

FORM A

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

MHA INSURANCE COMPANY

(the "Domestic Insurer")

A Wholly-Owned Subsidiary of

FINCOR HOLDINGS, INC.

("FinCor")

By

MEDICAL PROFESSIONAL MUTUAL INSURANCE COMPANY

(the "Applicant")

Filed with the Office of Financial and Insurance Regulation
of the State of Michigan

Dated: June 16, 2009

Name, Title, Address and Telephone Number of Individual to Whom Notices and
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This Statement (this “Statement”) seeks the approval of the Insurance Commissioner of the State of Michigan (the “Commissioner”), pursuant to the requirements of Section 500.1311 of the Michigan Insurance Code and Declaratory Ruling 94-293-M, dated September 12, 1994, for the proposed acquisition of control (the “Proposed Acquisition”) of MHA Insurance Company, a Michigan property and casualty stock insurance company (the “Domestic Insurer”), which is a direct, wholly-owned subsidiary of FinCor Holdings, Inc., a Michigan corporation (“FinCor”), by Medical Professional Mutual Insurance Company, a Massachusetts property and casualty mutual insurance company (the “Applicant”).

The Proposed Acquisition, as further described in this Statement, will be effected through the merger of Horizon Merger Corporation, a newly formed Michigan corporation and a direct, wholly-owned subsidiary of the Applicant (the “Merger Sub”), with and into FinCor, with FinCor as the surviving corporation (the “Merger”).

This Statement contains confidential and/or proprietary commercial and financial information, and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that the Business Plan of the Domestic Insurer, which is attached hereto as Exhibit L, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Section 500.234(1).

The information contained in Exhibit J hereto and in the “Supplemental Personal Information” portion of the biographical affidavits, which are attached hereto as Exhibit K, is of a personal nature that is not otherwise available to the public and is being submitted to the Commissioner in confidence. Such information should be afforded confidential treatment and is being provided with the express understanding that the confidentiality of such information will be safeguarded and the directors and executive officers to whom such information relates will be protected from any and all unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Sections 15.243(1)(a) and (w), as applicable.

ITEM 1. DOMESTIC INSURER AND METHOD OF ACQUISITION

(a) Domestic Insurer.

The name and address of the Domestic Insurer to which this Statement relates is as follows:

MHA Insurance Company
6215 West St. Joseph Highway
Lansing, Michigan 48917

The Domestic Insurer is a property and casualty stock insurance company domiciled in the State of Michigan and is a direct, wholly-owned subsidiary of FinCor. The Domestic Insurer is licensed in twelve states and primarily writes medical professional liability insurance for hospitals and physicians. The Domestic Insurer also provides workers' compensation insurance primarily to hospitals. The Domestic Insurer's business is primarily concentrated in the Midwest and includes business written in Indiana, Iowa, Kentucky (workers' compensation only), Michigan, Minnesota, North Dakota, Ohio, South Dakota and Wisconsin.

Other Approvals.

The Applicant is also seeking the approval of a Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer, dated June 16, 2009, from the Insurance Commissioner of the State of Washington pursuant to Section 48.31B.015 of the Revised Code of Washington in connection with the Applicant's proposed acquisition of control of Washington Casualty Company ("WCC"), an affiliate of the Domestic Insurer and a direct, wholly-owned subsidiary of FinCor. In addition, the Applicant will be submitting an application to the Cayman Island Monetary Authority under Section 8 of the Insurance Law of the Cayman Islands in connection with the proposed acquisition of the voting stock of Capital Risk Solutions, Segregate Portfolio Company, a Cayman Islands captive insurance company, an affiliate of the Domestic Insurer and a direct subsidiary of FinCor.

Corporate Governance.

Following the Proposed Acquisition, the Applicant proposes that the individuals identified on Exhibit I-2 will serve as the directors and executive officers of the Domestic Insurer.

Competitive Effect.

The proposed acquisition of the Domestic Insurer will not result in any lessening in the competition in insurance in the State of Michigan or create a monopoly therein, as the Applicant and its affiliates do not currently conduct any business in the State of Michigan.

(b) Method of Acquisition.

The Merger.

