

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 MICHAEL B. SANDERS

STATE OF WISCONSIN)
) ss
GREEN COUNTY)

Michael B. Sanders, being first duly sworn on oath, deposes and states as follows:

1. I am an adult resident of the State of Wisconsin and I make this affidavit of my own personal knowledge being duly authorized to do so.
2. I am the President and CEO of The Monroe Clinic, Inc., (“Monroe”).
3. Monroe is the record and beneficial owner of 392 shares of common stock of Physicians Insurance Corporation of Wisconsin (“PIC”), a stock insurance corporation organized under Chapter 611 of the Wisconsin Statutes.
4. Monroe is a party to a certain Stock Purchase Agreement dated as of September 17, 2004 (the “Stock Purchase Agreement”), by and among Monroe 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, Monroe has agreed to sell its 392 shares of PIC common stock to APAC (the "Transaction"), subject to the approval of the Transaction by the Wisconsin Commissioner of Insurance (the "Commissioner") pursuant to Section 611.72(2) of the Wisconsin Statutes.

6. It is my understanding that 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 that the Commissioner will hold a hearing and conduct other proceedings with respect to such approval as required by Section 611.72(3) of the Wisconsin Statutes.


7. Monroe has a substantial interest that may be affected by the proceedings before the Commissioner and the Commissioner's decision following the hearing because, if the Commissioner determines to withhold approval of the Transaction, Monroe 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 at Monroe, Wisconsin, this 23rd day of November, 2004.



Michael B. Sanders
President and CEO

Subscribed and sworn to before me
this 23rd day of November, 2004



Notary Public, State of Wisconsin

My commission expires 10/14/07

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