

(17) "Credit insurance," meaning:

(A) Indemnifying merchants or other persons extending credit against loss or damage resulting from non-payment of debts owed to them, for goods and services provided in the normal course of their business, including the incidental power to acquire and dispose of debts so insured, and to collect any debts owed to such insurer or to the insured, but no insurance may be written as credit insurance if it falls within the definition of financial guaranty insurance as set forth in paragraph (1) of Section 6901(a) of the Insurance Law of the State of New York;

(B) Indemnifying any person for expenses disbursed or to be disbursed under a contract in connection with the cancellation of a catered affair;

(C) Indemnifying any person for tuition and other educational expenses disbursed or to be disbursed under a contract in connection with his or her dismissal or withdrawal from an educational institution; or indemnifying elementary or secondary schools, whether public, private, profit or non-profit, providing education in consideration of a tuition charge or fee against loss or damage in the event of non-payment of the tuition charges or fees of a student or pupil dismissed, withdrawn or leaving before the end of the school year for which the insurance is written. An educational institution may not require any person responsible for the payment of a student's or pupil's tuition charge or fee to pay for tuition refund insurance;

(D) Indemnifying an adoptive parent for verifiable expenses not prohibited under the law paid to or on behalf of the birth mother when either one or both of the birth parents of the child withdraw or withhold their consent to adoption. Such expenses may include maternity-connected medical or hospital expenses of the birth mother, necessary living expenses of the birth mother preceding and during confinement, travel expenses of the birth mother to arrange for the adoption of the child, legal fees of the birth mother, and any other expenses which an adoptive parent may lawfully pay to or on behalf of the birth mother. For the purposes of this section "adoptive parent" means the parent or his or her spouse seeking to adopt a child, "birth mother" means the biological mother of the child, "birth parent" means the biological mother or biological father of the child; or

(E) Indemnifying professional sports participants (including any person who participates or expects to participate as a player, coach, manager, trainer, physician or other person directly associated with a player or a team) under contract or the teams with which the contract is made, entertainers under contract to perform or the entities with which the contract is made, or business executives under an employment contract or the entities with which the contract is made, where contracts between such persons and teams or entities cannot be fulfilled due to a sports participant's, entertainer's or business executive's death, personal injury by accident, sickness, ailment or bodily injury that

causes disability, where such indemnification is for the amount of financial loss that is sustained by the insured party or parties due to the inability to fulfill the terms of the contract.

(F) Indemnifying any person for expenses disbursed or to be disbursed for a ticket to an event, including any fees, when the person cannot use the ticket and the event does not fully reimburse the person for the expenses or provide a ticket of equal value or a rain check.

(19) "Motor vehicle and aircraft physical damage insurance," meaning insurance against loss of or damage to motor vehicles or aircraft and their equipment resulting from any cause; and insurance reimbursing a driver for costs including replacement car rental, commercial transportation and accommodations resulting from an automobile accident or mechanical breakdown occurring fifty miles or more from the driver's principal place of residence or garaging.

(20) "Marine and inland marine insurance," meaning insurance against any and all kinds of loss of or damage to: (A) Vessels, hulls, craft, aircraft, cars, automobiles, trailers and vehicles of every kind, and all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidences of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment incident thereto, including marine builder's risks and all personal property floater risks; (B) Person or property in connection with or appertaining to marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds nor insurance against loss by reason of bodily injury to the person arising out of ownership, maintenance or use of automobiles); (C) Precious stones, jewels, jewelry, gold, silver and other precious metals, whether used in business or trade or otherwise and whether the same be in course of transportation or otherwise; and (D) Bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their improvements and betterments, furniture and furnishings, fixed contents and supplies held in storage), including auxiliary facilities and equipment attendant thereto; piers, wharves, docks and slips; other aids to navigation and transportation, including dry docks and marine railways.

In this section "inland marine" insurance shall not include insurance of vessels, crafts, their cargoes, marine builders' risks, or other similar risks, commonly insured only under ocean marine insurance policies.

(21) "Marine protection and indemnity insurance," meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or

instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.

(22) "Residual value insurance," meaning insurance issued in connection with a lease or contract which sets forth a specific termination value at the end of the term of the lease or contract for the property covered by such lease or contract, and which insures against loss of economic value of tangible personal property or real property or improvements thereto except loss due to physical damage to property, excluding any lease or contract that falls within the definition of financial guaranty insurance as set forth in paragraph (1) of Section 6901(a) of the Insurance Law of the State of New York.

(24) "Credit unemployment insurance," meaning insurance on a debtor in connection with a specified loan or other credit transaction within the state of New York to provide payments to a creditor in the event of unemployment of the debtor for the installments or other periodic payments becoming due while a debtor is unemployed.

(26) "Gap insurance," meaning insurance covering the gap amount which is payable upon the total loss of personal property, which is the subject of a lease or loan or other credit transaction occasioned by its theft or physical damage. The kinds of gap insurance are:

(A) "Motor vehicle lessor/creditor gap insurance" which insures the lessor, creditor, or the lessor's or creditor's assignee, under a motor vehicle lease or loan or other credit transaction pursuant to which the lessor, creditor, or, in the absence of a waiver by the lessor or creditor, the assignee has waived the obligation of the lessee or debtor for the gap amount;

(B) "Motor vehicle lessee/debtor gap insurance" which insures the lessee or debtor under a motor vehicle lease or loan or other credit transaction pursuant to which the lessor, creditor, or the lessor's or creditor's assignee has not waived the obligation of the lessee or debtor for the gap amount;

(C) "Non-motor vehicle lessor/creditor gap insurance" which insures the lessor, creditor, or the lessor's or creditor's assignee, under a lease or loan or other credit transaction covering personal property other than a motor vehicle pursuant to which the lessor, creditor, or, in the absence of a waiver by the lessor or creditor, the assignee, has waived the obligation of the lessee or debtor for the gap amount; and

(D) "Non-motor vehicle lessee/debtor gap insurance" which insures the lessee or debtor under a lease or loan or other credit transaction covering personal property other than a motor vehicle pursuant to which the lessor, creditor, or

the lessor's or creditor's assignee has not waived the obligation of the lessee or debtor for the gap amount.

