

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PROASSURANCE CORPORATION		2 Issuer's employer identification number (EIN) 63-1261433	
3 Name of contact for additional information FRANK B. O'NEIL	4 Telephone No. of contact 205-877-4400	5 Email address of contact foneil@proassurance.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. BOX 590009		7 City, town, or post office, state, and Zip code of contact BIRMINGHAM, AL 35259-0009	
8 Date of action DECEMBER 27, 2012		9 Classification and description TWO-FOR-ONE STOCK SPLIT	
10 CUSIP number 72467C106	11 Serial number(s)	12 Ticker symbol PRA	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON DECEMBER 5, 2012, PROASSURANCE CORPORATION ANNOUNCED THAT A TWO-FOR-ONE STOCK SPLIT WILL OCCUR EFFECTIVE DECEMBER 27, 2012.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SHAREHOLDERS WILL RECEIVE AN ADDITIOAL SHARE OF STOCK FOR EVERY SHARE HELD AS OF THE CLOSE OF BUSINESS ON THE RECORD DATE, DECEMBER 17, 2012. IMMEDIATELY AFTER THE STOCK SPLIT, THE BASIS IN EACH SHARE HELD BY A STOCKHOLDER WILL BE 50 PERCENT OF THE PRE-STOCK SPLIT BASIS PER SHARE.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A STOCK SPLIT INCREASES THE NUMBER OF SHARES IN THE COMPANY WHILE REDUCING THE BASIS IN EACH SHARE AFTER THE STOCK SPLIT. MARKET CAPITALIZATION IS THE SAME BOTH BEFORE AND AFTER THE STOCK SPLIT.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **INTERNAL REVENUE**
CODE SECTION 305 (a) AND 307 (a)

18 Can any resulting loss be recognized? **THERE IS NO LOSS RESULTING FROM THIS STOCK SPLIT.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature  Date

Print your name **Edward K. Reed Jr.** Title **SVP + CFO**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054