



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Jorge Gomez, Commissioner

Wisconsin.gov

March 29, 2006

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
Web Address: oci.wi.gov

Victor T. Adamo, Esq, CPCU
President
ProAssurance Corporation
100 Brookwood Place, Suite 300
Birmingham, Alabama 35209

Re: Acquisition of Control of Physicians Insurance Company of Wisconsin Inc. by
ProAssurance Corporation (Case No. 06-C29893)

Dear Mr. Adamo:

Responses to the following items are requested in connection with this Office's review of the proposed acquisition of control of Physicians Insurance Company of Wisconsin Inc. (hereinafter also, "PIC-WI").

1. In your response letter dated March 6, 2006, you indicated that current plans were to retain PIC-WI's surplus note. Please explain the rationale for maintaining the surplus note as the original intent of the surplus note related to a capitalization plan that appears no longer relevant to the company going forward.
2. Please provide legal justification as to the transferability of PIC-WI outstanding shares of common stock. Your response should include discussion related to the original intent of transferability of the outstanding common shares of PIC-WI stock and any provisions and/or communication that you are aware of that were meant to restrict the transferability of the shares.
3. Nursing homes that are operated as a single entity with a hospital are required to participate in the Wisconsin Injured Patients & Families Compensation Fund (WI Compensation Fund), and to have their primary coverage with a licensed carrier. Currently, the majority of these nursing homes have their primary coverage placed with PIC-WI. Does ProAssurance Corporation intend to maintain this coverage? Please comment on ProAssurance Corporation's evaluation of this block of business and how you expect your decision to impact the nursing homes' ability to obtain this required coverage.
4. PIC-WI currently provides coverage to some Wisconsin physicians that render medical services on a part-time basis in Illinois. Generally, these physicians also have WI Compensation Fund coverage in excess of their primary limits. In the proposed post merger "Plan of Operation", underwriting, policy administration, and risk management for the Illinois business of PIC-WI will be consolidated into ProAssurance Corporation's underwriting office in Okemos, Michigan and the claims function will be consolidated into

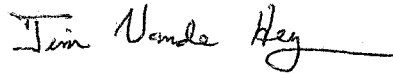
Mr. Adamo
March 29, 2006
Page 2

ProAssurance Corporation's existing Lisle, Illinois office. Please identify which claim office will handle the claim of a Wisconsin doctor practicing in Illinois, if a suit is filed in Illinois. Will the claim stay with the office/region that issued the policy or will it be handled by the office that manages the Illinois claims?

5. PIC-WI currently has a well regarded risk management program in place for its insureds. Please identify whether ProAssurance Corporation will maintain this specific program as it currently exists, or whether changes are anticipated to the program

Please contact me if you have any questions or concerns related to these inquiries.

Sincerely,



Tim Vande Hey
Insurance Financial Examiner - Advanced
Bureau of Financial Analysis and Examinations

cc: Jon C. Nordenberg
Jack P. Stephenson
William T. Montei
Jeffrey B. Bartell