

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance
State of Wisconsin

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.

BY

PROASSURANCE CORPORATION

Filed with the insurance department of Wisconsin

Dated: December 21, 2005

Name, Title, Address and Telephone Number of Individual to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Victor T. Adamo, Esq, CPCU
President
ProAssurance Corporation
100 Brookwood Place, Suite 300
Birmingham, Alabama 35209
(205)877-4470

William T. Montei
President
Physicians Insurance
Company of Wisconsin, Inc.
1002 Deming Way
Madison, Wisconsin 53717
(608) 831-8331

with copies to:

Jon C. Nordenberg
Boardman Suhr Curry & Field LLP
One South Pinkney Street, 4th Floor
P.O. Box 927
Madison, Wisconsin 53701
(608) 257-9521

Jeffrey B. Bartell
William J. Toman
Quarles & Brady LLP
One South Pinckney St., Suite 600
Madison, Wisconsin 53703
(608) 251-5000

and

Jack P. Stephenson
Burr & Forman LLP
3100 Southtrust Tower
420 North 20th Street
Birmingham, Alabama 35203
(205) 458-5201

ITEM 1. INSURER AND METHOD OF ACQUISITION

<u>Name and Address</u>	<u>State of Domicile</u>
Physicians Insurance Company of Wisconsin, Inc. 1002 Deming Way Madison, Wisconsin 53717	Wisconsin

The following stock insurer is a wholly-owned indirect subsidiary of Physicians Insurance Company of Wisconsin, Inc. ("PIC-Wisconsin") and its state of domicile is set forth opposite the name below:

<u>Name and Address</u>	<u>State of Domicile</u>
Century American Insurance Company ("CAIC")	Tennessee

CAIC is currently subject to a Form A proceeding in Tennessee and is expected to be sold prior to the consummation of the transaction contemplated by the Merger Agreement (as defined below).

ProAssurance Corporation ("ProAssurance") proposes to acquire control of PIC-Wisconsin through the acquisition of all the outstanding shares of the Class A common stock of PIC-Wisconsin pursuant to the Agreement and Plan of Merger dated December 8, 2005, ("Merger Agreement"), a copy of which is attached as Exhibit A.

The terms of this transaction are set forth in the Merger Agreement between ProAssurance and PIC-Wisconsin. The obligation of ProAssurance and PIC-Wisconsin to consummate the transactions contemplated by the Merger Agreement is conditioned upon prior approval of this Form A filing or other required approvals by the Wisconsin Insurance Commissioner. See Section 8.1(d)(iv) of the Merger Agreement, Exhibit A. Subject to all regulatory and shareholder approvals required, the transaction may close as early as mid-2006.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) <u>Name and Address of Applicant:</u>	<u>State of Incorporation</u>
ProAssurance Corporation 100 Brookwood Place, Suite 300 Birmingham, Alabama 35209 (205)877-4400	Delaware

(b) Nature of ProAssurance's Business:

ProAssurance was incorporated in Delaware to serve as the holding company for Medical Assurance, Inc. in connection with its acquisition of Professionals Group, Inc. in 2001. It is a publicly traded company that is listed on the New York Stock Exchange under the symbol "PRA." As a publicly traded company, ProAssurance has complied with all of the Sarbanes Oxley and New York Stock Exchange corporate governance requirements.

ProAssurance is a holding company for specialty property and casualty insurance companies focused on the professional liability and the personal lines insurance markets. Its operating subsidiaries are The Medical Assurance Company, Inc. ("TMAC"), ProNational Insurance Company, NCRIC, Inc., Red Mountain Casualty Insurance Company, Inc., Woodbrook Casualty Insurance, Inc. and MEEMIC Insurance Company. In addition, ProAssurance owns the attorney-in-fact for American Medical Insurance Exchange ("AMIE"); an Indiana domiciled insurance reciprocal which is currently dormant. On November 7, 2005 ProAssurance announced that it had entered into an agreement to sell its personal lines operations, including MEEMIC Insurance Company.

ProAssurance is the successor to 12 insurance organizations through its three predecessor insurance holding company subsidiaries, Medical Assurance, Inc., Professionals Group, Inc. and NCRIC Group, Inc. Its predecessor company, Medical Assurance was founded by physicians as a mutual company in Alabama and began operations in 1977. Medical Assurance demutualized and became a public company in 1991. Medical Assurance expanded through internal growth and the acquisition of professional liability insurance companies with strong regional identities in West Virginia, Indiana and Missouri, along with books of business in Ohio and Missouri.