The Applicant proposes to acquire control of the Domestic Insurer and its affiliates pursuant to an Agreement and Plan of Merger, dated June 3, 2009 (the "Merger Agreement"), by and among the Applicant, the Merger Sub, FinCor and Holders Agent, Inc., a newly formed Michigan corporation and a direct, wholly-owned subsidiary of FinCor (the "Holdings Agent"). A copy of the Merger Agreement, including all ancillary agreements attached as exhibits thereto, is attached to this Statement as Exhibit A and incorporated herein by reference. Pursuant to the Merger Agreement, the Merger Sub will merge with and into FinCor, the direct parent of the Domestic Insurer. As a result, the separate corporate existence of the Merger Sub will cease and FinCor will continue as the surviving corporation. Upon consummation of the Merger, the articles of incorporation and the bylaws of FinCor will be the articles of incorporation and the bylaws of the surviving corporation, all shares of the Merger Sub will be converted into one fully paid and nonassessable share of FinCor's common stock, and FinCor will be a direct, wholly-owned subsidiary of the Applicant.

Consideration.

Upon consummation of the Merger, all outstanding shares of FinCor's common stock and restricted stock and all outstanding options to purchase FinCor's common stock will be cancelled and converted into the right to receive a pro rata share of the merger consideration (in the aggregate, the "Merger Consideration"). The Merger Consideration will consist of two portions and will be funded by the Applicant with cash on hand.

The first portion of the Merger Consideration is payable in connection with the consummation of the Merger (the "Closing Consideration"). The Closing Consideration consists of \$182 million less an \$8 million allowance for certain known or anticipated costs associated with the Merger and certain other liabilities (the "Pro Forma Adjustments"), and is further subject to a post-closing adjustment to reflect any changes in the net book value of FinCor between December 31, 2008 and the closing date of the Merger (the "Closing Date"). The calculation of the Closing Consideration and the post-closing adjustment is more fully described under Item 4.

The second portion of the Merger Consideration relates to the favorable loss and loss adjustment expense developments, if any, of FinCor's two principal insurance company subsidiaries, the Domestic Insurer and WCC, and is payable in 2014 (the "Contingent Consideration"). The Contingent Consideration is more fully described under Item 4.

In addition, upon consummation of the Merger, 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. The aggregate amount of all of the payments for the preferred stock will be equal to approximately \$8.9 million.

Formation of the Holders Agent.

The sole purpose of the Holders Agent will be to act on behalf of the holders of FinCor's common stock, restricted stock or options to purchase FinCor's common stock (the "Interest Holders") for purposes of determining any adjustment to the Closing Consideration and the amount of the Contingent Consideration due to such Interest Holders under the Merger Agreement. A copy of the form of Holders Agency Agreement governing the relationship between the Holders Agent and the Interest Holders is attached as an exhibit to the Merger Agreement, which is attached to this Statement as Exhibit A.

FinCor will spin off the Holders Agent immediately prior to the consummation of the Merger. Each Interest Holder will receive one share of the Holders Agent's common stock for each share of FinCor's common stock held by such holder and/or each share of FinCor's common stock represented by such holder's restricted stock or options.

Amendment of Rights Plan.

FinCor's Rights Agreement, dated March 10, 2005, by and between FinCor and Fifth Third Bank, was amended by the First Amendment to the Rights Agreement, dated June 3, 2009 (the "Amended Rights Agreement"). This amendment precludes the Merger Agreement from triggering any rights under the Amended Rights Agreement and will cause all rights under the Amended Rights Agreement to expire immediately prior to the consummation of the Merger without any payment or any issuance of FinCor's common stock. The Amended Rights Agreement is attached hereto as Exhibit B.

FinCor's Shareholders' Approval of Merger Agreement.

The consummation of the Merger is conditioned upon the approval of the Merger Agreement by the holders of a majority of the shares of FinCor's common stock entitled to vote at FinCor's shareholder meeting (the "FinCor Shareholder Meeting"). The FinCor Shareholder Meeting will be held on July 9, 2009, with a record date of June 10, 2009. In connection with the FinCor Shareholder Meeting, FinCor issued a proxy statement to its shareholders on June 15, 2009, a copy of which is attached hereto as Exhibit C.

