

SHARE AND NOTE PURCHASE AGREEMENT

THIS SHARE AND NOTE PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 2nd day of November 1998, by and among ACIC HOLDING CO., INC., a Rhode Island corporation ("Buyer"), THE AMERICAN AUTOMOBILE ASSOCIATION, (INCORPORATED), a Connecticut non-stock corporation ("AAA"), CALIFORNIA STATE AUTOMOBILE ASSOCIATION INTER-INSURANCE BUREAU, a California reciprocal insurer ("CSAAIIB") (AAA and CSAAIIB each a "Seller", together the "Sellers") and AUTOMOBILE CLUB INSURANCE COMPANY, an Ohio corporation (the "Company").

WITNESSETH:

WHEREAS, AAA is the record and beneficial owner of 98,769 of the outstanding common shares (the "AAA Shares") of the Company and capital surplus note of the Company with a principal balance of [REDACTED] (the "ACIC Note");

WHEREAS, CSAAIIB is the record and beneficial owner of 8,769 of the outstanding common shares of the Company (the "CSAAIIB Shares"; the AAA Shares and the CSAAIIB Shares together the "ACIC Shares");

WHEREAS, the Company has the right to use (through agreements with various agencies which are affiliated with AAA Affiliated Clubs) AAA's service mark (e.g., the AAA oval) in marketing its insurance products through certain of the agencies which are affiliated with AAA-affiliated automobile clubs;

WHEREAS, Buyer desires to purchase from Sellers, and Sellers desire to sell to Buyer, the ACIC Shares on the terms and subject to the conditions hereinafter set forth; and

WHEREAS, Buyer desires to purchase from AAA, and AAA desires to sell to Buyer, the ACIC Note on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

SALE AND PURCHASE

1.1 Transfer of the ACIC Shares and the ACIC Note. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined in Section 5.1), each Seller shall sell, assign, transfer and deliver to Buyer its respective ACIC Shares and AAA shall sell, assign, transfer and deliver to Buyer the ACIC Note.

transmission or internet transmission use, display or transmit any AAA Marks or Automobile Insurance Marks and Phrases or any component or derivation thereof outside of the Approved Territories; provided, however, that the Company shall not be deemed to be in breach of this sentence if the radio, television, cable or print medium is disseminated from, and the message is solely directed to customers or potential customers who reside in, an Approved Territory. The Company shall not (and Buyer shall cause the Company not to) make any reference to its affiliation with AAA or any AAA Affiliated Club in connection with any activities conducted in, or with respect to, any geographic area other than an Approved Territory, and then reference may be made only to AAA and the Granting AAA Club to the extent permitted by the Granting AAA Club operating in such Approved Territory.

9.2 Change of Company's Name. As soon as practical after the date of this Agreement, Sellers and the Company shall cause the Company's Articles of Incorporation to be amended to change the name of the Company to Members Property & Casualty Company. AAA, the Company, and Buyer shall cooperate and use all commercially reasonable efforts to prepare, execute, file and deliver all documentation necessary to effect, evidence or notify third parties (including without limitation, Authorities) of such name change. The Company shall have the right to use the name "Automobile Club Insurance Company" but only in an Approved Territory and only until completion of the change of name, provided that Buyer and the Company are cooperating and, after the Closing, Buyer and the Company are diligently pursuing, such name change. Buyer acknowledges that nothing in this Agreement shall be construed as granting to Buyer any rights to use the Automobile Insurance Marks and Phrases except and to the extent expressly provided in the immediately preceding sentence. Provided that the Closing occurs, the reasonable fees and expenses relating to such name change (including filing fees and attorney fees) shall be shared equally by AAA and Buyer. Each party shall, to the extent practicable, give the other party notice of such expense prior to incurring the expense. The covenant set forth in this Section 9.2 shall survive the Closing.

9.3 Dividend of Name and Mark. The parties acknowledge and agree that, prior to the Closing, the Company shall distribute as a dividend to Sellers all of the Company's rights to the service mark "Automobile Club Insurance," the ACIC Name and all trademarks and service marks and other intellectual property related to the name or the service mark. AAA, the Buyer and the Company shall cooperate and use all commercially reasonable efforts to prepare, execute, file and deliver all documentation necessary to effect, evidence or notify third parties (including, without limitation, Authorities) of such transfer. The covenant set forth in this Section 9.3 shall survive Closing.

9.4 Specific Performance. Sellers and Buyer acknowledge and agree that a party's remedy for a breach of any provision of this Article IX shall be specific performance, in addition to any other remedies available to it under this Agreement.

9.5 Enforcement. AAA and the Company agree to notify each other in writing (an "Infringement Notice") of any material infringing use of the precise name "Automobile Club Insurance Company" (the "ACIC Name"), other than as part of a larger name or phrase. AAA in its sole and absolute discretion may commence or prosecute claims or suits with respect to any infringing use of, or challenge to any and all rights Sellers may presently have or may acquire in the future to the ACIC Name, in its own name or in the name of the

SELLER:

THE AMERICAN AUTOMOBILE
ASSOCIATION, (INCORPORATED)

By: _____

Title _____

CALIFORNIA STATE AUTOMOBILE
ASSOCIATION INTER-INSURANCE
BUREAU

By: _____

Title: _____

COMPANY:

AUTOMOBILE CLUB INSURANCE
COMPANY

By: Stuart P. Hagan

Title PRESIDENT / C.E.O.

SELLER:

THE AMERICAN AUTOMOBILE
ASSOCIATION, (INCORPORATED)

By: [Signature]

Title PRESIDENT & CEO
RDR 11/3/90

CALIFORNIA STATE AUTOMOBILE
ASSOCIATION INTER-INSURANCE
BUREAU

By: _____

Title: _____

COMPANY:

AUTOMOBILE CLUB INSURANCE
COMPANY

By: _____

Title _____

SELLER:

THE AMERICAN AUTOMOBILE
ASSOCIATION, (INCORPORATED)

By: _____

Title _____

CALIFORNIA STATE AUTOMOBILE
ASSOCIATION INTER-INSURANCE
BUREAU

By: James P. McPherson

11/3/98

Title: President

COMPANY:

AUTOMOBILE CLUB INSURANCE
COMPANY

By: _____

Title _____

**The American Automobile Association
1000 AAA Drive
Heathrow, FL 32746-5063**

January 29, 1999

Mr. Paul Drewitz
California State Automobile Association
Inter-Insurance Bureau
150 Van Ness Avenue
San Francisco, CA 94102-5279

Mr. James A. Ermilio
ACIC Holding Co. Inc.
The Commerce Group, Inc.
211 Main Street
Webster, MA 01570

Mr. Thomas E. Berridge
Automobile Club Insurance Company
3590 Twin Creeks Drive
Columbus, OH 43218-2580

Re: Share and Note Purchase Agreement Dated November 2, 1998
("Agreement")

Gentlemen:

This letter acknowledges that pursuant to Section 9.3 of the Agreement, the Company was required to dividend to the Sellers (all capitalized terms used in this letter and not otherwise defined shall have the meaning ascribed to them in the Agreement) prior to the Closing, all of the Company's rights to the servicemark "Automobile Club Insurance," the ACIC Name and all trademarks and servicemarks and other intellectual property related to the name or servicemark. The parties acknowledge that due to requirements imposed by the Ohio Department of Insurance, said dividend, although declared, will not be effective until February 8, 1999.

The parties hereby acknowledge and agree that the fact that the effective date of such dividend will not be prior to the Closing shall not in and of itself constitute a breach of any covenant, representation or warranty under the Agreement.

January 29, 1999

Page 2

Please indicate your agreement with the foregoing by signing the enclosed copy of this letter.

Very truly yours,

THE AMERICAN AUTOMOBILE ASSOCIATION INCORPORATED

By: 
Richard D. Rimmer, Executive Vice President

CALIFORNIA STATE AUTOMOBILE ASSOCIATION

By: _____
Paul Drowitz

ACIC HOLDING CO. INC.

By: _____
James A. Emilio

AUTOMOBILE CLUB INSURANCE COMPANY

By: _____
Thomas E. Berridge

January 29, 1999
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THE AMERICAN AUTOMOBILE
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By: _____
Richard D. Rinner, Executive Vice President

CALIFORNIA STATE AUTOMOBILE
ASSOCIATION

By: Paul Drewitz
Paul Drewitz

ACIC HOLDING CO. INC.

By: _____
James A. Ermilio

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By: _____
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