Professionals Group traces its roots to the Brown-McNeely Fund, which was founded by the State of Michigan in 1975 to provide medical professional liability insurance to physicians. Physicians Insurance Company of Michigan, which ultimately became ProNational, was founded in 1980 to assume the business of the Fund. That company also expanded through internal growth and the acquisition of books of business in Illinois and Indiana and the acquisition of a professionals liability insurer in Florida.

Most recently, earlier this year, ProAssurance acquired NCRIC Group, Inc. the holding company for NCRIC, Inc., a stock insurance company domiciled in the District of Columbia, which has a regional presence in the District of Columbia, Delaware, Maryland, Virginia and West Virginia.

In each acquisition, ProAssurance has retained key personnel, allowing it to maintain a local presence and preserve the important institutional knowledge in claims management and underwriting. ProAssurance believes that this ability to utilize local knowledge in claims and underwriting is a critical factor in the operation of its companies. The successful integration of each organization demonstrates ProAssurance's success and commitment to the marketplace where it does business.

ProAssurance has a regional orientation, applying a focused underwriting strategy to local markets where it has built a strong reputation among our customers and producers. Our professional liability business is concentrated in the Midwest, Southeast, and Mid-Atlantic and serves physicians, dentists, other healthcare providers and healthcare facilities. ProAssurance is the fourth largest active writer of medical professional liability insurance in the United States based on 2004 data.

By concentrating on the health care professional liability market where customers have specialized needs, ProAssurance seeks to provide value added solutions through its underwriting expertise and its emphasis on strong customer service and claims defense. ProAssurance's regional presence allows it to maintain active relationships with its customers and be more responsive to their needs. ProAssurance seeks to maintain a strong financial position to protect its customers.

The following sections deal primarily with the professional liability segment of ProAssurance Group of which PIC-Wisconsin will be a part.

Underwriting

ProAssurance's underwriting process is driven by risk selection and its pricing decisions are focused on achieving rate adequacy. ProAssurance assesses the quality and pricing of the risk, primarily emphasizing loss history, practice specialty and location of practice in making underwriting decisions. ProAssurance's underwriters work closely with its local claims departments. This includes consulting with staff about claims histories and patterns of practice in a particular locale as well as monitoring claims activity.

ProAssurance has six regional underwriting offices located in Alabama, the District of Columbia, Florida, Indiana, Michigan and Missouri.

Its underwriting department is assisted by ProAssurance's local medical advisory committees that have been established in each of these and other key states. These committees are comprised of local physicians, dentists and representatives of hospitals and healthcare entities and help ProAssurance maintain close ties to the medical communities, provide information on the practice of medicine in each state and provide guidance on critical underwriting and claims issues.

Claims

ProAssurance has claims offices throughout the states in which it writes business in order to provide localized and timely attention to claims. Its claims department investigates the circumstances surrounding a medical incident from which a covered claim arises against an insured. Upon investigation and in consultation with the insured and appropriate experts, ProAssurance evaluates the merits of the claim and either seeks reasonable settlement or aggressively defends the claim. If the claim is defended, the claims department manages the case, including selecting defense attorneys who specialize in medical liability cases, planning the defense and obtaining medical and/or other professional experts to assist in the analysis and defense of the claim.

ProAssurance's claims department establishes the appropriate case reserves for each claim and monitors the level of case reserves as circumstances require.

The department also decides when and if to settle all but the most significant claims, which are reviewed by an internal committee made up of ProAssurance's Chairman and Chief Executive Officer, its Chief Claims Officer and its outside legal counsel. In each of the states where ProAssurance operates, ProAssurance meets regularly with its local medical advisory committee to examine claims, identify potentially problematic practice patterns and make recommendations to our staff.

ProAssurance aggressively defends claims that are believed to have no merit or those which ProAssurance cannot reasonably settle. As a result, many claims are litigated to a jury verdict, and ProAssurance engages experienced trial attorneys in each venue to defend its insured in the litigation.

