

OFFICE OF COMMISSIONER OF INSURANCE  
STATE OF WISCONSIN

---

In the Matter of the Acquisition of Control  
of Physicians Insurance Company of Wisconsin, Inc.  
by American Physicians Assurance Corporation

Case No. 04-C29283

---

**AFFIDAVIT OF JOSEPH D. NEMETH**

---

STATE OF WISCONSIN            )  
  ) ss  
ROCK COUNTY                    )

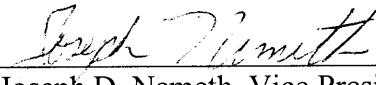
Joseph D. Nemeth states as his affidavit:

1. I am an adult resident of the State of Wisconsin and I make this affidavit of my own personal knowledge.
2. I am Vice President and Chief Financial Officer of Mercy Health System Corporation (“Mercy”).
3. Mercy is the beneficial owner of 240 shares of common stock of Physicians Insurance Corporation of Wisconsin (“PIC”), a stock insurance corporation organized under Chapter 611 of the Wisconsin Statutes.
4. Mercy is a party to the Stock Purchase Agreement dated as of September 17, 2004 (the “Stock Purchase Agreement”), by and among Mercy and certain other shareholders of PIC, as sellers, and American Physicians Assurance Corporation, a Michigan stock insurance corporation (“APAC”), as purchaser.
5. Pursuant to the Stock Purchase Agreement, Mercy has agreed to sell its 240 shares of PIC common stock to APAC (the “Transaction”), subject to approval of the Transaction by the Wisconsin Commissioner of Insurance (the “Commissioner”) pursuant to Section 611.72(2) of the Wisconsin Statutes.


6. Upon information and belief, APAC has filed a Form A Statement Regarding the Acquisition of Control of or Merger With a Domestic Insurer ("Form A") with the Commissioner's office and the Commissioner will hold a hearing with respect to such approval as required by Section 611.72(3) of the Wisconsin Statutes.

7. Mercy has a substantial interest that may be affected by the Commissioner's decision following the hearing because, if the Commissioner determines to withhold approval of the Transaction, Mercy will be prevented from selling its shares of PIC common stock to APAC pursuant to the Stock Purchase Agreement and will effectively be prevented from disposing of any or all of its shares of PIC common stock in this transaction, all to its substantial economic detriment.

Dated November 4, 2004.

  
\_\_\_\_\_  
Joseph D. Nemeth, Vice President & CFO

Subscribed and sworn to before me this 4<sup>th</sup> day of  
November, 2004

  
Notary Public, State of Wisconsin  
My commission: is permanent