



STATE OF WISCONSIN

BEFORE THE OFFICE OF THE COMMISSIONER OF INSURANCE

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

Case No. 04-C29283

**APPLICANTS' REQUEST FOR PRODUCTION OF DOCUMENTS
TO PHYSICIANS INSURANCE COMPANY OF WISCONSIN**

Applicants, through their attorneys, hereby request the production of the documents identified herein. For purposes of this request, "documents" shall mean any recorded communications, representation or writing. It specifically includes, but is not limited to, any and all memoranda, letters, notes, telegrams, publications, contracts, records, papers, books, recordings on tape, magnetic discs, wire or drums, checks, computer files, electronic mail, drafts, money orders, worksheets, working papers, notebooks, diaries, calendars, graphs, charts, business records of all kinds, and similar writings. The term also means originals and copies of all of the above upon which notations in writing, print, or otherwise have been made, which do not appear on the originals.

The obligation to produce responsive documents shall be continuing throughout this proceeding, and PIC's responses should be supplemented in accordance with applicable law.

1. Produce all documents generated during the formation and capitalization of Physicians Insurance Company of Wisconsin ("PIC") and in connection with offers, issuances and sales of PIC stock at any time, including but not limited to:

- A. All correspondence, memoranda, or other documents exchanged between the original organizers, incorporators or shareholders regarding the proposed formation and capitalization;

- B. All documents regarding any alternative method of organizing the company that was considered or evaluated, such as creation of a mutual, or creating the company as a subsidiary of the Wisconsin Medical Society;
- C. The original application filed with the Wisconsin Office of the Commissioner of Insurance ("OCI"), including all related correspondence, memoranda, amendments and supplements, and filings;
- D. All correspondence and/or filings made with any regulatory authority in Wisconsin or elsewhere regarding the formation and capitalization of PIC, and the registration, offer and sale of its stock;
- E. All documents provided or used in connection with offers or sales of PIC stock or discussed during presentations (written or verbal) to potential investors in PIC.

2. Produce PIC's stock ledger and stock records regarding PIC stock certificates issued from 1986 to date, and the following information regarding all issuances of stock by PIC. For purposes of this request "issued" includes stock awarded by PIC to any person or entity:

- A. The date on which each share was issued, re-issued, or transferred, and the name and address of the shareholder before and after each such transaction;
- B. A record of all stock certificates reissued or transferred from 1986 to date, including the date of such issuance or transfer, the person(s) to whom issued or transferred, and all written information and documentation received by PIC in connection with such transfer or issuance (including, without limitation, all legal opinions and assignments separate from the certificate);
- C. Documents that show whether the new shareholder is or was a policyholder at the time the stock certificate was issued;
- D. All correspondence with shareholders or potential shareholders regarding the issuance or redemption of stock, including but not limited to the solicitation and purchase of PIC shares in 2000 by David Moss; and
- E. A shareholder list as of the voting record date for the 2005 annual meeting of the PIC shareholders, including the name, address and number of shares held by each shareholder, and whether each such shareholder is a policyholder.

3. Produce all documents regarding the PIC 1994 Redemption Offering and the PIC 1998 Redemption Offering and any amendments thereof, including but not limited to, the minutes of the meetings of the Board of Directors at which these Offerings were discussed, materials presented to or reviewed by the Board (including any subcommittee thereof) in connection these offerings, resolutions adopted or approved by the Board in connection these offerings, proxy materials submitted to shareholders in connection with these offerings, and all documents discussing or summarizing the offerings.

