
**In the Matter of
Proposed Acquisition of Control of
Physicians Insurance Company of
Wisconsin, Inc. by
American Physicians Capital, Inc., and
American Physicians Assurance
Corporation (“Applicants”)**

PHYSICIANS INSURANCE COMPANY
OF WISCONSIN, INC.’S DOCUMENT
REQUESTS TO AMERICAN
PHYSICIANS CAPITAL, INC. AND
AMERICAN PHYSICIANS ASSURANCE
CORPORATION

Case No. 04-C29283

Petitioner Physicians Insurance Company of Wisconsin, Inc. hereby requests that respondents American Physicians Capital, Inc. and American Physicians Assurance Corporation produce within twenty (20) days from the date hereof at the offices of Heller Ehrman, One East Main Street, Madison, Wisconsin, the following documents and things as they are kept in the usual course of business or organized and labeled to correspond with the numbered paragraphs of this Request.

DEFINITIONS AND INSTRUCTIONS

The following definitions and instructions apply to all discovery requests:

1. “ACAP” means American Physicians Capital Inc., its parents, subsidiaries, affiliates, predecessors in interest, successors in interest, officers, directors, employees, agents, attorneys, and any person or entity acting or purporting to act on its behalf.
2. “APA” means American Physicians Assurance Corporation, its subsidiaries, affiliates, predecessors in interest, successors in interest, officers, directors, employees, agents, attorneys, and any person or entity acting or purporting to act on its behalf.
3. “You” and “Your” means ACAP and APA, as defined above.

4. **"PIC Wisconsin"** means Physicians Insurance Company of Wisconsin, Inc.
5. **"Stilwell Group"** means any of the following persons: Stilwell Value Partners II, L.P., Stilwell Value Partners V, L.P., Stilwell Associates, L.P., Stilwell Partners, L.P., Stilwell Value LLC, Joseph Stilwell, Spencer L. Schneider, Kevin D. Padrick, and/or John Stilwell.
6. **"Form A"** means the Form A Statement Regarding the Acquisition of Control of Physicians Insurance Company of Wisconsin, Inc. submitted by APA to the Office of the Commission of Insurance on September 21, 2004 and all amendments thereto.
7. **"Selling Shareholders"** means those six shareholders of Wisconsin PIC identified as "Selling Shareholders" in Form A.
8. **"Stock Purchase Agreement"** means that certain Stock Purchase Agreement identified in Form A.
9. **"Document"** is defined to include all "things" that may be responsive to any request including, but not limited to, any writing, drawing, film, videotape, chart, photograph, phonograph record, tape record, mechanical or electronic sound recording or transcript thereof, retrievable data (whether carded, taped coded, electrostatically or electromagnetically recorded, or otherwise), notices, memoranda, diaries, calendars, purchase records, purchase invoices, market data, correspondence, telecopies, telexes, computer storage tapes, computer storage cards or disks, books, journals, ledgers, statements, reports, invoices, bills, worksheets, jottings, circulars, releases, newspaper or magazine articles, memoranda, notes, letters, e-mails, minutes of meetings, financial statements, agreements, analyses, abstracts, audits, checks, diagrams, drafts, recordings, instructions, lists, logs, orders, recitals, telegram messages, telephone bills, and logs, resumes, summaries, compilations, computations, and other formal and informal writings or tangible preservations of information. A draft or non-identical copy is a separate

document within the meaning of this term. The term should apply to all information in electronic or machine readable form, including computer data bases, computer disks, e-mail and/or CD-ROMS or summaries thereof and to any relevant compilations, abstracts and summaries in defendant's possession or in its custody.

10. **"Person"** is defined as any natural person or any business, legal or governmental entity or association.

11. **"Concerning"** means relating to, referring to, describing, evidencing or constituting.

12. **And/or:** The connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

13. **Number:** The use of the singular form of any word includes the plural and vice versa.

14. If any portion of a document is responsive to any request, the entire document should be produced.

15. If any document requested herein is regarded as privileged or otherwise protected from discovery, You shall, in the objection to the document request,

- a. identify the basis upon which the document or any portion thereof is being withheld; and
- b. provide the following information in the objection:
 - i. the type of document;
 - ii. general subject matter of the document;
 - iii. the date of the document;
 - iv. the author of the document;
 - v. the addressee of the document;

vi. all other recipients of the document.

16. If You are unable to respond to any request fully, supply the documents that are available and explain why Your response is incomplete, the efforts made by You to obtain the documents, and the source or sources from which all responsive documents may be obtained.

17. These requests call for the production of all responsive documents that are in Your possession, custody or control, and includes those responsive documents in the possession of Your officers, directors, employees, attorneys, agents or other persons acting or purporting to act on Your behalf.

18. If no time period is specified in the request, the time period covered by the request is from January 1, 2002 to the date of the preparation of Your response.

19. These requests are to be regarded as continuing. You are requested to provide, by way of supplementary responses, such additional documents and things as You may hereafter create or obtain.

DOCUMENTS TO BE PRODUCED

1. All documents concerning Your "current business operations, and ... plan for the future" (Form A at 3), including but not limited to any budgets, forecasts or business models prepared by or on Your behalf.

