



2016 Insurance Conference Investor Presentation

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March 22, 2016



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Treated Fairly

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. 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, and in the related Current Reports on Form 8K.

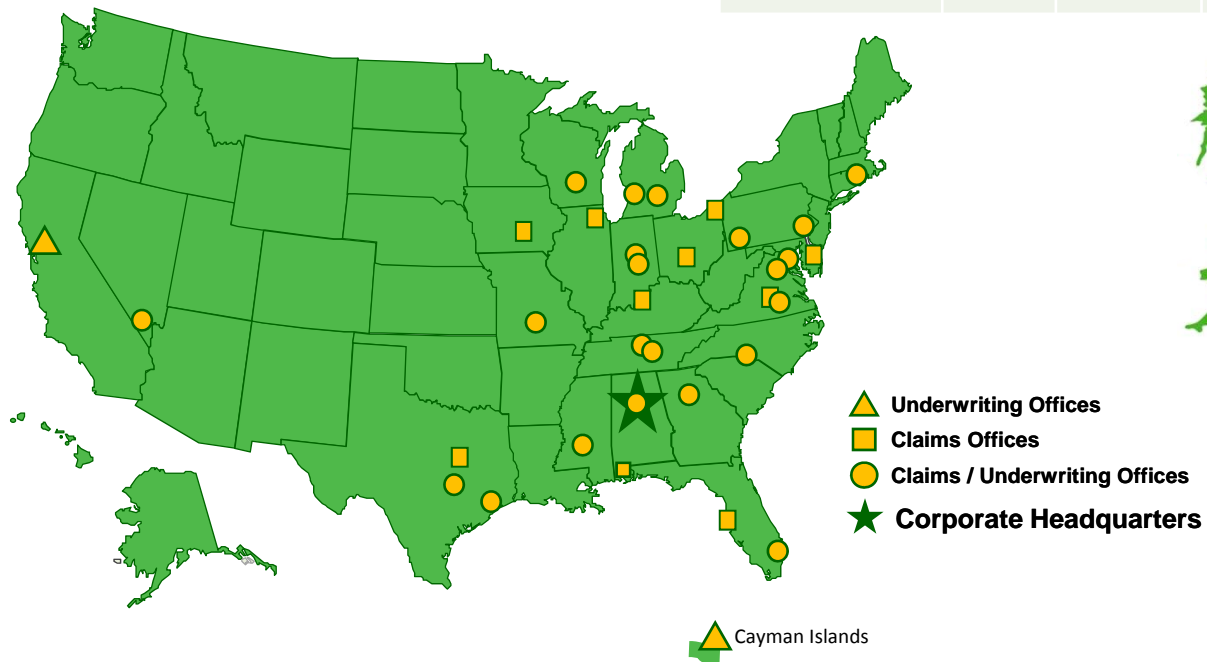
ProAssurance Corporate Profile

- ▶ Healthcare-centric specialty liability insurance writer
 - ▶ Healthcare Professional Liability (HCPL)
 - ▶ Only public company writing predominately HCPL
 - ▶ Workers' Compensation
 - ▶ Life sciences and medical devices
 - ▶ Attorney's professional liability
- ▶ Market Cap: ~\$2.9 billion
- ▶ Shareholders' Equity: \$2.2 billion
- ▶ Total Assets: \$5.2 billion
- ▶ Claims-Paying Ratings
 - ▶ A. M. Best: "A+" (Superior)
 - ▶ Fitch: "A" (Strong)

ProAssurance Corporate Profile

- 40 locations in three countries
- Writing in 50 states & DC
 - Emerging international business
- Employees: 960

Business Unit	Principal Offices	Employees	Lines of Business
HCPL	18	434	Healthcare Professional Liability
PRA Corporate	1	96	Corporate functions (Accounting, Legal, etc.)
PICA	1	89	Professional Liability for Podiatry & Chiropractic
Eastern	7	247	Workers' Compensation Captive Facilities (all lines)
Medmarc	2	72	Products Liability Legal Professional Liability
PRA Risk Solutions	1	3	Alternative Risk Transfer



ProAssurance Brand Profile

Specialty P&C

Healthcare Professional Liability



Medical Technology &
Life Sciences Products Liability



Legal Professional Liability



Workers' Comp



Alternative Risk Transfer



Mission, Vision and Values

Mission

We exist to protect others

Vision

We will be the best in the world at understanding and providing solutions for the risks our customers encounter as healers, innovators, employers, and professionals.

Through an integrated family of specialty companies, products, and services, we will be a trusted partner enabling those we serve to focus on their vital work.

