

2009 ANNUAL REVIEW



WINNING TOGETHER
STRENGTH - BALANCE - SUCCESS



A Member of the Tokio Marine Group

ON THE COVER:

WINNING TOGETHER TAKES FINANCIAL STRENGTH, A BALANCED APPROACH TO BUSINESS, AND SUCCESS ALONG THE WAY. WE OFFER PREMIER FINANCIAL STRENGTH RATINGS, A BALANCED PORTFOLIO OF PRODUCTS & SERVICES, AND THESE CREATE MEANINGFUL GROWTH AND PROFITABILITY FOR PHLY AND ITS BUSINESS PARTNERS. OUR PARTNERSHIP WITH TOKIO MARINE HOLDINGS ENHANCES THIS VALUE AND OPENS THE DOOR TO MANY NEW POSSIBILITIES TO GROW AND SUCCEED IN TODAY'S MARKETPLACE.



“In the face of continued competition across most of our product lines, and a low investment rate environment, we again produced superior results compared with our peer companies.”

WHILE THE INDUSTRY EXPERIENCED ANOTHER DIFFICULT YEAR DUE TO THE CONTINUING SOFT MARKET, PHLY ACCOMPLISHED A SPECTACULAR YEAR WITH GROWTH AND PROFITABILITY. GROSS WRITTEN PREMIUMS FOR THE YEAR-ENDED DECEMBER 31, 2009 INCREASED 7.4% TO \$2,032.6 MILLION FROM \$1,891.7 MILLION FOR THE YEAR-ENDED DECEMBER 31, 2008, AND THE ADJUSTED COMBINED RATIO* FOR THE YEAR-ENDED DECEMBER 31, 2009 WAS 85.8% COMPARED TO AN ADJUSTED COMBINED RATIO** OF 84.1% FOR THE YEAR-ENDED DECEMBER 31, 2008.

THERE ARE MANY COMPANIES WHICH EITHER GREW THEIR BUSINESS BUT SUFFERED DETERIORATION OF PROFITABILITY, OR MAINTAINED THEIR PROFITABILITY BUT DECREASED THEIR BUSINESS. HOWEVER, THERE ARE NOT MANY INSURANCE COMPANIES WHICH ACHIEVED BOTH STEADY GROWTH AND FAVORABLE PROFITABILITY LIKE US. AGAIN IN 2009, WE PROVED OUR UNSURPASSED CAPABILITIES WITH OUR STRONG BUSINESS MODEL, UPON WHICH WE HAVE BEEN CONTINUOUSLY IMPROVING. IN 2009, WE EXPANDED OUR PREFERRED PRODUCER FRANCHISE (OUR ESTEEMED PARTNERS) BY 10% TO 273 FROM 248 IN 2008. WE WROTE MORE THAN \$700 MILLION GROSS WRITTEN PREMIUMS WITH THEM AND WE WILL CONTINUE TO COLLABORATE WITH OUR PREFERRED PRODUCTION SOURCES ACROSS THE U.S.

IN THE FACE OF CONTINUED COMPETITION ACROSS MOST OF OUR PRODUCT LINES, AND A LOW INVESTMENT RETURN ENVIRONMENT, WE PRODUCED SUPERIOR RESULTS COMPARED TO OUR PEER COMPANIES. OUR RENEWAL RETENTION ON QUOTED BUSINESS REMAINED HIGH AT 90% (AN AMAZING FEAT CONSIDERING THE COMPETITIVE MARKETPLACE), AND PRICING HAS STARTED TO FLATTEN INDICATING A MARKET TURN SHOULD OCCUR WITHIN THE NEXT 12 MONTHS. OUR FIXED INCOME SECURITIES CARRY AN AVERAGE S&P RATING OF AA+ AND WE HAVE BEEN ASSIGNED AN A+ RATING FROM A.M. BEST AS WELL AS AN S&P RATING OF AA-. I AM CAUTIOUSLY OPTIMISTIC ABOUT OUR OPPORTUNITIES FOR PROFITABLE GROWTH IN 2010, AND BELIEVE A MEANINGFUL MARKET TURN WILL OCCUR SOMETIME TOWARDS THE LATTER PART OF THE YEAR OR EARLY 2011.

*The adjusted combined ratio for 2009 excludes the effects of purchase accounting related to the Company's merger with Tokio Marine Holdings, Inc. which increased the combined ratio by 8.5 points for the year-ended December 31, 2009.

**The adjusted combined for 2008 excludes the expenses related to the Company's merger with Tokio Marine Holdings, Inc. which increased the combined ratio by 3.1 points for the year-ended December 31, 2008.

FROM OUR CHAIRMAN & CEO

IN FEBRUARY 2010, WE ANNOUNCED THE PROMOTION OF CHRIS MAGUIRE AND SEAN SWEENEY TO CO-PRESIDENTS. CHRIS AND SEAN HAVE SHOWN EXCEPTIONAL LEADERSHIP IN ADVANCING THE GROWTH AND STABILITY OF OUR COMPANY. TOGETHER, SERVING MORE THAN FIVE DECADES, THEY HAVE BEEN RECOGNIZED FOR THEIR DEVOTION AND REMARKABLE ACCOMPLISHMENTS. I AM CONFIDENT THEY WILL HELP ME TRANSFORM OUR COMPANY TO THE NEXT LEVEL.

IN 2009, THE TOKIO MARINE HOLDINGS, INC. INITIATED ITS 3 YEAR PLAN, "INNOVATION AND EXECUTION." WHILE WE CONTINUE TO IMPLEMENT THIS PLAN IN 2010, WE WILL ALSO FOCUS ON BALANCING THE 4 QUADRANTS OF OUR OPERATING MODEL FOR SUCCESS: GROWTH & PROFITABILITY, SERVICE EXCELLENCE, RISK MANAGEMENT AND PEOPLE/CULTURE. SIMPLY PUT, EACH AND EVERY EMPLOYEE WILL STRIVE TO ACHIEVE & BALANCE THE GOALS EMBEDDED IN EACH QUADRANT AND IN SO DOING, WILL DRIVE OUR COMPANY'S FUTURE SUCCESS. LET ME EXPLAIN BRIEFLY ABOUT THESE FOUR STRATEGIES.



GROWTH & PROFITABILITY IS A FOUNDATION OF OUR SUCCESS IN THE INDUSTRY AND WE WILL SEEK ANY OPPORTUNITY TO GROW AND IMPROVE OUR PROFITABILITY FROM DISCIPLINED UNDERWRITING AND EFFECTIVE/EFFICIENT MARKETING TO ADVANCED USER-FRIENDLY SYSTEM ENHANCEMENTS AND PAPERLESS WORK ENVIRONMENTS. FOR OUR SUSTAINABLE GROWTH WITH PROFITABILITY, WE WILL CONTINUE TO PURSUE NEW SOURCES OF BUSINESS, GEOGRAPHIC EXPANSION, DEVELOPMENT OF INNOVATE PRODUCTS AND ENHANCEMENT OF EXISTING PRODUCTS.

SERVICE EXCELLENCE IS A KEY WAY TO DIFFERENTIATE OURSELVES AND ADD VALUE. WE CONTINUE TO ENHANCE THE EASE OF DOING BUSINESS THROUGH ADVANCED TECHNOLOGY AND UNSURPASSED SERVICE CAPABILITIES FOR OUR CUSTOMERS AND PRODUCERS.

NEEDLESS TO SAY, RISK MANAGEMENT HAS BECOME MORE AND MORE ESSENTIAL IN TODAY'S COMPLEX BUSINESS WORLD. WE WILL NOT ONLY PROVIDE SOPHISTICATED RISK MANAGEMENT SOLUTIONS TO OUR CUSTOMERS FOR THEIR PEACE OF MIND BUT ALSO LEAD THE INDUSTRY THROUGH OUR ADVANCED ENTERPRISE RISK MANAGEMENT INITIATIVE INCLUDING RISK QUANTIFICATION OF EACH OPERATION TO PROACTIVELY MONITOR AND MEASURE FINANCIAL AND OPERATIONAL RISKS SURROUNDING OUR COMPANY.

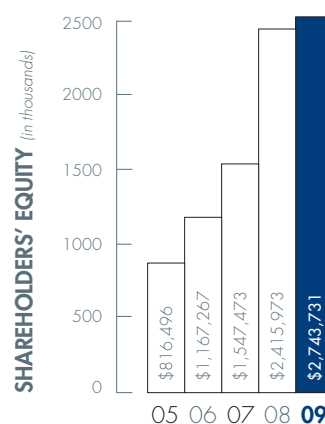
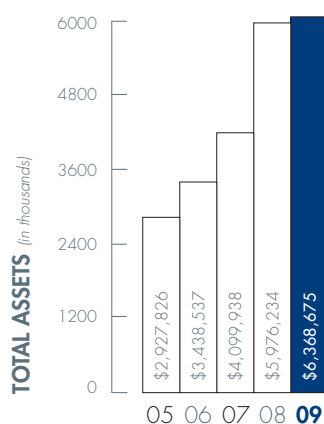
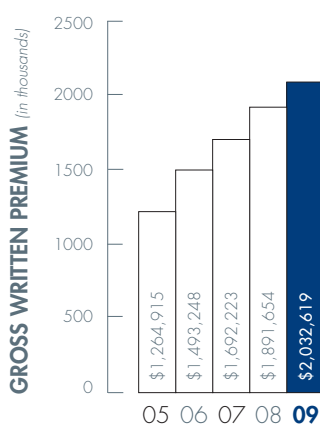
AS FOR PEOPLE/CULTURE, WE WILL CONTINUE TO RECRUIT, RETAIN AND INVEST IN THE BEST TALENTS IN THE INDUSTRY. WE ARE COMMITTED TO CONTINUOUS IMPROVEMENT THROUGH TRAINING & DEVELOPMENT, AND PROMOTING 'JOY AT WORK', THE SENSE OF ACCOMPLISHMENT WHICH COMES WITH OVER-ACHIEVING ON ONE'S OWN GOALS, WHETHER PERSONAL OR PROFESSIONAL. WE ALSO STRIVE TO RECOGNIZE AND REWARD THOSE WHO CONSISTENTLY EXECUTE AT A HIGH LEVEL. WE WILL PROVIDE A BALANCED WORKPLACE RECOGNIZING BUSINESS, FAMILY, AND FITNESS AMONG OTHERS WHILE SERVING OUR COMMUNITY.

2009 WAS OUR FIRST YEAR AS A WHOLLY-OWNED SUBSIDIARY OF THE TOKIO MARINE GROUP AND MARKED PHLY'S 48TH YEAR IN BUSINESS. I BELIEVE THE COMPANY IS STRONGER TODAY THAN EVER BEFORE. I THANK OUR EMPLOYEES, BUSINESS PARTNERS & PARENT COMPANY FOR THEIR SUPPORT & CONFIDENCE THROUGHOUT THE YEAR, AND I AM VERY EXCITED BY THE OPPORTUNITIES THAT LIE IN FRONT OF US FOR CONTINUED PROFITABLE GROWTH.

JAMES J. MAGUIRE, JR.
CHAIRMAN & CEO

Financial Highlights

(in thousands)	2009 ⁽¹⁾	2008 ⁽²⁾	2007	2006	2005
Gross Written Premiums	\$2,032,619	\$ 1,891,654	\$ 1,692,223	\$ 1,493,248	\$ 1,264,915
Net Income	\$347,118	\$ 161,220	\$ 326,813	\$ 288,849	\$ 156,688
Total Assets	\$6,368,675	\$ 5,976,234	\$ 4,099,938	\$ 3,438,537	\$ 2,927,826
Shareholder's Equity	\$2,743,731	\$ 2,415,973	\$ 1,547,473	\$ 1,167,267	\$ 816,496
Combined Ratio	85.8%	87.2%	74.8%	69.0%	78.6%



(1) Excludes approximately \$152.8 million (\$99.3 million after-tax) of purchase accounting-related to the December 1, 2008 merger of Philadelphia Consolidated Holding Corp. with Tokio Marine Holdings, Inc. Including the effects of the purchase accounting-related expenses, net income was \$247.8M and the combined ratio was 94.3%.
(2) Reflects approximately \$83.1 million (\$62.5 million after-tax) of merger-related expenses related to the December 1, 2008 merger of Philadelphia Consolidated Holding Corp. with Tokio Marine Holdings, Inc.

Honors, Awards & Ratings

Member of Ward's Top 50 (10 Consecutive Years)

Best Places to Work in PA 2009 (3 Consecutive Years)

A+ (Superior) rated by A.M. Best Company

AA- rated by Standard & Poor's for counterparty credit and financial strength

SELECTED STATUTORY BASIS FINANCIAL DATA [As of and for the years ended December 31, 2009]

(in thousands)	2009	2008 ⁽¹⁾	2007	2006	2005
STATUTORY INCOME STATEMENT DATA:					
Gross Written Premiums	\$2,032,428	1,891,162	1,692,590	1,493,554	1,261,605
Net Written Premiums	1,876,749	1,694,670	1,460,001	1,283,170	1,107,460
Net Earned Premiums	1,797,343	1,589,809	1,379,243	1,169,302	976,647
Net Investment Income	147,522	129,322	113,386	89,950	63,495
Net Realized Investment Gain (Loss)	(1,303)	(53,559)	17,865	(7,057)	7,129
Other Income	2	65	252	325	(1055)
Total Revenue	\$1,943,564	\$1,665,637	\$1,510,746	\$1,252,520	\$1,046,216
Net Loss and Loss Adjustment Expenses	1,010,357	877,059	618,879	465,894	505,891
Acquisition Costs and Other Underwriting Expenses	543,119	556,815	429,732	366,335	291,182
Total Losses and Expenses	\$1,553,476	\$1,433,874	\$1,048,611	\$832,229	\$797,073
Income Before Income Taxes	390,088	231,763	462,135	420,291	249,143
Total Income Tax Expense	131,012	91,577	162,956	149,416	93,621
Net Income	\$ 259,076	\$140,186	\$299,179	\$270,875	\$155,522
STATUTORY YEAR-END FINANCIAL POSITION:					
Total Cash and Investment Assets	\$4,123,374	\$3,469,705	\$3,039,573	\$2,498,268	\$1,991,804
Total Assets	4,806,824	4,129,612	3,567,403	2,908,800	2,382,193
Liability for Unpaid Loss and Loss Adjustment Expense	1,792,503	1,514,175	1,261,936	1,095,514	942,145
Total Surplus as Regards to Policyholders	1,803,580	1,340,050	1,298,786	1,007,546	691,038
STATUTORY OPERATING RATIOS:					
Net Loss and Loss Adjustment Expenses to Net Earned Premiums	56.2%	55.2%	44.9%	39.8%	51.8%
Underwriting Expenses to Net Earned Written Premiums	28.9%	32.9%	29.4%	28.5%	26.3%
Combined Ratio	85.0%	88.0%	74.3%	68.4%	78.1%
A.M. Best Rating	A+ (Superior)	A+ (Superior)	A+ (Superior)	A+ (Superior)	A+ (Superior)

(1) Reflects approximately \$77.4 million (\$50.3 million aftertax) of merger-related expenses related to the December 1, 2008 merger of Philadelphia Consolidated Holding Corp. with Tokio Marine Holdings, Inc.. These merger-related expenses increased the Underwriting Expenses to Net Written Premiums ratio by approximately 4.6 points.



Philadelphia Consolidated Holding Corp. (an Insurance Holding Company) and Its Subsidiaries Have Assets of Approximately \$6.4 Billion as of December 31, 2009.

WE DESIGN, MARKET AND UNDERWRITE PROPERTY AND CASUALTY INSURANCE PRODUCTS FOR NICHE MARKETS, INCORPORATING VALUE-ADDED COVERAGES AND SERVICES.

WE COMPETE ON COVERAGE, CUSTOMIZED SOLUTIONS AND CONSISTENT PRICING, AND MAINTAIN A DISCIPLINED UNDERWRITING PHILOSOPHY.

WE APPROACH THE MARKET THROUGH MULTIPLE DISTRIBUTION CHANNELS: INDEPENDENT INSURANCE PRODUCERS, WHOLESALERS, PREFERRED AGENTS, FIREMARKED AGENTS AND THE INTERNET.

WE CONTINUOUSLY REVIEW AND REFINE OUR BUSINESS PROCESSES TO IMPROVE EFFICIENCY AND THE EASE OF DOING BUSINESS WITH US.

WE SEEK OUT THE BEST PEOPLE, PROVIDE OPPORTUNITIES AND RECOGNIZE THEIR ACHIEVEMENTS.

WE PARTNER WITH LOCAL AND NATIONAL CHARITABLE ORGANIZATIONS TO GIVE BACK TO THE COMMUNITIES WE SERVE.

WE HAVE 48 OFFICES IN 13 REGIONS STRATEGICALLY LOCATED THROUGHOUT THE UNITED STATES.



Our Customer Service Declaration

WE PROVIDE SUPERIOR FINANCIAL SECURITY FOR OUR CUSTOMERS

WE OFFER STABLE AND CONSISTENT PRICING THROUGH ALL MARKET CYCLES

WE OFFER THE BEST PRODUCTS WITH UNIQUE COVERAGE ENHANCEMENTS
SPECIFICALLY TAILORED FOR THE MARKETS WE SERVE

WE ISSUE POLICIES AND ENDORSEMENTS ELECTRONICALLY
IN AN AVERAGE OF 10 DAYS

RENEWAL QUOTATIONS ARE PROVIDED IN ADVANCE OF POLICY EXPIRATION

WE ANSWER OUR PHONES BY THE THIRD RING

WE PROVIDE CLAIMS CONFIRMATION WITHIN 24 HOURS

WE “SMILE THROUGH THE PHONE”

WE RETURN EMAILS AND PHONE CALLS WITHIN 1 BUSINESS DAY

WE WANT TO KNOW HOW WE CAN DO THINGS BETTER
VIA DIRECT WEBSITE SURVEYS AT PHLY.COM





Niche Focus

PHILADELPHIA INSURANCE COMPANIES (PHLY) DESIGNS, MARKETS, AND UNDERWRITES COMMERCIAL PROPERTY/CASUALTY AND PROFESSIONAL LIABILITY INSURANCE PRODUCTS TAILORED FOR THE UNIQUE EXPOSURES OF NICHE MARKETS, PROVIDING COMPETITIVELY PRICED POLICIES, LOCAL SERVICE RELATIONSHIPS AND DIFFERENTIATED COVERAGE FEATURES. THE COMPANY IS COMMITTED TO DEVELOPING AT LEAST 3 NEW INNOVATIVE PRODUCTS EVERY YEAR TO FULFILL MARKET NEEDS.

OUR 2009 NEW PRODUCTS, **SECURITY SERVICE** (THE GUARDIAN), **PEST CONTROL** AND **ENVIRONMENTAL** COVERAGES, WERE SUCCESSFULLY LAUNCHED AND HAVE CONTINUED EXPANDING.

BELOW ARE SOME OF OUR 2010 NEW PRODUCTS.

CYBER LIABILITY - PHLY'S PROGRAM PROVIDES BOTH FIRST AND THIRD PARTY COVERAGE FOR NUMEROUS CLASSES OF BUSINESS. THROUGH EIGHT (8) INSURING AGREEMENTS, A WIDE RANGE OF CYBER LIABILITY EXPOSURES ARE ADDRESSED. COVERAGE IS CURRENTLY AVAILABLE ON A NON ADMITTED BASIS.

TEMPORARY STAFFING - PHLY OFFERS A FLEXIBLE AND COMPREHENSIVE INSURANCE PROGRAM FOR THE TEMPORARY STAFFING INDUSTRY. WE PROVIDE DIRECT ACCESS TO THE UNDERWRITER, CLAIMS MADE OR OCCURRENCE COVERAGE TRIGGER OPTIONS FOR ERRORS & OMISSIONS COVERAGE AND EMPLOYMENT PRACTICE LIABILITY COVERAGE EXTENDS TO "PLACED EMPLOYEES" OF THE TEMPORARY STAFFING FIRM.

CHIROPRACTORS - PHLY IS COMMITTED TO PROVIDING COMPREHENSIVE PROFESSIONAL LIABILITY COVERAGE FOR CHIROPRACTORS. THE POLICY ADDRESSES CLAIMS FILED BY CLIENTS RESULTING FROM NEGLIGENT ACTS, ERRORS & OMISSIONS AND PERSONAL INJURY ARISING FROM THE PROVISION OF PROFESSIONAL SERVICES.

PHLY Insurance Products

HUMAN SERVICES

- ADOPTION AGENCIES
- ADULT DAY CARE CENTERS
- COMMUNITY CENTERS
- GROUP HOMES
- HOME HEALTH CARE
- HOMELESS/BATTERED SHELTERS
- HOSPICES
- MENTAL HEALTH ORGANIZATIONS
- NON-PROFIT ORGANIZATIONS
- SHELTERED WORKSHOPS
- SOCIAL SERVICE ORGANIZATIONS
- SUBSTANCE ABUSE REHABILITATION FACILITIES
- THRIFT STORES
- YMCA/YWCA
- YOUTH SERVICES ORGANIZATIONS (BOYS SCOUTS/GIRL SCOUTS, BOYS AND GIRLS CLUB, ETC.)

PUBLIC SERVICES

- CHILD CARE CENTERS
- LIBRARIES
- MUNICIPALITIES
- MUSEUMS
- PERFORMING ARTS CENTERS
- PEST CONTROL SERVICES
- RELIGIOUS ORGANIZATIONS/CHURCHES
- SECURITY SERVICES - "THE GUARDIAN"
- TEMPORARY STAFFING AGENCIES **NEW!**
- VOLUNTEER FIRE DEPARTMENTS
- WATER & SEWER TREATMENT PLANTS
- ZOOS

HABITATIONAL

- AFFORDABLE HOUSING
- APARTMENTS
- CONDOMINIUMS
- HOMEOWNERS ASSOCIATIONS
- HOTELS/RESORTS
- LOW INCOME HOUSING
- MOBILE HOME PARK OWNERS

REAL ESTATE

- BUILDERS' RISK
- COMMERCIAL REAL ESTATE PROPERTY SCHEDULES
- MEDICAL FACILITIES/HOSPITALS (PROPERTY & AUTO)
- NURSING HOMES (PROPERTY & AUTO)
- OFFICE PARKS
- SHOPPING CENTERS

EDUCATIONAL

- COLLEGES
- MISCELLANEOUS TRAINING SCHOOLS
- SCHOOLS – PRIVATE, ACADEMIC, CHARTER, AND VOCATIONAL
- TRADE SCHOOLS

SPORTS

- AMATEUR SPORTS
- GYMNASTICS
- MOTORSPORTS
- PROFESSIONAL SPORTS
- SPECIAL EVENTS – SPORTS & RECREATION
- SPORTS CAMPS
- SPORTS LEAGUES

RECREATION

- AMUSEMENT PARKS
- ANIMAL TRACKS
- BOAT DEALERS
- BOWLING CENTERS
- FAIRS & FAIRGROUNDS
- FAMILY ENTERTAINMENT CENTERS
- FESTIVALS
- GOLF & COUNTRY CLUBS
- PAINTBALL OPERATIONS

HEALTH & FITNESS

- DAY SPAS
- HEALTH, FITNESS & WELLNESS STUDIOS
- INDIVIDUAL FITNESS AND WELLNESS INSTRUCTORS
- MARTIAL ARTS STUDIOS
- YOGA STUDIOS

OUTDOOR PRODUCTS

- AGRICULTURAL ENTERTAINMENT
- ARCHERY RANGES
- ATV TOURS
- BACKPACKING/HIKING
- BED & BREAKFASTS
- CAMP OPERATORS
- CONSULTING FORESTERS
- CROSS COUNTRY SKIING
- DUDE & GUEST RANCHES
- FISHING & HUNTING LODGES
- GUIDED TOURS
- HUNTING LEASES
- HUNTING PRESERVES
- GUIDES & OUTFITTERS
- RESORTS & LODGES
- ROD & GUN CLUBS
- RV PARKS & CAMPGROUNDS
- SHOOTING RANGES
- SNOWMOBILE TOURS
- TRAP, SKEET & SPORTING CLAY
- WHITEWATER RAFTING TOURS

ENVIRONMENTAL

- PREMISES ENVIRONMENTAL COVERAGESM (PEC)
- CONTRACTOR ENVIRONMENTAL COVERAGESM (CEC)
- CONTRACTOR ENVIRONMENTAL AND PROFESSIONAL COVERAGESM (CEPC)

MISCELLANEOUS

- EQUIPMENT BREAKDOWN
- SPECIAL EVENTS
- TENANT USERS LIABILITY INSURANCE PROGRAM (TULIP)
- ANTIQUE/COLLECTOR CAR
- NATIONAL FLOOD PROGRAM

MANAGEMENT & PROFESSIONAL LIABILITY

- ACCOUNTANTS PROFESSIONAL LIABILITY
- AFFINITY PRO PORTFOLIO (TRADE ASSOCIATIONS)
- ALLIED HEALTH PROFESSIONALS
- CHIROPRACTORS PROFESSIONAL LIABILITY **NEW!**
- COVER-PRO (PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS)
- CRIME PROTECTION PLUS

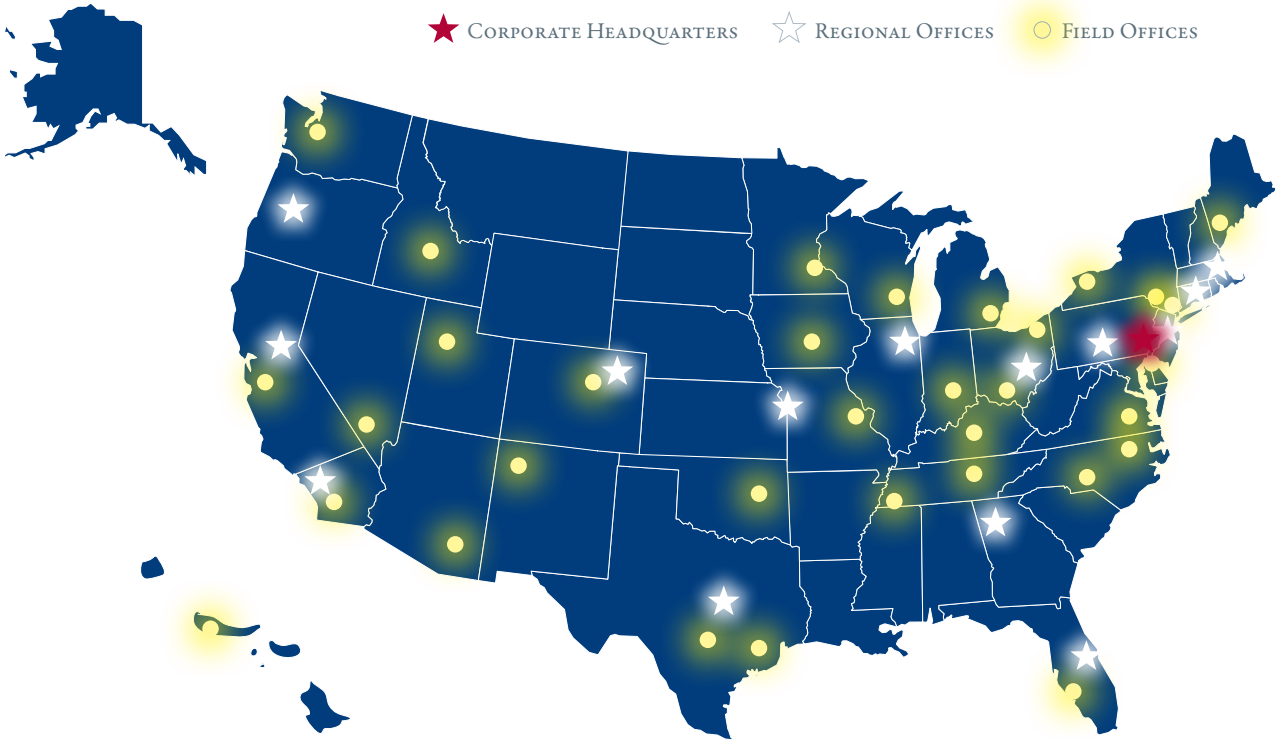
- CYBER SECURITY LIABILITY **NEW!**
- EMPLOYED LAWYERS
- EMPLOYMENT PRACTICES LIABILITY
- EXCESS LIABILITY
- FLEXI PLUS FIVE (NON-PROFIT D&O)
- PRIVATE COMPANY PROTECTION PLUS (FOR-PROFIT D&O)

COMMERCIAL AUTOMOBILE

- AUTO DAILY RENTAL
- BUSINESS AUTO FLEET
- INTERIM LIABILITY & PHYSICAL DAMAGE
- LEASING - PRIMARY INSURANCE PROGRAM

- LESSORS CONTINGENT/EXCESS LIABILITY; LESSORS CONTINGENT PHYSICAL DAMAGE
- RENTAL PACKAGE
- TRAVEL PLAZAS

PHLY's NATIONAL PRESENCE - 48 OFFICES IN 13 REGIONS COVERING THE U.S.



NORTHWEST REGION

TIGARD, OR
(800) 669-9497
(800) 364-6809 FAX

WESTERN REGION

ROSEVILLE, CA
(800) 846-9484
(866) 458-7695 FAX

SUNBELT REGION

MISSION VIEJO, CA
(800) 994-4121
(949) 582-1425 FAX

ROCKY MOUNTAIN REGION

LITTLETON, CO
(866) 608-5898
(303) 200-5341 FAX

NORTH CENTRAL REGION

NAPERVILLE, IL
(800) 547-9967
(866) 269-7890 FAX

OHIO VALLEY REGION

DUBLIN, OH
(877) 521-8234
(866) 890-2509 FAX

CENTRAL REGION

INDEPENDENCE, MO
(877) 439-7459
(866) 823-1864 FAX

SOUTHWEST REGION

ADDISON, TX
(866) 246-5254
(972) 488-8530 FAX

★ **CORPORATE OFFICE**

BALA CYNWYD, PA
(800) 873-4552
(610) 617-7940 FAX

NORTHEAST REGION

STOUGHTON, MA
(888) 292-3881
(877) 748-1162 FAX

EAST HARTFORD, CT
(860) 528-5913
(860) 610-0471 FAX

METRO REGION

LAWRENCEVILLE, NJ
(866) 586-6122
(609) 512-3141 FAX

MID-ATLANTIC REGION

HARRISBURG, PA
(877) 562-2342
(717) 558-7541 FAX

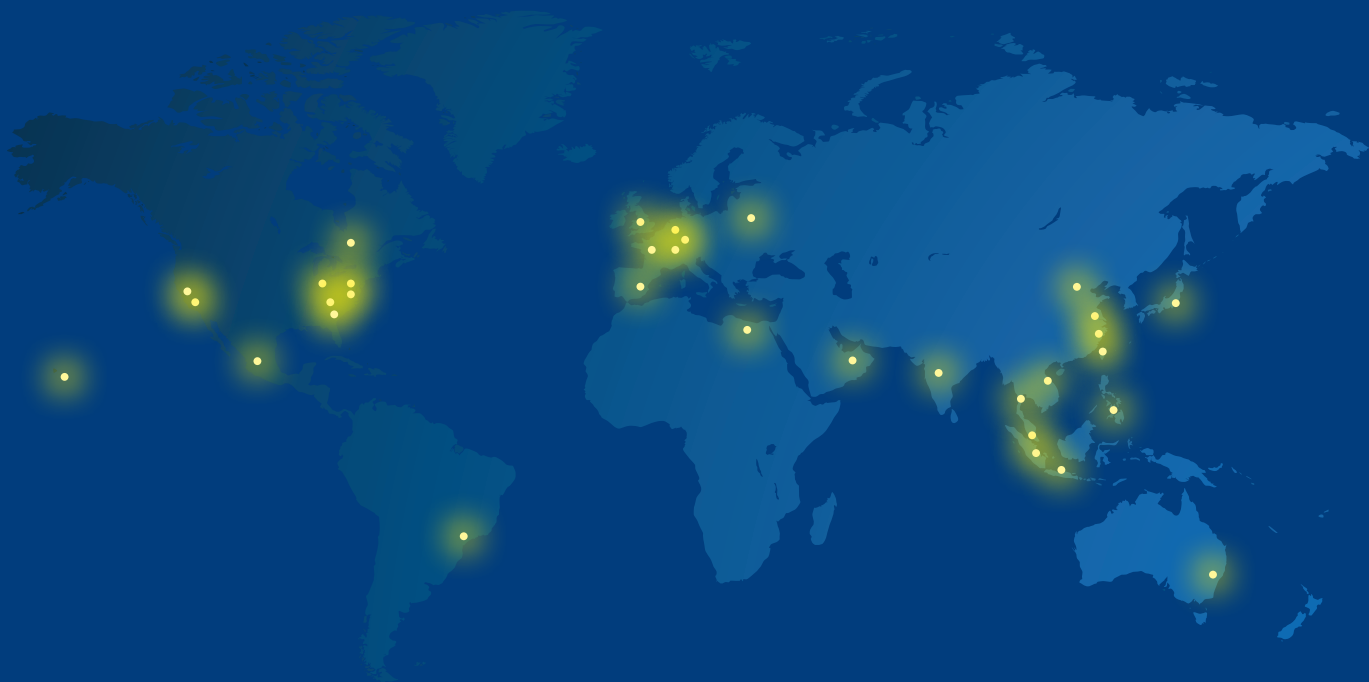
SOUTHEAST REGION

KENNESAW, GA
(800) 303-1728
(770) 799-3099 FAX

FLORIDA REGION

ALTAMONTE SPRINGS, FL
(877) 672-7945
(877) 846-4830 FAX

As a member of the Tokio Marine Group, we are part of one of the most financially solid organizations in the world, with combined assets over \$185 billion.



OVERSEAS OFFICE

LOCATIONS IN **432** CITIES
IN **38** COUNTRIES AND REGIONS

TOTAL PERSONNEL

APPROXIMATELY **29,600**

SELECT FINANCIAL HIGHLIGHTS

JAPANESE GAAP BASIS (As of and for the year-ended March 31, 2010)

(in millions of USD)

Net Written Premium	\$ 24,655
Net Income	\$ 1,381
Total Assets	\$185,654
Net Assets	\$ 23,492

FINANCIAL RATINGS

A.M. Best A++ Tokio Marine & Nichidō Fire

S&P AA Tokio Marine & Nichidō Fire

Moody's Aa2 Tokio Marine & Nichidō Fire

Exchange rate is as of March 31, 2010.
\$1 = 93 Japanese Yen.



“As leaders in the industry, we are committed to our charitable partners. The passion and commitment we apply in business is the same approach we use towards making a difference in the community.”

— JAMIE MAGUIRE, CHAIRMAN & CEO

PHILADELPHIA INSURANCE COMPANIES BELIEVES IN SUPPORTING THE COMMUNITIES WHERE WE LIVE AND WORK, AS STRONGLY AS WE SUPPORT OUR EMPLOYEES AND CUSTOMERS. THIS SYNERGY BETWEEN OUR CORPORATE PHILOSOPHY AND PHILANTHROPY FUELS OUR COMMITMENT TO CHARITABLE CAUSES AND EVENTS.

AS RESPONSIBLE CORPORATE CITIZENS, WE ARE OBLIGATED TO PROMOTE GENEROSITY AND GOODWILL TO OUR EMPLOYEES AND BUSINESS PARTNERS. WE STRIVE TO MAKE A POSITIVE IMPACT BY CONTRIBUTING TO INNOVATIVE AND INSPIRING ORGANIZATIONS ACROSS THE COUNTRY. IN PARTNERSHIP WITH THESE GROUPS, OUR EMPLOYEES VOLUNTEER AND PARTICIPATE IN EVENTS TO MAKE A DIFFERENCE IN THEIR OWN COMMUNITIES, WHILE REPRESENTING THE SPIRIT OF TEAMPHLY.

SOME OF OUR PARTNERS INCLUDE:

AMERICAN HEART ASSOCIATION
AMERICAN CANCER SOCIETY
AMERICAN RED CROSS
CADENCE CYCLING FOUNDATION T3
CHALLENGED ATHLETES FOUNDATION
DOCTORS WITHOUT BORDERS
FACE TO FACE, INC.

LAMP FOR HAITI
LIVESTRONG FOUNDATION
MERCY VOCATIONAL HIGH SCHOOL
PROJECT H.O.M.E.
SALVATION ARMY
SPECIAL OLYMPICS
THE CHILDREN’S HOSPITAL OF PHILADELPHIA
YMCA

GREENPHLY IS A TEAM EFFORT BY ALL EMPLOYEES TO PROTECT AND PRESERVE THE ENVIRONMENT. WE WORK WITHIN OUR COMMUNITY TO PROMOTE THE EFFECTIVE USE, DISPOSAL, AND RECYCLING OF RESOURCES BY METHODS THAT ARE CLEAN, SAFE, AND HEALTHY FOR THE ENVIRONMENT. WE MENTOR OUR EMPLOYEES TO BECOME ADVOCATES TO LEAD THEIR FAMILIES AND COMMUNITY TO PRESERVE OUR WORLD FOR FUTURE GENERATIONS.



Retirement of 47 Year Legacy

LAST DECEMBER, I ANNOUNCED MY RETIREMENT AS CHAIRMAN OF THE BOARD OF DIRECTORS EFFECTIVE JANUARY 1, 2010, WITH MY OLDEST SON, JAMIE, PRESIDENT & CEO, SUCCEEDING ME AS CHAIRMAN. I WILL CONTINUE TO SERVE ON PHLY'S BOARD OF DIRECTORS AND WILL DEVOTE MORE TIME TO MY PHILANTHROPIC ENDEAVORS THROUGH MY CHARITABLE ORGANIZATION, THE MAGUIRE FOUNDATION.

I GRADUATED FROM SAINT JOSEPH'S UNIVERSITY (PA) IN 1958 WITH A BACHELOR OF SCIENCE DEGREE. TWO YEARS LATER, I FOUNDED MAGUIRE INSURANCE AGENCY. MY FIRST BIG SUCCESS WAS MY CONNECTION WITH THE PENNSYLVANIA SCHOOL FOR THE DEAF, A NICHE MARKET AND ORGANIZATION TO WHICH I REMAIN COMMITTED TO THIS DAY.

“I am proud of starting an insurance agency and developing it into a successful national insurance company.”

IN 1987, I FORMED PHILADELPHIA CONSOLIDATED HOLDING CORP., WHICH WAS PUBLICLY TRADED AS PHLY (NASDAQ) AND WHOLLY OWNS MAGUIRE INSURANCE AGENCY, INC., PHILADELPHIA INSURANCE COMPANY AND PHILADELPHIA INDEMNITY INSURANCE COMPANY, ITS FLAGSHIP COMPANY OPERATING IN ALL 50 STATES & THE DISTRICT OF COLUMBIA.

IN 2002, AFTER 41 YEARS AT THE HELM, I NAMED JAMIE MAGUIRE AS PRESIDENT & CHIEF EXECUTIVE OFFICER. MOST RECENTLY, IN LATE 2008, PHILADELPHIA INSURANCE COMPANIES WAS ACQUIRED BY TOKIO MARINE HOLDINGS, A GLOBAL LEADER IN INSURANCE AND FINANCIAL SERVICES.

AS PHLY ENTERS THE 21ST CENTURY A STRONG LEADER IN THE INSURANCE INDUSTRY, THE DISCIPLINED CULTURE WILL REMAIN THE ROOT OF ITS TREMENDOUS SUCCESS.

LOOKING BACK AT MY 47 YEAR CAREER, I AM PROUD OF STARTING AN INSURANCE AGENCY AND DEVELOPING IT INTO A SUCCESSFUL NATIONAL INSURANCE COMPANY. WITH THE SOLID FINANCIAL FOUNDATION OF THE TOKIO MARINE GROUP, I BELIEVE THAT OUR MANAGEMENT WILL TAKE PHLY TO THE NEXT LEVEL OF SUCCESS.

JAMES J. MAGUIRE

FOUNDER & CHAIRMAN EMERITUS

Focus on the things that Matter,
We'll Handle the Risk!



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
Tel: 610.617.7900 | 877 GetPhly | Fax: 610.617.7940 | www.PHLY.com

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverage(s) described may not be available in all states and are subject to Underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2010 Philadelphia Insurance Companies