



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Jorge Gomez, Commissioner

Wisconsin.gov

April 22, 2003

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Holding Co

ALLEN D KEMP MD
DEAN HEALTH SYSTEM
1808 W BELTLINE HWY
MADISON WI 53713

Re: Rebuttal of Control of Physicians Insurance Company of Wisconsin

Dear Dr. Kemp:

This office has reviewed your letter regarding the disclaimer of control made by Dean Health System ("Dean") with respect to Physicians Insurance Company of Wisconsin, Inc ("PIC-WI"). This office does not contest the disclaimer of control.

Please advise this office if any representations regarding this disclaimer of control change materially, including but not limited to the acquisition by Dean of 15% or more of the voting securities of PIC-WI, an increase in the number of Dean representatives on the PIC-WI Board of Directors or the establishment of any new contractual or business relationships between Dean and PIC-WI or its affiliates.

Please contact me if you have any further questions.

Sincerely,

Roger A. Peterson
Insurance Examiner Supervisor
Bureau of Financial Analysis and Examinations

RAP:



April 14, 2003

Mr. Roger Peterson
Office of the Commissioner of Insurance
121 East Wilson Street
Madison, WI 53703

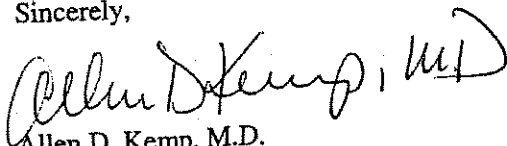
Dear Roger:

Please accept this letter as rebutting the presumption under Wis. Stat. Sec. 600.03 (13) that Dean Health Systems, Inc. (Dean) "controls" Physicians Insurance Company of Wisconsin, Inc. (PIC Wisconsin). All material relationships and bases for affiliation between Dean and PIC Wisconsin are as follows: 1) Dean holds 2011 shares of PIC Wisconsin's Common Stock, which represents approximately 10.3% of the outstanding shares of the sole class of voting securities of PIC Wisconsin and which Dean acquired when purchase of stock was a prerequisite to purchase of the health care liability insurance offered by PIC Wisconsin and incrementally as Dean acquired the practices who held voting securities of PIC Wisconsin, and 2) one of PIC Wisconsin's directors is a Dean physician shareholder.

Notwithstanding these relationships and bases for affiliation, Dean does not "control" PIC Wisconsin within the meaning of Sec. 600.03(13) because 1) the remaining 89.7% of PIC Wisconsin's voting securities are widely held and 2) PIC Wisconsin has eleven other directors and Dean is not entitled to a seat on PIC Wisconsin's board of directors. PIC Wisconsin has almost 1200 shareholders, 25 of which own 46% of the voting securities (with the median shareholder owning 6 shares). Therefore, Dean, as a holder of 10.3% of PIC Wisconsin's voting securities, does not have "the power to direct or cause the direction of the management and policies of" PIC Wisconsin within the meaning of Sec. 600.03(13). Moreover, PIC Wisconsin's twelve-member board of directors is elected by all shareholders at large, traditionally from nominations by the board. No director positions are designated for Dean. The terms of the directors are staggered, with one-third of the board elected every three years. In sum, the holder of one director position does not have "the power to direct or cause the direction of the management and policies of" PIC Wisconsin within the meaning of Sec. 600.03(13).

Please confirm your agreement that Dean has rebutted the presumption that it controls PIC Wisconsin under Sec. 600.03(13). Of course, if the current situation changes such that Dean may acquire actual control of PIC Wisconsin, Dean will make the appropriate filings. If you have any questions, please do not hesitate to contact me.

Sincerely,


Allen D. Kemp, M.D.
CEO and Chairman of the Board

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Cc: Steven Caldwell
Thomas Kirschbaum

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WISCONSIN COMMISSIONER
OF INSURANCE

CERTIFICATE OF SERVICE

This will certify that on June 8, 2005, a copy of Physicians Insurance Company of Wisconsin, Inc.'s Memorandum of Physicians Insurance Company of Wisconsin, Inc.

("PIC") In Support of Its Requests for Discovery was served by hand delivery to

David J. Hanson, Esq.
Michael Best & Friedrich LLP
1 S. Pinckney Street, #700
P.O. Box 1806
Madison, WI 53701-1806,

and by U.S. mail to the following counsel:

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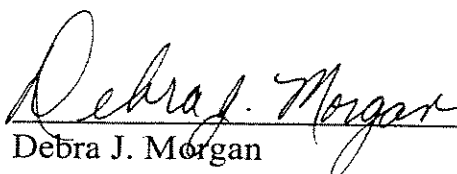
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Debra J. Morgan