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<tr>
<td></td>
<td>101</td>
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</table>
ProAssurance Overview

November 2019
Mission, Vision, & Values

The ProAssurance Mission
We exist to Protect Others.

Our Shared 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 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.

Corporate Values
Integrity | Leadership | Relationships | Enthusiasm
ProAssurance Corporate Profile

- **Healthcare-centric specialty insurance writer**
  - Specialty Property & Casualty
    - Healthcare Professional Liability (HCPL)
    - Life Sciences and Medical Device Liability
    - Legal Professional Liability
  - Workers' Compensation Insurance
  - Segregated Portfolio Cell Reinsurance
  - Lloyd’s of London Syndicates (1729 & 6131)
- **Claims-Paying Ratings**
  - A.M. Best: “A+” (Superior)
  - Fitch: “A” (Strong)
- **40 locations in three countries**
  - 981 employees
- **Writing in 50 states & DC**

**Business Unit**

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Principal Offices</th>
<th>Employees</th>
<th>Lines of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCPL</td>
<td>17</td>
<td>439</td>
<td>Healthcare Professional Liability</td>
</tr>
<tr>
<td>PRA Corporate</td>
<td>1</td>
<td>124</td>
<td>Corporate functions (Accounting, Legal, etc.)</td>
</tr>
<tr>
<td>PICA</td>
<td>1</td>
<td>85</td>
<td>Professional Liability for Podiatry &amp; Chiropractic</td>
</tr>
<tr>
<td>Eastern</td>
<td>7</td>
<td>276</td>
<td>Workers’ Compensation &amp; Captive Facilities (all lines)</td>
</tr>
<tr>
<td>Medmarc</td>
<td>2</td>
<td>57</td>
<td>Products Liability &amp; Legal Professional Liability</td>
</tr>
</tbody>
</table>

Data as of 9/30/19
ProAssurance Brand Profile

Specialty P&C
- Healthcare Professional Liability

Workers’ Comp

Medical Technology & Life Sciences Products Liability

Legal Professional Liability

Alternative Risk Transfer
Ned Rand - President & Chief Executive Officer
Mr. Rand, who assumed this position at ProAssurance on July 1, 2019, was formerly Chief Operating Officer, and has served as Chief Financial Officer, Executive Vice President, and Senior Vice President of Finance since joining ProAssurance in November of 2004. Prior to joining ProAssurance, Mr. Rand was Chief Accounting Officer and Head of Corporate Finance for PartnerRe Ltd. from 2000 - 2004. He also served as the Chief Financial Officer of Atlantic American Corporation from 1996 - 2000 and Controller of United Capitol Insurance Company from 1992 - 1996. Prior to that time, Mr. Rand was employed by Coopers & Lybrand (now PriceWaterhouseCoopers) for four years. Mr. Rand is a certified public accountant and is a graduate of Davidson College where he majored in Economics.
Premiums, Policyholders & Distribution for 2019

**YTD 2019 Gross Premium: $766.7 mln**
- Specialty P&C: 55%
- Physicians & Dentists: 40%
- Workers’ Compensation Insurance: 27%
- Lloyd’s: 10%
- Segregated Portfolio Cells Reinsurance: 8%
- Other: <1%

**YTD 2019 Policyholder Count: 78,132**
- Specialty P&C: 83%
- Physicians & Dentists: 58%
- Attorneys: 14%
- Workers’ Compensation Insurance: 14%
- Segregated Portfolio Cells Reinsurance: 3%

**Our Distribution Sources**

<table>
<thead>
<tr>
<th>Premium Allocated by Line Does Not Reflect Inter-Segment Eliminations</th>
<th>Subject to Rounding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agent/Broker</strong></td>
<td><strong>HCPL</strong></td>
</tr>
<tr>
<td>77%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Direct</strong></td>
<td>23%</td>
</tr>
</tbody>
</table>

All Data as of 9/30/19, subject to rounding
The Current State of the Markets We Serve

- **Healthcare Professional Liability (HCPL)**
  - Broader market is catching up to our perception of severity trends
    - Travelers, RLI, and W.R. Berkley all reference social inflation and worsening severity in their earnings remarks
  - Signs of developing severity and greater scrutiny from regulators and rating agencies should bring rationality back to the market
    - Likely to provide new growth opportunities as weakness among smaller, less capable/experienced competitors produces a flight to quality
    - Some competitors are beginning to drop out of the market

- **Workers’ Compensation Insurance**
  - Expanding economy and specialization fueling business gains and offsetting business lost to price competition
  - Increased claims severity and frequency as strong economy results in the hiring of less experienced workers
  - Pricing pressure will cause multi-line carriers to scale back participation

- **Segregated Portfolio Cell Reinsurance**
  - Competitive market conditions and severity trends in our SPC captive business consistent with HCPL and Workers' Compensation Insurance
    - Opportunities for expansion of healthcare-centric captives offering both lines
  - Increased competition from multi-line captives leveraging workers' compensation insurance to offset losses in commercial auto and general liability

- **Lloyd’s Syndicates**
  - Regulators are focused on excess capital and prudent business plans
  - Signs of pricing improvement in recent renewal rounds
Return on Equity & Future Goals

YTD 2018 Return on Equity: 6.0%
YTD 2019 Return on Equity: 5.2%

ROE target is **seven points** above the ten-year Treasury rate (risk-free rate)

- Ten year treasury rate was 1.7% at 10/31/19*, implying a revised **ROE Target** of approximately **8.7%**
- Prior long-term return target of 12%-14% is unrealistic in the current interest rate environment

Each line of business retains a **pricing** target of **13% ROE on allocated capital**

Topics of Importance and Key Themes

November 2019
Key Update: Positives in Q3 2019

- **Increased Top Line Revenue**
  - Gross Premiums Written of $265.5 million
    - Workers’ Compensation Insurance: $70.1 million (+6.6%)

- **Renewal Pricing Momentum Continues in Specialty P&C Despite Competition...**
  - Facilities up 12%, Physicians up 8%
  - Other Healthcare providers up 5%, Legal up 3%, Medical technology down 1%

- **...With Only a Modest Effect to Retention**
  - Physicians: 89%
  - Healthcare Facilities: 57%
    - Largely the result of our decision not to renew certain large accounts written on an excess and surplus basis.
  - Other Healthcare Providers: 87%
  - Medical Technology: 85%
  - Legal: 88%

