

## MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT made and entered into this date to be effective the 1<sup>st</sup> day of January, 2006, by and between ProAssurance Corporation and its subsidiaries, (collectively the "Companies" and separately a "Company"), each of which is listed on the signature page and has caused this Agreement to be executed by a duly authorized officer.

### RECITALS

WHEREAS, each of the Companies listed on the signature page (collectively, the "Companies") is an affiliated company and the Companies have determined that they can most efficiently and economically operate by combining certain portions of their operations so that management and employees of one Company may provide services on behalf of one or more of the other Companies; and

WHEREAS, the Companies desire to share management services of Company operations including, but not limited to, administration, accounting, actuarial, legal, compliance, underwriting, claims, information systems, marketing and sales, human resources and risk management ("Management Services"); and

WHEREAS, the Companies desire to establish a method to allocate management related expenses; and

WHEREAS, for purposes of this Agreement, TMAC shall be responsible for coordinating the delivery of Management Services and will be referred to in this Agreement as the "Manager";

NOW THEREFORE, in consideration of these premises and the terms and conditions set forth herein, the Companies agree as follows:

### AGREEMENT

1. **MANAGEMENT SERVICES.** The Companies agree to share Management Services under the terms and conditions of this Agreement. For purposes of this Agreement, the Manager shall deploy the employees of the Companies as required to provide the Management Services. TMAC agrees to make available its resources and the other Companies agree to grant Manager access to its resources, including but not limited to, personnel and facilities, for the performance of the services contemplated in this Agreement. Management Services will be provided to each of the Companies under the direction of Manager including the following:

A. Accounting Services, Financial Statements and Tax Returns. The Manager will perform accounts receivable, accounts payable, investment management and other accounting and financial services appropriate to the insurance operations. Manager will provide all accounting services required for purposes of accounting for the results of insurance operations. The Manager will prepare all of the financial statements required for filing with regulatory authorities, including statutory financial statements and tax returns as required. The Manager will perform these services in a manner and timeframe that complies with the requirements of governing laws and regulations.

B. Underwriting. The Manager shall perform underwriting services including the review of applications for policies of insurance, making decisions on coverage, follow-up with applicants for additional information, and working with reinsurers. The Manager will comply with all guidelines set forth by the applicable Company with respect to underwriting, the acceptance or rejection of certain classes of business, the scope of coverage and the provisions of the coverage document or related to the issuance of policies.

C. Reinsurance. The Manager shall seek to arrange for appropriate reinsurance for each Company, as required.

D. Sales and Service. For insurance companies only, the Manager shall, directly or through appointed agents sell and promote the policies of insurance issued by each Company in the manner directed by the respective Company. As part of this service, the Manager shall invoice policies, mail applications to insureds, collect premiums paid, and market the policies to prospective insureds.

E. Claims Administration. The Manager will review, process, investigate, adjust, settle or resist all claims in accordance with each Company's direction, the terms of each Company's coverage documents, and any written guidelines or decision of the applicable Company regarding coverage, handling or payment of claims. The Manager will establish loss reserves for each claim as deemed necessary in accordance with each Company's direction. The Manager will engage attorneys to represent policyholders in any suit covered by each Company's policy.

F. Information Systems. The Manager will provide or cause to be provided all information system services required for daily, monthly, quarterly and yearly processing and reporting of business and financial information on a timely and accurate basis.

G. Administrative and Other Services. Manager will provide administrative services with respect to matters pertaining to each Company's operations, including, but not limited to, preparation of business plans, actuarial services, assisting in the arrangement of appropriate insurance for insurance company operations, regulatory and financial compliance, facilities operations, and legal services provided in the normal course of insurance business, not to include defense of claims against the policyholders of the Companies.

H. Human Resources Administration. Manager will provide human resource services with respect to matters pertaining to each Company's operations, including, but not limited to, payroll administration, benefit administration, employee handbook and company policy administration, employment services, employee relations and any other human resource issue that may arise.

I. Risk Management. The Manager will arrange for and coordinate loss prevention services as agreed with each Company, including furnishing assistance and professional consultation to insureds, developing and conducting training programs, maintaining CME accreditation and other loss prevention services.

J. Delegation of Duties: The Manager may perform the Management Services using the personnel of any of the Companies in this Agreement, delegate the performance of Management Services to any of the Companies or engage consultants, advisors, investment managers and such other third-parties as may be reasonably required to perform the Management Services.

2. ALLOCATION OF EXPENSES:

Direct and indirect expenses shall be allocated as set forth in the Expense Allocation Agreement that is being entered into simultaneously with this Agreement. Manager shall not charge any management fee, commission, or override for performing the services of Manager as set forth in this Agreement.

3. TERM OF AGREEMENT:

The original term of this Agreement shall be January 1, 2006 through December 31, 2006, inclusive and this Agreement shall automatically continue in force for subsequent calendar years unless amended or modified by the Companies.

4. APPROVAL BY BOARD OF DIRECTORS:

The Management Services provided to each Company shall be subject to the review and approval of the Board of Directors of each Company. The Board of Directors of each Company shall, at least annually, approve the scope of service to be provided by the Manager. At least annually, the Manager will report to each Company the allocation of expenses as set forth in the Expense Allocation Agreement, and that allocation shall be subject to the review and approval of the Board of Directors of each Company.

5. AMENDMENT:

This Agreement cannot be amended except in writing signed by authorized representatives of the Companies in this Agreement.

