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Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Proposed Acquisition
and Control of:

WASHINGTON CASUALTY
COMPANY, a Domestic Insurer and
Wholly-Owned subsidiary of FINCOR
HOLDINGS, INC.,

by

MEDICAL PROFESSIONAL
MUTUAL INSURANCE COMPANY,

the Applicant.

NO. G09-0095

DECLARATION OF
RONALD J. PASTUCH

Ronald J. Pastuch, under penalty of perjury under the laws of the State of Washington,
declares as follows:

1. I am the Holding Company Manager in the Company Supervision Division of
the Washington State Office of Insurance Commissioner ("OIC"). I am over the age of
eighteen years old and I am competent to testify in this matter. I make this Declaration based
upon my personal knowledge.

1 2. I am also a graduate of Pacific Lutheran University, where I earned a Bachelor
2 of Arts Degree in Business Administration in 1988. I was certificated as a CPA in 1993, and
3 received my CPA license in 2003.

4 3. After graduation, I worked for the Washington Department of Veterans Affairs
5 from 1980 to 1987 in accounting and human resource positions. In 1987, I joined the OIC as
6 an accountant, a position I held until 1991. From 1991 to 1993, I served as a field Insurance
7 Examiner with the OIC. From 1993 to 2006, I served as a Financial Analyst in the OIC's
8 Company Supervision Division, a position I held in various levels.

9 4. On February 16, 2006, I was appointed the Holding Company Manager in the
10 OIC's Company Supervision Division. As the Holding Company Manager, my primary
11 duties consist of reviewing and approving holding company transactions, which include
12 reviewing and recommending OIC's position on proposed requests for insurance company
13 acquisitions and mergers, including disclaimers of control.

14 5. On June 17, 2009, Medical Professional Mutual Insurance Company ("the
15 Applicant") filed a Form A Statement for the Approval of the Acquisition of Control of
16 Washington Casualty Company ("WCC"). WCC is a Washington domiciled stock property
17 and casualty insurer incorporated on June 21, 1990, and began writing business on October 1,
18 1990. The Applicant is a Massachusetts domiciled mutual property and casualty insurer
19 incorporated on May 2, 1995 and based in Boston, MA. In this Statement, the Applicant
20 proposes to acquire all issued and outstanding stock of FinCor Holdings, Inc. ("FinCor"),
21 which directly wholly owns and controls WCC. The Applicant and FinCor entered into a
22 stock purchase agreement dated June 3, 2009, to acquire 622,434.3 shares of FinCor common
23 and restricted stock for an aggregate cash purchase price of one hundred eighty-two million
dollars (\$182,000,000.00) less eight million dollars (\$8,000,000.00) allowance for certain
known or anticipated costs subject to post-closing and certain other monetary adjustments.
The purchase price includes all holders of FinCor common shares including restricted shares

1 issued and outstanding as of the date of closing. The transaction is not subject to financing
2 contingencies.

3 6. In addition to the closing consideration, all FinCor common and restricted
4 shareholders will be entitled to receive a contingent consideration based on a formula
5 measuring the favorable loss and loss adjustment expense development on or before
6 December 31, 2008, as determined by the Applicant as of December 31, 2013. That
7 contingent consideration is illustrated as an exhibit in the FinCor proxy statement dated June
8 15, 2009. Also in addition to the closing consideration, all 8,853 FinCor preferred
9 shareholders will receive a one-time payment of \$1,000 per share plus accrued but unpaid
10 dividends after the date of closing.

11 7. As part of the proposed transaction, Horizon Merger Corporation, a Michigan
12 domiciled stock corporation wholly owned by the Applicant, will merge with and into FinCor
13 in a reverse merger transaction. Horizon Merger Corporation was incorporated as of May 19,
14 2009, for the sole purpose of the reverse merger transaction. As a result of that proposed
15 transaction, the separate corporate existence of Horizon Merger Corporation will cease, and
16 FinCor will continue as the surviving entity and would become a wholly-owned subsidiary of
17 the Applicant. That proposed merger transaction is illustrated under Exhibit 1 of the Form A
18 Statement.

