

January 12, 2005

VIA HAND DELIVERY

Fred Nepple, Esq.
General Counsel
Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin 53702

RE: In the Matter of Acquisition of Control of Physicians Insurance Company of Wisconsin, Inc. by American Physicians Assurance Corporation
Case No.: 04-C29283
Dismissal of a Shareholder Lawsuit against American Physicians Capital, Inc.

Dear Mr. Nepple:

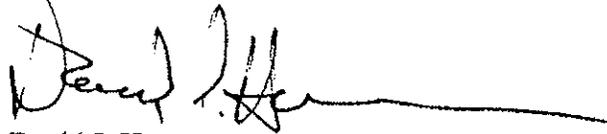
Please find enclosed a copy of an Opinion of the Western District Court of Michigan, Southern Division, and an Order from the same, both dated January 11, 2005, which dismiss, in its entirety, a lawsuit brought against American Physicians Capital, Inc. and two of its officers as a proposed class action under the securities laws of the United States. This litigation was disclosed in Appendix B to American Physicians Assurance Corporation's Form A filing, dated September 21, 2004, in both American Physicians Capital, Inc.'s Form 10-Q, dated June 30, 2004 (p. 40), and its Form 10-K, dated December 31, 2003 (p. 16). It was also referred to in a letter from William Monteil of PIC-Wisconsin to Commissioner Gomez, dated September 29, 2004 (p. 1, ¶ 2).

Each and every allegation of the complaint was discussed and the case was dismissed in its entirety, without leave to amend.

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WISCONSIN DEPARTMENT
OF INSURANCE
COMMUNICATIONS SECTION

Commissioner Fred Nepple
January 12, 2005
Page 2

Very truly yours,



David J. Hanson
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DJH:cac

Enclosures