



***QUESTIONS AND
ANSWERS***

ABOUT OUR REORGANIZATION

(UPDATED AUGUST 13, 2009)

This pamphlet answers questions about the mutual-to-stock conversion of The Philadelphia Contributionship for the Insurance of Houses from Losses by Fire (“The Contributionship”) and its reorganization into a mutual holding company structure.

ABOUT THE PLAN OF REORGANIZATION

The board of directors of The Contributionship adopted a Plan of Reorganization from Mutual to Stock Form on July 7, 2009 (the “Plan of Reorganization”). Pursuant to the Plan of Reorganization, The Contributionship will convert from a mutual insurance company to a stock insurance company and all of the stock of the Contributionship will be held by a stock holding company, which will be named TPC Holdings, Inc. All of the stock of TPC Holdings, Inc. will be held by a mutual holding company, which will be named The Philadelphia Contributionship Mutual Holding Company. Following the reorganization, The Contributionship plans to declare and pay a dividend of all of the outstanding stock of its wholly-owned subsidiary, Vector Security Holdings, Inc. (“Vector”), to TPC Holdings, Inc. so that Vector will become a wholly-owned subsidiary of TPC Holdings, Inc.

The Plan of Reorganization is subject to the approval by the Pennsylvania Insurance Department (the “Department”) and by two-thirds of the votes cast by eligible members of The Contributionship, who consist of policyholders of The Contributionship as of July 7, 2009. We will hold a Special Meeting of the Members in order to approve the Reorganization. A date for this Special Meeting will be scheduled once we receive approval from the Department to do so.

THE REORGANIZATION

In this section, we hope to address your concerns regarding the purposes of this Reorganization and the effect on your rights as policyholders and members.

Q: Why is The Contributionship converting from mutual to stock form?

A: Our top priority is the strength and stability of our insurance business. We believe that we can enhance our ability to serve that top priority by changing our corporate structure. The new mutual holding company structure will enable us to take certain actions that are presently unavailable to us that we believe will benefit our insurance business going forward.

For example, The Contributionship is currently prohibited under Pennsylvania law governing insurance companies from making any additional capital investment in its subsidiary, Vector Security Holdings, Inc. (“Vector”). Under the new corporate structure, Vector will no longer be a subsidiary of The Contributionship (both The Contributionship and Vector will be subsidiaries of The Philadelphia Contributionship Mutual Holding Company, a newly-formed stock holding company). Accordingly, The Contributionship will be able to make additional investments in Vector to help fund

Vector's growth. Continued growth by Vector will enhance the value of The Contributionship's investment in the security business and, most importantly, is an efficient use of capital that will help us to ensure the strength and stability of our insurance business.

While the new corporate structure will provide The Contributionship with the flexibility to make an additional investments in Vector, the company has not yet concluded that it will in fact further invest in Vector or the amount of such investment. It may be possible to continue to fund Vector's growth with senior debt financing without the necessity of further investment by The Contributionship. If the company does decide to invest in Vector, the amount that The Contributionship will invest will not have a material impact on the level of statutory capital necessary for the company to meet its obligations under its insurance policies and maintain its A.M. Best rating.

The new corporate structure will also provide us with additional strategic flexibility in terms of engaging in acquisitions or mergers with both mutual and stock companies. Please be assured that we have no plans to engage in any mergers or acquisitions at this time.

Q: Why did the Contributionship choose a mutual holding company structure?

A: The proposed corporate structure, which will create a mutual holding company that will be the top tier parent company (see chart on next page), will achieve the company's objective of providing the company with more strategic flexibility to benefit its insurance business, while maintaining the company's heritage as a mutual company.

The Contributionship is the oldest continuous mutual fire insurance company in the United States, and it takes great pride in this fact. The board of directors would not have approved a transaction in which mutuality would not be maintained. The company could have opted to do a full demutualization, but in a full demutualization the mutual interests held by members of the mutual insurer are eliminated. In the new mutual holding company structure, membership rights that policyholders currently have in The Contributionship, including the right to elect directors and approve certain fundamental transactions, will be preserved as membership rights in the mutual holding company that will be the ultimate parent in the new corporate structure. The policyholders' contractual rights to insurance will remain with The Contributionship and will be unaffected.