- **$20.3 million of New Business Written in the Quarter**
  - $9.0 million in Specialty Property & Casualty*
  - $11.3 million in Workers’ Compensation Insurance*

*Includes business ceded to our Segregated Portfolio Cell Reinsurance segment

All comparisons are quarter-over-quarter
Key Update: Responding to Perceived Severity Trends

• **Net Favorable Development of $15.9 million**
  ◦ Down from $21.5 million in 2018 (-26.0%)
  ◦ Reserve development continues to be affected by our perception of loss trends in the broader healthcare professional liability industry

• **Operating Profit for the Quarter**
  ◦ Non-GAAP Operating Income: $16.3 million, or $0.30 per share (-27.4%)
    - Includes a $6.7 million tax benefit to net income

• **Combined Ratio of 103.6%**
  ◦ Consolidated Net Loss Ratio: 74.9% (+3.3 percentage points)
  ◦ Consolidated Underwriting Expense Ratio: 28.7% (-1.3 percentage points)

“We continue to expect loss severity trends perceived in the broader healthcare professional liability marketplace to weigh on operating performance for the remainder of the year, and into 2020. Our view of these trends, and the intensely competitive property casualty landscape, demand caution as we strive to create long term value for our customers and shareholders. This is not the time to aggressively seek market share and top line growth. We are willing to walk away from business where it makes sense to do so, rather than chase under-priced business into dangerous territory. Instead, we continue to focus on improving underwriting results and managing expenses, applying our deep expertise to strengthen our position as a market leader in the lines in which we specialize.”

– Ned Rand, President & CEO

All comparisons are quarter-over-quarter
Confronting the Challenges Ahead

- **Maintaining caution as loss trends develop in HCPL**
  - Our caution is prompted by the general industry outlook
  - Increasing current accident year loss picks to protect insureds, investors, and our balance sheet for the long-term

- **Profitable growth**
  - Increasing market discipline allows us to add new HCPL business at higher rates
  - Specialization in profitable markets and businesses provides an avenue for growth in Workers’ Compensation

- **Balancing competing capital needs**
  - Emerging business opportunities could allow us to deploy capital profitably in the markets
  - Developing loss trends could require us to hold more capital

- **Continued review of our Lloyd’s Investment**
  - Increase profitability
  - Reduce volatility
  - Assess our degree of exposure for 2020
Key Themes

Long Term Success
- Consistent & disciplined focus on profitability
- Firm commitment to disciplined underwriting
- 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 PRA

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 long-term value
Changes in Leadership*

- **Ned Rand became CEO effective July 1, 2019**
  - Stan Starnes became Executive Chairman of the Board
- Mike Boguski became President of ProAssurance Specialty P&C
  - Includes all professional and product liability operations
- Kevin Shook became President of Eastern Alliance
- Howard Friedman retired from his role as President of Healthcare Professional Liability
  - Remains with ProAssurance focusing on the actuarial function
- Ken McEwen assumed leadership of the IR function with the retirement of Frank O’Neil

*All except CEO change were effective May 13th
Capital Management

November 2019
Superb Track Record of Capital Management

A look at the last ten years...

- Successfully expanded PRA to meet new challenges of an evolving insurance market
- $2.0 billion returned to shareholders through share repurchase and dividends since 2009*
  - Share repurchase balances share price vs. book value/share
  - $110 million authorized for buybacks at 9/30/2019
  - Regular quarterly dividend is $0.31/share
  - Special dividend of $0.50/share paid on 1/9/19
- $754 million deployed in transformative strategic acquisitions since 2009

### At 9/30/2019 | $ in 000's

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Declared</th>
<th>Share Repurchase</th>
<th>Strategic Acquisitions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Special</td>
<td>Regular</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$—</td>
<td>$—</td>
<td>$52,045</td>
<td>$137,800</td>
</tr>
<tr>
<td>2010</td>
<td>$—</td>
<td>$—</td>
<td>$106,347</td>
<td>$233,000</td>
</tr>
<tr>
<td>2011</td>
<td>$—</td>
<td>$15,269</td>
<td>$21,013</td>
<td>$—</td>
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<tr>
<td>2012</td>
<td>$154,055</td>
<td>$38,411</td>
<td>$—</td>
<td>$24,000</td>
</tr>
<tr>
<td>2013</td>
<td>$—</td>
<td>$64,777</td>
<td>$32,454</td>
<td>$153,700</td>
</tr>
<tr>
<td>2014</td>
<td>$150,685</td>
<td>$69,779</td>
<td>$222,360</td>
<td>$205,244</td>
</tr>
<tr>
<td>2015</td>
<td>$53,013</td>
<td>$66,413</td>
<td>$169,793</td>
<td>$—</td>
</tr>
<tr>
<td>2016</td>
<td>$249,188</td>
<td>$65,841</td>
<td>$2,106</td>
<td>$—</td>
</tr>
<tr>
<td>2017</td>
<td>$250,720</td>
<td>$66,170</td>
<td>$—</td>
<td>$—</td>
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<tr>
<td>2018</td>
<td>$26,819</td>
<td>$67,495</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>2019</td>
<td>$—</td>
<td>$49,992</td>
<td>$—</td>
<td>$—</td>
</tr>
</tbody>
</table>

$884,480 | $504,577 | $606,118 | $753,744 | $2,748,919 |

$1,995,175

*Capital Returned is all declared dividends + share buybacks
Capital and Liquidity Decisions

- All decisions must recognize that we hold significant capital at the subsidiary level to maintain operating company ratings and satisfy regulatory requirements.
- Dividends from subsidiaries to the holding company are our primary source of liquidity and are paid as allowed given rating and regulatory constraints.
Dividends and Capital Management

• Balancing our *proven dedication to effective capital management* with the desire to retain capital to pursue business opportunities and potential transactions that may emerge

- Special dividend of $0.50/*per common share* paid on January 9, 2019
- Special dividend of $4.69/*per common share* paid in 2018 and 2017
- Regular quarterly dividends of $0.31/*per common share*

Dividends declared in 2016 and 2017 returned approximately **$315 million** of capital to shareholders in each year, and dividends declared in 2018 totaled **$94 million**
Key Source of Capital: Subsidiary Dividends to Corporate

Subsidiary dividends are our primary source of liquidity

Subsidiary capital requirements play a major role

Ordinary dividends are permitted without regulatory pre-approval
- Amounts and criteria vary by domiciliary state

Extraordinary dividends require regulatory approval

2019 ORDINARY Dividend Capacity $128 million

Subsidiary Dividend History (in millions)

*As of 10/31/2019
The manner in which capital is used has an effect on financial ratings.