As the employer of choice, we embrace every day as a singular opportunity to reach for extraordinary outcomes, build and deepen superior relationships, and accomplish our mission with infectious enthusiasm and unbending integrity

Values

Integrity

Relationships

Leadership

Enthusiasm

Strategic Review

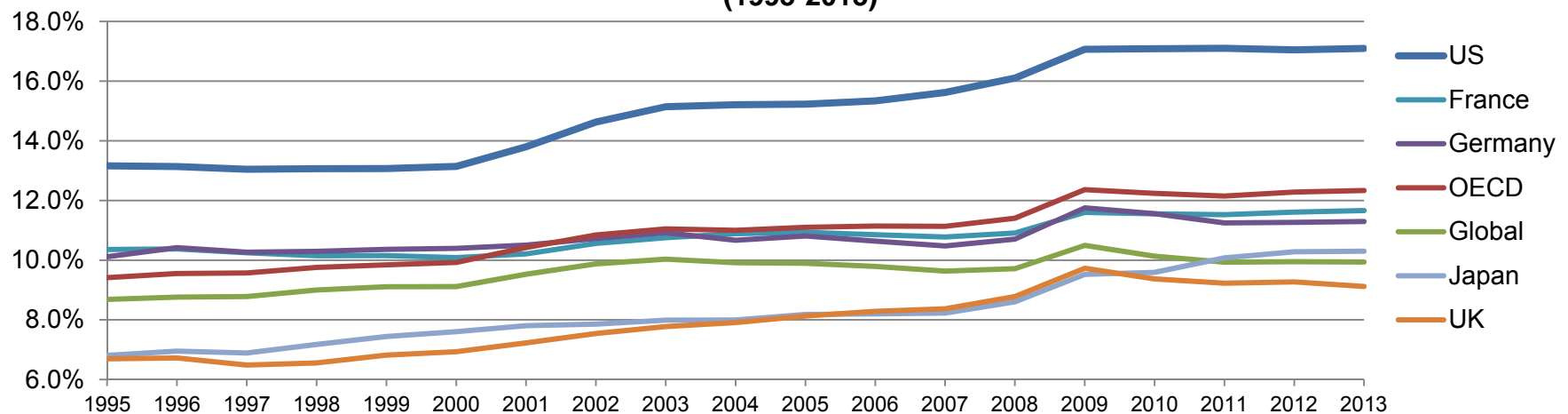
Key High-Level Strategies

- ▶ We have built a platform to address the challenges of the evolution of healthcare
 - ▶ The creation of new delivery systems and entities is changing the competitive landscape in healthcare professional liability
 - ▶ Financial strength and broad geographic reach are now simply “table stakes”
 - ▶ Coverage flexibility and alternative risk solutions are the differentiators
- ▶ We will remain healthcare-centric as we address a broad array of liability risks for our insureds
- ▶ We will continue to enhance shareholder value through effective capital management

The Reality of Healthcare

- Healthcare cost is the main event.
 - The Affordable Care Act is a side show
 - America can deliver more care than we can afford
 - Restructuring is producing profound changes in healthcare
 - Healthcare delivery is being pushed down to lower cost providers
 - The U.S. spends a greater proportion of GDP on healthcare and the percentage is increasing but results don't measure up

Healthcare Spending as a Percentage of GDP
(1995-2013)