Q: Did the board of directors approve the Plan of Reorganization?

A: YES. The board of directors reviewed and approved the Plan of Reorganization because they believe it is in the best interests of The Contributionship.

Q: After the Reorganization, will I still be able to receive dividends?

A: YES. We have no plans to discontinue the dividends traditionally paid to policyholders. Our ability to pay such dividends is currently, and will continue after the Reorganization to be, subject to the Department's approval and the maintenance of adequate surplus.

Q: What are my rights as a policyholder and member of The Contributionship?

A: Each policyholder of The Contributionship is also a member of The Contributionship so long as they have an insurance policy with the company. As a member of The Contributionship, your rights include the right to elect directors and the right to vote on certain fundamental transactions, including this reorganization. However, these membership rights are not ownership rights and are treated accordingly under Pennsylvania law.

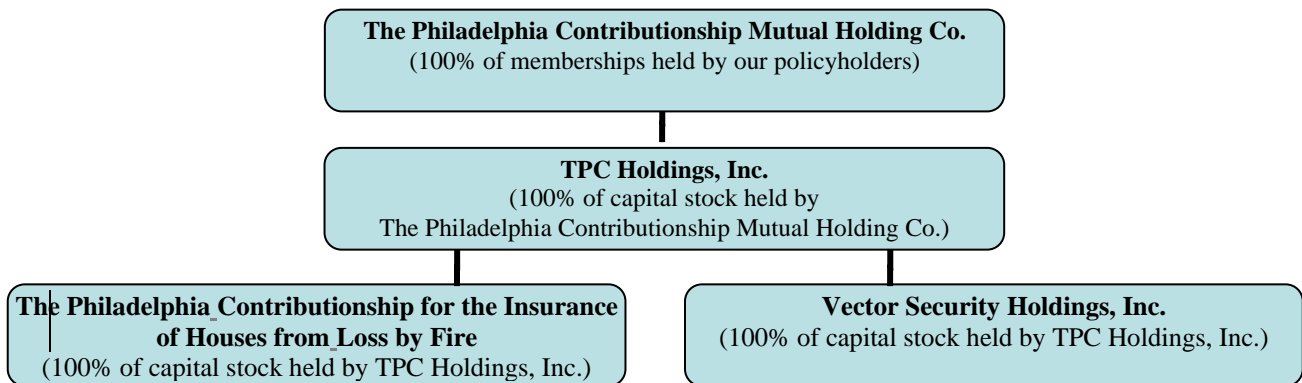
Q: After the Reorganization, will I still have voting rights?

A: YES. After the Reorganization, all policyholders of The Contributionship will be members of The Philadelphia Contributionship Mutual Holding Co. As members, you will be entitled to vote for the board of directors of The Philadelphia Contributionship Mutual Holding Co. and other matters that come before the members at the company’s annual or special meetings. The Philadelphia Contributionship Mutual Holding Co., as the ultimate parent company of The Contributionship, will control and manage the actions and operations of The Contributionship.

Q: Who will hold the stock of the The Contributionship after the Reorganization is completed?

A: After the Reorganization, TPC Holdings, Inc., an intermediate stock holding company will hold all of the outstanding capital stock of The Contributionship. All of the outstanding capital stock of TPC Holdings, Inc. will be held by The Philadelphia Contributionship Mutual Holding Co. Policyholders of The Contributionship will have membership interests in The Philadelphia Contributionship Mutual Holding Co.

The diagram below shows our corporate structure after the Reorganization is completed:



Q: Will policyholders receive stock or have the option to purchase stock in connection with this transaction?

A: NO. No shares of stock are being issued to the policyholders or to the public in connection with the reorganization. As stated above, all of the stock of The Contributionship following the Reorganization will be held by the intermediate stock holding company, TPC Holdings, Inc. Policyholders of The Contributionship will receive a membership interest in The Contributionship's ultimate parent company, The Philadelphia Contributionship Mutual Holding Co. These membership interests cannot be transferred and do not exist separately from your policy. **No shares of capital stock will be offered for sale in connection with the Reorganization, and The Contributionship has no plans to conduct a public offering.**

Q: What effect will the reorganization have on The Contributionship's financial statements?