Excess Capital vs. Excess Capacity

Conceptual Model of Projected A. M. Best BCAR Scores if

"A+" Rating Threshold

- Increase Premium
- Reduce Surplus
Financial / Operating Performance

November 2019
Operational Results / Long-Term Profitability

- Combined ratio average 2009 – Q3 2019: 80.5%
- Operating ratio average 2009 – Q3 2019: 60.9%

Combined Ratio and Operating Ratio History

*Operating Ratio not reported in 2001 or 2002
## Income Statement Highlights (9/30/19)

**Strong results from a focused strategy**

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Gross Premiums Written</td>
<td>$265.5</td>
<td>$259.7</td>
</tr>
<tr>
<td>Net Premiums Earned</td>
<td>$215.8</td>
<td>$206.1</td>
</tr>
<tr>
<td>Net Investment Result</td>
<td>$22.4</td>
<td>$28.5</td>
</tr>
<tr>
<td>Net Realized Investment Gains (Losses)</td>
<td>$1.1</td>
<td>$12.4</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$241.9</td>
<td>$249.3</td>
</tr>
<tr>
<td>Net Losses and Loss Adjustment Expenses</td>
<td>$161.6</td>
<td>$147.6</td>
</tr>
<tr>
<td>Underwriting, Policy Acquisition &amp; Operating Expenses</td>
<td>$61.9</td>
<td>$61.8</td>
</tr>
<tr>
<td>Net Income (Loss) (Includes Realized Investment Gains &amp; Losses)</td>
<td>$17.2</td>
<td>$31.2</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>$16.3</td>
<td>$22.4</td>
</tr>
<tr>
<td>Non-GAAP Operating Income per Diluted Share</td>
<td>$0.30</td>
<td>$0.42</td>
</tr>
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</table>

In millions, except per share data. Subject to rounding.
## Corporate Segment Financial Highlights (9/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Net investment income</td>
<td>$22.2</td>
<td>$22.1</td>
</tr>
<tr>
<td>Equity in earnings (loss) of unconsolidated subsidiaries</td>
<td>$(1.3)</td>
<td>5.2</td>
</tr>
<tr>
<td>Net realized investment gains (losses)</td>
<td>$0.9</td>
<td>11.1</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$22.8</td>
<td>$39.1</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$2.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$4.3</td>
<td>3.6</td>
</tr>
<tr>
<td>Income tax expense / (benefit)</td>
<td>$(6.5)</td>
<td>0.2</td>
</tr>
<tr>
<td>Segment operating result</td>
<td>$22.4</td>
<td>30.3</td>
</tr>
</tbody>
</table>

In millions  Subject to rounding
Disciplined Approach to Reserves

- Recognizing loss trends as they appear
- No change in reserving philosophy or process

15-Year Reserve Development History by Quarter by Year

$ in millions
* Subject to rounding

HCPL Predominating 2004 — Q3 2019

Q1  Q2  Q3  Q4

2004 $17  $23  $36  
2005 $44  $30  $20  $16  
2006 $105  $43  $37  $19  
2007 $185  $108  $38  $25  
2008 $207  $138  $50  $48  
2009 $234  $184  $52  $48  
2010 $326  $114  $60  $53  
2011 $272  $82  $42  $48  
2012 $223  $49  $35  $42  
2013 $182  $43  $37  $29  
2014 $161  $49  $32  $23  
2015 $144  $44  $25  $16  
2016 $134  $92  $23  $16  
2017 $32  $29  $23  $16  
2018 $22  $29  $23  $16  
2019 $42  $29  $23  $16  

$ in millions

ProAssurance Investor Briefing | November 2019
# Balance Sheet Highlights

Maintaining the financial strength required to keep our insurance promise and creating value for our shareholders

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ Equity</td>
<td>$1.6</td>
<td>$1.5</td>
<td>$1.6</td>
<td>$1.8</td>
<td>$2.0</td>
<td>$2.2</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$3.5</td>
<td>$3.3</td>
<td>$3.7</td>
<td>$3.9</td>
<td>$3.7</td>
<td>$4.0</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$4.8</td>
<td>$4.6</td>
<td>$4.9</td>
<td>$5.1</td>
<td>$4.9</td>
<td>$5.2</td>
</tr>
<tr>
<td>Total Policy Liabilities</td>
<td>$2.7</td>
<td>$2.6</td>
<td>$2.5</td>
<td>$2.4</td>
<td>$2.4</td>
<td>$2.4</td>
</tr>
<tr>
<td>Book Value per Share</td>
<td>$29.56</td>
<td>$28.39</td>
<td>$29.83</td>
<td>$33.78</td>
<td>$36.88</td>
<td>$38.17</td>
</tr>
</tbody>
</table>

As of 9/30/19, we have paid a total of $25.06/share in regular and special dividends since 2011. Extensive capital management activities have reduced book value per share while increasing shareholder return.

Shareholders’ Equity: 25% Increase (2007 – Q3 2019)

2014 – Q3 2019
$1.5 bln Returned to Shareholders Through Dividends and Share Repurchase

In billions, except Book Value per share
Shareholder Return

November 2019
Book Value per Share History to September 30, 2019

- 2016 and 2017 each includes a $4.69/share special dividend
- 2018 includes a $0.50/share special dividend

Growth in Book Value + Dividends Since Inception (Sep 1991)
Cumulative: 2,868% / CAGR: 12.5%
ProAssurance Leverage Update

Financial Leverage

Ten-Year Debt to Capital

- $288 million debt at 9/30/19
  - $250 million 10-year notes due 11/15/2023
    - 5.30% Coupon
  - $38 million in office building mortgages
  - $250 million revolving credit facility, $50 million "accordion" option
  - No outstanding borrowings

Operating Leverage

Ten-Year Premiums to Equity

- Moving closer to our minimum target of 0.75:1
- Committed to enhancing shareholder value through effective capital management
  - Retaining capital needed for an eventual market turn and M&A

