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CERTIFICATE OF INCORPORATION OF
FOUNDERS INSURANCE COMPANY

OCT 1 1999

Kathleen A. ...
BERGEN COUNTY CLERK
HACKENSACK, NJ

This is to certify that we, the undersigned, intending to form a corporation under Title 17, Chapters 17 to 33 of the Revised Statutes of New Jersey as amended and supplemented, do hereby certify and state:

1. **FIRST:** The name of the corporation shall be:

Founders Insurance Company

2. **SECOND:** The principal office of the corporation in the State of New Jersey, which shall also be its registered office, is to be located at Crossroads Corporate Center, 3150 Brunswick Pike, Lawrenceville, New Jersey 08648, State of New Jersey, and the registered agent upon whom process may be served shall be Richard Swieconeck, Claims Manager, Crossroads Corporate Center, 3150 Brunswick Pike, Lawrenceville, New Jersey 08648.

3. **THIRD:** The kinds of insurance to be transacted by the corporation shall be the kinds of insurance specified by the following paragraphs under N.J.S.A. 17:17-1 and N.J.A.C. 11:1-28.4.

- a. Against direct or indirect loss or damage to property, including loss of use or occupancy by fire, smoke; smudge; lightning; tempest on land, including windstorm, tornado and cyclone; earthquakes; collapse of buildings; hail; frost or snow; weather or climatic conditions, including excess or deficiency of moisture, flood, rain or drought, rising of the waters of the ocean or its tributaries; bombardment; invasion; insurrection; riot; civil war or commotion; military or usurped power; vandalism or malicious mischief; striking employees; explosion, whether fire ensues or not, except explosion of steam boilers and flywheels; and arising from the use of elevators, aircraft, automobiles or other vehicles; against loss or damage by insects or disease to farm crops or products and loss of rental value of land used in producing the crops or products.
- b. Against any kinds of loss or damage to: vessels, craft, aircraft, cars, automobiles and vehicles of every kind, including all kinds of automobile and aircraft insurance (excepting insurance against loss by reason of bodily injury to the person), as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidence of debt, valuable papers, bottomry and respondentia interests, and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or

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while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment or reshipment incident thereto, including marine builder's risk and all personal property floater risks, and to person or to property in connection with or appertaining to a marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of the insurance (but not including life insurance or surety bonds) but, except as herein specified, not against loss by reason of bodily injury to the person.

- e. Against loss or damage resulting from accident to or injury suffered by any person for which loss or damage the insured is liable, including, if the insured is a State or a political subdivision of a State or a municipal corporate instrumentality of 1 or more States, loss or damage resulting from accident to or injury suffered by any person for which loss or damage the insured would be liable if it were a private corporation.
- f. Against damage to property of the insured or loss of life or damage to the person or property of others for which the insured is liable (including, if the insured is a State or a political subdivision of a State or a municipal corporate instrumentality of 1 or more States, loss of life or damage to the person or property of others for which the insured would be liable if it were a private corporation), caused by the explosion of steam boilers, pipes, engines, motors and machinery connected therewith or operated thereby.

Against loss from the defaults of persons in position of trust, public or private, or against loss or damage on account of neglect or breaches of duty or obligations guaranteed by the insurer; and against loss by banks, bankers, brokers, financial or moneyed corporations or associates, of any bills of exchange, notes, checks, drafts, acceptances of drafts, bonds, securities, evidences of debt, deeds, mortgages, documents, gold or silver, bullion, currency, money, platinum and other precious metals, refined or unrefined and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semiprecious stones, and also against loss resulting from damage, except by fire, to the insured's premises, furnishings, fixtures, equipment, safes and vaults therein caused by burglary, robbery, hold-up, theft or larceny, or attempt thereat. Not such indemnity indemnifying against the loss of any property as specified herein shall indemnify against the loss of any such property occurring while in the mail or in the custody or possession of a carrier for hire for the purpose of transportation, except for the purpose of a transportation by an armored motor vehicle accompanied by 1 or more armed guards.

- i. Against loss from bad debts, commonly known as credit insurance.
- j. Against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism or malicious mischief, or any one or more of such hazards; and against any and all kinds of loss or destruction of or damage to moneys, securities, currencies, script, coins, bullion, bonds, notes, drafts, acceptances of drafts, bills of exchange and other valuable papers or documents, except while in the custody or possession of and being transported by a carrier for hire or in the mail; and against loss or damage to automobiles and aircraft by burglary, larceny, or theft, vandalism or malicious mischief, confiscation or wrongful conversion, disposal or concealment, whether held under conditional sale contract or subject to chattel mortgages, or otherwise, or any one or more of such hazards.
- k. Against loss of and damage to glass, including lettering and ornamentation thereon, and the frame in which the glass is set resulting from breakage of the insured glass.