The Reality of Insurance

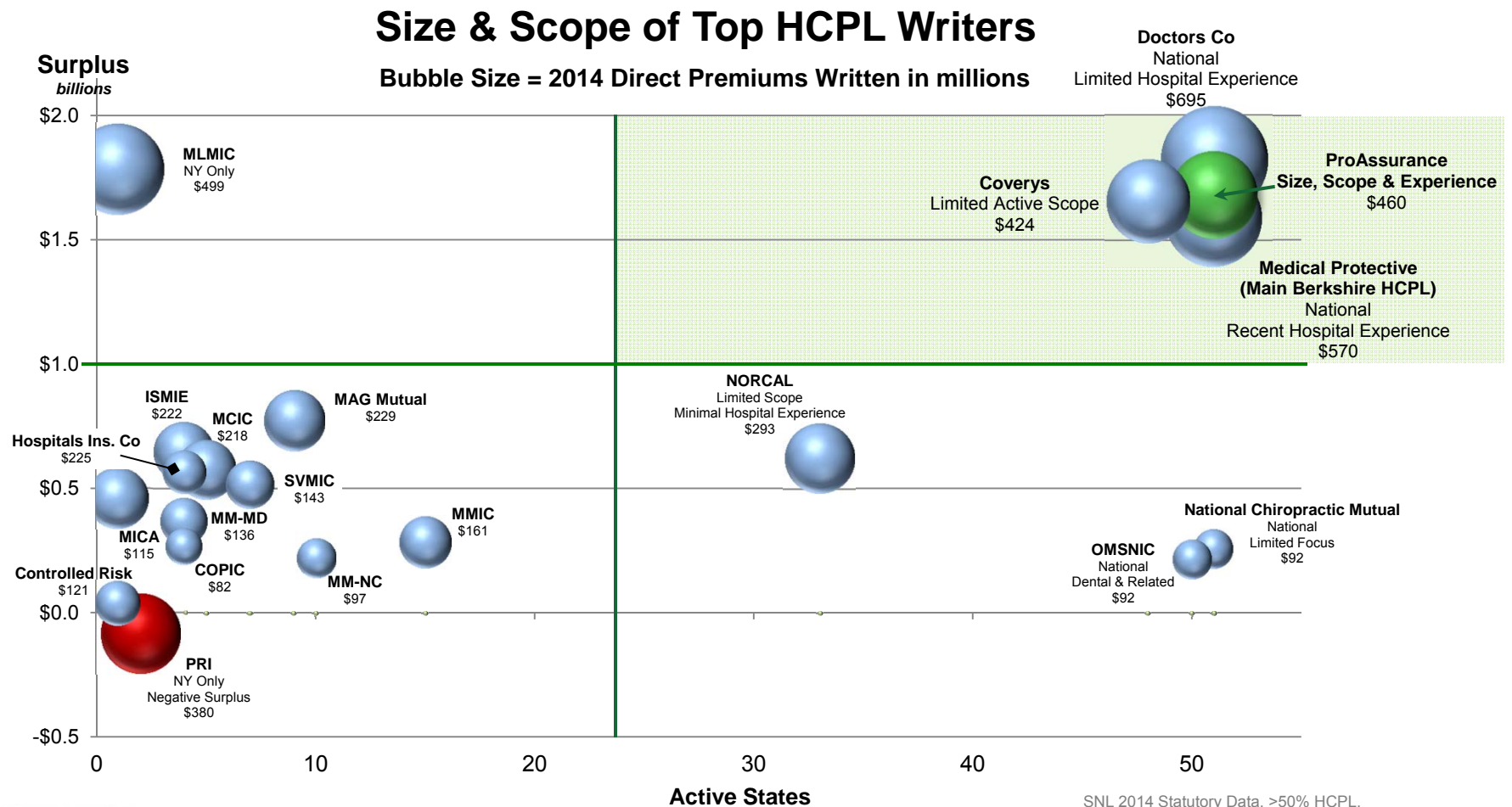
- ▶ Insurance companies are awash in capital
- ▶ Pressure is mounting to “do something” with it
 - ▶ Chase market share with low prices but disastrous long-term consequences
 - ▶ Appease investors or policyholders with unwise capital-return strategies
- ▶ M&A will emerge, but may be more critical for smaller competitors seeking the size and scope to address the market
- ▶ For many traditional MPL companies, it is “the fork in the road,”

Establishing our Platform

- ▶ Early M&A built out our medical professional liability business by building scope and size
- ▶ We added capabilities through subsequent M&A
 - ▶ PICA: podiatric and related specialties
 - ▶ Medmarc: life sciences and medical technology
 - ▶ ProAssurance Mid-Continent Underwriters: ancillary healthcare
- ▶ New product development to support emerging risks for our healthcare insureds
- ▶ The acquisition of Eastern Insurance Alliance allows us to provide workers' compensations solutions and provides proven alternative market solutions through segregated cell capabilities
 - ▶ The other pillar of liability for healthcare organizations

ProAssurance is Positioned to Succeed in HCPL

- ProAssurance has the right combination of geographic scope, broad experience, and financial strength for success in the new world of healthcare liability