(27) "Prize indemnification insurance," meaning insurance against financial loss by reason of payment of any sum or item awarded to a participant in any lawful contest or sports related event.

(28) "Service contract reimbursement insurance," meaning insurance issued to a provider pursuant to article seventy-nine of the Insurance Law of the State of New York whereby the insurer agrees, for the benefit of service contract holders, to discharge the obligations and liabilities of such provider under the terms of the service contracts issued by such provider, including the return of unearned provider fees upon any termination or cancellation of service contracts, in the event of non-performance of any such obligations or liabilities by such provider. Such insurance may also include insurance issued to a provider to indemnify the provider for losses sustained by reason of the performance of such provider's obligations under service contracts issued pursuant to article seventy-nine of the Insurance Law of the State of New York.

(29) "Legal services insurance," meaning insurance providing legal services or reimbursement of the cost of legal services,

(30) "Involuntary unemployment insurance," meaning insurance against the loss of income due to the involuntary loss of full-time employment which is the result of an individual or mass layoff or employer termination, a temporary suspension or permanent cessation of employment or a business failure.

(31) "Salary protection insurance," meaning insurance against financial loss caused by the cessation of earned income due to disability from sickness, ailment or bodily injury, in an amount up to: (A) that portion of an individual's annual earned income which is in excess of the amount of in force disability insurance as defined in paragraph three of this subsection in an amount not to exceed seventy-five percent of the individual's annual earned income in total based upon the sum of the in force disability insurance and salary protection insurance when the benefits are payable to the individual or the individual's beneficiary; or (B) where such underlying disability insurance cannot be obtained by an individual from an authorized insurer, in an amount not to exceed seventy-five percent of the individual's annual earned income when the benefits are payable to the individual or the individual's beneficiary. Any insurer licensed to write disability insurance as defined in paragraph three of this subsection may also write salary protection insurance as defined in this paragraph.

(32) "Substantially similar kind of insurance," meaning such insurance which in the opinion of the Superintendent of Financial Services of the State of New York is determined to be substantially similar to one of the foregoing kinds of insurance and thereupon for the purposes of this chapter shall be deemed to be included in that kind of insurance.

as such paragraphs and provisions of the Insurance Law of the State of New York may be hereafter amended or substituted; and such other kind or kinds of business to the extent necessarily or properly incidental to the kind or kinds of insurance business which the Corporation is authorized to do.

The Corporation shall also have all other rights, powers, and privileges now or hereafter authorized or granted by the Insurance Law of the State of New York or any other law or laws of the State of New York to stock accident and health and property and casualty insurance companies having the power to do the kind or kinds of business hereinabove referred to and any and all other rights, powers, and privileges of a corporation now or hereafter granted by the laws

of the State of New York and not prohibited to such stock property and casualty insurance companies.

Article 4

The authorized capital of the Corporation shall be twenty million dollars ($20,000,000), which shall consist of two hundred thousand shares (200,000) of common stock with a par value of one hundred dollars ($100) each.

Article 5

Section 1. The mode and manner in which the corporate powers of the Corporation shall be exercised are through a Board of Directors and through such officers as such Board shall empower.

Section 2. (a) The Corporation shall have such officers as shall be made and provided for in the by-laws, to be elected by the Board of Directors.

(b) The officers of the Corporation shall be elected at a meeting of the directors held immediately after the annual meeting of the shareholders, but in the event of a failure of the directors for any reason to elect officers at such time, the then officers of the Corporation shall continue to hold their respective offices until their successors are elected. Any vacancy in any of the offices of the Corporation, however caused, may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. (a) The number of the directors of the Corporation shall in no case be less than seven, nor more than forty, as determined by the by-laws of the Corporation.

(b) The directors of the Corporation shall be elected at the annual meeting of shareholders of the Corporation. The annual meeting of the shareholders of the Corporation shall be held on the second Wednesday in May of each year, or if the second Wednesday in May in any year be a legal holiday then on the next succeeding business day. At such annual meeting directors shall be elected in accordance with the by-laws of the Corporation, the directors so elected to take office immediately upon election and hold such office until their successors are selected and qualified. Directors shall be chosen by a majority of votes cast at the meeting.

(c) Each director of the Corporation shall be at least eighteen years of age. At all times a majority of the directors of the Corporation shall be citizens and residents of the United States and not less than one director shall be a resident of the State of New York.

(d) Whenever any vacancies shall occur in the Board of Directors by death, resignation, removal or otherwise, the remaining members of the Board, at a meeting called for that purpose, or at any regular meeting shall elect a director or directors to fill the vacancy or vacancies occasioned in accordance with the by-laws of the Corporation, and each director so elected shall hold office for the unexpired term of the director whose place he or she has taken.

(e) The provisions of this Section 3 may be amended only in a manner consistent with the by-laws of the Corporation and the laws of the State of New York.