Against loss or damage by water or other fluid to any goods or premises arising from the breaking or leakage of sprinklers, pumps, or other apparatus erected for extinguishing fires, or of other conduits or containers, or by water entering through leaks or openings in buildings, and of water pipes and against accidental injury to such sprinklers, pumps, conduits, containers, water pipes and other apparatus; including loss of use or occupancy of the property so damaged.

Upon the lives of horses, cattle and other livestock or against loss by theft of any such property or both.

- n. Against loss or damage to property by smoke or smudge, or both.
- o. Any specified kinds of insurance not included in any of the foregoing paragraphs and which are proper subjects of insurance, including:
 - 1. Insurance against all loss to buildings and structures, including consequential loss, and against loss or damage to property of others, caused by an insured;
 - 2. All other miscellaneous coverages, including but not limited to the following:

Against loss or damage to property by power failure or mechanical

breakdown;

Engine breakdown;

Loss or damage to property of the assured caused by falling of tanks or equipment for protecting property against fire, by explosion other than steam boilers, pipes, engines, motor, and machinery connected therewith (except fire);

All other liability not covered under paragraph "e", including voluntarily assumed liability.

4. **FOURTH:** The corporation is to be a stock company.
5. **FIFTH:** The amount of capital stock of the corporation shall be \$3,500,000 divided into 350,000 shares of common stock having a par value of \$10.00 per share
6. **SIXTH:** The duration of the corporation shall be perpetual.
7. **SEVENTH:** The principal officers of this corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may determine to elect in accordance with the provisions of the By-Laws of this corporation by resolution adopted by a majority of the entire Board. All officers shall hold office for a term of one year or until their successors are duly elected, unless sooner removed by the entire Board of Directors.
8. **EIGHTH:** The Board of Directors, in addition to all other rights and powers bestowed upon it by law, shall have the power, without the assent or vote of the shareholders, to make , alter, and repeal By-Laws as set forth in the By-Laws.
9. **NINTH:** The company reserves the right to amend, alter, change, or repeal any provision contained in this certificate, in the manner now or hereafter prescribed by law. All rights and powers conferred herein on shareholders, directors, and officers are subject to this reserved power.
10. **TENTH:** The names and addresses of the incorporators are as follows:

Dennis C. Rowe, 549 Cedar Avenue, Hershey, Pennsylvania 17033

Kenneth R. Shutts, 101 North 32nd Street, Harrisburg, Pennsylvania 17111

Christine Sears, 581 James Drive, Harrisburg, Pennsylvania 17112

James R. Dougherty, 635 Orangeburgh Road, River Vale, New Jersey 07675

Paul H. Beil, 4434 August Drive, Harrisburg, Pennsylvania 17112
George A. Ludwig, 589 James Drive, Harrisburg, Pennsylvania 17112
James C. Butler, 1723 Glenbrook Avenue, Lancaster, Pennsylvania 17603
Jane D. Koppenheffer, 105 Beechwood Drive, Harrisburg, Pennsylvania 17055
Karen C. Yarrish, 3542 Apollo Avenue, Harrisburg, Pennsylvania 17110
Melissa H. Hoover, 305 N. Third Street, Halifax, Pennsylvania 17032

11. **ELEVENTH:** The names and addresses of the first Board of Directors and Officers of the corporation and their term of office are as follows:

Board of Directors

Name: Dennis C. Rowe
Home Address: 549 Cedar Avenue,
Hershey, PA 17033
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Name: Kenneth R. Shutts
Home Address: 101 North 32nd Street,
Harrisburg, PA 17111
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Name: Christine Sears
Home Address: 581 James Drive
Harrisburg, PA 17112
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Name: Jane D. Koppenheffer
Home Address: 105 Beechwood Drive
Mechanicsburg, PA 17055
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Name: Karen C. Yarrish
Home Address: 3542 Apollo Avenue
Harrisburg, PA 17110
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Officers

Title: President and CEO
Name: Dennis C. Rowe
Home Address: 549 Cedar Avenue
Hershey, PA 17033
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Title: Secretary
Name: Kenneth R. Shutts
Home Address: 101 North 32nd Street
Harrisburg, PA 17111
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Title: Treasurer
Name: Christine Sears
Home Address: 581 James Drive
Harrisburg, PA 17112
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Title: Vice President
Name: Jane Koppenheffer
Home Address: 105 Beechwood Drive,
Mechanicsburg, PA 17055
Term of Office: The earlier of 1 year or the Annual
Meeting of Stockholders

Title: Vice President
Name: Karen C. Yarrish
Home Address: 3542 Apollo Avenue,
Harrisburg, PA 17110
Term of Office: The earlier of 1 year or the Annual
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