



Edward L. Rand, Jr.
Chief Operating Officer
& Chief Financial Officer

Frank B. O'Neil
Senior Vice President
& Chief Communications Officer

March 6, 2018



RAYMOND JAMES®

*2018 INSTITUTIONAL
INVESTOR CONFERENCE*

IMPORTANT SAFE HARBOR & NON-GAAP NOTICES

Forward Looking Statements

This presentation contains Forward Looking Statements and other information designed to convey our projections and expectations regarding future results.

There are a number of factors which could cause our actual results to vary materially from those projected in this presentation. The principal risk factors that may cause these differences are described in various documents we file with the Securities and Exchange Commission, such as our Current Reports on Form 8-K, and our regular reports on Forms 10-Q and 10-K, particularly in "Item 1A, Risk Factors." Please review this presentation in conjunction with a thorough reading and understanding of these risk factors.

Non-GAAP Measures

This presentation contains Non-GAAP measures, and we may reference Non-GAAP measures in our remarks and discussions with investors.

The primary Non-GAAP measure we reference is operating income, a non-GAAP financial measure that is widely used to evaluate performance within the insurance sector. In calculating operating income, we have excluded the after-tax effects of net realized investment gains or losses and guaranty fund assessments or recoupments that do not reflect normal operating results. We believe operating income presents a useful view of the performance of our insurance operations, but should be considered in conjunction with net income computed in accordance with GAAP. A reconciliation of these measures to GAAP measures is available in our regular reports on Forms 10-Q and 10-K and in our latest quarterly news release, all of which are available in the Investor Relations section of our website, Investor.ProAssurance.com.



Financial Update

Recap of 2017 Results Reported February 21, 2018

2017 Highlights: Profitability

Premium Growth in all operating segments

Solid **New Business** Writings

- Includes \$16.3 million of new business from our coordinated sales & marketing efforts
- Broker submissions up 22% over 2016—we are penetrating that target market

Excellent **Retention** and **Renewal Premiums**

- Showcases the strength of the services we deliver
- We retained business at strong pricing levels

Strong **Reserve Development**

- Tempered somewhat in the fourth quarter as we responded to signs of a possible uptick in loss trends



2017 Income Statement Highlights

Strong results from a focused strategy

	Three-Months Ended		Year Ended	
	December 31			
	2017	2016	2017	2016
Gross Premiums Written	\$191.8	\$187.5	\$874.9	\$835.0
Net Investment Result	\$25.6	\$25.6	\$103.7	\$94.3
Total Revenues	\$209.1	\$237.7	\$866.1	\$870.2
Net Losses and LAE	\$105.1	\$107.3	\$469.2	\$443.2
Underwriting & Operating Expenses	\$63.6	\$60.9	\$235.8	\$227.6
Net Income (Includes Realized Investment Gains & Losses)	\$17.3	\$54.8	\$107.3	\$151.1
Operating Income	\$29.5	\$44.4	\$108.5	\$129.8
Operating Income per Diluted Share	\$0.55	\$0.83	\$2.02	\$2.43

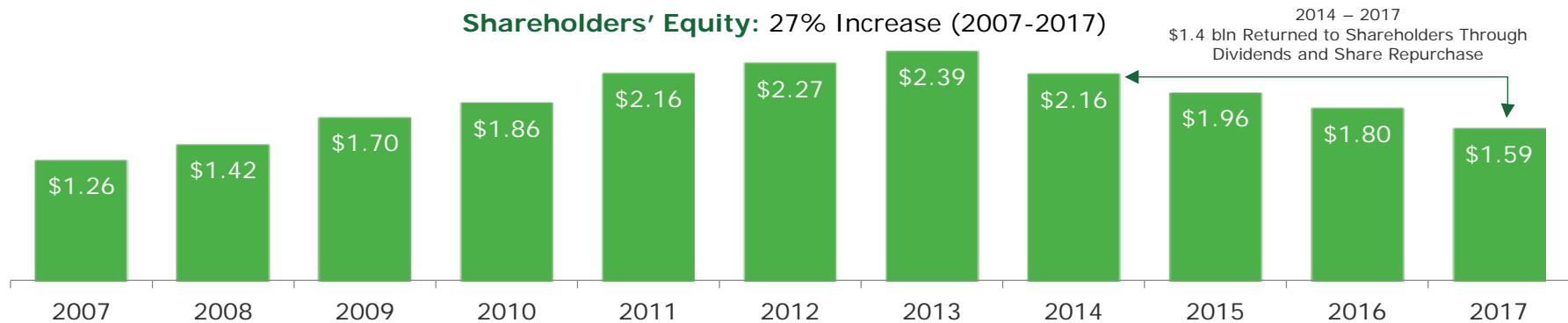
In millions, except per share data

Balance Sheet Highlights

Maintaining the financial strength required to keep our insurance promise while continuing to create value for our shareholders

	2017	2016	2015	2014	2013
Shareholders' Equity	\$1.6	\$1.8	\$2.0	\$2.2	\$2.4
Total Investments	\$3.7	\$3.9	\$3.7	\$4.0	\$3.9
Total Assets	\$4.9	\$5.1	\$4.9	\$5.2	\$5.2
Total Policy Liabilities	\$2.5	\$2.4	\$2.4	\$2.4	\$2.4
Book Value per Share ↘	\$29.83	\$33.78	\$36.88	\$38.17	\$39.13