*2019 Premiums are annualized
Total Return & Stock Price

Total Return

Reflects all stock splits and includes all dividends in the year declared. Source: SNL

Scorecard at 10/31/2019  |  Total Return | CAGR
--- | --- | ---
Since Inception (Sep 1991) | 2374% | 12%
Ten Year (10/31/09 - 10/31/19) | 157% | 10%
Five Year (10/31/14 - 10/31/19) | 23% | 4%
YTD 2019 | 1% |

Stock Price

Scorecard at 10/31/2019  |  Price Change | CAGR
--- | --- | ---
Since Inception (Sep 1991) | 1340% | 10%
Ten Year (10/31/09 - 10/31/19) | 56% | 5%
Five Year (10/31/14 - 10/31/19) | -16% | -4%
YTD 2019 | -1% |
### Specialty P&C Financial Highlights (9/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Nine Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
<td>September 30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Gross Premiums Written</td>
<td>$165.0</td>
<td>$167.6</td>
<td>$459.3</td>
<td>$456.1</td>
</tr>
<tr>
<td>Net Premiums Earned</td>
<td>$125.2</td>
<td>$120.8</td>
<td>$375.3</td>
<td>$378.4</td>
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<tr>
<td>Total Revenues</td>
<td>$127.1</td>
<td>$122.2</td>
<td>$379.9</td>
<td>$382.3</td>
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<tr>
<td>Net Losses &amp; Loss Adjustment Expenses</td>
<td>$(107.6)</td>
<td>$(98.4)</td>
<td>$(321.2)</td>
<td>$(292.7)</td>
</tr>
<tr>
<td>Underwriting, Policy Acquisition &amp; Operating Expenses</td>
<td>$(29.7)</td>
<td>$(27.9)</td>
<td>$(89.2)</td>
<td>$(83.8)</td>
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<tr>
<td>Segment Operating Result</td>
<td>$(10.2)</td>
<td>$(4.1)</td>
<td>$(30.6)</td>
<td>5.7</td>
</tr>
</tbody>
</table>

### Financial Highlights

- **Current Accident Year Net Loss Ratio:**
  - Three Months: 94.5%
  - Nine Months: 93.4%
  - 2019: 93.9%
  - 2018: 91.9%

- **Effect of Prior Accident Year Reserve Development:**
  - Three Months: (8.6%)
  - Nine Months: (12.0%)
  - 2019: (8.3%)
  - 2018: (14.5%)

- **Net Loss Ratio:**
  - Three Months: 85.9%
  - Nine Months: 81.4%
  - 2019: 85.6%
  - 2018: 77.4%

- **Underwriting Expense Ratio:**
  - Three Months: 23.7%
  - Nine Months: 23.1%
  - 2019: 23.8%
  - 2018: 22.2%

- **Combined Ratio:**
  - Three Months: 109.6%
  - Nine Months: 104.5%
  - 2019: 109.4%
  - 2018: 99.6%

*In millions, except ratios Subject to rounding*
Q3 2019 Specialty P&C Gross Written Premium

- Total Gross Written Premiums decreased $2.6M (1.6%) from $167.6M to $165.0M
  - Physicians decrease was driven by the pending renewal of a $3.6 million policy. Excluding the effect of this timing difference, twelve month policies were relatively unchanged, primarily due to an increase in renewal pricing and new business written ($5.8M), almost entirely offset by retention losses (89%) and a decrease in premiums assumed due to the timing of the prior year renewal.
  - Facilities decrease is driven by retention losses (57%), partially offset by timing differences of $1.0 million primarily related to the renewal of a few large policies, new business written ($0.9M), and an increase in renewal pricing.
  - Other healthcare providers increase is due to new business of $0.6M, largely offset by retention losses (87%).
  - Lawyers remained flat for the quarter, primarily due to new business written of $0.4M and pricing increases that were largely offset by retention losses (88%).
  - Medical & life sciences products liability remained flat due to new business written of $1.3M, largely offset by retention losses (85%).
  - Tail premium is up, driven by $1.8M of tail coverage provided in connection with a loss portfolio transfer (*LPT*) entered into during the third quarter of 2019.
  - Retroactive coverage is up due to the LPT entered into during the third quarter of 2019 with a regional hospital group.
YTD 2019 Specialty P&C Gross Written Premium

- Total Gross Written Premiums increased $3.2M (0.7%) from $456.1M to $459.3M
  - Physician twelve month term policies increase is due to timing differences of $4.0M, primarily related to a few policies that shifted their 2018 renewal dates into the first quarter of 2019, new business written of $23.3M and an increase in renewal pricing, partially offset by retention losses (89%). In addition, twenty-four month term policies increased due to the normal cycle of renewals.
  - Facilities increase is due to new business written of $7.8M and an increase in renewal pricing, partially offset by retention losses (69%) and timing differences of $1.7M related to the shifting in renewal dates of a few large policies.
  - Other healthcare providers increase is due to new business written of $1.3M partially offset by retention losses (88%).
  - Lawyers remained flat due to new business written of $2.1M and an increase in renewal pricing, largely offset by retention losses (88%)
  - Medical & life sciences products liability is down primarily due to retention losses (85%), partially offset by new business written of $3.5M and, to a lesser extent, an increase in renewal pricing.
  - Tail premium is down, driven by $7.9M of tail coverage provided in connection with the 2018 LPT, partially offset by $1.8M of tail coverage provided in connection with the 2019 LPT.
  - Retroactive coverage is down due to the LPT entered into during the second quarter of 2018.
Strong Retention Despite Competition

- Retention gains are holding
- Continued underwriting vigilance is being used today to ensure future success
  - Market share is important, but NOT as important as profitability
  - We emphasize adequate pricing over retention
Physician Liability Pricing Trend

