



PENN MILLERS MUTUAL HOLDING COMPANY ADOPTS PLAN OF CONVERSION

May 26, 2009 -- Penn Millers Mutual Holding Company (the “Company”), a Pennsylvania mutual holding company for Penn Millers Insurance Company (“PMIC”) and its subsidiaries, headquartered in Wilkes-Barre, Pennsylvania, today announced that its Board of Directors adopted a Plan of Conversion from Mutual to Stock Form (the “Plan”). In connection with the Company’s decision to convert, the Plan of Minority Stock Offering adopted on October 22, 2008 by its stock holding company subsidiary, PMHC Corp., was terminated.

Under the Plan, the Company formed a new holding company called Penn Millers Holding Corporation (the “Holding Company”) that will hold all of the outstanding shares of the Company after its conversion from a mutual to a stock form of organization. Upon the conversion of the Company, up to 6,771,469 shares of common stock of the Holding Company will be sold in a public offering expected to commence in the third quarter of 2009. The number of shares to be offered will be based on an independent appraisal of the estimated market value of the Company on a consolidated basis. The proceeds from the offering will be used for general corporate purposes and to position PMIC for future growth.

Under the Plan, a subscription offering will be made in the following priorities to: (i) all policyholders of PMIC as of April 22, 2009; (ii) the Company’s Employee Stock Ownership Plan, which may purchase up to 9.99% of the total number of common stock shares sold in the offering; and (iii) the directors, officers and employees of the Company. All shares not subscribed for in the subscription offering will be offered for sale in a community offering with the Company in its discretion giving preference to: (i) insurance agents and brokers appointed by or under contract with the Company; (ii) named insureds who became policyholders after April 22, 2009; and (iii) residents of Lackawanna or Luzerne County, Pennsylvania.

The mutual to stock conversion of the Company contemplated by the Plan is subject to the approval of the Pennsylvania Department of Insurance, pursuant to the Pennsylvania Insurance Commissioner’s 1998 order approving the creation of the Company’s current mutual holding company structure.

A registration statement relating to the Holding Company common stock was filed with the Securities and Exchange Commission on April 30, 2009 but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. The offering will be made only by means of a prospectus in accordance with the Securities Act of 1933, as amended, and all applicable state securities laws. For a prospectus, contact Griffin Financial Group LLC at 620 Freedom Business Center, Suite 210, P.O. Box 61926, King of Prussia, Pennsylvania 19406.