A: The reorganization will not have a material impact on the consolidated financial statements of The Contributionship. In fact, the consolidated financial statements of the resulting corporate group should not change in any material respect.

INSURANCE COVERAGE AFTER THE REORGANIZATION

In this section, we hope to address some of the questions we have received regarding the Reorganization and your insurance coverage.

Q: Will the Reorganization affect my insurance coverage with The Contributionship?

A: NO. The insurance coverage under any policy with The Contributionship that you own will not be affected by the Reorganization.

Q: After the Reorganization will I be able to get my deposit back when I eventually cancel my perpetual policy?

A: YES. In the event you cancel your perpetual policy, your deposit will be returned. As previously stated, the insurance coverage under any policy with The Contributionship that you own will not be affected by the Reorganization.

Q: Will the Reorganization affect my ability to renew my policy?

A: NO. The Reorganization will not affect your ability to renew your policy.

ABOUT VOTING FOR THE REORGANIZATION

Your vote is important to us, so please review this section in regards to any questions you have regarding voting on the Plan of Reorganization.

Q: Who is eligible to vote on the Plan of Reorganization?

A: Policyholders of The Contributionship as of July 7, 2009 (the “Record Date”) will be eligible to vote on the Plan of Reorganization at a Special Meeting that will be scheduled after we receive approval of the Plan of Reorganization from the Department. We refer to these policyholders as “eligible members.” The Plan of Reorganization must be approved by two-thirds of the votes cast by eligible members.

Q: Am I required to vote?

A: **NO.** Eligible members of The Contributionship are not required to vote or attend our Special Meeting. However, because the Reorganization will produce a fundamental change in The Contributionship’s corporate structure and the rights of the members of The Contributionship, the Board of Directors encourages all members to vote.

Q: How can I vote?

A: Once the Special Meeting is scheduled, you will be notified by mail of the date and time of the meeting. Enclosed with that notice of the meeting you will receive a proxy statement and a proxy card, which you may use to vote. Alternatively, you may also vote in person at the Special Meeting.

Should you choose to attend the Special Meeting or you if decide to change your vote, you may do so by revoking any previously signed proxy, which you can do by attending the Special Meeting or providing a written revocation of the proxy to the Corporate Secretary of The Contributionship at or before the Special Meeting.

We will not set a date for the Special Meeting of Members until the Department’s approval of the Reorganization is certain, and we will not mail the proxy materials until that time. We expect that the Special Meeting will not take place until sometime in the fourth quarter of 2009.

WHERE TO GO FOR MORE INFORMATION

This Section is intended to provide you with guidance on whom to contact if you require further information.

Q: Where can I send my comments regarding the Plan of Reorganization?

A: All comments may be sent to the Contributionship, the Department, or both, at the following addresses:

Corporate Secretary
The Philadelphia Contributionship for
the Insurance of Houses from Loss by
Fire
212 South Fourth Street
Philadelphia, Pennsylvania 19106
email: info@contributionship.com

Robert E. Brackbill, Jr.
Chief, Company Licensing Division
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120
Fax: (717) 787-8557
email: rbrackbill@state.pa.us

Depending on the volume and complexity of comments, you may receive a response from our counsel, Stevens & Lee. All comments submitted to the Department become part of the public record and are subject to public review. The Department endeavors to review all comments, but cannot guarantee that comments submitted to the Department after its public comment period will be reviewed by them.

Q: How can I request a copy of the Plan of Reorganization?

A: The Plan of Reorganization is available to be viewed and printed from our website at www.contributionship.com. If you would like us to mail you a copy of the Plan, please send a written request to:

ATTN: Corporate Secretary
The Philadelphia Contributionship for the Insurance of Houses from Loss by
Fire
212 South Fourth Street
Philadelphia, Pennsylvania 19106

- or -

email: info@contributionship.com

Q: What if I still have additional questions?

A: We are happy to answer your questions. Our website, www.contributionship.com, will be updated periodically as developments related to the Reorganization occur. Also, you may also send your questions to us at:

ATTN: Corporate Secretary
The Philadelphia Contributionship for the Insurance of Houses from Loss by
Fire
212 South Fourth Street
Philadelphia, Pennsylvania 19106

- or -

email: info@contributionship.com