Extensive capital management activities since 2013 have reduced book value per share while increasing shareholder return

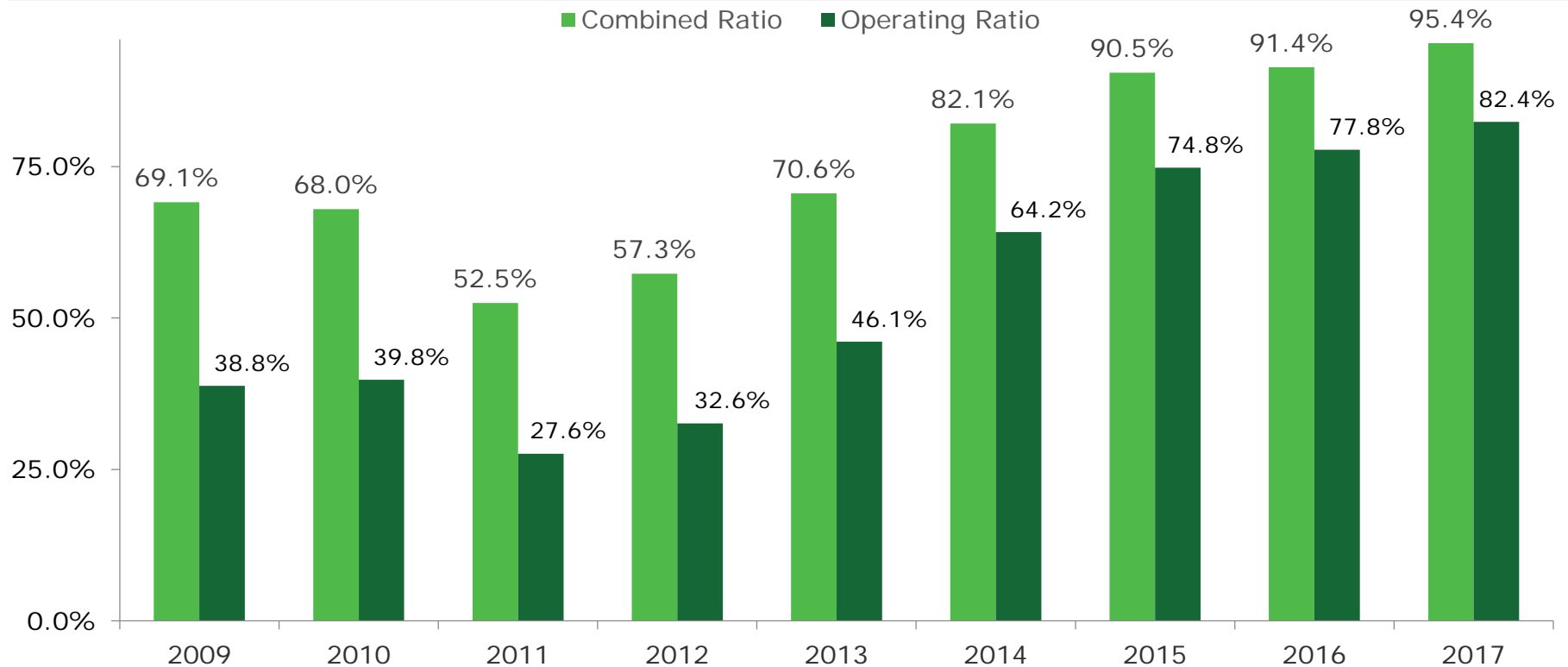


In billions, except Book Value per share

Strong Operational Results / Consistent Profitability

- Combined ratio average 2009-2017: 75.2%
- Operating ratio average 2009-2017: 53.8%

Combined Ratio and Operating Ratio History



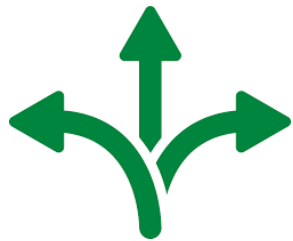


Key Themes for ProAssurance



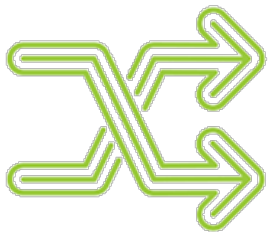
Long Term Success

- Consistent & disciplined focus on profitability
- Demonstrated track record of value creation for shareholders



Proven Strategy

- World class knowledge & expertise
- Superior brand identity and reputation in the market
- Broad range of coverages address every significant need in our target markets
- Strong claims advocacy continues to differentiate



Forward Thinking

- Successfully adapting to serve evolving risks through new distribution partners
- Coverages that span the broad spectrum of healthcare and related risks
- Dedicated to creating future value

Specialty P&C Strategy & Outlook

Profitability across the market cycles

- ▶ Average Combined Ratio since 1991: 87.2% vs. industry 106.7%

Addressing the consolidation in healthcare by leveraging our balance sheet, deep expertise and broad geographic reach