Section 4. Limitation of Liability. The directors of the Corporation shall not be personally liable to the Corporation or its shareholders for damages for any breach of duty while acting in their capacity as directors. This provision shall not eliminate any director's liability if a judgment or other final adjudication adverse to that director establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law. Nor shall this provision eliminate financial profit or any other advantage to which he or she was not legally entitled, or where his or her acts are among those set forth in Section 719 of the Business Corporation Law of New York as activities for which the director shall be liable to the Corporation.

Article 6

The duration of the corporate existence of the Corporation shall be perpetual.

Article 7

The Corporation shall have the power:

1. To assume and exercise all the rights, powers and privileges that are now or may hereafter be conferred by law upon similar corporations and to have the right of perpetual succession, sue and be sued, make contracts, enter into lawful treaties with other insurance corporations or associations, acquire, own and transfer property, real and personal, and have a seal.

2. To enter into and execute any and all contracts, agreements and treaties for the purpose of insuring and reinsuring risks, and to do all things necessary, proper or consistent with the carrying out of the objects and purposes of this Corporation and to exercise all the rights, powers and privileges that may now or hereafter be authorized or permitted by the laws of the State of New York and the laws of the United States of America, and to conduct its business in other states, territories, and possessions of the United States.

3. To buy, sell, invest and reinvest its funds in any of the securities or property in which an insurance company organized under the laws of the State of New York may now or hereafter lawfully invest.

4. To borrow money and to issue its notes or debentures to evidence such borrowing, but any debentures so issued shall be subordinate to the rights of policyholders, shareholders or creditors of the Corporation.

5. To have and exercise all of the rights and powers necessary and incident to carrying into effect the purposes for which the Corporation is formed.

Article 8

Section 1. The shareholders of the Corporation shall have the power to make, alter, named or repeal by-laws consistent with this Amended and Restated Charter, the by-laws of the Corporation and the laws of the State of New York.

Section 2. No by-laws or amendments or repeal of a by-law shall be effective until it shall have been approved in writing by the Superintendent of Financial Services of the State of New York, as provided by law.

IN WITNESS WHEREOF, we have signed this certificate on _____, 2016

By_____
Name:
Title: President

By_____
Name:
Title: Secretary

EXHIBIT B

FORM OF PROXY

(attached)

SIGN, **DATE** AND **VOTE** ON THE REVERSE SIDE

VOTING OPTIONS

1. **MAIL** your signed and voted proxy card back in the postage paid envelope provided.

2. **IN PERSON** at MLMIC's home office, Two Park Avenue, Room 2500, New York, New York 10016, beginning at 10 a.m., Eastern Time.

SAMPLE

PROXY CARD
MEDICAL LIABILITY MUTUAL INSURANCE COMPANY
Two Park Avenue, Room 2500
New York, New York 10016

Policyholder Vote
On Proposal to Approve Plan of Conversion
From a Mutual to a Stock Company
September 14, 2018

The undersigned (a "Record Date Policyholder"), was a policyholder of Medical Liability Mutual Insurance Company ("MLMIC") on July 14, 2016 and is entitled to vote at a special meeting of policyholders to consider a proposal to approve the Plan of Conversion adopted by the Board of Directors of MLMIC on May 31, 2018 (the "Plan") that includes an Amendment and Restatement of MLMIC's Charter (the "Amended Charter").

This special meeting is scheduled to be held on September 14, 2018 at MLMIC's home office at Two Park Avenue, Room 2500, New York, New York 10016, beginning at 10:00 a.m., Eastern Time.

The Plan by its terms, including the Amended Charter, if adopted, will **only** be effective upon the closing of the purchase by National Indemnity Company of all of the issued and outstanding shares of common stock of MLMIC, under the Amended and Restated Acquisition Agreement, dated February 23, 2018, between MLMIC and National Indemnity Company (the "Acquisition").

The undersigned hereby casts his/her vote as indicated on the back of this proxy card with respect to approval of the Plan, including the Amended Charter.

The Board of Directors recommends you vote "YES" for the proposal to approve the Plan, subject to the closing of the Acquisition. This vote has an important impact on your rights as a policyholder and we encourage you to read the Policyholder Information Statement before casting your vote. Please vote by placing an "**X**" in one of the boxes on this proxy card, printing your name, and

signing and dating the bottom of the proxy card. Then return this proxy card in the postage-paid envelope provided. An unmarked proxy card will be voted as a YES.

You can also vote in person at the policyholder meeting scheduled to be held on September 14, 2018 at MLMIC's home office at Two Park Avenue, Room 2500, New York, New York 10016, beginning at 10:00 a.m., Eastern Time.

IT IS IMPORTANT THAT YOU VOTE AS PROMPTLY AS PRACTICABLE. TO BE COUNTED, YOUR PROXY CARD MUST BE RECEIVED NO LATER THAN 10:00 A.M. EASTERN TIME ON THE DAY OF THE POLICYHOLDER MEETING.

If you have any questions, call MLMIC toll free at 1-888-919-2636. Representatives are available to assist you Monday through Friday 9 a.m. to 4 p.m., Eastern Time until September 13, 2018.

☐ YES, I vote FOR the proposal to approve the Plan, subject to the closing of the Acquisition.

☐ NO, I vote AGAINST the proposal to approve the Plan.