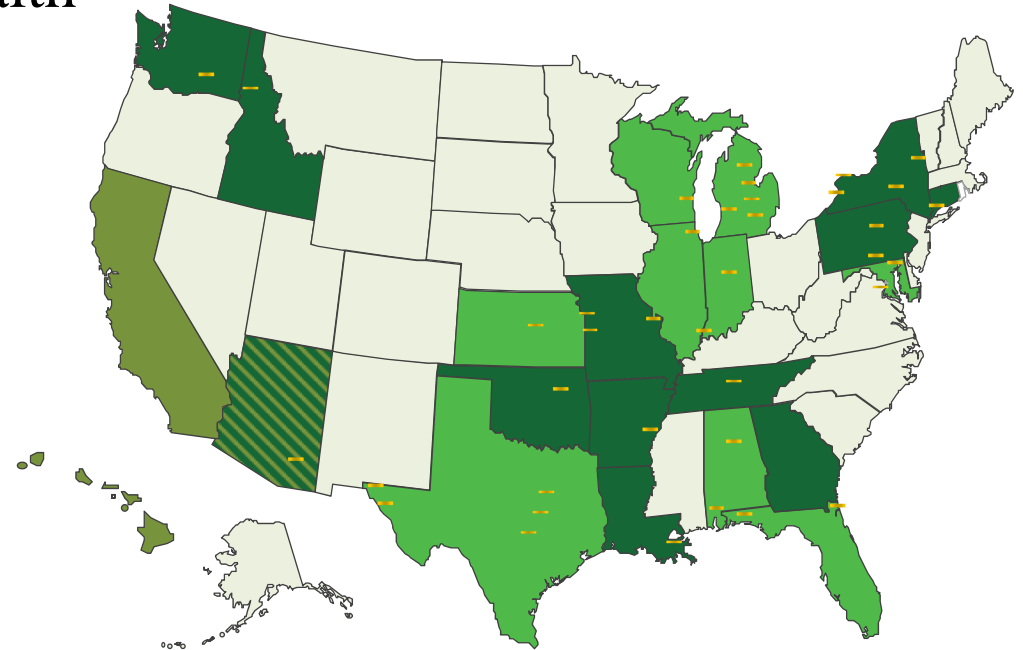


Strategic Successes in the Evolving Market



▶ The Certitude™ program in partnership with Ascension Health

- ▶ Shared risk through quota share participation by Ascension's captive on first \$1M
- ▶ ~1,800 insured risks
- ▶ \$14.5 NPW in 2015
- ▶ Active in Alabama, Connecticut, D.C., Florida, Illinois, Indiana, Michigan and Texas



▶ CAPAssurance

- ▶ Partnered with California-based CAP-MPT
- ▶ Risk sharing by CAP through variable quota share participation on first \$1M
- ▶ Approximately \$4.5M of inforce premium, including three hospitals

*www.ascensionhealth.org/index.php?option=com_locations&view=locations&Itemid=148

Strategic Successes in an Evolving Market

- ▶ Cross-selling / Cross-licensing is working
- ▶ Approximately \$5.5 million of new business in 2015
 - ▶ \$1 million in 2014
- ▶ Alternative risk and self-insurance opportunities
 - ▶ Allows large, sophisticated healthcare and workers' compensation customers to control their own insurance programs
 - ▶ Eastern Re brings proven experience and expertise in establishing and operating captives through segregated cells
 - ▶ Risk sharing/high deductible programs
 - ▶ Risk Purchasing Groups for specific specialties or regions
- ▶ Physician/hospital insurance products addressing the unique risk tolerance and claims expectations of each insured

Additional Strategic Opportunities

- ▶ Internal product expansion for insureds only—not available as a standalone product
 - ▶ Cyber liability
 - ▶ D&O—primarily for larger organizations
 - ▶ Provider excess for entities accepting population-based payments
- ▶ ProAssurance Risk Solutionssm
 - ▶ Proven expertise to address complex risk financing challenges in both healthcare and workers' compensation
- ▶ ProAssurance Complex Medicine (ProCxM)
 - ▶ Program for larger entities with self-insured retentions allows us to participate in markets we have not previously addressed

Strategic Opportunities for Workers Compensation

- ▶ The Eastern acquisition cements our commitment to medical professional liability
- ▶ We now can provide a single source for the two most difficult coverages bought by healthcare institutions
- ▶ This transaction is part of our push to become a larger force with the broker community
 - ▶ Brokers are favored by larger institutions
 - ▶ Provides important cross-selling and differentiating opportunities for our specialist independent agents who remain important in our distribution to existing business
- ▶ Adds significant profitable business
 - ▶ Do not paint Eastern with a broad workers' compensation brush

Strategic Opportunities Through Lloyd's

- Syndicate 1729 is an investment opportunity with significant insurance benefits
- Potentially provides access to international medical professional liability opportunities
- Leverage Medmarc's expertise to underwrite international medical technology and life sciences risks
- Increases flexibility for ProAssurance when working with complex risks
- Primary and excess business can be written