- Accelerating price changes on renewed business

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>2002</td>
<td>28%</td>
<td>57%</td>
</tr>
<tr>
<td>2003</td>
<td>28%</td>
<td>101%</td>
</tr>
<tr>
<td>2004</td>
<td>19%</td>
<td>139%</td>
</tr>
<tr>
<td>2005</td>
<td>11%</td>
<td>165%</td>
</tr>
<tr>
<td>2006</td>
<td>3%</td>
<td>173%</td>
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<tr>
<td>2007</td>
<td>(2%)</td>
<td>168%</td>
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<tr>
<td>2008</td>
<td>(6%)</td>
<td>152%</td>
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<td>2009</td>
<td>(4%)</td>
<td>142%</td>
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<td>2010</td>
<td>(2%)</td>
<td>137%</td>
</tr>
<tr>
<td>2011</td>
<td>(2%)</td>
<td>132%</td>
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<tr>
<td>2012</td>
<td>—%</td>
<td>132%</td>
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<tr>
<td>2013</td>
<td>—%</td>
<td>130%</td>
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<tr>
<td>2014</td>
<td>(1%)</td>
<td>131%</td>
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<tr>
<td>2015</td>
<td>—%</td>
<td>131%</td>
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<tr>
<td>2016</td>
<td>—%</td>
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<tr>
<td>2017</td>
<td>—%</td>
<td>132%</td>
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<tr>
<td>2018</td>
<td>1%</td>
<td>135%</td>
</tr>
<tr>
<td>Q3 19</td>
<td>3%</td>
<td>139%</td>
</tr>
</tbody>
</table>

PICA excluded to facilitate accurate comparisons over time | September 30, 2019
Metro Area Rate Comparison

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>$67,484</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>$82,227</td>
</tr>
<tr>
<td>Denver</td>
<td>$111,100</td>
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<tr>
<td>Dallas</td>
<td>$111,345</td>
</tr>
<tr>
<td>St Louis</td>
<td>$17,980</td>
</tr>
<tr>
<td>Atlanta</td>
<td>$19,320</td>
</tr>
<tr>
<td>Cleveland</td>
<td>$23,825</td>
</tr>
<tr>
<td>Detroit</td>
<td>$28,263</td>
</tr>
<tr>
<td>New York, NY</td>
<td>$23,215</td>
</tr>
<tr>
<td>Miami</td>
<td>$25,549</td>
</tr>
<tr>
<td>Washington</td>
<td>$26,010</td>
</tr>
<tr>
<td>Chicago</td>
<td>$82,137</td>
</tr>
</tbody>
</table>

Annual Premium for a $1M / $3M Policy
Filed or Approved at 9/30/19
The Bottom Line Benefits of Strong Defense

Our ability and willingness to defend claims allows us to achieve better results

ProAssurance Stand Alone
Five-Year Average Loss Ratio (2014-2018 / Calendar Year)

ProAssurance vs. Industry
Five-Year Average Loss Ratio (2014-2018)
Subject to rounding

On average, 11 points better than the industry

TOTAL LOSS RATIO
Incurred Loss
Adjustment Expenses as a Percentage of Premium
Incurred Losses as a Percentage of Premium

ProAssurance Outperforms in Insurance

Average Combined Ratio

ProAssurance Outperforms in HCPL

ProAssurance consistently outperforms in a volatile line of business

New Market Conditions Emerging in HCPL

• Greater uncertainty in the market creates an environment where ProAssurance outperforms long-term due to superior financial strength and operational expertise
  ◦ Perceived trends have led a handful of commercial carriers to exit all or part of their healthcare professional liability business.
  ◦ The state of Iowa has banned one price-focused healthcare professional liability insurer from selling new policies or renewing existing policies due to poor financial condition.
  ◦ An insurance company in Kansas was put under state control, which resulted in all policies being cancelled effective December 2019.
  ◦ Downgrades from A. M. Best on two smaller mutual companies signal growing concern over financial strength after years of 100+ combined ratios.
  ◦ At least one larger mutual is already on a negative watch.
  ◦ With severity a growing concern, smaller companies may have to make a choice between maintaining ratings or maintaining market share.

• ProAssurance has achieved consistently higher pricing and strong retention as the market changes
How Healthcare Costs Will Force Changes in Our Market

- The question is cost vs. care—we can deliver more care than we can afford
  - Restructuring is producing profound changes in healthcare
- The U.S. spends almost 18% of GDP on healthcare, and the percentage is increasing

Healthcare
Cost control remains the real driver of change in the delivery of care
Care being pushed down to lower cost providers
Current spending levels are unsustainable
The Affordable Care Act is a sideshow that does not address rising costs
No perfect model for healthcare delivery has emerged

US Healthcare Spending as a Percent of GDP, 1970-2018

17.9% of GDP in 2017
Expected to average 5.5% growth annually from 2018-2027, and reach ~20% of GDP by 2027


http://data.worldbank.org/indicator/SH.XPD.TOTL.ZS
We Are Approaching a Tipping Point

Average Annual Healthcare Spending per Working Household
Includes Out-of-Pocket Expenses and Insurance Premiums

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Compensation (Wages + Health Benefits)</th>
<th>Health Spending as a Percentage of Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$68,600</td>
<td>13.4%</td>
</tr>
<tr>
<td>2016</td>
<td>$105,800</td>
<td>24.4%</td>
</tr>
<tr>
<td>2030</td>
<td>$149,000</td>
<td>33.9%</td>
</tr>
</tbody>
</table>

4.9% Per U.S. Office of Actuary

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Compensation (Wages + Health Benefits)</th>
<th>Health Spending as a Percentage of Compensation</th>
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<tr>
<td>2002</td>
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</tr>
<tr>
<td>2016</td>
<td>$25,800</td>
<td>24.4%</td>
</tr>
<tr>
<td>2030</td>
<td>$50,500</td>
<td>33.9%</td>
</tr>
</tbody>
</table>
How Healthcare Costs Will Force Changes in Our Market

- Greater reliance on a value-based payment system
  - Providers shouldering more of the risk of costs
    - Drives the need for efficiency in order to optimize limited resources
    - Changing models of reimbursement

  **OVERARCHING TRENDS**
  Larger groups/systems will have more leverage with payers
  Financial pressures are eliminating small groups and solo practitioners
  Patients will be forced to make choices as they shoulder more costs

- Greater reliance on technology
- Increasing focus on efficiency to maximize care-per-spend

Adapted from HBR: The Strategy that Will Fix Healthcare
Strategy Update: Traditional Practices are Fading

- More physicians than ever are employees
- The fork in the road for traditional HCPL companies
  - Their core markets are disappearing and they do not have the financial size and capability to insure large, more complex risks