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, a Record Date Policyholder of MLMIC, entitled to vote on the proposal to approve the Plan, revoking previous proxies relating to his or her eligible policy, hereby appoints John W. Lombardo, M.D., President of MLMIC and Richard M. Peer, M.D., Vice President & Secretary of MLMIC or any one or more of them, the attorneys and agents of the undersigned, with full power of substitution, to vote for and on behalf of the undersigned, at a special meeting of MLMIC policyholders scheduled to be held on September 14, 2018 at MLMIC's home office and at any adjournment or adjournments thereof, and on and with respect to which the undersigned is entitled to vote or act, upon the matters noted above.

EVERY PROPERLY SIGNED AND RETURNED PROXY CARD WILL BE VOTED ACCORDING TO THE BOX SELECTED ABOVE. IF YOU SIGN AND SUBMIT THIS PROXY CARD BUT DO NOT MAKE A SELECTION, YOU WILL BE DEEMED TO HAVE SELECTED THE FIRST BOX "YES, I VOTE FOR THE PROPOSAL TO APPROVE THE PLAN, SUBJECT TO THE CLOSING OF THE ACQUISITION."

All powers may be exercised by a majority of said proxies or said substitutes voting or acting, or, if only one votes and acts, then by that one.

_____

Printed name of policyholder
or authorized representative of policyholder
(Required for all proxy cards)

_____

Signature of policyholder
or authorized representative of policyholder
(Required for all proxy cards)

_____, 2018
Date

EXHIBIT C

AMENDED AND RESTATED BYLAWS

(attached)

AMENDED AND RESTATED BY-LAWS

AS OF [ ]

MLMIC INSURANCE COMPANY

ARTICLE I

Name, Location and Purpose

Section 1. Name. The name of the corporation is MLMIC INSURANCE COMPANY (the "Corporation").

Section 2. Location. The location of its principal or home office shall be in the City of New York, County of New York, State of New York. It may establish and maintain offices, depositories, and agencies elsewhere in the world for the transaction of its business.

Section 3. Purpose. The purpose for which the Corporation is formed is to make contracts of insurance on any and all kinds of insurance as set forth in the amended and restated charter of the Corporation (the "Amended and Restated Charter").

ARTICLE II

Shareholders

Section 1. Voting Rights. Shareholders entitled to vote shall have one vote for each share of stock, and a proportionate vote for a fractional share of stock, held by them of record according to the records of the Corporation. The Corporation shall not, directly or indirectly, vote any share of its own stock. The vote upon any question shall be by ballot whenever requested by any person entitled to vote but, unless such a request is made, voting may be conducted in any way approved by the meeting. In the absence of a higher standard required by law, the Amended and Restated Charter or these By-laws, any matter properly before a meeting of shareholders where a quorum is present shall be decided by a majority of the votes cast thereon.

Section 2. Proxies. Shareholders entitled to vote at a meeting may vote either in person or by proxy in writing dated not more than six months before the meeting named therein, which proxy shall be filed with the secretary or other person responsible to record the proceedings of the meeting before being voted. Unless otherwise specifically limited by their terms, such proxies shall entitle the holders thereof to vote at any adjournment of such meeting but shall not be valid

after eleven months from its date, unless the proxy provides for a longer period. The secretary shall determine the validity of any proxy submitted for use at any meeting.

Section 3. Register. A register or roll of the names and addresses of all shareholders of the Corporation shall be maintained at all times in the principal office within the State of New York.

ARTICLE III

Meeting of Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held, beginning at 10:00 A.M., on the second Wednesday in May of each year, at the home office of the Corporation, or at such other place within or outside the State of New York, as the Board of Directors may determine. If the annual meeting date shall fall on a legal holiday, then the meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the shareholders may be called by the chairman, the Board of Directors, or ten percent (10%) of the shareholders of record entitled to vote upon written request.

Section 3. Notice of Meetings. Notice of all special meetings of the shareholders shall be given by the secretary to each shareholder of record entitled to vote at such meeting by mailing the same to their last known address at least fifteen days before such meeting. All notices of special meetings shall state the purpose of such meetings and the business to be considered. Any shareholder may at any time waive any notice required to be given under these By-laws if such waiver is given in writing and is signed either before, at or after the meeting to which it relates. Presence at a meeting shall also constitute a waiver of notice thereof unless the shareholder objects to the failure to give such notice.

Section 4. Quorum. At all meetings of shareholders of the Corporation, ten percent of the shareholders entitled to vote at such meeting shall constitute a quorum for the transaction of business; provided, however, that in case there shall be less than a quorum present at any regular or special meeting, those present may adjourn the meeting to another date, time and place, and from time to time, until a quorum is obtained; or such lesser number may adjourn sine die.

Section 5. Written Consent. So far as permitted by law, any action required or permitted to be taken at any meeting of shareholders may be taken without a meeting if a written consent

setting forth such action is signed by all the shareholders entitled to vote thereon and such written consent is filed with the records of the Corporation. Written consent thus given shall have the same effect as a unanimous vote of shareholders. Action by written consent shall not be used in lieu of holding the annual organizational meeting of the board of directors of the Corporation ("Board of Directors").

ARTICLE IV

Board of Directors

Section 1. Powers. The Board of Directors shall manage and conduct all the business and affairs of the Corporation and shall have and may exercise all such powers of the Corporation as are not by law or by these By-Laws required to be otherwise exercised. Notwithstanding the foregoing, the Board of Directors shall not, and shall direct that the elected officers of the Corporation shall not, undertake any of the following actions (or similar actions likely to result in the same consequences as such actions) without the express approval by a majority vote of all of the shareholders who are present in person or by proxy at any annual meeting or other stated meeting or any special meeting duly called for such purpose, provided that the notice of any such annual or special meeting shall specify the subject matter of the proposed actions and provided that any such proposed action shall have been submitted in writing and filed with the secretary at least five days prior to such meeting: the issuance of corporate debt; the creation of additional classes of shares in the Corporation; the hypothecation of any securities or assets of the Corporation; or a material change to the Plan of Operations of the Corporation as filed with the Department of Financial Services of the State of New York. The business and affairs of the Corporation in its details shall be conducted and managed by its elected officers.