Marketing

ProAssurance companies primarily write insurance in the Midwest, Southeast and Mid-Atlantic, and one or more subsidiaries are licensed to do business in every state except Connecticut, Maine, New Hampshire, New York and Vermont.

ProAssurance utilizes direct marketing and independent agents to write business. In Alabama, it relies solely on direct marketing and in the District of Columbia, Florida and Missouri, direct marketing accounts for a majority of its business. ProAssurance utilizes independent agents to market its professional liability insurance products in other states.

ProAssurance focuses its marketing efforts on physicians. However, ProAssurance also insures large groups, hospitals, and other healthcare facilities. ProAssurance's marketing efforts differentiate its professional liability insurance products by emphasizing:

- excellent claims service,
- the sponsorship of risk management education seminars as an accredited provider of continuing medical education,
- risk management consultation, loss prevention seminars and other educational programs,
- legislative oversight and active support of proposed legislation we believe will have a positive effect on liability issues affecting the healthcare industry,
- the preparation and dissemination of newsletters and other printed material with information of interest to the healthcare industry, and
- endorsements by, and attendance at meetings of, the state and local medical societies and related organizations.

These communications and services have helped us gain exposure among potential insureds and demonstrate ProAssurance's understanding of the insurance needs of the healthcare industry and promote a commonality of interest among ProAssurance and its insureds.

Products and Services

ProAssurance generates the majority of its premiums from professional liability insurance for providers of medical and other healthcare services. ProAssurance also offers professional liability insurance for providers of legal services, and professional office package and workers' compensation insurance products in connection with its professional liability products. ProAssurance writes primarily claims-made coverage.

In October 2002, ProAssurance started offering professional liability insurance on an excess and surplus lines basis to medical and other healthcare professionals who generally do not qualify for standard coverage because of their claim history or other factors. Red Mountain Casualty Insurance Company, Inc. ("Red Mountain") is the main subsidiary in which this business is written and provides ProAssurance with opportunities to expand its business while offering alternatives to physicians and other risks who are unable to secure coverage in the admitted market.

Reinsurance

In accordance with industry practice, ProAssurance reinsures professional liability risks under treaties pursuant to which the reinsurer agrees to assume all or a portion of all risks that it insures above ProAssurance's individual risk retention of \$1 million per claim, up to the maximum individual limit offered (currently \$16 million). Historically, per claim retention levels have varied between the first \$200,000 and the first \$2 million depending on the coverage year and the state in which business was written. Periodically, ProAssurance will provide insurance to policyholders above the maximum limits of its reinsurance treaties. In those situations, ProAssurance reinsures the excess risk above the limits of our reinsurance treaties on a facultative basis, whereby the reinsurer agrees to insure a particular risk up to a designated limit.

(c) Organizational Chart:

Please see the attached organizational chart. Exhibit B.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH APPLICANT

Board of Directors of ProAssurance

Set forth below are the names and addresses of the current directors and executive officers of ProAssurance and a brief description of their principal occupations and employment during the last five (5) years. None of the directors or executive officers of ProAssurance has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years.

ProAssurance is a publicly traded company. According to the latest reports filed with the SEC, there are no owners of 10% or more of the voting securities of ProAssurance.

The current directors and executive officers can be contacted at 100 Brookwood Place, Birmingham, Alabama 35209.

BOARD OF DIRECTORS

A. DERRILL CROWE, M.D. – Chairman and Chief Executive Officer of ProAssurance. Member of ProAssurance board since June, 2001.

See Dr. Crowe's biographical statement under the heading "Executive Officers" in this Item 4.

VICTOR T. ADAMO, ESQ., CPCU – Vice Chairman and President of ProAssurance. Member of ProAssurance board since June, 2001.

See Mr. Adamo's biographical statement under the heading "Executive Officers" in this Item 4.

LUCIAN F. BLOODWORTH – Member of ProAssurance board since August, 2002.

Mr. Bloodworth is currently the Chairman of Cain Manufacturing, a Birmingham, Alabama based firm. He has held several positions at Cain Manufacturing, including President, Director and Chairman since 1988. Mr. Bloodworth is a director of National Bank of Commerce of Birmingham, Alabama and served as its Executive Vice President from 1983 to 1987. Mr. Bloodworth has been a fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

PAUL R. BUTRUS – Vice Chairman. Member of ProAssurance board since June, 2001.