In addition, the Applicant has entered into a management voting agreement with all of the directors and certain executive officers of FinCor, requiring such directors and executive officers to vote their shares of FinCor's common stock in favor of the Merger at the FinCor Shareholder Meeting (the "Voting Agreement"). The shares subject to the Voting Agreement represent approximately 6.25% of the shares entitled to vote at the FinCor Shareholder Meeting. A copy of the Voting Agreement is attached to this Statement as Exhibit D.

The summary of the Merger Agreement and other agreements to be entered into in connection with the Proposed Acquisition as described in this Statement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement and such other agreements, which are filed as exhibits to this Statement.

Pursuant to Section 500.1311(1) of the Michigan Insurance Code, the Applicant has provided a copy of this Statement to the Domestic Insurer under a cover letter dated as of the date hereof, a copy of which is attached hereto as Exhibit M.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of the Applicant.

The name and address of the Applicant is as follows:

Medical Professional Mutual Insurance Company
101 Arch Street, P.O. Box 55178
Boston, Massachusetts 02205

(b) Nature of the Business Operations of the Applicant.

The Applicant, a Massachusetts property and casualty mutual insurance company, 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 ("ProSelect"), writes professional liability coverage for physicians, surgeons, dentists and hospitals in the Northeast on both an occurrence and claims-made basis, and additionally offers ancillary coverage to policyholders including general liability and billing errors and omissions. The Applicant is licensed and offers products and services in Massachusetts. ProSelect is licensed and offers products and services in Massachusetts, Connecticut, Maine, New Hampshire, New Jersey, Pennsylvania, Rhode Island and Vermont. Additionally, ProSelect recently received its license in Virginia and maintains a license in New York.

The Applicant also indirectly and wholly-owns ProSelect National Insurance Company, Inc., an inactive Arizona property and casualty stock insurance company that maintains licenses in 27 states.

ProMutual Group insures more than 17,000 physicians, surgeons, and dentists, as well as a large number of hospitals, health centers and clinics, and had approximately \$297.5 million in direct written premium as of December 31, 2008. ProMutual Group is a financially strong and stable company with an A.M. Best Company rating of "A- (Excellent)" and approximately \$2.2 billion in net admitted assets and approximately \$612.1 million in combined policyholder surplus as of December 31, 2008. ProMutual Group is an acknowledged leader in providing risk management and claim services to the healthcare community in its territories and is directed by a Board of Directors composed of a majority of practicing or retired healthcare providers concerned with the needs of the healthcare community.

Each of the executive officers of the Applicant identified on Exhibit F have significant experience in the insurance industry and are competent in their respective roles with the Applicant, as demonstrated by the success of the Applicant and its affiliates. As identified on

Exhibit I-2, the Applicant proposes that several of the Applicant's executive officers serve as directors and/or executive officers of the Domestic Insurer after the Merger.

Richard W. Brewer, the President and Chief Executive Officer of the Applicant has over 30 years of experience in the insurance business and has earned a reputation within the medical liability industry for integrity and leadership. Prior to joining the Applicant in 2001, Mr. Brewer served as the president and chief executive officer of Arbella Insurance Company from 1988 until December 2000 and prior to that held executive positions with several national insurance carries, including Harford Financial and National Grange Mutual.

John J. Donehue has served as the Chief Financial Officer of the Applicant since 1984 and is responsible for the overall financial stability and reporting of ProMutual Group. Prior to joining the Applicant, Mr. Donehue served as deputy controller and assistant treasurer for Commercial Union Insurance Company and as a former manager of corporate accounting for Liberty Mutual Insurance Group. Mr. Donehue is currently a member of the Association of Mutual Insurance Accountants and Society of Insurance Accountants. Mr. Donehue also jointly authored the original National Association of Insurance Commissioners Accounting Practices and Procedures Manual.

Gregg L. Hanson, Chief Operating Officer of the Applicant, has been with the Applicant since 2000 and oversees ProMutual Group's claims, information technology, human resources, underwriting, marketing, risk management and physician education departments. Prior to joining the Applicant, Mr. Hanson served as the senior vice president of southern operations and underwriting for ProNational Insurance Company and held numerous executive positions with St. Paul Insurance Company.

Janice W. Allegretto, General Counsel of the Applicant, has been with the Applicant since 2000. In addition to advising the ProMutual group on general legal issues, Ms. Allegretto oversees ProMutual Group's legal and compliance staff. Prior to joining the Applicant, Ms. Allegretto served as chief enforcement counsel and special hearing officer at the Massachusetts Division of Insurance.