2. All documents concerning A.M. Best's downgrades in APA's rating in November 2003 and in January 2004, including but not limited to all documents concerning the financial difficulties experienced by APA that led to A.M. Best's downgrades in APA's rating. (See Form A, 10-11).

3. All documents concerning any presentation made by or on Your behalf to A.M. Best or any rating agency.

4. All correspondence and reports from the independent auditors of ACAP, including all management letters and reports, prepared or received in connection with the annual audits of ACAP or otherwise.
5. All documents concerning ACAP's internal audit activities, including but not limited to copies of all reports of ACAP's internal auditor (or third party internal auditor).
6. All materials provided to Your Audit Committee and all minutes for Audit Committee meetings.
7. All documents concerning actuarial studies, reports and opinions of independent actuaries (including accounting firms) and/or Your internal actuaries relating to Your reserves and specific risks or events that have been the subject of actuarial analysis.
8. All documents concerning the March 24, 2005 dismissal of PricewaterhouseCoopers as ACAP's independent registered public accounting firm.
9. All documents concerning the appointment of BDO Seidman, LLP as ACAP's independent registered public accounting firm to audit ACAP's consolidated financial statements.
10. All documents regarding any weakness in ACAP's controls and procedures, including but not limited to any management letters identifying weakness in controls or procedures and the material weakness in disclosure controls and procedures disclosed in ACAP's 2004 Form 10-K and First Quarter 2005 10Q.
11. All documents regarding the conclusion by ACAP that it did not maintain effective controls over underwriting and claims processes performed in its New Mexico business.

12. All documents regarding the payment of an \$8 million dividend by APA to ACAP in December 2004.
13. All documents regarding the surplus contribution of \$4 million by ACAP to Insurance Corporation of America.
14. All documents concerning any shareholder standstill agreements in place with any ACAP shareholder.
15. All documents concerning the Stilwell Group, including but not limited to all documents concerning the Stilwell Group's ability (actual or potential) to appoint directors to ACAP's board of directors or exercise control of ACAP.
16. All documents concerning communications with the Michigan Office of Financial and Insurance Services regarding the Stilwell Group.
17. All documents concerning Daniel L. Gorman, including but not limited to all documents concerning Gorman's ability (actual or potential) to appoint directors to ACAP's board of directors or exercise control of ACAP.
18. All documents related to APA's "exit from Florida." (Form A, page 9).
19. All documents concerning APA's decision to exit the Nevada market. (Form A at 9).
20. All documents concerning APA's loss of the endorsement of the Kentucky Medical Society.
21. All documents concerning rate increases instituted by APA for medical malpractice liability insurance over the past three years.
22. All documents concerning Your Reports of Examination by any state insurance department or agency since January 1, 2000 to date.

23. All documents concerning “the fundamental changes undertaken by new management” of APA and the “new operating philosophy” of APA described in Form A. (See Form A at 8).

24. All documents concerning the repurchase or potential repurchase by ACAP of its stock, including any stock buyback program.

25. All documents concerning APA’s reductions in the number of medical malpractice insurance policyholders over the past three years.

26. All documents concerning any proposed sale, merger or reorganization of ACAP and/or APA, including but not limited to any strategic reviews.

27. All documents concerning the Wisconsin insurance market.

28. All documents concerning any analyses of the Wisconsin market prepared by or at Your request.

29. All documents concerning APA’s current business operations in Wisconsin.

30. All documents concerning APA’s plans for the Wisconsin market.

31. All documents concerning APA’s decision to seek to purchase shares of Wisconsin PIC.

32. All documents concerning any other potential acquisitions in Wisconsin that have been identified by or on Your behalf.

33. All documents concerning Edelman & Co., Ltd. or Robert Edelman, including but not limited to any efforts by Edelman to acquire or sell shares on behalf of any Wisconsin PIC shareholder in the past three years.

34. All documents concerning any PIC Wisconsin shareholder, including but not limited to any correspondence between APA (or anyone acting or purporting to act on its behalf),

on the one hand, and the Selling Shareholders (or anyone acting or purporting to act on their behalf), on the other.

35. All documents concerning any plans or efforts by APA and/or ACAP to contact non-Selling Shareholders, including but not limited to media advertisements and public relations statements and any soliciting materials.

36. All documents concerning APA's and/or ACAP's intentions with respect to its proposed PIC Wisconsin share ownership.

37. All documents concerning APA's intention to seek representation on the PIC Wisconsin Board of Directors. (Supp. Form A. at 5.)

38. All documents concerning the "potential purchase of additional shares" of PIC Wisconsin by APA. (Form A at 28).

Dated this 8th day of June, 2005.

Respectfully submitted,

John S. Skilton / saw

John S. Skilton
Sarah C. Walkenhorst
Heller Ehrman LLP
1 East Main Street
Suite 201
Madison, WI 53703
(608) 663-7460

Walter C. Carlson
Sidley Austin Brown & Wood LLP
Bank One Plaza
10 South Dearborn Street
Chicago, IL 60603
(312) 853-7000

Noreen J. Parrett
Lafollette Godfrey & Kahn
1 East Main Street
P.O. Box 2719
Madison, WI 53701
(608) 257-3911

Attorneys for
Physicians Insurance Company of
Wisconsin, Inc.