Section 2. Number-Term Qualifications. The Board of Directors shall consist of thirty-nine persons who shall be divided into three classes, each class to consist of thirteen directors. At each annual meeting, directors shall be elected for a term of three years and until their successors are selected and qualified, to replace those whose terms shall expire. At all times a majority of the directors shall be citizens and residents of the United States, and not less than one director shall be a resident of the State of New York. Directors shall be at least eighteen (18) years of age at the time of election, and need not be shareholders.

Section 3. Election. The Board of Directors shall be elected by the shareholders entitled to vote at the annual meeting of the Corporation. A majority of votes cast shall be necessary to elect the directors. The shareholders shall have the right to remove any Director with or without cause at any annual or special meeting of the Corporation in accordance with Section 706 of the Business Corporation Law by a majority vote of all of the shareholders who are present in person or by proxy at any annual meeting or other stated meeting or any special meeting duly called for such purpose, provided that the notice of any such annual or special meeting shall specify the proposed removal and provided that any such proposed removal shall have been submitted in writing and filed with the secretary at least five days prior to such meeting.

Section 4. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation or removal shall be filled for the unexpired term by the remaining directors at a regular or a special meeting of the Board of Directors.

Section 5. Meetings. The Board of Directors of the Corporation shall hold regular meetings at least four times each calendar year. Special meetings of the Board of Directors may be called by the chairman at any time, or by the secretary when requested in writing by seven directors. Notice of all regular and special meetings of the directors shall be given by the secretary to each director by mailing same to him at his residence or usual place of business at least ten days before said meetings or by facsimile or electronic mail sent at least five days before said meeting. The directors may hold meetings and transact business without notice when all are present or consent thereto in writing either before, at or after the meeting to which it relates. Presence at a meeting shall also constitute a waiver of notice thereof unless the director objects to the failure to give such notice. Members of the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment, provided that all directors participating in such a meeting can communicate with each other. Participation in meetings by telephone or similar communications equipment shall have the same force and effect as the presence in person at such meeting. Shareholders shall receive notice of all meetings of the Board of Directors and may designate one or more representatives to attend any such meeting as observers and/or to provide such assistance or guidance as the Board of Directors may request.

Section 6. Time and Place of Meetings. All meetings of the Board of Directors shall be held within the State of New York at such time and place as the Board of Directors may designate.

Section 7. Quorum. One third of the members of the Board of Directors shall constitute a quorum of the Board of Directors for the transaction of all business. A majority vote of the members present in quorum shall determine any matter not herein or by law requiring a different vote. No such majority vote shall be valid unless the number of officers and salaried employees voting as directors is less than the majority of the directors present and voting.

Section 8. Employment. The Board of Directors may employ, or authorize the employment of, such legal counsel, general manager, management service, clerks, representatives and other employees as the Board of Directors may deem necessary and may define and limit their powers, duties and term of service.

Section 9. Compensation. The Board of Directors upon the recommendation of the Compensation Committee, shall fix the reasonable compensation to be paid directors for attending meetings of the Board of Directors and committees of the Board of Directors.

ARTICLE V

Officers

Section 1. Election. At the first meeting of the Board of Directors following the annual meeting of the Corporation, the Board of Directors shall elect a chairman, president, vice-president(s), a secretary, a treasurer, and a comptroller. At least two of such principal officers must be members of the Board of Directors. The Board of Directors may also elect, either from among its members or otherwise, such other officers as the Board of Directors may determine that the interests of the Corporation require. The Board of Directors shall have the power to prescribe additional powers and duties for the officers herein provided for and to change such duties whenever the Board of Directors may deem it advisable or necessary. The officers shall serve for the term fixed by the Board of Directors and until their successors shall have been elected or appointed and have qualified.

Section 2. Chairman. It shall be the duty of the chairman to preside at all meetings of the shareholders and of the Board of Directors. The chairman shall provide strategic advice to the Board of Directors and to the president. He shall also perform such other duties as are usually incumbent and incident to this position and which may be assigned from time to time by the Board of Directors.

Section 3. President. Subject to the control of the Board of Directors and to the extent not otherwise prescribed by these By-laws, the president shall be the principal administrative officer of the Corporation. The president shall have authority to employ and discharge all personnel not provided for herein. The president shall have authority to conduct the day-to-day operations of the Corporation and to perform such other duties as are usually incumbent upon and incident to this position and which may be assigned from time to time by the Board of Directors. The president shall have the powers and perform the duties of the chairman during the absence or disability or refusal to act of the chairman or in case of a vacancy in the office of chairman.

Section 4. Vice-President/Secretary. The vice-president/secretary shall perform the duties usually incident to this office or which may be from time to time assigned by the Board of Directors. The vice-president/secretary shall keep minutes of all meetings of the shareholders and of the Board of Directors and shall give notice of all meetings requiring notice. The vice-president/secretary shall sign all policies of insurance in person, or by facsimile when so authorized by the Board of Directors and such other papers as may be necessary for the transaction of the Corporation's business.

