

Identity of Other Involved Entities

3. Old Republic Specialty Group, Inc. (“ORSG”) is a stock insurance holding company organized pursuant to the laws of Delaware with its principal place of business in Chicago, Illinois.
4. Old Republic International Corporation (“Old Republic”) is a stock insurance holding company organized pursuant to the laws of Delaware with its principal place of business in Chicago, Illinois. Old Republic is publicly traded on the New York Stock Exchange under the symbol ORI. Old Republic currently directly holds 100% of the issued and outstanding stock of ORSG.
5. Two entities each directly hold over 10%, and less than 20%, of the issued and outstanding stock of Old Republic. Each has a properly filed and obtained approval of a disclaimer of control of Old Republic.
6. No person controls Old Republic.

The Filing

7. On November 20, 2025, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an application (which together with all material received subsequently is hereinafter collectively referenced as the “Application”) from ECMI requesting approval to convert from mutual to stock form (the “Conversion”).
8. The Insurance Company Mutual-To-Stock Conversion Act, Article VIII-A of the Insurance Companies Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§ 911-A et seq. (the “Conversion Act”), provides that all plans of conversion of domestic mutual insurers must be filed with the Commissioner for approval or disapproval.
9. Section 917-A of the Conversion Act provides that a domestic mutual insurer may adopt an alternative plan of conversion that does not rely in whole or in part upon issuing nontransferable subscription rights to members to purchase stock of the converted stock company if the Commissioner finds that the plan does not prejudice the interests of the policyholders, is fair and equitable, and is not inconsistent with the purpose and intent of the Conversion Act.
10. As specified in the Application, ECMI proposes to convert from mutual-to-stock form pursuant to Section 917-A of the Conversion Act.
11. As specified in the Application, ORSG proposes to acquire all of the authorized capital stock of ECMI upon completion of the Conversion.
12. The Application was filed with the Department pursuant to Section 913-A of the Conversion Act and Section 1402 of the Insurance Holdings Company Act.

Department Procedures

13. On December 6, 2025, the Department published notice in the Pennsylvania Bulletin that the Application was submitted by ECMI and such notice invited interested persons to submit comments to the Department regarding the Application for thirty (30) days following the date of the publication (“Comment Period”).
14. The Department received no comments regarding the Application during the Comment Period.

Description of the Proposed Mutual-to-Stock Conversion

15. As described in the Application, on October 22, 2025, the Board of Directors of ECMI adopted a Plan of Conversion from Mutual to Stock Form (“the Plan”).
16. As described in the Application and pursuant to the Plan, the acquisition of ECMI by ORSG (“the Acquisition”) is requested under a separate Form A application, which Acquisition is proposed to be consummated immediately upon completion of the Conversion.
17. Section 914-A(d) of the Conversion Act requires an independent evaluation of the pro forma market value of ECMI to be filed with the Commissioner.
18. The Board of Directors (“BOD”) of ECMI has resolved that the Conversion and subsequent Acquisition will advance the business plan and operational initiatives of ECMI and benefit policyholders.
19. The Plan provides that:
 - a. ECMI will convert from mutual to stock form and all of the authorized capital stock will be acquired by ORSG in accordance with the Acquisition; and
 - b. Eligible Members of ECMI will be given the opportunity to purchase a limited number of ORI shares at per share price to be determined and based within a range of 30 – 35% discount from the approximate trading price in accordance with the terms, conditions, and calculations of the Stock Purchase Agreement filed with the Department.
20. At the time the BOD of ECMI adopted the Plan, ECMI had 27,808 policyholders (“Eligible Members”).
21. Feldman Financial Advisors, Inc. (“Feldman”) was retained by the ECMI BOD to prepare an appraisal of the pro forma market value of ECMI and provide a fairness opinion of the proposed consideration to Eligible Members.

22. Feldman is a financial services company experienced and qualified in valuation analysis and fairness opinions in similar transactions.
23. Feldman issued a valuation analysis concluding that a fair value range for ECMI was between \$153 million and \$207 million.
24. On October 22, 2025, Feldman issued an opinion that the consideration proposed to be available to Eligible Members, as a group, in exchange for their aggregate ownership interests, is fair, from a financial point of view, to ECMI.
25. ECMI advised the Department that it had, on or about December 19, 2025, sent to each Eligible Member notice by first class mail advising of the filing of the Application with the Department.
26. Section 919-A of the Conversion Act requires that written notice regarding the Plan be sent to all members whose policies were issued after the Initial Plan was adopted by ECMI's Board of Directors on October 22, 2025.
27. As provided in the Conversion Act, members receiving notice must be advised that each such member is entitled to cancel his or her policy and receive a pro rata refund of unearned premiums.
28. The Department reviewed ECMI's proposed notice.
29. ECMI represented that it has provided, and continues to make available, the required notice.
30. As specified in the Application, ECMI shall hold a special meeting of the Eligible Members to vote upon the Plan following receipt of an approving determination by the Commissioner.
31. As specified in the Application, the affirmative vote of at least two-thirds of the votes cast by the Eligible Members is a required condition to close under the Plan.