See Mr. Butrus's biographical statement under the heading "Executive Officers" in this Item 4.

ROBERT E. FLOWERS, M.D. – Member of ProAssurance board since June, 2001.

Dr. Flowers has served on the board of directors of Medical Assurance since its formation on February 8, 1995 and as a director of TMAC from 1985 to 2000. He practiced as a physician with Gynecology Associates of Dothan, P.C., Dothan, Alabama, prior to his retirement in 2001.

JOHN J. MCMAHON, JR. – Member of ProAssurance board since February, 2002.

Mr. McMahon has served as the Chairman of Ligon Industries, LLC and Chairman of the Executive Committee of McWane, Inc. in Birmingham, Alabama since 1999. Prior to that time, Mr. McMahon served as Chairman of the Board of McWane, Inc. He also serves as a director of John H. Harland Co., Protective Life Corporation, and Alabama National BanCorporation.

JOHN P. NORTH, JR. – Member of ProAssurance board since June, 2001.

Mr. North has served on the board of directors of Medical Assurance since June of 1996. He is a certified public accountant who was a partner of the accounting firm of Coopers & Lybrand LLP until his retirement in September 1995.

ANN F. PUTALLAZ, Ph.D., - Member of ProAssurance board since June, 2001.

Ms. Putallaz served as a director of Professionals Group, Inc. since 1996 and its Vice Chairman since 1999. For the past five years, Ms. Putallaz has been the Vice President and Director of Marketing Information Services of Munder Capital Management, an investment advisor to The Munder Funds, an open-end investment company registered under the Investment Company Act of 1940, as amended.

WILLIAM H. WOODHAMS, M.D., Westside Family Medical Center, P.C. Member of the ProAssurance Board since 2001.

Dr. Woodhams had served as a director of Professionals Group (since 1996) and its Chairman (since 1999) and a director of ProNational Insurance Company since 1980. Dr. Woodhams is a board certified family practice physician and has been in private practice in Kalamazoo, Michigan since 1964.

WILFRED W. YEARGAN, JR., M.D., Member of the ProAssurance Board since 2003.

Dr. Yeargan has practiced medicine in private practice in Tuscaloosa, Alabama, specializing in ophthalmology for over thirty years. Dr. Yeargan has participated as a member of the underwriting and claims advisory committees of The Medical Assurance Company, Inc. since it began operations in 1977.

EXECUTIVE OFFICERS

VICTOR T. ADAMO – Mr. Adamo has served as a director and as Vice Chairman of the Board and President of ProAssurance since it began operations in June 2001. Mr. Adamo served as a director and President and Chief Executive Officer of Professionals Group (since 1996), Mr. Adamo has served as a director of ProNational Insurance Company since 1990 and its Chief Executive Officer from 1987 to October 1, 2005. He has been a director of MEEMIC Holdings, Inc. since October 1998 and is also chairman and a director of MEEMIC Insurance Company. Mr. Adamo also serves as a director of TMAC, NCRIC, Inc., (“NCRIC”), Woodbrook Casualty Insurance, Inc. and Red Mountain Casualty Insurance Company, Inc. (“Red Mountain”). Prior to joining ProNational, Mr. Adamo was in private legal practice from 1975 to 1985. Mr. Adamo also holds positions as an officer and director of various direct and indirect subsidiaries of ProAssurance.

A. DERRILL CROWE, M.D. - Dr. Crowe has served as a director and as Chairman of the Board and Chief Executive Officer of ProAssurance since it began operations in June 2001. Dr. Crowe has served as a director and Chairman, President and Chief Executive

Officer of Medical Assurance, Inc. since its organization in 1995 and as President and Chief Executive Officer and a director of The Medical Assurance Company, Inc. (formerly Mutual Assurance, Inc.) since its first operations in 1977 until October 1, 2005. Dr. Crowe has also been Chairman and a director of MEEMIC Holdings, Inc. and a director of MEEMIC Insurance Company since 2001. Dr. Crowe is the President and a director of Woodbrook Casualty Insurance, Inc., (f/k/a Medical Assurance of West Virginia, Inc. ("Woodbrook")) and is a director of ProNational, NCRIC, and Red Mountain. Dr. Crowe also holds positions as an officer and director of various direct and indirect subsidiaries of ProAssurance.