In addition, ProMutual Group has established ProMutual Solutions Insurance Company ("ProMutual Solutions"), a sponsored captive insurance company that is licensed in Vermont. Participants in ProMutual Solutions' captive insurance program are able to enter into risk sharing arrangements with the Applicant and ProSelect.

Immediately following the consummation of the Merger, the Applicant intends to cause the Domestic Insurer to continue conducting its business and operations substantially as presently conducted.

(c) Organizational Chart.

Attached to this Statement as Exhibits E-1 and E-2, respectively, are two charts presenting the identities and interrelationships among the Applicant and all affiliates of the Applicant before and after the Merger. Such charts indicate the percentage of voting securities of each person, which is owned or controlled by the Applicant or by any other such person (and the aggregate voting power represented by such shares), and the type of organization and the

jurisdiction of domicile of each person specified therein. Unless otherwise indicated on such chart or in this Statement, each organization is a corporation and control is maintained by ownership or control of voting securities. No court proceedings involving a reorganization or liquidation are pending with respect to any person listed on the chart.

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

(a) Directors' and Executive Officers' Business Addresses.

Directors and Executive Officers of the Applicant.

A list setting forth the names of the directors and executive officers of the Applicant is attached hereto as Exhibit F. The current business addresses of the foregoing individuals are stated in the biographical affidavits for such persons, which are included in Exhibit K attached hereto.¹

Directors and Executive Officers of the Merger Sub.

A list setting forth the names of the current directors and executive officers of the Merger Sub is attached hereto as Exhibit G. The current business addresses of the foregoing individuals are stated in the biographical affidavits for such persons, which are included in Exhibit K attached hereto.

Directors and Executive Officers of FinCor.

A list setting forth the names of the current directors and executive officers of FinCor is attached hereto as Exhibit H-1. A list setting forth the names of the proposed directors and executive officers of FinCor after the Merger (the "Proposed FinCor Directors and Executive Officers") is attached hereto as Exhibit H-2. The current business addresses of the Proposed FinCor Directors and Executive Officers who are not currently directors and executive officers of FinCor (the "New Proposed FinCor Directors and Executive Officers") are stated in the biographical affidavits for such persons, which are included in Exhibit K attached hereto.¹ With the exception of Mary L. Ursul, biographical affidavits for the Proposed FinCor Directors and Executive Officers who are currently executive officers of FinCor (the "Existing Proposed FinCor Executive Officers") have been previously submitted to the Commissioner by or on behalf of the Domestic Insurer.²

Directors and Executive Officers of the Domestic Insurer.

A list setting forth the names of the current directors and executive officers of the Domestic Insurer is attached hereto as Exhibit I-1. A list setting forth the names of the proposed directors and executive officers of the Domestic Insurer after the Merger (the "Proposed

¹ The biographical affidavit for Ronald W. Dunlap will be filed supplementally.

² The biographical affidavit for Mary L. Ursul will be filed supplementally.

Domestic Insurer Directors and Executive Officers”) is attached hereto as Exhibit I-2.³ The current business addresses of the Proposed Domestic Insurer Directors and Executive Officers who are not currently directors and executive officers of the Domestic Insurer (the “New Proposed Domestic Insurer Directors and Executive Officers”) are stated in the biographical affidavits for such persons, which are included in Exhibit K attached hereto.⁴ Biographical affidavits for the Proposed Domestic Insurer Directors and Executive Officers who are currently executive officers of Domestic Insurer (the “Existing Proposed Domestic Insurer Executive Officers”) have been previously submitted to the Commissioner by or on behalf of the Domestic Insurer.

(b) Present Principal Business Activity, Occupation or Employment.

The present business activities, occupations or employment with respect to the directors and executive officers of the Applicant and the Merger Sub, the New Proposed FinCor Directors and Executive Officers and the New Proposed Domestic Insurer Directors and Executive Officers are set forth in the biographical affidavits for such persons, which are attached hereto as Exhibit K.⁴ With the exception of Mary L. Ursul, biographical affidavits for the Existing Proposed FinCor Executive Officers and the Existing Proposed Domestic Insurer Executive Officers have been previously submitted to the Commissioner by or on behalf of the Domestic Insurer.⁵

(c) Occupations, Positions, Offices or Employment During the Last Five Years.

