AZ CORPORATION COMMISSION
FILED

NOV 20 2009

FILE NO. F1508930

AZ Corp. Commission
02978340

DO NOT PUBLISH THIS SECTION

APPLICATION FOR AUTH TO TRANSACT BUSINESS IN ARIZONA

Pursuant to A.R.S. Title 10, Chapter 15 and 38

1. The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated" or an abbreviation of any of these words. If you are the holder or assignee of a tradename or trademark, attach a Trade Name Certificate. If your name is not available for use in Arizona, you must adopt a fictitious name and provide a resolution adopting the name, which must be executed by the corporation Secretary.

The name of the corporation is: Mercury Insurance Group, Inc.

A(n) South Carolina Corporation
(State, Province or Country)

X We are a foreign corporation applying for authority to transact business in the state of Arizona.

1. The exact name of the foreign corporation is:

   Mercury Insurance Group, Inc.

   If the exact name of the foreign corporation is not available for use in this state, then the fictitious name adopted for use by the corporation in Arizona is:

   _____ (FN).

2. The name of the state, province or country in which the foreign corporation is incorporated is:

   South Carolina.

3. You must provide the total duration in years for which your corporation was formed to endure. If perpetual succession, so indicate in this section. Do not leave blank, or state 'not applicable'.

3. The foreign corporation was incorporated on the 31 day of March, 2009 and the period of its duration is: Perpetual.

4. The street address of the principal office of the foreign corporation in the state, province or country of its incorporation is:

   1131 DUTCHMAN BLVD.
   IRMO, SC 29063

5. The statutory agent must provide a street address. If statutory agent has a P.O. Box, then they must also provide a physical street address/ location.

5. The name and street address of the statutory agent for the foreign corporation in Arizona is:

   CT Corporation System
   2394 East Camelback Road
   Phoenix, AZ 85016

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5.a. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

131 Dutchman Blvd.
Irmo, SC 29063

5.b. Indicate to which address the Annual Report should be mailed.

5.b. The Annual Report and general correspondence should be mailed to the address specified above in section 4_____ or 5a_____.

6. If the purpose of your corporation has any limitations please indicate. If not, state no limitations or leave blank.

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations if any:

Insurance Sales

7. The names and business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.)

Name: Robert J. Arowood, President [title]
Address: 800 Oak Ridge Turnpike A-1000
City, State, Zip Oak Ridge, TN 37830

Name: Mark K. Patterson, Secretary [title]
Address: 800 Oak Ridge Turnpike A-1000
City, State, Zip Oak Ridge, TN 37830

Name: _____, _____ [title]
Address: _____
City, State, Zip _____

8. The total number of shares authorized (not issued) cannot be blank or "Not Applicable." Number must match Articles of Incorporation in domicile state.

8. The foreign corporation is authorized to issue 1,000 shares, itemized as follows: (Attach additional sheets if necessary.)

1,000 shares of Common [class or series] stock at
NPV no par value or par value of $_____ per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of $_____ per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of $_____ per share.

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9. The total number of shares issued cannot be blank or "Not Applicable." If no shares have been issued, put the word "none" or "zero" or the number 0. Include only shares actually issued in this section.

The Application must be accompanied by the following:
①A Certificate of Disclosure, executed within 30 days of delivery to the Commission, by a duly authorized officer

②A certified copy of your articles of incorporation, all amendments and mergers (AZ Const. Art. XIV, § 8) and a certificate of existence or document of similar import duly authenticated (within 60 days) by the official having custody of corporate records in the state, province or country under whose laws the corporation is incorporated.

The agent must consent to the appointment by executing the consent.

9. The foreign corporation has issued 1000 shares, itemized as follows:

1000 shares of Common [class or series] stock at NPV no par value or par value of $_____ per share.

_____ shares of _____ [class or series] stock at _____ no par value or par value of $_____ per share.

_____ shares of _____ [class or series] stock at _____ no par value or par value of $_____ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:

Insurance Sales

Dated this 11th day of NOVEMBER, 2009.

Executed by _____
Duly Authorized Officer or Director

Robert J. Arnwood President
[print name] [title]

PHONE _____ [optional] FAX _____ [optional]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 26th day of October, 2009.

Marie Edwards
Signature

Marie Edwards Asst. Secretary
[Print Name]

CT Corporation System
[If signing on behalf of a company serving as statutory agent, print company name here]

The State of South Carolina

Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

MERCURY INSURANCE GROUP, INC.,
a corporation duly organized under the laws of the State of South Carolina on March 31st, 2009, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that it is subject to being dissolved by administrative action pursuant to section 33-14-210 of the South Carolina Code, and that the corporation has not filed articles of dissolution as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
23rd day of October, 2009.

Mark Hammond

Mark Hammond, Secretary of State

Note: This certificate does not contain any representation concerning fees or taxes owed by the Corporation to the South Carolina Tax Commission or whether the Corporation has filed the annual reports with the Tax Commission. If it is important to know whether the Corporation has paid all taxes due to the State of South Carolina, and has filed the annual reports, a certificate of compliance must be obtained from the Tax Commission.