PAUL R. BUTRUS – Mr. Butrus has served as a director of ProAssurance since it began operations in June 2001 and was appointed its Vice Chairman in September 2001. Prior to that time, Mr. Butrus was a director and Executive Vice President and Chief Operating Officer of Medical Assurance, Inc. (since 1995). Mr. Butrus has held various positions with TMAC since 1977. Mr. Butrus is Vice President and a director of Woodbrook and serves as a director of ProNational, NCRIC and Red Mountain. Mr. Butrus also holds positions as an officer and director of various direct and indirect subsidiaries of ProAssurance.

HOWARD H. FRIEDMAN – Mr. Friedman has served as Secretary of ProAssurance since it began operations in 2001. From 2001 until April 1, 2005, Mr. Friedman also served as Chief Financial Officer of ProAssurance and beginning on April 1, 2005, Mr. Friedman has served as Chief Underwriting Officer of ProAssurance. Mr. Friedman has served in a number of positions for TMAC since 1996, and as of October 1, 2005, has served as President of TMAC. Effective October 1, 2005, Mr. Friedman was also elected President of NCRIC, Inc. and Red Mountain. He also serves as a director of TMAC, ProNational and Woodbrook and holds positions as an officer and director of various direct and indirect subsidiaries of ProAssurance. Mr. Friedman is an Associate of the Casualty Actuarial Society.

JAMES J. MORELLO – Mr. Morello has served as Senior Vice President, Chief Accounting Officer and Treasurer of ProAssurance since June 2001. Mr. Morello has been Senior Vice President and Treasurer of Medical Assurance, Inc. since its formation in February of 1995. Mr. Morello has been employed as Treasurer and Chief Financial Officer of TMAC since 1984. He also serves as Treasurer of ProNational and Red Mountain and serves as Treasurer and a director of Woodbrook. Mr. Morello also holds positions as an officer and director of various direct and indirect subsidiaries of ProAssurance. Mr. Morello is a certified public accountant.

FRANK B. O'NEIL – Mr. O'Neil has served as Senior Vice President and Investor Relations since September 2001. Mr. O'Neil has been Senior Vice President of Corporate Communications for Medical Assurance, Inc. since 1997 and employed by TMAC and its subsidiaries since 1987.

EDWARD L. RAND, JR. – Mr. Rand was appointed Senior Vice President of Finance in November, 2004 and was named Chief Financial Officer of ProAssurance on April 1, 2005. Prior to joining ProAssurance, Mr. Rand was Head of Corporate Finance at PartnerRe, Ltd. from 2001 until September, 2004. Prior to that position, Mr. Rand was Treasurer and Chief Financial Officer of Atlantic American Corporation from August 1997 through 2000, a company he joined after serving as Controller of United Capitol

Insurance Company. Prior to his employment in the insurance industry, Mr. Rand spent four years with Coopers & Lybrand, which is now part of PriceWaterhouseCoopers. Mr. Rand also serves as a director of TMAC, ProNational, Red Mountain, NCRIC and holds positions as an officer or director of various direct and indirect subsidiaries of ProAssurance.

Please see complete biographical affidavits of all officers and directors which are attached as Exhibit C.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, source and amount of funds:

The proposed purchase price is approximately \$99 million. The exact amount will not be determined until closing of the transaction.

The transaction is stock-for-stock merger. Shares of Common Stock of ProAssurance Corporation will be used to complete the transaction. The number of shares will be determined as described in section (b) below and the shares will be registered under the Securities Act of 1933 under a Form S-4 registration statement to be filed with the SEC (the "S-4 Proxy Statement/Prospectus"). The transaction will require the approval of the PIC-Wisconsin shareholders. The shareholders will vote after the SEC declares the S-4 Proxy Statement/Prospectus effective. The S-4 Proxy Statement/Prospectus contains required disclosures and will be submitted as an Exhibit to this Form A as soon as it is filed with the SEC.