The HCPL Industry

Traditional practices are fading
Excess capital is being used to try to maintain market share at the expense of a sustainable future
Capital & geographic constraints challenge many small insurers
Few companies are able to respond to new coverage demands from emerging delivery models

Source: 2018 Physicians Foundation Survey of America’s Physicians, and prior editions
Driving Forces Behind HCPL Severity Trends: Before a Lawsuit

• Healthcare Advances
  ◦ Longer life expectancies
  ◦ More expensive and complex procedures → increased risk of complications

• High Deductible Health Plans
  ◦ Patients pay more out of pocket
    • Higher expectations → lower tolerance for unexpected outcomes
  ◦ Increasing reliance on cost-efficient urgent care centers → disrupts continuity of care
  ◦ Delay in care → patients get sicker → increased chance of injury

• Pandemic of Comorbidities
  ◦ Rising levels of obesity and type-2 diabetes → long term chronic illness
  ◦ Compounding effect on bad outcomes, both in frequency an severity

• Patient Frustration
  ◦ Complicated care-delivery systems and institutionalized medicine
  ◦ Decreased “face time” with physicians → patients are more likely to sue
  ◦ Large verdicts encourage plaintiffs and their attorneys to sue

The critical, trust-based relationship between providers and patients is diluted by institutional medicine
Driving Forces Behind HCPL Severity Trends: After a Lawsuit

• Jury Sentiment
  ◦ Angry with perceived social inequality ("Haves" vs. "Have-Nots")
  ◦ Increasingly interested in **Compensation** over **Causation**
  ◦ Institutional defendants rather than an individual
  ◦ Value of a dollar is distorted by high-earning public figures
    • Athletes, musicians with multi-million dollar net-worths
    • Companies and executives worth billions

• Higher Damages
  ◦ Advanced and more expensive technology
  ◦ Longer life expectancy
  ◦ More expensive blackboarding

• Growing Spread Between Offer and Demand
  ◦ Higher settlements
  ◦ Longer, more frequent, and more expensive trials
  ◦ Juries awarding more than plaintiff attorneys are asking

There is a growing disconnect between liability/causation and the expectation of patients and juries that the providers should pay damages
Large HCPL Verdicts at Record Highs in 2018

- Unmistakable trend to higher severity evident in the broader industry
  - Not significantly evident in ProAssurance paid losses
  - Prompting greater caution in ProAssurance reserves on larger risks where deeper pockets may have been created by consolidation
  - Greater caution also translates into higher current year loss picks
  - Four consecutive years of increases in number of $10M+ and $25M+ verdicts

Higher severity has invariably led to higher frequency which contributes to a cycle turn in healthcare professional liability

Data Source: TransRe
ProAssurance is Positioned to Succeed in HCPL

Our long-term focus on financial strength and protecting the integrity of our balance sheet is central to our overall strategy and success.

ProAssurance has always evolved ahead of the curve:
- We have proven our ability to thrive across insurance cycles
- We have an unmatched combination of financial strength and deep experience

We have built the platform that allows us to serve the broad spectrum of healthcare:
- Prudently leveraging our success and experience with the addition of specialized expertise

Broad capabilities to meet evolving demands in professional liability:
- Eastern, Medmarc, PICA & Mid-Continent
- Traditional HCPL companies deepen our capabilities
Emerging Issues in Healthcare

- Consolidation of providers into larger groups or within facilities/systems
- Evolution of new delivery systems to address cost pressures
- Multi-state expansion to achieve scale

Challenges for HCPL Insurers

- Broker-driven purchasing requires new approaches to the market
- Larger balance sheets required to respond to greater financial risk
- Multi-state risks require broad scope
- Evolving risk profiles require flexible coverage options and alternative markets presence

ProAssurance Responds with Strategies & Solutions

- Broker outreach and National Healthcare Team are driving higher submissions.
- Chosen by a large multi-state risk—single largest premium in PRA history (Q2 2016)
- Access to international markets through Lloyd’s syndicates
- Partnerships such as Certitude with Ascension Health ($257.5 million in Ascension-related DPW since inception, $187.3 million in Certitude-only DPW)
- Alternative market expertise through Inova® captives, E&S capabilities and a dedicated risk retention group
- Sophisticated Work Comp solution creates a solid competitive advantage
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.

**Size & Scope of Top HCPL Writers**

SNL 2017 Statutory Data, >50% HCPL, Direct Written Premiums >$80 million
The Certitude™ program in partnership with Ascension Health

- **Program crafted to meet the specific needs of a large healthcare organization.**
- Shared risk through quota share participation by Ascension’s captive on first $1 mln
- $24.5 mln Certitude direct premium through the first three quarters of 2019
  - Active in AL, D.C., CT, FL, IL, IN, KS, MD, MI, NY, OK, TX, and WI
- $35.5 mln gross premiums written from Ascension-related risks in 2019 YTD

**CAPAssurance**

- Partnered with California-based CAP-MPT
- Risk sharing by CAP through variable quota share participation on first $1 mln

---

*http://ascension.org/our-work/ascension-health/sites-of-care*
Addressing a Wide Spectrum of Risk Appetites

Traditional Policies
- Primarily agent-sold or direct
- Remains the majority of our business
- Proven performance supports discipline pricing

Transitional
- Risk sharing/high deductible programs control cost and build “sticky” business
- Risk purchasing groups target specific specialties or program business
- Joint physician/hospital policies (ProControl®) address unique risk tolerance and claims expectations of each class of insured

Alternative Risk
- Captive insurance programs allow large, sophisticated healthcare and workers’ compensation customers to control their own insurance programs
- Two joint healthcare professional and workers’ compensation programs are already in place
- Eastern Re brings proven experience and expertise in establishing and operating captives through segregated cells

Coordinated sales & marketing efforts target insureds in these classes for additional products and services
Leveraging Existing Expertise in New Ways

**Syndicate 1729 at Lloyds**
- Our 61% participation provides potential access to international medical professional liability opportunities
- Increases flexibility for ProAssurance when working with complex risks
- Primary and excess business can be written
- We expect to leverage Medmarc’s expertise in the future to underwrite international medical technology and life sciences risks

**Medmarc**
- Larger healthcare organizations present greater opportunities to insure activities focused on device and drug development
- Provides ProAssurance and our distribution partners with additional capabilities at the complex end of the healthcare delivery continuum
- Increasing globalization of testing and development efforts are a natural fit with Lloyd’s Syndicate 1729