6. SEVERABILITY:

If any part of this Agreement shall be held invalid for any reason (based upon any applicable insurance statute, rule or regulation or otherwise is disapproved by a governing Insurance Department) such invalidity shall not affect any part of this Agreement and the other parts of this Agreement shall remain in full force and effect.

The Companies have entered into this Agreement on this date, September 1, 2005.

ATTEST:

Kathryn A. Neville

ProAssurance Corporation

By: V.M.T. —

Its: President

ATTEST:

Kathryn A. Neville

Medical Assurance, Inc.

By: [Signature]

Its: TREASURER

ATTEST:

Kathryn A. Neville

The Medical Assurance Company, Inc.

By: [Signature]

Its: Sr VP

ATTEST:

Kathryn A. Neville

Woodbrook Casualty Insurance, Inc.

By: [Signature]

Its: TREASURER

ATTEST:

Kathryn A. Neville

IAO, Inc.

By: [Signature]

Its: TREASURER

ATTEST:

Kathryn A. Neill

Medical Assurance of Indiana Agency, Inc.

By: [Signature]

Its: Treasurer

ATTEST:

Kathryn A. Neill

Mutual Assurance Agency of Ohio, Inc.

By: [Signature]

Its: Treasurer

ATTEST:

Kathryn A. Neill

ProAssurance Group Services Corporation

By: [Signature]

Its: President

ATTEST:

Kathryn A. Neill

Professionals Group, Inc.

By: [Signature]

Its: President

ATTEST:

Kathryn A. Neill

ProNational Insurance Company

By: [Signature]

Its: President

ATTEST:

Kathryn A. Neill

Red Mountain Casualty Insurance Company, Inc.

By: [Signature]

Its: President

ATTEST:

Kathryn A. Neville

American Insurance Management Corporation,  
Individually and as Attorney-in-Fact for American  
Medical Insurance Exchange

By: V.H.T. —

Its: President

ATTEST:

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ProNational Insurance Agency, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

Kathryn A. Neville

Physicians Protective Plan, Inc.

By: James

Its: Treasurer

ATTEST:

Kathryn A. Neville

Professionals Group Services Corp.

By: V.H.T. —

Its: President

ATTEST:

Kathryn A. Neville

PRA Services Corporation

By: James

Its: Treasurer

ATTEST:

Kathryn A. Neville

NCRIC Corporation

By: V.H.T. —

Its: President

ATTEST:

\_\_\_\_\_

American Insurance Management Corporation,  
Individually and as Attorney-in-Fact for American  
Medical Insurance Exchange

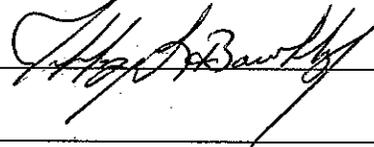
By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

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ProNational Insurance Agency, Inc.

By:  \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

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Physicians Protective Plan, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

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Professionals Group Services Corp.

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

PRA Services Corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

NCRIC Corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

V. H. T. O.

NCRIC, Inc.

By: R. R. Paley, Jr.

Its: President

ATTEST:

V. H. T. O.

American Captive Corporation

By: R. R. Paley, Jr.

Its: President

ATTEST:

V. H. T. O.

National Capital Insurance Brokerage, Ltd.

By: R. R. Paley, Jr.

Its: President

ATTEST:

V. H. T. O.

NCRIC Insurance Agency, Inc.

By: R. R. Paley, Jr.

Its: President

## EXHIBIT A

ProAssurance Corporation is the parent company of the following subsidiaries, which are at least 80% owned by ProAssurance:

	<u>Effective Date of Participation</u>
Medical Assurance, Inc.	9/1/2005
Professionals Group, Inc.	9/1/2005
NCRIC Corporation	9/1/2005
ProAssurance Group Services Corporation	9/1/2005

Medical Assurance, Inc. includes the following subsidiaries:

	<u>Effective Date of Participation</u>
The Medical Assurance Company, Inc.	9/1/2005
Woodbrook Casualty Insurance, Inc.	9/1/2005
IAO, Inc.	9/1/2005
Medical Assurance of Indiana Agency, Inc.	9/1/2005
Mutual Assurance Agency of Ohio, Inc.	9/1/2005

Professionals Group, Inc. includes the following subsidiaries:

	<u>Effective Date of Participation</u>
ProNational Insurance Company	9/1/2005
Red Mountain Casualty Insurance Company, Inc.	9/1/2005
MEEMIC Holdings, Inc.	9/1/2005
MEEMIC Insurance Services Corp.	9/1/2005
MEEMIC Insurance Co.	9/1/2005
American Insurance Management Corp.	9/1/2005
ProNational Insurance Agency, Inc.	9/1/2005
Physicians Protective Plan, Inc.	9/1/2005
Professionals Group Services Corp.	9/1/2005
PRA Services Corporation	9/1/2005

Exhibit A Continued

NCRIC Corporation includes the following subsidiaries:

	<u>Effective Date of Participation</u>
NCRIC, Inc.	9/1/2005
American Captive Corporation	9/1/2005
National Capital Insurance Brokerage, Ltd.	9/1/2005
NCRIC Insurance Agency, Inc.	9/1/2005
ConsiCare, Inc.	9/1/2005
NCRIC Physicians Organization, Inc.	9/1/2005