(b) Criteria Used to Determine Nature and Amount of Consideration:

The nature and amount of consideration under the Merger Agreement was determined by arm's-length negotiations between the parties. The criteria utilized as a basis for those negotiations encompassed a number of factors. The value of PIC-Wisconsin was determined using common valuation techniques including public company valuation comparisons, a multiple of tangible book value of PIC-Wisconsin and discounted cash flow models. In performing its evaluation, ProAssurance used a variety of normal business operating assumptions including, but not limited to the potential savings from the integration of the companies' operations. ProAssurance is using the common stock of ProAssurance for consideration in the transaction due to its liquidity in the capital markets and the fact that the transaction can be structured as a tax free exchange for the current holders of PIC-Wisconsin stock.

Under the terms of the Merger Agreement, each share of PIC-Wisconsin common stock issued and outstanding immediately prior to the Merger (the "PIC Wisconsin Common Stock") is to be converted into the right to receive such number of shares of ProAssurance Common Stock (as defined in Section 5.3 of the Merger Agreement) determined based on an exchange ratio (the "Exchange Ratio"). The Exchange Ratio is based on the average closing price of a share of ProAssurance stock on the ten trading days preceding the effective

date of the Merger (the "ProAssurance Closing Stock Price"). This ratio is subject to a 20% range around \$49.76, which is the average closing price in the ten days preceding the date of the Merger Agreement (the "ProAssurance Agreement Stock Price"). The Exchange Ratio is to be determined as follows:

- (i) If the ProAssurance Closing Stock Price is greater than \$59.71, which is 120% of the ProAssurance Agreement Stock Price then the Exchange Ratio will equal 83.738 which is the number obtained by dividing (A) \$5,000 by (B) \$59.71;
- (ii) If the ProAssurance Closing Stock Price is less than or equal to \$59.71, but more than \$39.80 which is 80% of the ProAssurance Agreement Stock Price, then the Exchange Ratio will equal the number obtained by dividing (A) \$5,000 by (B) the ProAssurance Closing Stock Price; or
- (iii) If the ProAssurance Closing Stock Price is less than or equal to \$39.80, then the Exchange Ratio will equal 125.628, which is the number obtained by dividing (A) \$5,000 by (B) \$39.80.

Each share of PIC-Wisconsin Common Stock that is owned by PIC-Wisconsin or any PIC-Wisconsin subsidiary shall automatically be cancelled and retired and shall cease to exist, and no Merger Consideration shall be delivered in exchange thereof.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

It is currently anticipated that the insurance operations of PIC-Wisconsin will be conducted through the current management in Madison, Wisconsin. ProAssurance may alter or change the proposed operating structure and the responsibilities of PIC-Wisconsin should circumstances indicate that a change would be appropriate and not detrimental to the best interest of the policyholders of PIC-Wisconsin. It is currently anticipated that the post-merger PIC-Wisconsin Board of Directors will consist of A. Derrill Crowe, M.D., Victor T. Adamo, Edward L. Rand, Jr., William T. Montei and David L. Maurer. The biographical affidavits for Dr. Crowe and Messrs. Adamo and Rand are attached as Exhibit C. Mr. Montei is a current director and executive officer and Mr. Maurer is a current executive officer of PIC-Wisconsin, and thus they have biographical affidavits on file.

ProAssurance intends to use its current outside accountants, Ernst & Young LLP, for PIC-Wisconsin after the merger. ProAssurance has utilized E & Y LLP since its inception in 2001. The outside actuary will remain the same for both ProAssurance and PIC-Wisconsin as both parties currently utilize the same actuarial firm which is Tillinghast of Towers Perrin. It is anticipated that PIC-Wisconsin will adopt the ProAssurance Investment Guidelines after the merger, a copy of which is attached as Appendix A to Exhibit D.

ProAssurance does not currently intend to make any material changes in PIC-Wisconsin's corporate structure or have PIC-Wisconsin declare an extraordinary dividend.

For a more detailed discussion of the future plans for the PIC-Wisconsin books of business, see the Plan of Operation which is attached as Exhibit D.

It is anticipated that PIC-Wisconsin will continue to write and renew policies in Wisconsin and other states and to pay claims on such policies.

In 2007, it is anticipated that ProAssurance will enter into a management agreement with PIC-Wisconsin to provide accounting and administrative services for PIC-Wisconsin and its subsidiaries. A Notice on Form D will be filed with the appropriate insurance regulatory authorities with respect to the management agreement and the effective date of such agreement will be subject to and conditioned upon such approval. A copy of ProAssurance's current Management Services Agreement and Expense Allocation Agreement are attached as exhibits to the Plan of Operation, Exhibit D.