The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, as well as any licensing or registrations related to such positions and the current status of such licenses or registrations, with respect to the directors and executive officers of the Applicant and the Merger Sub, the New Proposed FinCor Directors and Executive Officers and the Proposed Domestic Insurer Directors and Executive Officers are set forth in the biographical affidavits for such persons, which are attached hereto as Exhibit K.⁴ With the exception of Mary L. Ursul, biographical affidavits for the Existing Proposed FinCor Executive Officers and the Existing Proposed Domestic Insurer Executive Officers have been previously submitted to the Commissioner by or on behalf of the Domestic Insurer.⁵

³ The name of the Michigan resident who will serve as a director of the Domestic Insurer following the Merger will be filed supplementally.

⁴ The biographical affidavit for the Michigan resident who will serve as a director of the Domestic Insurer following the Merger will be filed supplementally.

⁵ The biographical affidavit for Mary L. Ursul will be filed supplementally.

(d) Criminal Proceedings.

Except as otherwise indicated in the biographical affidavits, which are attached hereto as Exhibit K⁶ or where previously submitted to the Commissioner by or on behalf of the Domestic Insurer, to the best knowledge, information and belief of the Applicant, none of the directors and executive officers of the Applicant or the Merger Sub, the Proposed FinCor Directors and Executive Officers or the Proposed Domestic Insurer Directors and Executive Officers have (i) been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years and (ii) had any civil judgments against such person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

(e) Fingerprints.

Fingerprint cards for each of the directors and executive officers of the Applicant and the Merger Sub, the New Proposed FinCor Directors and Executive Officers and the New Proposed Domestic Insurer Directors and Executive Officers will be submitted to the Commissioner under separate cover.⁷ Fingerprint cards for the Existing Proposed FinCor Executive Officers and the Existing Proposed Domestic Insurer Executive Officers have been previously submitted to the Commissioner.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature and Amount of Consideration.

As described in Item 1, the Merger Consideration will consist of two portions. The first portion is the payment of the Closing Consideration. The second portion is the payment of the Contingent Consideration in 2014. All payments described below will be subject to applicable withholding taxes. The Merger Consideration will be funded by the Applicant with cash on hand.

Closing Consideration.

The Closing Consideration will consist of \$182 million, less an \$8 million allowance for Pro Forma Adjustments. Of the remaining \$174 million, the Applicant will withhold \$10 million to cover any post-closing adjustment associated with a change in the net book value of FinCor between December 31, 2008 and the Closing Date. As a result, an aggregate amount of \$164 million will be payable to the Interest Holders as of the Closing Date. On a fully diluted basis, each holder of FinCor's common stock and restricted stock will be entitled to receive \$239.11 per share, and each holder of FinCor's options will be entitled to \$239.11 per share minus the applicable exercise price per share for such holder's options.

Following the Closing Date, the Applicant will calculate the net book value of FinCor as of the Closing Date and the actual amount of the Pro Forma Adjustments. Upon final

⁶ The biographical affidavits for Mary L. Ursul and the Michigan resident who will serve as a director of the Domestic Insurer following the Merger to the Commissioner will be filed supplementally.

⁷ The fingerprint card of the Michigan resident who will serve as a director of the Domestic Insurer following the Merger will be filed supplementally.

determination of these amounts, the Applicant will pay the Interest Holders an aggregate adjustment amount equal to the difference between FinCor's net book value as of the Closing Date and its net book value as of December 31, 2008 (i.e., the target net book value), adjusted for any difference between the actual amount of the Pro Forma Adjustments and the \$8 million estimated allowance. The aggregate adjustment amount paid by the Applicant may be decreased, dollar for dollar, to reflect any decrease in FinCor's net book value below the target net book value and/or increase in the amount of the Pro Forma Adjustments above the \$8 million estimated allowance. To the extent the aggregate amount of any such decrease in FinCor's net book value and/or such increase in the amount of the Pro Forma Adjustments exceeds the \$10 million withheld by the Applicant, the shortfall will be deducted from the Contingent Consideration described below. Additionally, the aggregate adjustment amount paid by the Applicant may be increased, dollar for dollar, to reflect any increase in FinCor's net book value above the target net book value and/or decrease in the amount of the Pro Forma Adjustments below the \$8 million estimated allowance. Adjustments for any increase in FinCor's net book value above the target net book value will be capped pursuant to an upside collar, which will initially be an amount equal to \$13 million in the aggregate, provided that if the Closing Date has not occurred on or before August 31, 2009, the amount of the upside collar will increase daily at a rate of \$1.5 million per month.