**Segregated Portfolio Cell Reinsurance**
- Allows any organization to control their own risk
- High ROE product with significant retention

**ProAssurance Mid-Continent Underwriters**
- Focuses on ancillary healthcare market which is exploding as care is being pushed down to lower cost providers
Segment Highlights

Workers’ Compensation Insurance, November 2019
Workers’ Compensation Insurance Financial Highlights (9/30/19)

<table>
<thead>
<tr>
<th>Section</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Gross Premiums Written</td>
<td>$70.1 $</td>
<td>$65.7 $</td>
</tr>
<tr>
<td>Net Premiums Earned</td>
<td>$49.5 $</td>
<td>$47.3 $</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$50.0 $</td>
<td>$47.7 $</td>
</tr>
<tr>
<td>Net Losses &amp; Loss Adjustment Expenses</td>
<td>$(32.4) $</td>
<td>$(30.7) $</td>
</tr>
<tr>
<td>Underwriting, Policy Acquisition &amp; Operating Expenses</td>
<td>$(14.9) $</td>
<td>$(15.4) $</td>
</tr>
<tr>
<td>Segment Operating Results</td>
<td>$2.7 $</td>
<td>$1.6 $</td>
</tr>
<tr>
<td>Current Accident Year Net Loss Ratio</td>
<td>68.2 %</td>
<td>70.7 %</td>
</tr>
<tr>
<td>Effect of Prior Accident Year Reserve Development</td>
<td>(2.8%)</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>Net Loss Ratio</td>
<td>65.4 %</td>
<td>64.8 %</td>
</tr>
<tr>
<td>Underwriting Expense Ratio</td>
<td>30.1 %</td>
<td>32.6 %</td>
</tr>
<tr>
<td>Combined Ratio</td>
<td>95.5 %</td>
<td>97.4 %</td>
</tr>
</tbody>
</table>

In millions, except ratios Subject to rounding
Workers’ Compensation Business Profile & Overview

- Eastern Alliance Insurance Group
- Best-in-Class Claims, Risk Management and Underwriting Business Model
- Broad Product Spectrum
- 43 State/DC Licenses – Core Operations in 19 States
- Select Agency Partnerships
  - 387 Contracts / 942 Locations

### Regions

**Midwest Region**
- Indianapolis, IN
- Grandville, MI

**Southeast Region**
- Charlotte, NC
- Richmond, VA
- Madison, MS
- Nashville, TN
- Austin, TX

**Gulf South Region**
- Charlotte, NC
- Richmond, VA
- Madison, MS
- Nashville, TN
- Austin, TX

**Mid-Atlantic Region**
- Lancaster, PA
- Wexford, PA

**New England Region**
- Auburn, ME

**Eastern Re (Cayman)**
Broad Workers’ Compensation Product Spectrum

Traditional Markets
- Guaranteed Cost Policies
- Loss-Sensitive Dividend Plans
- Deductible Plans
- Retrospective Rating Plans
- ParallelPay—“Pay as you Go”
- Specialty Risk (high hazard)
- Claims Administration and Risk Management

11,195 active policies as of 9/30/19

Traditional Business Only
$156.6 mln Gross Premiums Written
Premium in 2019

Guaranteed Cost 79.5%
EPLI 0.1%
Assumed 4.2%
Retrospective Rating 2.0%
Deductible Plans 3.4%
Policyholder Dividend 10.8%
Diversified Book of Business – Traditional Markets

- Wide diversification by class code and market segment
  - 11,195 active policies in Traditional Programs
    - Over 600 class codes actively written

Top 10 Classes of Business by Payroll Exposure as of September 30, 2019

Subject to rounding
Significant Healthcare Profile – Traditional Markets

Healthcare as a Percentage of Traditional Workers’ Compensation Writings
Gross Premiums Written YTD at 9/30/19

- Non-Healthcare: 79%
- Healthcare: 21%

YTD 2019 Healthcare premiums grew 9.9% vs. YTD 2018

Healthcare Premiums

- 2019: $33.5 million
- 2018: $30.4 million

$ = DPW in millions
Consistent Profitability in Workers' Compensation

Historical Combined Ratio

Average 89.4% 2006 – Q3 2019

- GAAP
- GAAP (excluding fair value adjustments, intangible asset amortization, transaction-related and other one-time charges)

2006: 79.1%
2007: 65.6%
2008: 80.2%
2009: 87.7%
2010: 96.0%
2011: 89.7%
2012: 91.8%
2013: 93.0%
2014: 92.7%
2015: 95.9%
2016: 94.3%
2017: 95.5%
2018: 93.7%
YTD 2019: 96.4%

*2018 and 2019 ratios include Workers' Compensation Insurance segment only.*
Workers’ Comp Claim Closing Pattern: Traditional

- Eastern’s proactive claim-closing strategies are key to being recognized as a short-tail writer of workers’ compensation
- No claims open from 2004 and earlier
  - 45 net claims open from 2014 and prior
Segment Strategic Review

Workers’ Compensation Insurance, November 2019
Eastern Outperforms in Workers’ Compensation

Eastern consistently outperforms in a volatile line of business

Data is inclusive of Segregated Portfolio Cell Reinsurance results as of 12/31/2018.
Opportunities in Workers’ Compensation Insurance

- $11.3 million in new business written in Q3 2019
  - Traditional: $10.5 million
  - Alternative Market: $0.8 million
- Launched Eastern Specialty Risk in 2017
  - High Hazard product offering
    - Construction, Forestry, and Transportation market:
      - $5.9 million written in YTD 2019
      - $8.2 million written in 2018
- High potential for opportunistic growth in markets outside of PA
- Continued growth from Great Falls renewal rights transaction
  - Now fully integrated into Eastern’s operations
  - Solid renewal retention and new business generation in New England
  - Core New England writings in Maine and New Hampshire, with recent expansion into Vermont

9/30/19 Subject to Rounding
• Disciplined individual account underwriting with focus on rate adequacy in rural territories

• Dedicated to effective claims management and returning injured workers to wellness

• Understands market dynamics and regulatory concerns
  ◦ Use of local knowledge that has always differentiated ProAssurance
Specialty Risk: Higher Risk But NOT High Risk