It is also anticipated that ProAssurance will file a consolidated federal income tax return with PIC-Wisconsin and its respective subsidiaries after the merger. Such companies propose to enter into a Tax Sharing Agreement to allocate the tax liability and benefits among the companies included in the consolidated group. The terms of the Tax Sharing Agreement have yet to be determined. A Notice on Form D will be filed with the insurance regulatory authorities in each state where ProAssurance's insurance subsidiaries are domiciled with respect to the Tax Sharing Agreement and the effective date of such agreements will be subject to and conditioned upon such approval. A copy of ProAssurance's current Tax Allocation Agreement is attached and an exhibit to the Plan of Operation, Exhibit D.

Reinsurance for medical professional liability claims is maintained on an excess-of-loss basis with a retention of \$1 million per claim. The reinsurance program is placed on a syndicated basis, utilizing reinsurers in the United States, Bermuda and Europe. Reinsurance contracts provide capacity to write policy limits of up to \$16 million and facultative reinsurance is utilized in the event additional capacity is required for specific risks. For further details, please see Plan of Operation, Exhibit D.

At the anniversary of PIC-Wisconsin's reinsurance program, January 1, 2007, it is anticipated that PIC-Wisconsin will become reinsured under the ProAssurance reinsurance program. The ProAssurance program is similar to the existing PIC-Wisconsin program, placed on an excess-of-loss basis, but with a retention of \$1 million per claim.

Notwithstanding the pending sale of Century American Insurance Company which is currently the subject of a Form A proceeding, ProAssurance has no plans to liquidate, or sell substantially all of the assets of PIC-Wisconsin or any of the subsidiaries of PIC-Wisconsin. ProAssurance has no plans to sell the stock of PIC-Wisconsin nor does it have any present plans to merge or consolidate any such companies with any other person other than under the Merger Agreement.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

ProAssurance plans to acquire 100% of the common stock of PIC-Wisconsin of the issued and outstanding at the date of the merger, which currently represents 19,741.2 shares. The persons listed in Item 3 do not plan to acquire any shares of PIC-Wisconsin outside of this proposed transaction.

The terms of the agreement will be a stock transaction and the basis for such is outlined in the attached Merger Agreement, Exhibit A. The method by which the fairness of the proposal was determined is described in Item 4(b).

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Apart from the potential ownership rights of ProAssurance to stock of PIC-Wisconsin that is subject to this Form A, ProAssurance does not have any beneficial ownership or a right to acquire beneficial ownership of any class of voting security of PIC-Wisconsin nor does Applicant, its Affiliates, or any person listed in Item 3.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than the Merger Agreement which is the subject of this Form A, neither ProAssurance nor any of its affiliates nor any person listed in Item 3 has any contracts, arrangements or understandings with respect to any voting security of PIC-Wisconsin, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Neither ProAssurance nor any of its affiliates nor any person listed in Item 3 has acquired any PIC-Wisconsin shares during the 12 calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither ProAssurance nor any of its affiliates nor any person listed in Item 3 nor anyone based upon interviews or at the suggestion of ProAssurance has made any recommendations to purchase any voting security of PIC-Wisconsin during the 12 calendar months preceding this Form A filing.

ITEM 11. ARRANGEMENTS WITH BROKER-DEALERS

Neither ProAssurance nor any of its affiliates has any agreement, contract or understanding with any broker-dealer as to solicitation of voting securities of PIC-Wisconsin for tender, or for the payment of any fees, commissions or other compensation to any broker-dealers with regard to this transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

- | | |
|---------------|--|
| (a) Exhibit A | Agreement and Plan of Merger dated December 8, 2005 |
| Exhibit B | Organizational Chart |
| Exhibit C | Biographical Affidavits for the following ProAssurance Corporation Officers and Directors: |

A. Derrill Crowe, M.D.
Victor T. Adamo
Lucien F. Bloodworth
Paul R. Butrus
Robert E. Flowers
John J. McMahon, Jr.
John P. North, Jr.
Ann F. Putallaz
William H. Woodhams, M.D.
Wilfred W. Yeargan, Jr., M.D.
Howard H. Friedman
James J. Morello
Frank B. O'Neil
Edward L. Rand, Jr.