- ▶ Most competitors are small mutual companies with limited scope and size

Successfully penetrating the broker market to unlock opportunities in larger complex risks

Increasing premium retention and higher pricing on renewals may signal a shift in market dynamics

Signs of possible severity increases in the broader market—not evident in our book of business

- ▶ We will take a cautious approach in evaluating and responding to trends

Benefiting from **coordinated marketing efforts** that leverage the strength of our HCPL and Workers' Compensation businesses



Workers' Compensation Strategy & Outlook

Continuing **profitability** in a challenging market

- Average Combined Ratio 2008-2017: 88.5%

Consistent **early claims resolution** eliminates long-tail risk associated with workers' compensation

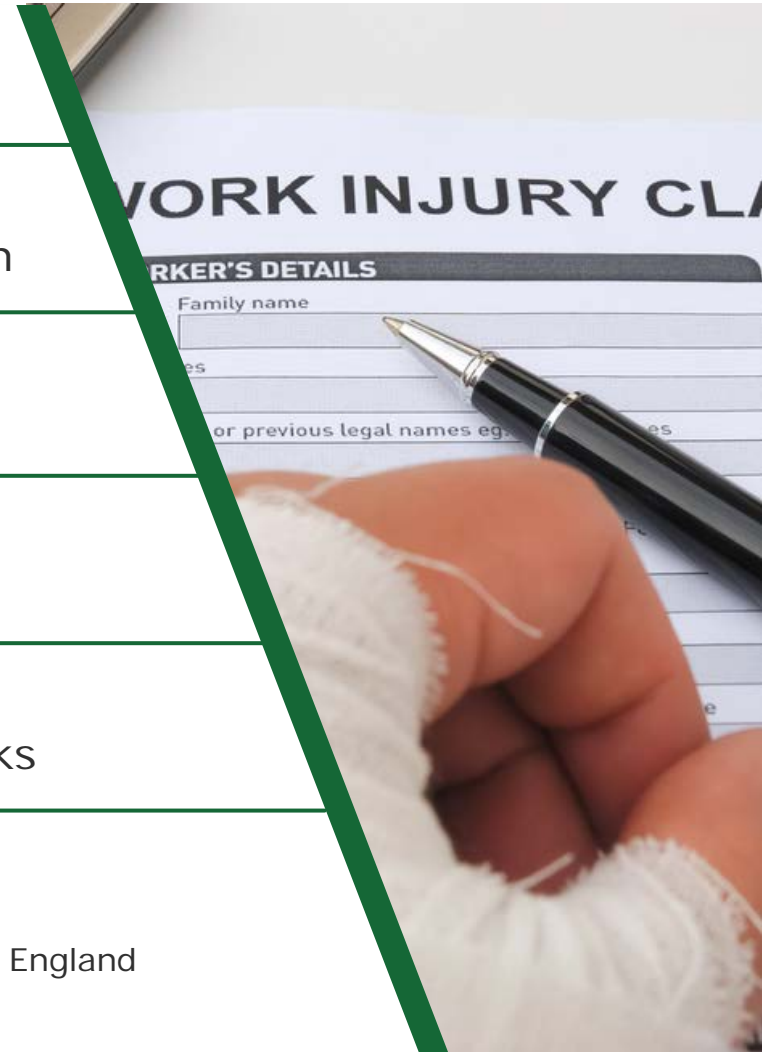
Demonstrated success in adding **new business** reflects Eastern's focus on specific geographies

Solid retention despite price competition reflects Eastern's success in service delivery

Captive capabilities through Eastern Re enhance ProAssurance's overall appeal to larger/complex risks

Additional **growth opportunities** unfolding

- Eastern Specialty Risk--higher hazard, not high hazard
- Great Falls renewal rights transaction expands Eastern into New England and provides small business growth opportunities



Lloyd's Syndicate Strategy & Outlook

ProAssurance **provides 62% of capital** to Syndicate 1729—an investment in the future that broadens our capabilities

Provides potential **exposure to global professional liability opportunities**

- ▶ Especially relevant to Medmarc for medical technology and products liability as more testing and development moves offshore
-

Growing **success in international healthcare professional liability**

- ▶ Highly-experienced underwriting team with extensive experience in Canada, Australia, South America & Middle East
-

Special Purpose Arrangement (SPA) began writing business in 2018 as Syndicate 6131

- ▶ Business written through Syndicate 1729, 60% ceded to the SPA
- ▶ Planned premium is \$22 million
- ▶ Business focus is contingency & specialty property
- ▶ Four experienced underwriters with established books of business



How the Tax Changes Affect ProAssurance



New Corporate
Tax Rate
21%

100% Bonus
Depreciation

Known Effects

Deferred Tax Assets Revalued

\$6.5 Million Charge in Q4 2017

Executive Comp Deduction

\$3.5 Million Charge in Q4 2017

Being Evaluated

Base Erosion & Anti-Abuse Tax
"BEAT"

Modified Discounting Rules
Regarding Reserves

Reduces Deductions for Dividends
Received

Elimination of Entertainment
Expense Deductions