19 8. The Applicant also submitted fingerprint cards for the following individuals
20 who would directly operate WCC as a director and/or executive officer after the closing of the
21 proposed transactions. Those individuals are: Mr. Richard W. Brewer, Ms. Janice W.
22 Allegretto, Mr. John J. Donehue, and Mr. Gregg L. Hanson.

23 9. On June 27, 2009, the OIC sent a deficiency letter and requested additional
information regarding the Form A Statement. Also on June 27, 2009, the OIC requested
additional information regarding a request for confidentiality of certain documents filed with
the Form A Statement.

1 10. On July 9, 2009, the attorney representing the Applicant responded to the
2 OIC's two June 27th letters with the requested information. That response letter also included
3 an executive summary describing the proposed transaction.

4 11. On July 9, 2009, FinCor held a special shareholders meeting to vote on the
5 proposed sale and merger agreement between FinCor, Horizon Merger Corporation, and the
6 Applicant. Proxy statement information pertaining to that special meeting was submitted as
7 Exhibit C of the Form A Statement filing. We understand the shareholders voted in favor of
8 approving the merger agreement.

9 12. On July 28, 2009, the attorney representing the Applicant submitted a second
10 fingerprint card for one individual who would be a member of board of directors and an
11 executive officer of WCC following the transaction.

12 13. On August 7, 2009, the attorney representing the Applicant submitted an
13 Amendment No. 1 to the Form A Statement Filing with the OIC Hearings Unit. That
14 Amendment filing stated the Applicant's Board of Directors decided to propose that Messrs.
15 Brewer, Hanson, and Donehue would act as directors and officers of FinCor following the
16 proposed transaction and thus reduce the proposed board of FinCor to 3 directors instead of
17 13 directors.

18 14. I have reviewed and analyzed these submittals. My analysis was performed
19 under the criteria set forth in RCW 48.31B.015(4). From my analysis,

20 a. The domestic insurer would be able to satisfy the requirements for the
21 issuance of a license to write its current lines of business for which it is presently licensed.
22 WCC is presently licensed to write general casualty line of business, mainly medical
23 professional liability coverages. WCC's minimum capital and surplus as of the date of this
Declaration is four million eight hundred thousand dollars (\$4,800,000) total according to
RCW 48.05.340(1). As of the latest financial statement filed with the OIC, WCC's total
capital and surplus was reported at \$15.1 million as of June 30, 2009. Also, WCC's latest

1 risk-based capital ratio exceeded its company action level as defined under RCW 48.05.430
2 and RCW 48.04.440. WCC's current capital and surplus exceeds its required minimum
3 capital and surplus and risk-based capital requirements.

4 b. The effect of the proposed acquisition of control would not lessen
5 competition in this state or tend to create a monopoly therein. A market analysis was
6 performed on the domestic insurer and its related insurers' direct writings, the Applicant and
7 its related insurers' direct writings, and the Washington P&C market. The Applicant is not
8 licensed and has no market presence in Washington State or market presence in any other
9 state market where WCC is licensed (Idaho, Montana, Nevada, and Oregon). One of the
10 Applicant's subsidiaries, namely Proselect National Insurance Company, Inc., is licensed in
11 Washington State and 46 other states, and that subsidiary is not currently writing any business
12 in any of these states. A second subsidiary, namely Proselect Insurance Company, is not
13 licensed and has no market presence in Washington State or market presence in any other
14 state market where WCC is licensed. Therefore, there would be no violation of the
15 competitive standard set forth in RCW 48.31B.020(4).

16 c. The financial condition of the Applicant appears that it would not jeopardize
17 the financial stability of the domestic insurer or prejudice its policyholders' interest. The
18 Applicant's latest financial statement filed with this Application reported its assets at \$2.2
19 billion and surplus at \$585 million as of March 31, 2009. The Applicant's AM Best rating is
20 A- (Excellent). Based on these facts, the financial condition of the Applicant would not
21 jeopardize the financial stability of WCC or prejudice its policyholders' interest.

22 d. We are not aware of any plans or proposals by the Applicant to liquidate the
23 domestic insurer, sell its assets, consolidate, or merge it with any person, or make any other
material changes in its business, corporate structure, or management that are unfair and
unreasonable to the domestic insurer's policyholders and not in the public interest. The
Applicant intends that WCC will continue conducting its business and operations

1 substantially as presently conducted. The Applicant has no current plans to change the name
2 of WCC or relocate its home office or its corporate records.

