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May 24, 2005

HAND-DELIVERED

Fred Nepple
General Counsel
Office of the Commissioner of Insurance
125 Webster Street
Madison, WI 53707

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

Second Amendment to Form A Filing

Dear Mr. Nepple:

Please find enclosed a Second Amendment (the "Second Amendment") to American Physicians Assurance Corporation's Form A, filed September 21, 2004, as amended April 15, 2005 (the "Form A"). This letter and the Second Amendment are submitted in response to the letter sent to your attention from counsel to Physicians Insurance Company of Wisconsin, Inc. ("PIC"), dated May 19, 2005 ("PIC's Letter"), which takes the position that the Form A should have included information regarding (1) American Physicians Capital, Inc. ("APC") and (2) interests in APC held by Pzena Investment Management, LLC ("Pzena") and Stilwell Value Partners V, L.P., Stilwell Associates, L.P., Stilwell Value LLC, Joseph Stilwell and Spencer L. Schneider (collectively, the "Stilwell Group").

As to PIC's first point, the Applicant that filed the Form A was American Physicians Assurance Corporation ("APA"). However, the Form A contained information about APA's parent, APC, including (i) the identity of and biographical information regarding APC's directors and executive officers, contained in Item 3, (ii) APC's Form 10-K for the year ended December 31, 2003 and Form 10-Q for the quarter ended June 30, 2004, as Appendix B, (iii) an organizational chart describing APC's ownership of APA, as Appendix D, and (iv) audited financial statements of APC for five years, as Appendix J. Additionally, APA has taken steps to provide the Office of the Commissioner of Insurance (the "OCI") with current information regarding APC, including (i) the Opinion and Order dismissing a securities lawsuit brought against APC, submitted January 12, 2005, (ii) APC's Form 10-K for the year ended December 31, 2004, submitted on March 30, 2005 and (iii) APC's Form 10-Q for the period ended March 31, 2005, submitted, May 13, 2005. APA has made all of these materials available to PIC as they have been submitted to the OCI.

As to PIC's second point, the Form A was not defective, incorrect, incomplete or misleading because none of the entities or individuals named in PIC's Letter, particularly those that own interests in the parent of the Applicant, are "acquiring persons" with respect to PIC. With respect to Pzena, it previously owned more than 10% of the outstanding shares of APC. Pzena had filed a disclaimer of control with the Michigan Office of Financial and Insurance Services in connection with the acquisition of those shares

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and the Michigan Commissioner issued an Order exempting Pzena from the filing requirements of Michigan's Holding Company Act. Subsequently, Pzena sold shares of APC stock and filed a Form 13F with the United States Securities and Exchange Commission (the "SEC") in connection with that sale, which has been available to PIC. Pzena owned 9.9% of APC as of March 31, 2005 and has no representation on the Board of Directors of APC, APA or any of their affiliates.

With respect to the Stilwell Group, it collectively owns less than 10% of the outstanding shares of APC. As described above, biographical information regarding Joseph Stilwell and Spencer Schneider was provided to OCI because they each occupy one of the nine seats on APC's Board of Directors. As only two of the APC's nine directors, Mr. Stilwell and Mr. Scheider, together, neither have voting control of APC's Board of Directors nor can they direct the management or policies of APC. Furthermore, the Stilwell Group is subject to a Standstill Agreement, which precludes it from purchasing 10% or more of the outstanding shares of APC or entering into voting trusts or agreements with any other shareholder of APC. The current version of the Standstill Agreement is provided as an attachment to the Second Amendment. Previous versions of it have been filed with the SEC and have been available to PIC.

APA is providing information in the Second Amendment which has been available to PIC. APA does so because review of these materials will directly address why information about these entities and individuals was not originally included in the Form A. PIC's confusion on these points could have been cleared up if it had contacted APC or its counsel and/or reviewed publicly available filings.

PIC's counsel also notes that Section 40.02(j) requires that "additional soliciting material" be included as part of the Form A. As is abundantly clear from our original Form A filing, the Applicant has no such documents because the Applicant did not solicit the purchase of the shares.

We are prepared to address the remainder of PIC's points at the May 31st prehearing conference. We trust that these explanations will suffice and that our prompt filing of the Second Amendment will prevent any further delay that PIC has undoubtedly hoped to cause.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP



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