

**PHILADELPHIA CONSOLIDATED HOLDING CORP.
INVESTMENT COMMITTEE CHARTER**

Purposes

The Investment Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board") in fulfilling its responsibility to oversee management's investment of the Company's investment portfolio. This includes, but is not limited to: (1) the development of investment strategies and setting of company investment guidelines; (2) the monitoring of compliance with the company's investment guidelines; (3) the selection of investment managers; and (4) the monitoring of investment manager performance.

Committee Membership

The Committee shall consist of the number of members fixed from time to time by the Board of Directors, but shall at all times consist of not less than three members. The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board. The Committee shall have a chairperson who shall be appointed by the Board of Directors. Each member of the Committee shall be a member of the Board of Directors who satisfies any and all applicable laws or regulations of the Securities and Exchange Commission and other governmental authorities, applicable rules of the NASDAQ National Market, and/or any other stock exchange where the Company's securities may be listed. Committee members should have the appropriate investment, finance and/or risk management skill sets.

The members of the Committee shall be appointed by the Board of Directors and serve for such term or terms as the Board may determine. The members of the Committee may be removed by the Board of Directors, with or without cause.

The chief financial officer of the Company shall be an ex-officio member of the Committee.

Meetings

The Committee shall meet at least quarterly, or more frequently as may be necessary or appropriate. A majority of the Committee members must be present at the Committee meeting, either in person or by means of communications equipment, to constitute a quorum for the meeting. Once a quorum is established, voting will be based upon majority rule.

The Committee shall report regularly to the Board with respect to such matters that are within the Committee's responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairperson or by any other member designated by the Committee to make such report. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a Committee meeting or to meet with any members of, or consultants to, the Committee.

Committee Authority, Responsibilities, Duties and Powers

The Committee shall have the following authority, responsibilities, duties and powers to carry out its purposes:

1. The Committee shall develop and maintain a written Statement of Investment Objectives and Guidelines that includes investment objectives and guidelines that are consistent with the Company's strategies, goals and objectives.
2. The Committee shall monitor and evaluate results to ensure that the policy guidelines are being adhered to and the objectives are being met.
3. The Committee shall communicate clearly the major responsibilities of those responsible for investment results.
4. The Committee shall select and monitor external investment managers.
5. The Committee shall take the appropriate action to discharge an investment manager for failure to perform as mutually agreed upon at the time of selection or for any other appropriate reason such as change in investment process, personnel, organizational or ownership changes, etc.
6. The Committee shall undertake such work and studies as may be necessary to keep the Company adequately informed as to the status of invested assets.
7. The Committee shall review and reassess the adequacy of this Charter annually and, upon the completion of such review, recommend any proposed changes to the Board of Directors for approval.
8. The Committee shall annually evaluate its own performance and report to the Board of Directors the conclusions of the Committee resulting from such review.
9. Other than the reports required to be made by the Committee, each of which shall be made by the entire Committee, the Committee may form and delegate authority to any one or more subcommittees. Each such subcommittee shall consist of one or more members of the Investment Committee.

Resources and Authority of the Committee

The Investment Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special or independent consultants, counsel or other experts, as it deems appropriate, without seeking approval of the Board or management. The Company shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Company's Board of Directors, for payment of (i) compensation to the Company's independent investment consultant for the purpose of providing advice to the Committee and provide assistance with the monitoring of the Company's investment managers, (ii) compensation to any outside legal, accounting or other advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.