4. With respect to the PIC 1998 Redemption Offering, produce a list of all bids submitted, including the number of shares and asking price, and whether the bid was accepted or rejected, and all documentation discussing this process.
5. Produce all documents regarding the PIC Shareholder Redemption and Exchange Plan presented in 2003, and the PIC Shareholder Value Plan presented in 2004, and any amendments thereof (collectively, the "SVP"), including but not limited to, the minutes of the meetings of the Board of Directors at which the SVP was discussed, resolutions adopted or approved by the Board in connection with the SVP, proxy materials submitted to shareholders in connection with the SVP, and all documents discussing or summarizing the SVP.
6. Produce all plans, agreements and arrangements (whether currently in effect or not) pursuant to which directors, officers, or employees of PIC purchased or were granted PIC stock, stock purchase rights, stock options, phantom stock, or stock appreciation rights. Include plan summaries, written materials disseminated to participants, all award agreements, and all Board of Directors resolutions, meeting minutes, and materials distributed to the Board (or any committee thereof) in connection with or pertaining to consideration and adoption of such plans or the approval of such grants.
7. For the period of 1986 to date, provide a list of all shares redeemed by PIC and the price per share of the redemption.
8. Produce the 1996 PIC History document, and a copy of all other documents that purport to portray the history of PIC.
9. Produce all of PIC's annual reports to shareholders, and all correspondence from PIC addressed to all shareholders generally (as distinguished from individual correspondence regarding claims, and other insurance policy specific communications).
10. Produce all documents in which PIC Management (the senior officers of PIC), Board of Directors, or consultants and/or advisors reached a conclusion or gave an opinion on the value of the stock of PIC from 1986 to the present.
11. Produce all documents prepared for or by Management, the Board, or PIC's consultants or advisors, relating to PIC's representation to its shareholders in 2005 that it is preparing a plan to provide value to its shareholders, or unlock shareholder value, for presentation to shareholders later this year.
12. Produce all documents reflecting PIC's review of potential methods of providing liquidity or value to shareholders, including but not limited to, consultant reports, presentations, minutes of Board meetings, and memoranda.
13. Produce all mission statements and strategic plans of PIC from its formation through 2005 describing its business goals and strategies.
14. Produce all governance policies and guidelines of PIC that addresses its relationships with, and responsibilities to, its shareholders.

15. Produce the documents from the web-site previously or currently maintained by PIC addressing shareholder issues (including value).

16. Produce all documents prepared for or by Management, the Board, or PIC's consultants or advisors, regarding PIC's decision to begin offering PIC insurance coverage to non-shareholders in approximately 1990.

17. Produce all documents relating or referring to amendments to the bylaws or articles of incorporation of PIC from 1986 to the present, including but not limited to minutes of meetings of the Board of Directors in which such issues were discussed, resolutions adopted or approved by the Board in connection with any such amendment, proxy materials submitted to shareholders in connection with any such amendment, and documents discussing or summarizing any such amendment.

18. Produce all documents relating to the Rights Agreement dated November 4, 2004, including but not limited to memoranda, correspondence, Board minutes, and resolutions.

19. Produce documents sufficient to show the following information regarding each of the following shareholder votes: (a) the vote on the 1998 Redemption Offering, (b) the vote on the PIC Shareholder Redemption and Exchange Plan presented in 2003; and (c) the 2005 Annual Meeting of shareholders:

- A. The date of the vote, and whether the vote occurred at a meeting or by consent in lieu of a meeting;
- B. The number of shareholders voting on each matter;
- C. The ownership interest of each shareholder voting in each matter; and
- D. The result of the vote by number of votes cast, showing votes for, votes against, and votes abstaining or not voting;
- E. The total number of shares entitled to vote upon each matter submitted for a vote.

20. Produce the actuarial summary report regarding PIC's 2003 and 2004 year end loss reserves.

21. Produce all documents discussing or reflecting the decision by PIC to cease operating, in whole or in part, in the states in which Century American Casualty Company and Century American Insurance Company were licensed as of May, 1998.

22. Produce all documents provided to any expert for review in connection with APA's Form A filing, all documents exchanged with such expert, and any reports prepared by the expert.

23. Produce all documents presented to, provided to, received from, or discussed with, members of the Wisconsin Medical Society (including its Board of Directors, members, or employees) relating to APA's Form A filing.

24. Produce all documents reflecting negotiations during 2004 and 2005 between PIC and the Wisconsin Medical Society regarding the terms of their financial relationship.

25. Produce all documents addressing the proposed sale or acquisition of PIC stock from or to any person, including the Applicants.

26. Produce the documents that PIC intends to use as exhibits in this matter.

27. Produce the documents identified in response to Applicants' Interrogatories.

Respectfully submitted:

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