3 e. We verified the competence, experience and integrity of those persons who
4 would control the operation of the domestic insurer with federal, state, and local officials
5 through a third party verification firm and with the domestic insurance department. These
6 checks showed no records found by these officials. We also verified the criminal background
7 of the named individuals who would directly control the operations of WCC and FinCor. We
8 have one individual whose background check remains outstanding as of the date of this
9 Declaration, but expect that background check should be completed before the date of the
10 hearing. As to the other background checks, we did not receive any records on any of those
11 individuals from the FBI.

12 f. We are not aware that the acquisition is likely to be hazardous or prejudicial
13 to the insurance-buying public. WCC would likely see an improved AM Best rating by virtue
14 of its direct relationship with the Applicant. WCC would continue to operate as it is currently
15 conducting its business and operations within the new organization. The majority of WCC's
16 existing executive officers are to remain and operate the company. WCC would have a
17 renewed vision with a similar purpose as the Applicant that would benefit from a financially
18 stable parent company within the medical professional liability market.

19 15. Depending on the outcome from that outstanding background check, we
20 recommend to the presiding officer to approve the acquisition of WCC by the Applicant
21 contingent upon a "clean" record of that individual.

22 16. From a procedural standpoint, the OIC requires that notice of this proposed
23 acquisition be given to the public via the Internet (on the OIC's website). On August 12,
2009, OIC posted a notice on the Insurance Commissioner's website concerning the proposed
sale of WCC and information about the OIC's review process, a true and correct copy of
which is attached hereto as Exhibit "A". Such notice was updated by the OIC regarding the

1 hearing, via the Notice of Hearing and announcement posted on the OIC's website on August
2 14, 2009, a true and correct copy of which is attached hereto as Exhibit "B". That notice
3 informs the public of the August 25, 2009, hearing and the nature of the hearing. That notice
4 has remained on the OIC's website since August 14, 2009, and will remain posted on the
5 website through the date of the hearing.

6 17. The Notice of Hearing informs and advises all interested parties that any
7 individual or entity is permitted to submit comments on, or objections to, this proposed
8 acquisition. The Notice of Hearing states that any questions or concerns should be directed to
9 Wendy Galloway, Paralegal to the OIC's Chief Hearing Officer.

10 18. As of the date of this Declaration, we received one phone inquiry regarding the
11 date and location of the hearing since the filing of the Notice of Hearing. Other than that
12 phone inquiry, I personally have not received any comments, questions, or objections through
13 letter, correspondence, email, or phone, nor am I aware of any comments, questions, or
14 objections having been received by the OIC's Chief Hearing Officer.

15 SIGNED this 21st day of August, 2009.

16 
17 _____
18 Ronald J. Pastuch
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23



EXHIBIT "A"

Public notices, advisories and alerts

The following items are for the last 90 days

Notices

- 8/11/2009 [Hearing set for sale of Washington Casualty Company](#)
The hearing is scheduled for 10 a.m. on August 25, 2009 in Tumwater, Washington. [More information](#)
- 6/12/2009 [Hearing set for sale of Puget Sound Health Partners](#)
The hearing is scheduled for 10 a.m. on July 10, 2009 in Tumwater, Washington. [More information](#)

Media Advisories

- 6/5/2009 [UPDATED New Time - Kreidler to unveil record spike in the uninsured](#)





Washington Casualty sale

Medical Professional Mutual Insurance Company ("ProMutual") wants to purchase Washington Casualty Company and its holding company, FinCor Holdings, Inc. The sale would be achieved through a proposed merger of Horizon Merger Corporation and FinCor Holdings, Inc. The result will leave ProMutual as the controlling owner of FinCor Holdings, Inc. and Washington Casualty Company.

Before the purchase can be completed, the Insurance Commissioner must approve it. Washington Casualty Company of Maple Valley, WA is a medical professional liability insurer and wholly-owned subsidiary of the FinCor Holdings, Inc. of Lansing, MI.

Horizon Merger Corporation is a Michigan corporation wholly-owned by ProMutual for the sole purpose of the proposed merger. ProMutual is a mutual medical professional liability insurer located in Boston, MA.

Status

We received the application (Form A) from ProMutual in mid-June. We deem that Form A as complete and requested a hearing in late July. A public hearing will be held on August 25, 2009 at 10:00 am at the Insurance 5000 Building in Tumwater. A judge will decide whether or not to approve the sale.

What we look at

In all proposed sales, the companies must file an application (Form A) that details:

- Financial information for both companies.
- Who will operate the company at the highest levels.
- Their business plan.
- Market competition impacts.

Evaluation criteria

Under state law, the commissioner must approve the deal unless:

- It would substantially lessen competition or create a monopoly.
- The buyer's plans are unfair and unreasonable to the policyholders of the insurance company.
- The buyer isn't competent, honest or financially sound enough to run an insurance company.
- It is in some other way "hazardous or prejudicial to the insurance-buying public."

Questions?

Please contact our holding company manager, Ron Pastuch, at 360-725-7211.



EXHIBIT "B"

Judicial Proceedings

A-B | C-D | E-F | G-I | J-L | M-O | P-R | S-T | U-V | W-Z

Note: The orders below are not official. You may request official copies from our Public Disclosure Office, 360-725-7003, or email: ericm@oic.wa.gov.

Name/Docket no.	Type of action	Status	Documents are in PDF format
Washington Casualty Company by Medical Professional Mutual Insurance Company 09-0095	Acquisition of Control	Hearing: August 25, 2009 @ 10 a.m.	Amendment No. 1 Form A Statement Correspondences Exhibit 1 & 2 Ex A Agreement/Plan of Merger Ex B - Rights Agreement Ex C - FinCor Proxy Statement Ex D - Voting Agreement Ex E1/E2 Org Charts Ex F-L - Officers and Directors Ex M1 - ProMutual 09 Fin Stmt Ex M2 ProMutual 08 Combined Stmt Ex M3 ProMutual 07 Combined Stmt Ex M4 ProMutual 06 Combined Stmt Ex M5 ProMutual 05 Combined Stmt Ex M6 ProMutual 04 Combined Stmt Ex M7 ProMutual 04 Annual Stmt Ex M8 ProMutual 05 Annual Stmt Ex M9 ProMutual 06 Annual Stmt Ex M10 ProMutual 07 Annual Stmt Ex. M11 ProMutual 08 Annual Stmt Ex. N1 ProMutual 08 Gp Report Ex. N2 ProMutual 07 Gp Report Ex. N3 ProMutual 04 Financial Stmt Ex. N4 ProMutual 05 Financial Stmt Ex. N5 ProMutual 06 Financial Stmt Ex N6 ProMutual 07 Financial Stmt Ex N7 ProMutual 08 Financial Stmt Ex N8 04Comments/Recommend Ex N9 05Comments/Recommend Ex N10 06Comments/Recommend Ex. N11 07 Report to Mgmt Biographical Affidavits Notice of Appearance Notice of Hearing
Weatherbee, Frederick D05-16	Appeal OIC's Revocation of Insurance Agent's License	License Revoked	Order Revoking License Demand for Hearing Notice of Hearing Final Decision Reconsideration Request
Wendt, Cameron M. D05-15	Appeal OIC's Revocation of Insurance Agent's License	License Revoked	Order Revoking License Demand for Hearing Notice of Hearing Final Decision
Western General Insurance Co. D06-150 OAH: 2006-INS-0010	Appeal OIC's Proposed Order/Fine	Proceedings Terminated	Notice of Intent Demand for Hearing Notice of Hearing Initial Order Final Decision

STATE OF WASHINGTON

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

Phone: (360) 725-7000



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OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

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Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit, DIC.
Wendy Galloway Petersen
Chief Hearing Officer
Paralegal
(360) 725-7002
Wendyg@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Proposed Acquisition of
Control of:

**WASHINGTON CASUALTY COMPANY,
A Domestic Insurer and Wholly-Owned
Subsidiary of FINCOR HOLDINGS, INC.,**

Docket No. 09-0095

by

NOTICE OF HEARING

**MEDICAL PROFESSIONAL MUTUAL
INSURANCE COMPANY,**

the Applicant.

TO: Anne B. Seggerman, Esq., Associate Counsel
Medical Professional Mutual Insurance Company
101 Arch Street, P.O. Box 55178
Boston, Massachusetts 02205

Jerry Kindinger, Esq.
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, Washington 98101-3034

Robert J. Sullivan, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036

Washington Casualty Company
23175 224th Place SE, Suite A
Maple Valley, WA 98038

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



H. Matthew Crusey
Financial Institutions Group
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Squire, New York 10036-6522

Richard C. Helgren, CPA, CPCU
Executive Vice President and COO of FinCor Holdings Inc.
President and Chief Executive Officer of Washington Casualty Company
FinCor Holdings Inc.
6215 West St. Joseph Highway
Lansing, Michigan 48917-4852

Christine C. Schmitt, CPA
Senior Vice President, Assistant Secretary & CFO of FinCor Holdings Inc.
FinCor Holdings Inc.
6215 West St. Joseph Highway
Lansing, Michigan 48917-4852

COPY TO: Mike Kreidler, Insurance Commissioner
Mike Watson, Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Commissioner, Company Supervision Division
Ronald Pastuch, Holding Manager, Company Supervision Division
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Charles D. Brown, Sr. Staff Attorney, Legal Affairs Division
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

DETAILS OF PROPOSED ACQUISITION

The Applicant, Medical Professional Mutual Insurance Company ("Applicant"), is a property and casualty mutual insurance company domiciled in the Commonwealth of Massachusetts, NAIC No. 10206, with its headquarters in Boston, MA. The Applicant, together with its subsidiaries are referred to as ProMutual Group. ProMutual Group, through the Applicant and the Applicant's indirect, wholly-owned subsidiary, ProSelect Insurance Company, a Massachusetts property and casualty stock insurance company, writes professional liability coverage for physicians, surgeons, dentists and hospitals in the Northeast and also offers ancillary coverage to policyholders including general liability and billing errors and omissions, insuring more than 17,000 providers as well as a large number of hospitals, health centers and clinics, and as of December 31, 2008 had approximately \$297.5 million in direct written premium, approximately \$2.2 billion in net admitted assets and approximately \$612.1 million in combined policyholder surplus, and is rated A- (Excellent) by A.M. Best Company. The Applicant is authorized and offers products and services in

NOTICE OF HEARING - 09-0095

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Massachusetts. ProSelect Insurance Company is authorized and offers products and services in Massachusetts, Connecticut, Maine, New Hampshire, New Jersey, Pennsylvania, Rhode Island and Vermont. ProSelect also recently received authorization in Virginia and maintains a Certificate of Authority in New York.

FinCor Holdings, Inc. ("FinCor") is a Michigan holding company based in Lansing, Michigan. FinCor wholly owns five subsidiaries: MHA Insurance Company domiciled in the State of Michigan; Risk Management and Safety, Inc., a Michigan risk management company; FinCor Solutions, Inc., a Michigan business corporation; Capital Risk Solutions, a Cayman Islands captive insurance company; and Washington Casualty Company ("Domestic Insurer"). The Domestic Insurer is a property and casualty insurance company domiciled in the State of Washington with its headquarters in Maple Valley, WA, is authorized to conduct insurance business in Idaho, Montana, Nevada, Oregon and Washington and primarily writes medical professional liability insurance for hospitals. The Domestic Insurer currently writes business in Idaho, Oregon and Washington, is in the process of withdrawing from Nevada and is in run-off in Montana where its Certificate of Authority is inactive with respect to new business.

Briefly, the Applicant proposes to acquire FinCor and its five subsidiaries for \$182,000,000, less an \$8,000,000 allowance for certain costs and is also subject to an adjustment based upon change of book value, all to be paid from the cash reserves of the Applicant. The second portion of the consideration relates to the favorable loss and loss adjustment expense developments, if any of FinCor's two principal insurance company subsidiaries which include the Domestic Insurer, and is payable in 2014. In addition, upon consummation of the acquisition each outstanding share of FinCor's preferred stock will be cancelled and converted into the right to receive a one-time payment of \$1,000 per share of preferred stock plus any accrued but unpaid dividends, totaling approximately \$8.9 million. All documents which have been filed in this matter, including said Form A and Amendment No. 1 to Form A, descriptions of the companies, Agreement and Plan of Merger dated June 3, 2009, and all other matters can be found for public review on the Insurance Commissioner's website at http://www.insurance.wa.gov/orders/hearings_proceedings9.shtml.

NATURE OF PROCEEDING

On June 17, 2009, pursuant to RCW 48.31B.015, the Applicant filed a preacquisition notification with the Company Supervision Division of the Office of the Insurance Commissioner (Form "A" Statement Regarding the Acquisition of Control of a Domestic Insurer) which 1) includes substantial information and agreements concerning this proposed acquisition as required by RCW 48.31B.015(2) and in accordance with RCW 48.31B.020(3)(a), including the Agreement and Plan of Merger executed June 3, 2009, organizational charts for both before and after this proposed transaction, biographical affidavits of individuals who would control the Domestic Insurer and all other relevant documents; and which 2) includes information and agreements relative to the issues which must be the subject of findings pursuant to RCW 48.31B.015(4). Said Form A requests approval of its proposed acquisition. On August 10, 2009, the Applicant filed Amendment No. 1 to

Form A, attached Amended Exhibit H-2, to reflect changes to the proposed list of individuals to serve as the Board of Directors of FinCor following the proposed transaction.

On July 24, 2009, Ronald Pastuch, CPA, Holding Company Manager of the Company Supervision Division had completed review of the Form A and on behalf of the Insurance Commissioner transmitted said Form A to the undersigned with the request that the undersigned conduct an adjudicative proceeding and make the final decision concerning whether this proposed acquisition should be approved or disapproved.

Pursuant to RCW 48.31B.015(4), the Insurance Commissioner shall approve an acquisition of a domestic insurer unless, after a public hearing thereon, it is found: 1) that after the change of control, the domestic insurer would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed; 2) that the effect of the acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein; 3) that the financial condition of an acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interests of its policyholders; 4) that the plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest; 5) that the competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the acquisition or control; or 6) that the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

Toward this end, the parties are advised that the Insurance Commissioner is expected to testify as to whether he has given reasonable advance notice to the public of the hearing scheduled herein and whether he or any members of his staff have received any objections or concerns relative to this proposed transaction and provide details of these objections or concerns. The Insurance Commissioner is also expected to testify as to the conclusions he has reached during his examination of the subject Form A, as amended, insofar as they relate to the above stated issues 1) through 6). A duly authorized representative of the Applicant is expected to testify as to the above stated issues and as to whether the Applicant has received any objections or concerns regarding the proposed transaction and provide details of these objections or concerns. Finally, a duly authorized representative of Washington Casualty Company is expected to testify as to the above stated issues and as to whether the company or any of its affiliates have received any objections or concerns relative to the proposed transaction. Duly authorized representatives may not include outside counsel. While live testimony from the Insurance Commissioner, the Applicants, and Washington Casualty Company will be taken during the hearing as to the above identified issues, written declarations from those parties must be filed at least one working day prior to the date of the hearing. Further, oral opening statements and oral and written closing arguments from the Applicant and Washington Casualty Company are expected. Finally, the Applicant may choose whether to submit Proposed Findings of Facts, Conclusions of Law and Order on Hearing.

NOTICE

YOU ARE HERBY NOTIFIED that a hearing will be held commencing at 10:00 a.m. Pacific Standard Time on Tuesday, August 25, 2009, in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501, to consider the proposed acquisition of FinCor Holdings, Inc. and all five of its wholly owned subsidiaries including Washington Casualty Company, the Domestic Insurer, by Medical Professional Mutual Insurance Company, a Massachusetts property and casualty mutual insurance company, based upon the information provided in the abovereferenced Form A. The hearing will be held under the authority granted the Insurance Commissioner by Chapter 48.04 RCW and RCW 48.31B.015, and shall have as its purpose consideration of the Applicant's request for approval of its proposed acquisition of control of Washington Casualty Company. The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. A party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

The Insurance Commissioner has not taken, and will not take, any position on this matter prior to entry of the Findings of Facts, Conclusions of Law and Final Order to be entered after hearing.

YOU ARE FURTHER NOTIFIED that all interested individuals and entities may submit comments on, or objections to, this proposed acquisition to the undersigned. Said comments or objections, which will be included in the hearing record and will be considered by the undersigned prior to her making her final decision, must be submitted by 9:30 a.m., Pacific Standard Time, on Monday, August 24, 2009, by fax, U.S. Mail, personal delivery, or email to Judge Petersen at PatriciaP@oic.wa.gov. The fax number of the undersigned is (360) 664-2782, her mailing address is PO Box 40255, Olympia, WA 98504-0255, her delivery address is 5000 Capitol Boulevard, Tumwater, Washington 98501.

YOU ARE FURTHER NOTIFIED that, pursuant to RCW 48.31B.015(4)(b), any person whose interest is determined by the undersigned to be affected, may present evidence and argument on all issues involved, examine and cross-examine witnesses, and offer oral and written statements, and in connection therewith may conduct discovery proceedings.

The Insurance Commissioner will be represented by Charles D. Brown, Sr. Staff Attorney of the OIC Legal Affairs Division. He can be reached at (360) 725-7044. Medical Professional Mutual Insurance Company will be represented by Jerry Kindinger, Esq. of 1201 Third Avenue, Suite 3400, Seattle, Washington 98101-3034. He can be reached at (206) 654-2216. Medical Professional Mutual Insurance Company is also represented by Robert J. Sullivan, Esq. and H. Matthew Crusey, Esq. of Skadden, Arps, Slate, Meagher and Flom, LLP of Four Times Square, New York, New York 10036. They can be reached at (212) 735-2930. Richard Helgren, President and CEO of Washington Casualty Company, and Christine Schmitt, CFO of FinCor Holdings, both of 6215 West St. Joseph Highway, Lansing, Michigan 48917-4852, will represent Washington Casualty Company. They can be reached at (517) 886-8295.

NOTICE OF HEARING -- 09-0095

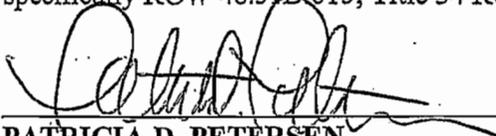
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Based upon a delegation of authority from the Insurance Commissioner, the undersigned will conduct the hearing and will make the final decision and enter the final order relative to this matter without input from the Insurance Commissioner or his staff or any other individual who has knowledge of the issues herein, except as will be presented as evidence in the hearing. Her address is Office of the Insurance Commissioner, Hearings Unit, P.O. Box 40255, Olympia, WA 98504-0255 and her telephone number is (360) 725-7105. All questions or concerns should be directed to Wendy Galloway, Paralegal to the undersigned, who may be reached at the telephone, e-mail and fax numbers specified above.

On August 5, 2009, the undersigned held a first prehearing conference in this matter. The parties were represented by the above stated individuals. During said first prehearing conference, the undersigned identified the parties, reviewed the proposed action involved, responded to all questions and concerns of the parties and established a hearing date which is both mutually convenient to the parties and in compliance with applicable statute. As stated above, should any party or any interested individual have any further questions or concerns prior to the hearing date, they are advised to telephone or e-mail Wendy Galloway, Paralegal to the undersigned, for assistance or to schedule a second prehearing conference as necessary.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English-speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. Following this Notice is a form you may use to advise the Chief Hearing Officer of your need for an interpreter.

ENTERED at Tumwater, Washington, this 13th day of August, 2009, pursuant to Title 48 RCW and specifically RCW 48.31B.015, Title 34 RCW, and regulations applicable thereto.



PATRICIA D. PETERSEN

Presiding Officer
Chief Hearing Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Anne Seggerman, Robert Sullivan, H. Matthew Crusey, Jerry Kindinger, Richard Helgren, Christine Schmitt, Chuck Brown, Ronald Pastuch, James Odiorne, and Carol Sureau. Electronic copies were sent to Mike Kreidler and Mike Watson.

DATED this 13th day of August, 2009.


WENDY GALLOWAY



OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Wendy Galloway
Paralegal
(360) 725-7002
wendyg@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Hearing Officer
Office of Insurance Commissioner
P.O. Box 40255
Olympia, Washington 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. _____, before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the commissioner or presiding officer in arranging for a suitable interpreter, or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____ Signed: _____

Please print or type your name: _____
Address: _____
Telephone: _____