Exhibit D	Proposed Plan of Operation
	Appendix A ProAssurance Investment Guidelines
	Appendix B Consulting, Confidentiality and Non-Competition Agreement
	Appendix C ProAssurance Expense Allocation Agreement effective 1/1/06
	Appendix D ProAssurance Management Services Agreement
	Appendix E ProAssurance Tax Allocation Agreement effective 9/1/05
Exhibit E	ProAssurance Corporation 10K for year ended 12/31/04 & Annual Report to Shareholders
Exhibit F	ProAssurance Corporation 10K for year ended 12/31/03 & Annual Report to Shareholders
Exhibit G	ProAssurance Corporation 10K for year ended 12/31/02 & Annual Report to Shareholders
Exhibit H	ProAssurance Corporation 10K for year ended 12/31/01 & Annual Report to Shareholders
Exhibit I	ProAssurance Corporation 10Q for quarter ended 9/30/05
Exhibit J	ProAssurance Corporation Proxy Statement dated 4/18/05
Exhibit K	Combined Annual Statement of ProAssurance for the year ended 12/31/04

Exhibit L ProAssurance S-4 Registration Statement filed with the SEC will be forwarded as soon as it is available and will be marked as Exhibit L.

Exhibit M ProAssurance Form E, Consent to Jurisdiction Statement

- (c) The Agreement and Plan of Merger dated December 8, 2005 is attached as Exhibit A. This Merger Agreement describes the transaction in detail.

An Organizational Chart depicting the subsidiaries of Applicant is attached as Exhibit B.

ProAssurance Annual Report to Shareholders for the years ended 12/31/04, 12/31/03, 12/31/02, 12/31/01 and its 10Q for the quarter ended 9/30/05 are contained in Exhibits E, F, G, H and I, respectively. Annual Reports to Shareholders for the insurer are not included as the insurer is a wholly-owned subsidiary of ProAssurance which is the publicly traded company.

Combined Annual Statement for the year ended 12/31/04 for ProAssurance is included in Exhibit K.

S-4 Registration Statement filed with the SEC will be forwarded as soon as it is available and will be marked as Exhibit L.

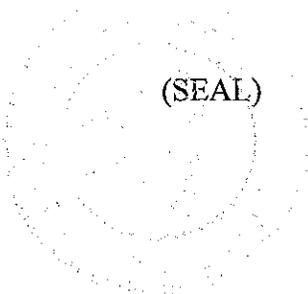
Applicant hereby states that the acquisition of PIC-Wisconsin by Applicant would not violate the law or be contrary to the interests of the insureds of PIC-Wisconsin and that:

- (i) After the change of control, PIC-Wisconsin will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
- (ii) The effect of the acquisition of control would not be to create a monopoly or substantially to lessen competition in insurance in Wisconsin;
- (iii) The financial condition of ProAssurance and its affiliates is not likely to jeopardize the financial stability of PIC-Wisconsin, or prejudice the interests of its Wisconsin policyholders;
- (iv) ProAssurance has no plans or proposals to liquidate PIC-Wisconsin, sell its assets, consolidate it with any person, or make any other material change in its corporate structure. ProAssurance's plans to merge PIC-Wisconsin under the Merger Agreement and make any other material change in its business or management will be fair and reasonable to policyholders of PIC-Wisconsin and in the public interest; and
- (v) The competence and integrity of those persons who will control the operation of PIC-Wisconsin are such that it would be in the interest of the policyholders of PIC-Wisconsin and of the public to permit the acquisition of control.

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of ch. Ins. 40, Wis. Adm. Code, ProAssurance Corporation has caused this application to be duly signed on its behalf in the city of Birmingham, and the state of Alabama on the 21st day of December, 2005



(SEAL)

ProAssurance Corporation

BY: *Victor T. Adamo*
ITS: President

Attest:

[Signature]
BY: Senior Vice President

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated December 21, 2005 for and on behalf of ProAssurance Corporation; that he is the President of such company and that he is authorized to execute and file such instrument.

Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Victor T. Adamo
Victor T. Adamo, President

Subscribed and sworn to this

21st day of December, 2005

Kathryn A. Neville
Notary Public: Kathryn A. Neville
My Commission Expires on: 3-13-06