Section 5. Vice-President/Treasurer. The vice-president/treasurer shall receive, and safely keep in the name of the Corporation, all monies and securities belonging to the Corporation and shall deposit or keep the same in depositories designated by the Board of Directors. The vice-president/treasurer shall render a statement of account to the Board of Directors at its regular meetings and more frequently if required by such Board of Directors, and shall perform all other duties usually incident to the office or which may be from time to time assigned by the Board of Directors.

Section 6. Vice-President/Comptroller. The vice-president/comptroller shall be responsible for keeping the accounting records of the Corporation and shall perform all other duties usually incident to the office or which may be from time to time assigned by the Board of Directors.

Section 7. Vice-President/Assistant Secretaries. The vice-president/assistant secretaries shall perform such duties as may be assigned by the Board of Directors and in the absence or disability of the vice-president/secretary, the vice-president/assistant secretaries respectively in the order of their rank, as determined by the Board of Directors at time of election, shall possess the powers and perform the duties delegated to the vice-president/secretary.

Section 8. Vice-President/Assistant Treasurers. The vice-president/assistant treasurers shall perform such duties as are assigned by the Board of Directors and in the absence or disability of the vice-president/treasurer, the vice-president/assistant treasurers respectively, in the order of their rank, as determined by the Board of Directors at time of election, shall possess the powers and perform the duties delegated to the vice-president/treasurer.

Section 9. Removal. Any officer may be summarily removed at any time at the pleasure of the Board of Directors by an affirmative vote of two-thirds of all the directors, with or without cause.

Section 10. Vacancies. Any vacancy in the officers of the Corporation may be filled by the Board of Directors at any regular or special meeting, and in case of the absence or temporary disability of any officer, the Board of Directors may designate an incumbent for the time being, who shall, during such incumbency, have the powers of such officer.

Section 11. Bonds. The Board of Directors may require all officers, agents and employees having control of or access to monies or securities of the Corporation in the regular discharge of their duties, to give a bond to the Corporation, with sufficient sureties conditioned upon the honesty of such officers, agents or employees, in such amounts as may be deemed necessary, and containing such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI

Committees

Section 1. Executive Committee. The Board of Directors shall appoint an Executive Committee consisting of the chairman, president and nine other directors of the Corporation. The members of the Executive Committee shall hold office subject to the will and pleasure of the Board of Directors. All vacancies in the membership of the Executive Committee shall be filled by the Board of Directors. The Executive Committee shall have and is hereby granted full power and authority to conduct and control the business of the Corporation between meetings of the Board of Directors as is vested in the Board of Directors when in session, except as otherwise limited by the Board of Directors and the provision of Section 712 of the Business Corporation Law or any successor statute thereto. The chairman of the Corporation shall be chairperson of

the Executive Committee. Any six members attending a meeting shall constitute a quorum; however, no majority vote shall be valid unless the number of officers and salaried employees voting as directors is less than the majority of the directors present and voting. Members of the Executive Committee may participate in a meeting by means of conference telephone or similar communications equipment, provided that all members of the Executive Committee participating in such a meeting can communicate with each other. Participation in meetings by telephone or similar communications equipment shall have the same force and effect as the presence in person at such meeting.

Section 2. Nominating Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, a Nominating Committee consisting of five directors of the Corporation (one such recommendation to be for the chairperson of the Nominating Committee). The Nominating Committee shall nominate persons to be elected to the Board of Directors and to be officers of the Corporation at each annual meeting of the Corporation. The members of the Nominating Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Nominating Committee shall be filled by designation of the chairman of the Corporation, subject to the approval of the Board of Directors. Any three members attending a meeting shall constitute a quorum.

Section 3. Audit Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, an Audit Committee consisting of five directors of the Corporation (one such recommendation to be for chairperson of the Audit Committee). The Audit Committee shall be responsible for providing an independent oversight into the Corporation's accounting and financial reporting and overseeing the Corporation's internal and external annual audits. The proportion of independent Audit Committee members shall be at least eighty percent (80%) of the Audit Committee members. In order to be considered independent, a member of the Audit Committee, may not, other than in his or her capacity as a member of the Audit committee, the board of directors, or any other board committee, be employed by the Corporation or any subsidiary thereof or receive any consulting, advisory or other compensation from the Corporation or be an affiliated person of the Corporation or any subsidiary thereof. The members of the Audit Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Audit Committee shall be filled by designation of the chairman of the Corporation, subject to

the approval of the Board of Directors. Any three members attending a meeting shall constitute a quorum.

Section 4. Finance Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, a Finance Committee consisting of directors of the Corporation (one such recommendation to be for chairperson of the Finance Committee). The Finance Committee shall assist the Board of Directors in fulfilling its fiduciary duties relating to investment of the Corporation's assets. The members of the Finance Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Finance Committee shall be filled by designation of the chairman of the Corporation, subject to the approval of the Board of Directors. Attendance by a majority of the members of the Finance Committee shall constitute a quorum.

Section 5. Governance Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, a Governance Committee consisting of five directors of the Corporation (one such recommendation to be for chairperson of the Governance Committee). The Governance Committee shall recommend rules and procedures for governing the Corporation and review compliance with all such rules. The members of the Governance Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Governance Committee shall be filled by designation of the chairman of the Corporation, subject to the approval of the Board of Directors. Any three members attending a meeting shall constitute a quorum.