Strategic Opportunities Through Medmarc

- Medmarc is a market-leader in medical products and life sciences liability
- Increasing presence in device and drug development by larger healthcare organizations
- Increasing globalization of testing and development efforts are a natural fit with Lloyd's Syndicate 1729
- Provides ProAssurance and our agents with another arrow in our product quiver at the complex end of the healthcare delivery continuum

Strategic Opportunities Through Mid-Continent

- ▶ ProAssurance Mid-Continent Underwriters addresses the needs of ancillary healthcare providers
- ▶ This market is increasing rapidly as the push to reduce healthcare costs drives care through lower cost providers who are an important part of the healthcare continuum

Capital Management Strategies

We focus on the creation of meaningful shareholder value through a disciplined approach to capital management

Our View of Capital and Our Commitment

Capital is a scarce resource to be managed with upmost care on behalf of those who entrust that capital to us

A superb track record under the current senior management team (Q2 2007 to 2015)

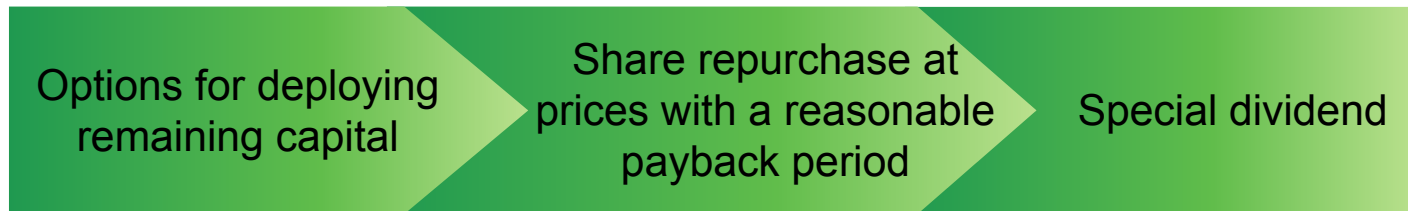
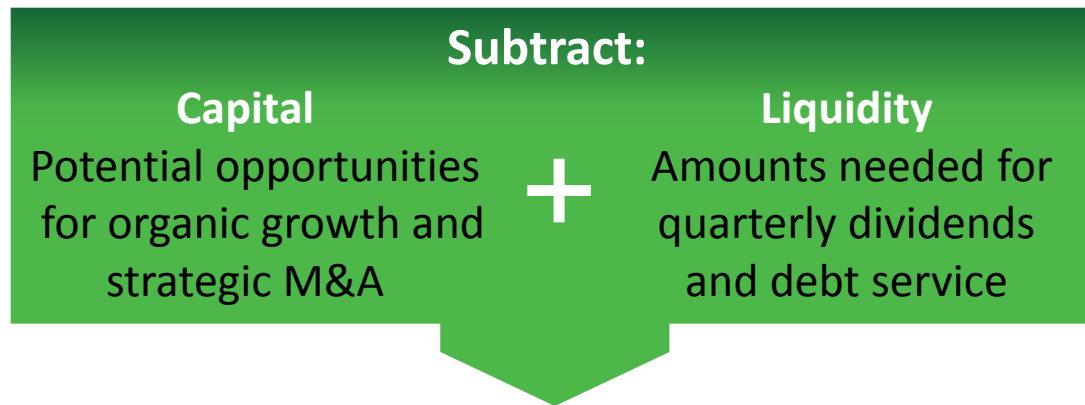
Shareholders Equity grown from \$1.2 billion to \$2.0 billion (56%)

\$1.4 billion returned to shareholders through share repurchase & dividends

Additionally, \$754 million deployed in transformative strategic acquisitions

\$ in 000's				
	Dividends Declared	Share Repurchase	Acquisition	Total
2007	—	\$ 54,201	—	\$ 54,201
2008	—	87,561	—	87,561
2009	—	52,045	\$ 137,800	189,845
2010	—	106,347	233,000	339,347
2011	\$ 15,269	21,013	—	36,282
2012	192,466	—	24,000	216,466
2013	64,777	32,454	153,700	250,931
2014	220,464	222,360	205,244	648,068
2015	119,856	169,793	—	289,649
YTD 16	16,455	1,301	—	17,756
Total	\$ 629,287	\$ 747,075	\$ 753,744	\$ 2,130,106
	\$1,376,362			

How We Make Capital Decisions



Decreasing tax efficiency

All decisions must recognize that we hold significant capital at the subsidiary level to maintain operating company ratings and satisfy regulatory requirements.

Dividends from these subsidiaries to the holding company are our primary source of liquidity and are paid as allowed given rating and regulatory concerns.



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