

**FINANCE/INVESTMENT COMMITTEE CHARTER**  
**PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY**

APPROVED BY: The Board of Directors

APPROVED DATE:

## **FINANCE/INVESTMENT COMMITTEE CHARTER**

### **PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY**

#### **FUNCTION/PURPOSE:**

The purpose of this committee is to review the financial performance of Pennsylvania National Mutual Casualty Insurance Company, to review and approve the management and performance of the investment portfolio for the Company, and to review all significant financial transactions for the Company, including debt and capital transactions.

#### **COMMITTEE MEMBERSHIP/ORGANIZATION:**

The committee is appointed by the President/CEO subject to the approval by the Pennsylvania National Mutual Casualty Insurance Company Board of Directors. Each member of the Finance/Investment Committee shall be selected by the President/CEO from among the Pennsylvania National Mutual Casualty Insurance Company Board of Directors. The committee shall consist of at least two (2) outside members of the Board of Directors, the Senior Vice President/CFO and the President/CEO.

#### **MEETING SCHEDULE/ACTIVITIES:**

The committee will normally meet quarterly and, if necessary, additional meetings can be scheduled by the chairperson to respond to special financial activities.

The primary activities for the meetings will be to review the quarterly statutory and GAAP financial statements for Pennsylvania National Mutual Casualty Insurance Company, to review and act on the most recent quarter's investment portfolio activity, to set and re-evaluate annually the related Pennsylvania National Mutual Casualty Insurance Company investment strategies and investment policies and guidelines, and to review and make recommendations concerning proposed dividend and/or interest payment actions and issuance or redemption of debt or equity securities.

The committee chairperson shall report the Committee's activities to the Pennsylvania National Mutual Casualty Insurance Company Board of Directors at the next Board meeting following the Finance/Investment Committee meeting. All activities will be reviewed for approval and ratification by the Board.

#### **RESPONSIBILITIES AND OBJECTIVES;**

- Review and recommend the annual financial plans to the Pennsylvania National Mutual Casualty Insurance Company Board on the basis of Generally Accepted Accounting Principles (GAAP), and on the basis of Statutory Accounting (STAT).
- Review the quarterly interim STAT and GAAP financial performance of Pennsylvania National Mutual Casualty Insurance Company as compared to the approved plan and, when appropriate, recommend revisions to the Pennsylvania National Mutual Casualty Insurance Company Board.
- Review and act on the quarterly investment portfolio activity and performance for Pennsylvania National Mutual Casualty Insurance Company and re-evaluate annually the related investment strategies and investment policies and guidelines.
- Review, act on and recommend to the Pennsylvania National Mutual Casualty Insurance Company Board the titles and designated authority levels of officers and other company representatives authorized to sign checks and transfer funds as recommended by the Senior Vice President/CFO.
- Review, act on and recommend to the Pennsylvania National Mutual Casualty Insurance Company Board all proposed dividend and/or interest payment actions and issuance or redemption of debt or equity securities.
- Considers and makes recommendations for final action by the Pennsylvania National Mutual Casualty Insurance Company Board on capital structure, contracts, programs, acquisitions, mergers or divestments of an unusual or material nature.
- Review and act on compliance with covenants of all equity and debt agreements, as submitted by the Pennsylvania National Mutual Casualty Insurance Company secretary.