Section 6. Claims Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, a Claims Committee consisting of directors of the Corporation (one such recommendation to be for the chairperson of the Claims Committee). The Claims Committee shall be responsible for providing oversight of the Corporation's philosophy to adjust meritorious claims as equitably and expeditiously as possible and to resist and aggressively defend claims without merit, as well as provide other claims-related guidance as necessary. The members of the Claims Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Claims Committee shall be filled by designation of the chairman of the Corporation, subject to the approval of the Board of Directors. Attendance by a majority of the members of the Claims Committee shall constitute a quorum.

Section 7. Compensation Committee. The chairman of the Corporation shall designate, subject to the approval of the Board of Directors, a Compensation Committee consisting of five directors of the Corporation (one such recommendation to be for chairperson of the Compensation Committee). The Compensation Committee shall review the Corporation's compensation strategy and make recommendations to the Board of Directors concerning the reasonable compensation of the directors for attending meetings of the Board of Directors and committees of the Board of Directors. The members of the Compensation Committee shall hold office subject to the will and pleasure of the Board of Directors. Subject to the foregoing, all vacancies in the membership of the Compensation Committee shall be filled by designation of the chairman of the Corporation, subject to the approval of the Board of Directors. Any three members attending a meeting shall constitute a quorum.

Section 8. Other Committees of the Board of Directors. The Board of Directors, by resolution or resolutions, may designate one or more other committees of the Board of Directors, each committee to consist of three or more directors of the Corporation, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the interim between meetings of the Board of Directors. Such committee or committees shall have such name or names as may be determined from time to time by the resolution or resolutions adopted by the Board of Directors. The existence of any such committee may be terminated, or its powers and authority modified, at any time by resolution of the Board of Directors. The Board of Directors may provide by resolution for the payment of fees and expenses to the members of such committees for attendance at the meetings thereof.

Section 9. Committees of the Corporation. The Board of Directors, by resolution or resolutions, may designate one or more committees of the Corporation, each committee to consist of three or more persons who may be but are not required to be directors of the Corporation, and who, to the extent provided in said resolution or resolutions, shall have and may exercise the powers granted to them in said resolution or resolutions, subject to the limitations of Section 712 of the New York Business Corporation Law or any successor statute thereto. Such committee or committees shall have such name or names as may be determined from time to time by the resolution or resolutions adopted by the Board of Directors. Each committee may elect a chairperson from among its members, provided that the chairperson of any Claims Committee must be a director of the Corporation. The existence of any such committee may be terminated, or its powers and authority modified, at any time by resolution of the Board of Directors. The

Board of Directors may provide by resolution for the payment of fees and expenses to the members of such committees for attendance at the meetings thereof.

Section 10. Limitations. The Board of Directors shall at all times have power to modify, add to, take from or otherwise change and alter the duties and functions of all committees as it may from time to time see fit.

ARTICLE VII

Capital Stock

Section 1. Authorized Shares. The total number of shares and the par value of all stock which the Corporation is authorized to issue shall be as stated in the Amended and Restated Charter.

Section 2. Certificates. Each shareholder shall be entitled to a certificate, signed by the president and the treasurer or secretary certifying the number and class of the shares owned by such shareholder in the Corporation. Such signatures may be facsimiles if the certificates are countersigned by a transfer agent or registered by a registrar other than the Corporation or its employees. Certificates for shares of the stock of the Corporation shall be in such form as shall be approved by the Board of Directors, and the seal of the Corporation shall be affixed thereto. There shall be entered upon the stock books of the Corporation the number of each certificate issued, the name of the person owning the shares represented thereby, the number of shares and the date thereof.

Section 3. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates therefore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the owner claiming the certificate or certificates to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate or certificates alleged to have been lost, stolen or destroyed.

Section 4. Record Date. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to a corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall be not more than fifty days nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. Absent Board of Directors action, the record date shall be ten days before the date of such meeting.

Section 5. Transfers. Transfers of stock shall be made only upon the books of the Corporation, and only upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer.

Section 6. Dividends. Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting and distributed as directed by the Board of Directors to the extent not in conflict with the applicable provisions of the New York Insurance Law.

ARTICLE VIII

Amendments

These By-Laws may be amended by a majority vote of all of the shareholders who are present in person or by proxy at any annual meeting or other stated meeting or any special meeting duly called for such purpose, provided that the notice of any such annual or special meeting shall specify the subject matter of the proposed amendment and provided that any such proposed amendment shall have been submitted in writing and filed with the secretary at least five days prior to such meeting. These By-Laws may also be amended by a majority of the Board of Directors in compliance with applicable laws, but any by-law adopted by the board may be amended or repealed by the shareholders entitled to vote thereon as herein provided.

ARTICLE IX

Indemnification of Directors and Officers

Section 1. Indemnification. Any person made a party to an action by or in the right of the Corporation to procure a judgment in its favor, or made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that he/she, his/her testator or intestate is or was a director or officer of the Corporation, domestic or foreign, which he/she, his/her testator or intestate served in any capacity at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses (including attorney's fees, judgments, fine and amount paid in settlement) actually incurred as a result of such action or proceeding, or any appeal therein, and expenses shall be advanced to the full extent permissible under the New York Business Corporation Law; provided, however, that the Corporation shall, not less than thirty (30) days prior to the date of such payment, file with the Superintendent of Financial Services of the State of New York, a statement specifying the persons to be paid, the amounts to be paid, the manner in which such payment is authorized and the nature and status, at the time of such notice, of the litigation or threatened litigation. The Board of Directors may provide by resolution for additional right to indemnification and advancement of expenses for the said directors and officers, in accordance with Section 721 of the New York Business Corporation Law or any successor statute thereto. The provisions of this Article shall not adversely affect any right to indemnification which any person may have apart from the provisions of this Article.