CERTIFIED TO BE A TRUE AND CORRECT COPY AS TAKEN FROM AND COMPARED WITH THE ORIGINAL ON FILE IN THIS OFFICE

OCT 2 3 2009

SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF INCORPORATION

1. **NAME.** The name of the corporation is Mercury Insurance Group, Inc.

2. **OFFICE AND AGENT.** The registered office of the corporation is at 75 Beattie Place, 2 Insignia Financial Plaza, Greenville, South Carolina 29601, and the registered agent at such address is CT Corporation System.

3. **STOCK.** The corporation is authorized to issue one class of stock as follows:

Class of Shares	Authorized Number
Common Stock	1,000

The corporation's shares of common stock shall have no par value.

4. **PREEMPTIVE RIGHTS.** The corporation elects not to have preemptive rights. No shareholder shall be entitled to preemptive rights, and no shares of stock of any class issued by the corporation shall be subject to any preemptive rights. The corporation, however, may grant preemptive rights, or similar rights, by contract.

5. **CUMULATIVE VOTING.** The corporation elects not to have cumulative voting. No shareholder shall be entitled to vote cumulatively for the election of directors (or any other decision), and no shares of stock of any class issued by the corporation may be cumulatively voted for the election of directors (or any other decision).

6. **DIRECTOR IMMUNITY.** To the maximum extent permitted by § 33-2-102(e) of the Act or any subsequent provision of like tenor and import, the directors of the corporation shall not have personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. This provision shall eliminate or limit the liability of a director of the corporation to the maximum extent permitted from time to time by the Act or any successor law or laws. Any repeal or modification of the foregoing protection by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

7. **EVALUATION OF OFFERS.** The Board of Directors, when evaluating any offer by another party to (i) make a tender or exchange offer for any equity security of the corporation outside of the ordinary course of business, (ii) merge or consolidate the corporation with any other corporation, (iii) purchase or otherwise acquire all or substantially all of the properties and assets of the corporation, or (iv) undertake any similar extraordinary corporation transaction with the corporation, may in its discretion, in connection with the exercise of its judgment in determining what is in the best interests of the corporation and its shareholders,

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MERCURY INSURANCE GROUP, INC.
Filing Fee: $135.00 ORIG
Mark Hammond South Carolina Secretary of State

give due consideration to: (a) all relevant factors, including without limitation the social, legal, and economic effects on the employees, customers, suppliers, and other constituencies of the corporation and its subsidiaries, on the communities and geographical areas in which the corporation and its subsidiaries operate or are located, and on any of the businesses and properties of the corporation or any of its subsidiaries, as well as such other factors as the directors deem relevant; and (b) all features of the consideration being offered, not only in relation to the then current market price for the corporation's outstanding shares of capital stock, but also in relation to the then current value of the corporation in a freely negotiated transaction and in relation to the Board of Directors' estimate of the future value of the corporation (including the unrealized value of its properties and assets) as an independent going concern.

8. INCORPORATOR. The name, address and signature of the incorporator are as follows:

NAME	ADDRESS	SIGNATURE
Daniel J. Fritze	1320 Main Street, 17th Floor Columbia, SC 29201	

9. CERTIFICATION. I, Daniel J. Fritze, an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Section 33-2-102 of the 1976 South Carolina Code, as amended, relating to the articles of incorporation.

Date: March 31, 2009

Daniel J. Fritze, Esquire
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, SC 29201

~ Doc# 6070061.1 ~

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

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SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

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6. **DIRECTOR IMMUNITY.** To the maximum extent permitted by § 33-2-102(e) of the Act or any subsequent provision of like tenor and import, the directors of the corporation shall not have personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. This provision shall eliminate or limit the liability of a director of the corporation to the maximum extent permitted from time to time by the Act or any successor law or laws. Any repeal or modification of the foregoing protection by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

7. **EVALUATION OF OFFERS.** The Board of Directors, when evaluating any offer by another party to (i) make a tender or exchange offer for any equity security of the corporation outside of the ordinary course of business, (ii) merge or consolidate the corporation with any other corporation, (iii) purchase or otherwise acquire all or substantially all of the properties and assets of the corporation, or (iv) undertake any similar extraordinary corporation transaction with the corporation, may in its discretion, in connection with the exercise of its judgment in determining what is in the best interests of the corporation and its shareholders,

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give due consideration to: (a) all relevant factors, including without limitation the social, legal, and economic effects on the employees, customers, suppliers, and other constituencies of the corporation and its subsidiaries, on the communities and geographical areas in which the corporation and its subsidiaries operate or are located, and on any of the businesses and properties of the corporation or any of its subsidiaries, as well as such other factors as the directors deem relevant; and (b) all features of the consideration being offered, not only in relation to the then current market price for the corporation's outstanding shares of capital stock, but also in relation to the then current value of the corporation in a freely negotiated transaction and in relation to the Board of Directors' estimate of the future value of the corporation (including the unrealized value of its properties and assets) as an independent going concern.

8. **INCORPORATOR.** The name, address and signature of the incorporator are as follows:

NAME	ADDRESS	SIGNATURE
Daniel J. Fritze	1320 Main Street, 17th Floor Columbia, SC 29201	

9. **CERTIFICATION.** I, Daniel J. Fritze, an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Section 33-2-102 of the 1976 South Carolina Code, as amended, relating to the articles of incorporation.

Date: March 31, 2009

Daniel J. Fritze, Esquire
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, SC 29201

~ Doc# 6070061.1 ~

PROFIT
CERTIFICATE OF DISCLOSURE
Pursuant to A.R.S. §10-202. (D).

Mercury Insurance Group, Inc.
EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, incorporator and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
   (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
   (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
   (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes_____ No ✓

B. IF YES, the following information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

C. Has any person serving as an officer, director, trustee, incorporator or holder of over twenty per cent of the issued and outstanding common shares or twenty per cent of any other proprietary, beneficial or membership interest in the corporation served in any such capacity or held a twenty per cent interest in any other corporation in any jurisdiction on the bankruptcy or receivership of the other corporation?

Yes_____ No ✓

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
   (a) Was incorporated.
   (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of bankruptcy or receivership.

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY [signature] BY _____

PRINT NAME Robert J. Arrowood PRINT NAME _____

TITLE President DATE 11-11-09 TITLE _____ DATE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION COVER SHEET

USE A SEPARATE COVER SHEET FOR EACH DOCUMENT

ARE YOU FILING: ☑ New Entity ☐ Change to existing entity ☐ Re-submission/Correction

PLEASE COMPLETE ALL APPROPRIATE SECTIONS

Type in Corp/LLC Name: Mercury Insurance Group, Inc.

FILING TYPE	REGULAR SERVICE FEE	EXPEDITED SERVICE FEE
☐ Articles of Domestication	☐ $100.00	☐ $135.00
☐ Articles of Incorporation (Profit)	☐ $ 60.00	☐ $ 95.00
☐ Articles of Incorporation (Non Profit)	☐ $ 40.00	☐ $ 75.00
☐ Articles of Organization (Limited Liability Company)	☐ $ 50.00	☐ $ 85.00
☐ Application For Authority (Business)	☐ $175.00	☐ $210.00
☐ Application to Conduct Affairs (Non Profit)	☐ $175.00	☐ $210.00
☑ Application for New Authority	☑ $175.00	☐ $210.00
☐ Application for Registration	☐ $150.00	☐ $185.00
☐ Articles of Amendment	☐ $ 25.00	☐ $ 60.00
☐ Articles of Amendment & Restatement	☐ $ 25.00	☐ $ 60.00
☐ Articles of Correction	☐ $ 25.00	☐ $ 60.00
☐ Articles of Merger/Share Exchange	☐ $100.00	☐ $135.00
☐ Articles of Merger (Limited Liability Company)	☐ $ 50.00	☐ $ 85.00
☐ Affidavit of Publication	☐ $ 0.00	☐ $ 35.00
☐ CORPORATIONS -Certified Copies* *If copies are for different entities the Expedite fee applies to each entity	☐ $5.00 Each (_____) (Enter Quantity)	☐ $40.00 (_____) (Enter Quantity)
☐ LLCs - Certified Copies* *If copies are for different entities the Expedite fee applies to each entity	☐ $10.00 Each (_____) (Enter Quantity)	☐ $45.00 (_____) (Enter Quantity)
☐ Good Standing Certificate* *If Good Standing Certificates are for different entities the Expedite fee applies to each entity	☐ $10.00 Each (_____) (Enter Quantity)	☐ $45.00 (_____) (Enter Quantity)
☐ Other: _____	☐ Regular Fee	☐ Expedite Fee

SELECT PAYMENT TYPE: DO NOT WRITE YOUR CREDIT CARD NUMBER ON THIS FORM!

☑ Check — Check # _____ — Check Amount $ 175.00

☐ M.O.D. Account — MOD Acct # _____ — Mod Amount $ _____

☐ Cash — Cash Amount $ _____

☐ Credit Card -- for in-person filings only — CC Amount $ _____

☐ No fee required

SELECT ONE RETURN DELIVERY OPTION: ☑ Mail ☐ Pick Up ☐ Fax # (_____)_____

REQUIRED: Please list the person or company who will be picking up the completed documents.
DOCUMENTS WILL BE MAILED IF THEY ARE NOT PICKED UP IN A TIMELY MANNER (APPROXIMATELY TWO WEEKS).

Person or Company Name: Phone Number:

Address:

City: State: Zip:

FOR ARIZONA CORPORATION COMMISSION USE ONLY

PICK-UP BY: _____ DATE: _____

View current process times at: www.azcc.gov/Divisions/Corporations