Contingent Consideration.

In addition to the Closing Consideration, the Interest Holders will be entitled to receive a cash payment for their pro rata share of the Contingent Consideration. The Contingent Consideration will be based on the favorable loss and loss adjustment expense developments, if any, for accident years ending on or before December 31, 2008, as determined by the Applicant as of December 31, 2013. The Applicant will be entitled to the first \$38 million of the reserves relating to any favorable loss and loss adjustment expense developments for such accident years, and the Interest Holders will collectively be entitled to 70% of the remainder of such reserves on a tax-effected basis. The Contingent Consideration may be further reduced to reimburse the Applicant for shortfalls related to the post-closing adjustment as described above, amounts it advances to the Holders Agent in connection with reaching agreement on the Contingent Consideration and any losses incurred as a result of any breach of the representations, warranties or covenants of FinCor set forth in the Merger Agreement.

Payment for Preferred Shares.

As described under Item 1, all outstanding shares 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 accrued but unpaid dividends.

(b) Criteria Used in Determining the Nature and Amount of Such Consideration.

The respective Boards of Directors of each of the Applicant, the Merger Sub, FinCor and the Holders Agent have approved the Merger upon the terms and subject to the conditions set forth in the Merger Agreement. The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined by arms' length negotiation among the representatives of the parties to the Merger Agreement. The amount and type of consideration

was determined considering the consideration paid in other recent acquisitions of similar businesses, as well as the financial position and results of operation of the business to be acquired, including the past and present business operations, historical and potential future earnings, financial condition and prospects, assets and liabilities and such other factors and information as the Applicant considered relevant under the circumstances. The Applicant's Board of Directors was advised by Keefe, Bruyette & Woods, Inc. ("KBW"), the independent financial advisor retained by the Applicant in connection with the Merger.

(c) Source of Consideration; Loans Incurred in Connection with the Merger.

The Merger Consideration will be funded by the Applicant with cash on hand. Accordingly, the Applicant will not borrow any amounts in connection with the Merger or the payment of the Merger Consideration.

ITEM 5. FUTURE PLANS OF DOMESTIC INSURER

(a) Future Plans for Material Change of Domestic Insurer.

The Domestic Insurer currently enjoys an excellent reputation in its markets and has a proven track record of service with its insureds. Immediately following the consummation of the Merger, the Applicant intends that the Domestic Insurer will continue conducting its business and operations substantially as presently conducted. A Business Plan for the Domestic Insurer, which includes pro-forma statutory balance sheets and income statements, is attached hereto as Exhibit L. The Business Plan contains confidential and/or proprietary commercial and financial information, and strategies that are not otherwise available to the public and that, if disclosed could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibit L, include Annex 1 thereto, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Section 500.234(1). As set forth therein, the Applicant does not intend to materially change the types of business written by the Domestic Insurer.

Immediately following the consummation of the Merger, the Domestic Insurer will continue to maintain its separate corporate existence. The Applicant has no current plans to change the name of the Domestic Insurer or relocate its home office or its corporate records. Upon consummation of the Merger, the Proposed FinCor Directors and Executive Officers will become directors and executive officers of FinCor. In addition, the positions and titles of certain executive officers will be modified, certain executive officers will be replaced and the directors of the Domestic Insurer will be replaced, as reflected in Exhibits I-1 and I-2.

(b) Five Year Business Plan

Except as described herein, in the Business Plan or the Merger Agreement, the Applicant has no present plans or proposals to cause the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell its assets (except for transactions, such as investment portfolio transactions, in the ordinary course of business) or merge it with any person,

or to make any other material changes in its business operations or corporate structure or management.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic Insurer has the following authorized capital stock: 200,000 shares of common stock, par value \$100 per share, and 12,000 shares of preferred stock, \$100 par value per share, \$1,000 redemption value. FinCor currently owns 30,000 shares of the Domestic Insurer's common stock, which constitutes 100% of the issued and outstanding shares of capital stock or other equity or voting securities of the Domestic Insurer, and will continue to directly own such shares following the consummation of the Merger. No shares of the Domestic Insurer's preferred stock are issued and outstanding. As a result of the consummation of the Merger, the Applicant will become the controlling person of the Domestic Insurer as the sole shareholder of the Domestic Insurer's direct parent, FinCor. Except as set forth above, none of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G, or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 currently intend to acquire any voting securities issued by the Domestic Insurer or any of its controlling persons.

The terms and conditions of the transactions described in the first paragraph of this Item 6 are set forth in the Merger Agreement, which is attached hereto as Exhibit A, and are discussed in further detail in Items 1 and 4. Such terms and conditions were determined by arms' length negotiation among the representatives of the parties to the Merger Agreement.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

FinCor currently owns 100% of the outstanding voting securities of the Domestic Insurer. Except as set forth on Exhibit J, none of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 currently beneficially owns any voting securities issued by the Domestic Insurer or any of its controlling persons. Except as set forth on Exhibit J and except for rights to acquire voting securities of the Domestic Insurer or certain of its controlling persons provided for or referenced in the Merger Agreement, none of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 has any right to acquire beneficial ownership of any voting security issued by the Domestic Insurer or any of its controlling persons.

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

As noted in Item 1, the Applicant has entered into the Voting Agreement with certain directors and officers of FinCor in connection with the Merger Agreement.

Other than the transactions described in the Merger Agreement or herein, there are no contracts, arrangements or understandings with respect to any securities of the Domestic Insurer or any of its controlling persons in which the Applicant, its affiliates or, to the Applicant's

knowledge, the persons listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 are involved, including, without limitation, any such agreement, arrangement or understanding relating to the transfer of any of the voting securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Except as set forth on Exhibit J, during the last twelve calendar months preceding the filing of this Statement, none of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 has effected transactions in any voting securities of the Domestic Insurer or any of its controlling persons.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

None of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G or H-2, the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 or no one based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 has made any recommendations to acquire any voting securities of the Domestic Insurer or any of its controlling persons during the twelve calendar months preceding the filing of this Statement, except as provided in the Merger Agreement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

KBW was retained by the Applicant to provide certain financial advisory services in connection with the Merger. However, none of the Applicant, its affiliates or, to the Applicant's knowledge, the persons listed in Exhibits F, G or H-2 or the Proposed Domestic Insurer Directors and Executive Officers listed in Exhibit I-2 have or will have any agreement, contract or understanding with any broker-dealer as to solicitation for tender of any voting securities issued by the Domestic Insurer or any of its controlling persons.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) and (b) Exhibits and Financial Statements.

The following is a list of the exhibits and financial statements filed with this Statement:

<u>Exhibit</u>	<u>Description</u>
A	Agreement and Plan of Merger, dated June 3, 2009, by and among FinCor, the Applicant, the Merger Sub and the Holders Agent, and all exhibits thereto.
B	Rights Agreement, dated March 10, 2005, by and between FinCor and Fifth Third Bank, as amended by the First Amendment to the Rights Agreement, dated June 3, 2009.
C	Proxy Statement to be delivered to FinCor's shareholders regarding the Merger.
D	Management Voting Agreement, dated June 3, 2009, by and among the Applicant and certain shareholders of FinCor listed in Schedule A thereto.
E-1	Organizational Chart of the Applicant before the Merger.
E-2	Organizational Chart of the Applicant after the Merger.
F	List of Directors and Executive Officers of the Applicant.
G	List of Directors and Executive Officers of the Merger Sub.
H-1	List of Current Directors and Executive Officers of FinCor (Pre-Merger).
H-2	List of Proposed Directors and Executive Officers of FinCor (Post-Merger).
I-1	List of Current Directors and Executive Officers of the Domestic Insurer (Pre-Merger).
I-2	List of Proposed Directors and Executive Officers of the Domestic Insurer (Post-Merger).
J	Voting Securities <i>Confidential Treatment Requested for Exhibit J.</i> The information contained in <u>Exhibit J</u> is of a personal nature that is not otherwise available to the public and is being submitted to the Commissioner in confidence. Such information should be afforded confidential treatment and is being provided with the express understanding that the confidentiality of such information will be safeguarded and the directors and executive officers to whom such information relates will be protected from any and all unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Sections 15.243(1)(a).
K	Biographical Affidavits of the Directors and Executive Officers of the Applicant, the Merger Sub, the New Proposed Directors and Executive Officers of FinCor and the New Proposed Directors and Executive Officers of the Domestic Insurer (the biographical affidavits for Ronald W. Dunlap, Mary L. Ursul and the Michigan resident to serve as a director of the Domestic Insurer to be filed

Exhibit**Description**

supplementally).