Section 2. Insurance. The Corporation may purchase and maintain insurance to indemnify the Corporation and the directors and officers to the extent permitted under Section 726 of the New York Business Corporation Law or any successor statute thereto.

ARTICLE X

Conflicts of Interest

No director, officer or employee of the Corporation shall have any position with or a substantial interest in any other business enterprise operated for profit, the existence of which would conflict or might reasonably be supposed to conflict with the proper performance of his or

her Corporation duties or responsibilities, or which might tend to affect his or her independence of judgment with respect to transactions between the Corporation and such other business enterprise, without full and complete disclosure thereof to the Board of Directors. Each director, officer or employee who has such a conflicting or possibly conflicting interest with respect to any transactions which he or she knows is under consideration by the Board of Directors, is required to make timely disclosure thereof so that it may be part of the directors' consideration of the transaction.

The holding of any office or position in any corporation affiliated with the Corporation or any corporation owning a majority of the stock of the Corporation and carrying out the duties of any such office or position shall not be deemed to be a conflicting interest; nor shall this Article be construed to prevent the receipt of any salaries or other benefits from any corporation affiliated with the Corporation or from any corporation owning the majority of the stock of the Corporation. The ownership of three percent or more of the issued and outstanding stock of any corporation doing business with the Corporation or competing with the Corporation shall be considered to be a "substantial interest in any other business enterprise"; provided, however, that ownership of the stock or other securities of any corporation affiliated with the Corporation or of any corporation owning a majority of the stock of the Corporation shall not be considered to be a conflicting interest.

None of the directors, officers and employees shall accept gifts, gratuities or favors of any kind from any person, firm or corporation doing business or seeking to do business with the Corporation under circumstances from which it could reasonably be inferred that the purpose of the gift, gratuity or favor could be to influence the said director, officer or employee in the conduct of Corporation transactions with the donor or the interest the donor is representing. Nothing in this Article shall be construed to prohibit either the giving or the receiving of normal hospitality of a social nature or the normal practice of gift exchange on a reciprocal basis between persons having close personal relationships unrelated to business.

ARTICLE XI

Insurance

Section 1. Kinds of Insurance. The Board of Directors shall determine the kinds of insurance and the nature of the risks to be covered pursuant to the provisions of the Amended and Restated Charter.

Section 2. Form of Policies. The policies of insurance issued by the Corporation shall be in such form and upon such terms and conditions as may be determined and authorized by the Board of Directors. Such policies may be for a fixed period or may provide that the same shall continue in force and effect after the termination of the fixed period for such successive period or periods or limited number of periods as the member shall make such payments as may be required by the Board of Directors.

Section 3. Classification of Risks. Subject to statutory requirements, the Board of Directors shall have authority to establish reasonable classifications within the respective kinds of insurance.

Section 4. Reinsurance. The Corporation may contract for reinsurance on its own risks and may make or issue reinsurance contracts on risks of others.

ARTICLE XII

Corporate Funds, Securities, Contracts and Conveyances

Section 1. Conveyances. Deposits of Funds. Bills, notes, checks, negotiable instruments or any other evidence of indebtedness payable to and received by the Corporation may be endorsed for deposit to the credit of the Corporation by such officers or agents of the Corporation as the Board of Directors or Executive Committee may determine and, when authorized by the Board of Directors or Executive Committee, may be endorsed for deposit to the credit of agents of the Corporation in such manner as the Board of Directors or Executive Committee may direct.

Section 2. Withdrawals of Funds. All disbursements of the funds of the Corporation shall be made by check, draft or other order signed or authorized by such officers or agents of the Corporation as the Board of Directors or Executive Committee may from time to time authorize to sign the same.

Section 3. Sale and Transfer of Securities. All sales and transfers of securities shall be made by any member of the Executive Committee or by any officer of the Corporation under authority granted by a resolution of the Board of Directors or the Executive Committee.

Section 4. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 5. Conveyances. All conveyances of real property, releases or mortgages, liens and judgments, and all other instruments affecting real property, made by the Corporation or required by law to be made a matter of record, shall be executed by the chairman, the president or vice president and attested to by the secretary or assistant secretary, and the corporate seal affixed thereto.

ARTICLE XIII

Miscellaneous

Section 1. Public Office. In the event any officer or director of the Corporation is elected or appointed to or becomes the holder of any remunerative, elective or appointive federal, state, or county office or position where the compensation is payable on other than a per diem basis, such officer or director thereupon shall resign his office or directorship in this Corporation if a conflict of interest would exist between such public office and his office or directorship in this Corporation.

Section 2. Fiscal Year. The fiscal year of this Corporation shall begin on the first day of January and terminate on the last day of December of each year.

Section 3. Notices. Whenever, under the provisions of law, the Amended and Restated Charter or these By-laws, notice is required to be given to any director or shareholder, it shall not be construed to mean personal notice unless specifically allowed, but such notice may be given in writing, by certified or registered mail or by facsimile or electronic mail, in each case return receipt requested, addressed to such director or shareholder, at his address as it appears on the records of the Corporation, in the case of certified or registered mail with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same (i) shall be sent, in the case of facsimile or electronic mail or (ii) shall be deposited in the United States mail, in the case of certified or registered mail.

Section 4. Corporate Seal. The Corporation shall have a corporate seal and shall have inscribed therein, "MLMIC Insurance Company, State of New York, Corporate Seal", which words may be changed at any time by resolution of the Board of Directors.