

Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends
UNIFORM PRACTICE ADVISORY (UPC # 024-98) April 29, 1998 **Page 1 of 3**

Philadelphia Consolidated Holding Corp., Income PRIDES (PHLYZ)

Philadelphia Consolidated Holding Corp., Growth PRIDES (PHLYL)

Philadelphia Consolidated Holding Corp., TOPRs PRIDES (PHLYP)

The FELINE PRIDES of Philadelphia Consolidated Holding Corp. ("Philadelphia Consolidated") began trading on the Nasdaq National Market on April 29, 1998.

The FELINE PRIDES offered will initially consist of (A) 8,000,000 units (referred to as "Income PRIDESSM") with a Stated Amount, per Income PRIDES, of \$10 (the "Stated Amount") and (B) 1,000,000 units (referred to as "Growth PRIDESSM") with a face amount, per Growth PRIDES, equal to the Stated Amount.

Each Income PRIDES (PHLYZ) will initially consist of a unit comprised of (a) a stock purchase contract (a "Purchase Contract") under which the holder will purchase from Philadelphia Consolidated not later than May 15, 2001 (the "Purchase Contract Settlement Date"), for an amount of cash equal to the Stated Amount, a number of newly issued shares of common stock, no par value per share (the "Common Stock"), of Philadelphia Consolidated equal to the Settlement Rate described herein, and (b) beneficial ownership of a related 7.00 % Trust Originated Preferred Security, having a stated liquidation amount per Trust Preferred Security equal to the Stated Amount, representing an undivided beneficial ownership interest in the assets of the Trust, which will consist solely of 7.00% debentures issued by Philadelphia Consolidated (the "Debentures").

Aggregate payments of 7.00% of the Stated Amount per annum will be made or accrue on each Income PRIDES quarterly in arrears on February 16, May 16, August 16 and November 16 of each year, commencing August 16, 1998, until the Purchase Contract Settlement Date. Distributions will be paid to holders of record on the business day immediately preceding the relevant payment date. Philadelphia Consolidated will have the right at any time, and from time to time, limited to a period not extending beyond the maturity date of the debentures, to defer the interest payments due on the Debentures. As a consequence of such deferral, quarterly distributions on the Trust Preferred Securities and the Income PRIDES would be deferred, but would continue to accrue with interest, at the rate of 7.50% of the Stated Amount per annum, compounded quarterly.

Each Growth PRIDES (PHLYL) will initially consist of a unit comprised of (a) a Purchase Contract under which (i) the holder will purchase from Philadelphia Consolidated on the Purchase Contract Settlement Date, for \$10, a number of newly issued shares of Common

Stock of Philadelphia Consolidated, equal to the Settlement Rate, and (ii) Philadelphia Consolidated will pay the holder unsecured contract adjustment payments ("Contract Adjustment Payments"), at the rate of 0.50% of the Stated Amount per annum, and (b) a 1/100 undivided beneficial ownership interest in a 5.70% zero-coupon U.S. Treasury Security (CUSIP No. 912820 BA 4) having a principal amount equal to \$1,000 and maturing on May 15, 2001 (the "Treasury Securities").

Holders of Growth PRIDES will be entitled to receive quarterly cash distributions of Contract Adjustment Payments, payable by Philadelphia Consolidated at the rate of 0.50% of the Stated Amount per annum.

Holders of each Trust Preferred Security will receive cumulative cash distributions, payable quarterly in arrears at the rate of 7.00% of the stated liquidation amount per annum. These payments are subject to Philadelphia Consolidated's rights of deferral described in the prospectus. In addition, OID would continue to accrue on the related Treasury Securities. Payment, Record, and Accrual Dates are the same as the Income Prides.

Settlement Rates (Income Prides): The number of newly issued shares of Common Stock issuable upon settlement of each Purchase Contract on the Purchase Contract Settlement Date (the "Settlement Rate") will be calculated as follows: (a) if the Applicable Market Value (as defined herein) is equal to or greater than \$25.93 (the "Threshold Appreciation Price," which is approximately 22.00% above the last reported sale price of the Common Stock set forth on the cover page of the final Prospectus Supplement (the "Reference Price"), the Settlement Rate will be .3857 shares; (b) if the Applicable Market Value is less than the Threshold Appreciation Price but greater than the Reference Price, the Settlement Rate will be equal to the Stated Amount divided by the Applicable Market Value; and (c) if the Applicable Market Value is less than or equal to the Reference Price, the Settlement Rate will be .4706 shares.

Early Settlement: A holder of Income PRIDES may settle the related Purchase Contracts on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date in the manner described in the Prospectus, but only in integral multiples of 100 Income PRIDES.

Holders of Income PRIDES or Growth PRIDES in their capacities as such holders will have no voting or other rights in respect of the Common Stock.

For additional information, see Prospectus supplement dated April 28, 1998.

OWNERSHIP OF THE INCOME PRIDES AND GROWTH PRIDES WILL BE MAINTAINED IN BOOK-ENTRY FORM BY OR THROUGH THE THE DEPOSITORY TRUST COMPANY. BENEFICIAL OWNERS OF THE SECURITIES WILL NOT HAVE THE RIGHT TO RECEIVE PHYSICAL CERTIFICATES EVIDENCING THEIR OWNERSHIP EXCEPT UNDER LIMITED CIRCUMSTANCES.

THE NASDAQ STOCK MARKET, INC.



Members are requested to communicate this information to all branches. Inquiries with respect to this circular may be directed to Arnold Golub at (202) 728-6939 and O'Neil Blake at (203) 375-9609.

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