Description of the Proposed Subsequent Acquisition

32. The corporate existence and continuity of the insurance business of ECMI will continue in force without interruption as the converted stock insurance company.
33. As specified in the Application, upon completion of the Conversion, ECMI will change its name to ECM Insurance Company. Accordingly, the stock will be issued under the name ECM Insurance Company ("ECMIC").
34. As described in the Plan, each policy of insurance issued by ECMI and in force at the Effective Time will remain in force as a policy issued by ECMI in accordance with the

terms of such policy. At the Effective Time, to the extent they existed prior to the Effective Time, the following rights will be extinguished:

- a. any voting rights of the policyholders;
- b. any right to share in the surplus of ECMI; and
- c. any assessment provisions provided for under the policies.

Compliance with Statutory Standards

35. Section 917-A of the Conversion Act establishes standards which an alternative plan of conversion must satisfy in order to be approved.
36. Section 917-A of the Conversion Act provides that the Commissioner shall approve the alternative plan of conversion of a domestic mutual insurer if the Commissioner finds that the plan will not prejudice the interests of the members, the plan is fair and equitable, and the plan is not inconsistent with the purpose and intent of the Conversion Act.
37. After execution of the Alternative Plan of Conversion, ECMIC will be a stock company and may be immediately acquired by ORSG pursuant to 40 P.S. § 917-A(1).
38. After execution of the Alternative Plan of Conversion and subsequent Acquisition, the current policyholders of ECMI will continue as policyholders of ECMIC.
39. After execution of the Alternative Plan of Conversion and subsequent Acquisition, Old Republic will indirectly hold all the voting stock of ECMIC.
40. Based on the information contained in the Application, the Commissioner finds that the contemplated Alternative Plan of Conversion and subsequent Acquisition would not prejudice the interests of the Eligible Members of ECMI.
41. Based on the information contained in the Application, the Commissioner finds that the contemplated Alternative Plan of Conversion and subsequent Acquisition are fair and equitable and not inconsistent with the purpose and intent of the Conversion Act.
42. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. The Conversion Act provides the Commissioner jurisdiction to review and approve the Plan of Conversion.
2. Section 913-A(e) of the Conversion Act states that the Commissioner may order a hearing on whether the terms of the Plan comply with the Conversion Act after giving written notice to the mutual company and other interested persons, all of whom have the right to appear at the hearing.
3. The parties to the filing did not request a hearing, no comments regarding the Application were received by the Department during the Comment Period, and, after review of the circumstances and documents relating to the Application, the Commissioner did not elect to conduct a hearing as a proper exercise of his statutory discretion.
4. As specified in the Application, all policies of ECMI in force at the effective time of the Alternative Plan of Conversion would continue in force, and the Alternative Plan of Conversion would not change, reduce or impair in any way the insurance obligations of ECMI under any insurance policy issued or contract entered into by ECMI.
5. In accordance with Section 917-A of the Conversion Act, the Commissioner concludes that the Alternative Plan of Conversion and subsequent Acquisition would not prejudice the interests of the Eligible Members.
6. In accordance with Section 917-A of the Conversion Act, the Commissioner concludes that the provisions of the Application are fair and equitable.
7. In accordance with Section 917-A of the Conversion Act, the Commissioner concludes that the Application is not inconsistent with the purpose and intent of the Conversion Act.
8. In accordance with Section 917-A of the Conversion Act, the Commissioner finds that ECMIC will not be insolvent or in hazardous financial condition immediately subsequent to the effectuation of the Plan.
9. As allowed by Section 918-A of the Conversion Act, the Alternative Plan of Conversion would become effective when the Eligible Members have approved the Alternative Plan of Conversion and adopted amended articles of incorporation and such amended articles of incorporation have been filed in the office of the Secretary of State of the Commonwealth.
10. The Commissioner concludes that the Application satisfies the requirements of the Conversion Act and the Insurance Holding Companies Act.
11. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

5. ECMIC shall be prohibited from declaring or paying any dividends, returns of capital or any other types of distributions to its shareholders without the prior approval of the Department for a period of three (3) years from the date of acquisition.
6. The request to change ECMI's name to "ECM Insurance Company" upon its conversion from mutual to stock form is approved, subject to the filing of amended articles of incorporation with the Pennsylvania Department of State.

This Order is effective immediately and valid for one hundred and twenty (120) days, provided no material change occurs to the representations in the Application prior to consummation. This 120-day limitation does not apply to any conditions prescribed in the Order.



Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania