

AFFIDAVIT OF NAVEED ANWAR

STATE OF GEORGIA)
)
COUNTY OF FULTON)

Case No.: 11018870, Reorganization Plan
for MAG Mutual Insurance Company

I, Naveed Anwar, having appeared before the undersigned officer duly authorized to administer oaths and having been duly sworn, do depose and state the following:

1.

My name is Naveed Anwar. I am over eighteen (18) years of age, a resident of the State of Georgia and competent under federal and state law to make this Affidavit, and do so upon my personal knowledge. This Affidavit is made for use in connection with the application of my employer, MAG Mutual Insurance Company, to reorganize and create a Mutual Holding Company structure (MHC) pursuant to a reorganization plan ("Reorganization Plan") under the Georgia Insurance Code.

2.

I am employed by MAG Mutual Insurance Company ("MAG Mutual") as its Executive Vice President and Chief Financial Officer. I have served in this position since August 10, 2015, and my responsibilities include the preparation of the Company's financial statements and overall supervision of the Company's financial matters.

3.

In the course of its review of MAG Mutual's proposed Reorganization Plan, the Georgia Department of Insurance has asked MAG Mutual to address the expected initial capitalization needs, and the means for funding for those initial capital needs, of the two

new entities contemplated to be formed pursuant to the Reorganization Plan, MAG Mutual Holding Company and MAG Mutual Intermediate Holding Company.

4.

MAG Mutual Holding Company will own 100% of the stock of MAG Mutual Intermediate Holding Company and thereby will indirectly own 100% of the stock of MAG Mutual Insurance Company upon its conversion from a mutual insurance company to a stock insurance company. MAG Mutual Holding Company will conduct no business operations other than those associated with its role as the sole shareholder of MAG Mutual Intermediate Holding Company and the indirect sole shareholder of MAG Mutual Insurance Company, upon its conversion to a stock insurance company. Therefore, it is anticipated that MAG Mutual Holding Company will incur only minimal operational expenses, primarily for organizational, corporate governance, legal, regulatory and tax purposes. It is further anticipated that MAG Mutual Holding Company will be initially capitalized in an amount between \$1,000,000 and \$5,000,000, the source of which will be funded by an ordinary shareholder dividend payment from MAG Mutual Insurance Company, following its conversion to a stock insurance company, to MAG Mutual Intermediate Holding Company, which would, in turn, pay a stockholder dividend to MAG Mutual Holding Company in the same amount.

5.

MAG Mutual Intermediate Holding Company will own 100% of the stock of MAG Mutual Insurance Company upon its conversion from a mutual insurance company to a stock insurance company. In the near term, MAG Mutual Intermediate Holding Company will conduct no business operations other than those associated with its role as the sole

shareholder of MAG Mutual Insurance Company upon its conversion from a mutual insurance company to a stock insurance company. Therefore, it is anticipated that MAG Mutual Intermediate Holding Company (the "IHC") will incur only minimal expenses, primarily for organizational, corporate governance, legal, regulatory and tax purposes. As stated in the Reorganization Plan and several documents relating to that plan, we do intend that the IHC will be the primary vehicle for handling small merger and acquisition opportunities, particularly captive and agency acquisitions. Therefore, although its business is minimal, it will need funding to pursue those opportunities.

6.

It is further anticipated that, similar to the initial capitalization of MAG Mutual Holding Company, MAG Mutual Intermediate Holding Company will be initially capitalized in an amount between \$15,000,000 and \$25,000,000, the source of which will be funded by one or more ordinary shareholder dividend payment(s) from MAG Mutual Insurance Company, following its conversion to a stock insurance company, to MAG Mutual Intermediate Holding Company, its sole shareholder. These funds are likely to remain at the IHC level to use for various acquisition and other opportunities.

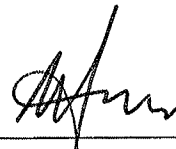
7.

It is further anticipated that following the implementation of the Reorganization Plan but no later than December 31, 2017, MAG Mutual Holding Company and MAG Mutual Intermediate Holding Company would need to become parties to the existing tax allocation agreement that currently exists between MAG Mutual Insurance Company and certain of its subsidiaries. Further, to the extent that converted MAG Mutual will need to lend administrative support (e.g., certain accounting, financial, legal and corporate governance

services) to MAG Mutual Holding Company and MAG Mutual Intermediate Holding Company, these two entities may need to enter into cost sharing agreements with MAG Mutual. It is expected that these cost sharing agreements will be similar in format to the existing cost sharing agreements between MAG Mutual and certain of its subsidiaries, which have been filed with the Georgia Department of Insurance in accordance with the Georgia Insurance Code. Also, I am aware that any new or revised tax allocation or cost sharing agreements to which MAG Mutual Holding Company and MAG Mutual Intermediate Holding Company become parties with MAG Mutual must be filed with the Georgia Department of Insurance as required by the Georgia Insurance Code.

Further the Affiant sayeth not.

This 25th day of May, 2017.



Naveed Anwar

Sworn to and subscribed before me
this 25th day of May, 2017.

Marguerite Shackelford
NOTARY PUBLIC

My Commission expires:

Notary Public, DeKalb County, Georgia
My Commission Expires April 3, 2020