Confidential Treatment Requested for the “Supplemental Personal Information” portion of each Biographical Affidavit. The information contained in the “Supplemental Personal Information” portion of the biographical affidavits is of a personal nature that is not otherwise available to the public and is being submitted to the Commissioner in confidence. Such information should be afforded confidential treatment and is being provided with the express understanding that the confidentiality of such information will be safeguarded and the directors and executive officers to whom such biographical affidavits relate will be protected from any and all unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Sections 15.243(1)(a) and (w), as applicable.

L Business Plan of the Domestic Insurer.

Confidential Treatment Requested pursuant to Michigan Compiled Law Section 500.234(1). The Business Plan contains confidential and/or proprietary commercial and financial information, and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that this Exhibit L be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to, Michigan Compiled Law Section 500.234(1).

M Letter from the Applicant to the Domestic Insurer, dated as of the date hereof, enclosing a complete copy of this Statement and all attached exhibits.

N-1 Unaudited Quarterly Statement of the Applicant as of March 31, 2009.

N-2 Combined Annual Statement of ProMutual Group, which includes the Applicant, ProSelect and ProSelect National, for the Fiscal Year Ended December 31, 2008.

N-3 Combined Annual Statement of ProMutual Group, which includes the Applicant, ProSelect and ProSelect National, for the Fiscal Year Ended December 31, 2007.

N-4 Combined Annual Statement of ProMutual Group, which includes the Applicant, ProSelect and ProSelect National, for the Fiscal Year Ended December 31, 2006.

N-5 Combined Annual Statement of ProMutual Group, which includes the Applicant, ProSelect and ProSelect National, for the Fiscal Year Ended December 31, 2005.

N-6 Combined Annual Statement of ProMutual Group, which includes the Applicant, ProSelect and ProSelect National, for the Fiscal Year Ended December 31, 2004.

O-1 2008 Annual Report of the Applicant to its Policyholders.

O-2 2007 Annual Report of the Applicant to its Policyholders.

(c) Information Related to the Domestic Insurer and the Applicant.

As noted in Item 1, the Applicant has entered into a Voting Agreement with certain directors and officers of FinCor, a copy of which is attached as Exhibit D. Also, as noted in Item 1, FinCor issued a proxy statement on June 15, 2009 in connection with the FinCor Shareholder Meeting, which is attached hereto as Exhibit C.

Other than the transactions described in the Merger Agreement or herein, there have been no tender offers for, requests or invitations for tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurer or any of its controlling persons or soliciting material relating thereto, or proposed employment, consultation, advisory or management contracts concerning the Domestic Insurer or any of its controlling persons. The Domestic Insurer does not prepare annual reports to its shareholder. The Applicant's annual reports to its policyholders for 2008 and 2007 are attached hereto as Exhibits O-1 and O-2, respectively.

ITEM 13. SIGNATURE AND CERTIFICATION


Signature and certifications required as follows:

SIGNATURE


Pursuant to the requirements of Section 1311 of the Michigan Insurance Code of 1956, as amended, Medical Professional Mutual Insurance Company has caused this application to be duly signed on its behalf in the City of Boston and the Commonwealth of Massachusetts on the 16th day of June 2009.

(SEAL)

**MEDICAL PROFESSIONAL MUTUAL
INSURANCE COMPANY**


By: 
Name: Richard W. Brewer
Title: President and Chief Executive
Officer

Attest:

By: 
Name: Gregg L. Hanson
Title: Chief Operating Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 16th 2009, for and on behalf of Medical Professional Mutual Insurance Company, that he is the President and Chief Executive Officer of such company; and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: 
Name: Richard W. Brewer
Title: President and Chief Executive
Officer