• Business Overview
  ◦ Focusing on the next level of risk: higher hazard but not typical “high hazard”
    ▪ Some classes previous written by Eastern in High Modification programs
    ▪ $2.5 million in direct premiums in Q3 2019, $5.9 million YTD 2019
  ◦ $8.2 million in direct premiums in 2018 with continuing favorable loss trends
  ◦ Initial submission quantity and quality are solid, largely construction-related and regional transportation risks
  ◦ Business profile aligns with expected growth in payroll/premium in the US, especially in infrastructure-focused industries
  ◦ Broad acceptance from existing agents that have deep relationships with Eastern
  ◦ Many have one or two accounts with competitors and look to move those to Eastern with this option

• Expected Loss Profile
  ◦ Loss are expected to be less frequent, but more severe, although mitigated by an excellent reinsurance structure
  ◦ Full support of reinsurance partners
    ▪ Retentions remain the same as in existing business
    ▪ Deepens the reinsurance relationship by providing additional rate for new exposures
  ◦ Loss profile means higher premiums and greater margins
  ◦ Eastern will apply its innovative claims and risk management strategies to shorten the tail, reduce the incidence and severity of claims and enhance workplace safety
Segment Highlights

Segregated Portfolio Cell Reinsurance, November 2019
Segregated Portfolio Cell Program Structure

Individually-capitalized cells (companies) exist within the Inova Re structure.
Assets of each are segregated from others

ProAssurance/Eastern participates in select cells

Fee Income to ProAssurance
Services
+ Cell Rental Expenses
+ Participates in profits/losses of carefully selected cells

Underwriting
Claims Administration
Risk Management
Reinsurance
Tax
Audit
Asset Management

Agency group or Association establishes/funds a Cell

Fronting Arrangement
## Segregated Portfolio Cell Reinsurance Financial Highlights (9/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Gross Premiums Written</strong></td>
<td>$17.3</td>
<td>$16.8</td>
<td>$70.6</td>
</tr>
<tr>
<td><strong>Net Premiums Earned</strong></td>
<td>$19.8</td>
<td>$19.0</td>
<td>$58.6</td>
</tr>
<tr>
<td><strong>Net Investment Income</strong></td>
<td>$0.4</td>
<td>$0.4</td>
<td>$1.3</td>
</tr>
<tr>
<td><strong>Net Realized Gains (Losses)</strong></td>
<td>$(0.1)</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Other Income (Loss)</strong></td>
<td>$0.2</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Net Losses &amp; Loss Adjustment Expenses</strong></td>
<td>$(9.8)</td>
<td>$(8.6)</td>
<td>$(40.5)</td>
</tr>
<tr>
<td><strong>Underwriting, Policy Acquisition &amp; Operating Expenses</strong></td>
<td>$(6.0)</td>
<td>$(5.5)</td>
<td>$(17.1)</td>
</tr>
<tr>
<td><strong>SPC Net Operating Results</strong></td>
<td>$4.6</td>
<td>6.7</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Segregated Portfolio Cell Dividend (Expense)/Income</strong></td>
<td>$(3.6)</td>
<td>$(5.3)</td>
<td>$(1.4)</td>
</tr>
<tr>
<td><strong>Segment Operating Results</strong></td>
<td>$1.0</td>
<td>1.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

- **Current Accident Year Net Loss Ratio**: 66.1% (2019), 64.8% (2018), 82.5% (2019), 66.0% (2018)
- **Effect of Prior Accident Year Reserve Development**: (16.7%) (2019), (19.7%) (2018), (13.4%) (2019), (15.2%) (2018)
- **Net Loss Ratio**: 49.4% (2019), 45.1% (2018), 69.1% (2019), 50.8% (2018)
- **Combined Ratio**: 79.5% (2019), 74.2% (2018), 98.3% (2019), 80.4% (2018)

*In millions, except ratios. Subject to rounding.*
Workers’ Compensation Insurance – Alternative Market Written Premium Trends

- 20 year track record of growth and profitability
- $16.7 million in alternative markets GPW during Q3 2019
- 2018 YTD GPW = $67.5 million
  - Flat year-over-year

Alternative Markets business only, GPW in 000’s
Diversified Book of Business - Segregated Portfolio Cell Programs

- Wide diversification by class code and market segment
  - 2,589 active policies in Segregated Portfolio Cell Market programs
    - Over 400 actively written class codes in Segregated Portfolio Cell programs

Top 10 Classes of Business by Payroll Exposure as of September 30, 2019

Subject to Rounding
Claim Closing Pattern – Segregated Portfolio Cell Programs

- Eastern’s proactive claim-closing strategies are key to being recognized as a short-tail writer of workers’ compensation
- No claims open from 2009 and earlier
  - 46 net claims open from 2016 and prior
Segment Strategic Review

Segregated Portfolio Cell Reinsurance, November 2019
Captive insurance solutions provided through Inova Re

- Segregated cell company based in Cayman
- Successfully driving new business opportunities for healthcare professional liability business
- Strategic partnerships with select independent agencies that share philosophies on controlling workers’ compensation costs
- Value-added risk management services and claims/underwriting expertise cements brand loyalty
How Segregated Portfolio Cells Benefit ProAssurance

- **Alternative market solutions** are in high demand
  - Fast growing sector of the Property and Casualty marketplace
- Segregated Portfolio Cells are a **high ROE product** with significant retention
  - Low capital requirement by not assuming risk
  - Fee-based revenue diversifies earnings that are largely based on underwriting
  - Jointly-owned SPCs

Inova brand launched in Q1 of 2014

- Unique product offering differentiates Eastern & ProAssurance
  - HCPL / WC lines in a single SPC
  - Leverage “mono-line” expertise for both
  - With the uncertainty created by healthcare reform, it is more important than ever for healthcare organizations to manage “controllable” expenses

- Enhances agency partnerships
  - Risk sharing (joint ownership) educates agents on principles of underwriting, risk management and claims administration
How Segregated Portfolio Cells Benefit Insureds

- Highly Rated Paper
- Stable Off-Shore Facility
  - Over 30 years in operation (since 1987)
  - Cayman Islands Monetary Authority regulation
  - Segregated portfolio cells statutorily protected from each other
- Multi-State Coverage
- “Fully-Bundled” Approach
  - No need for separate service agreements or providers
- Access to ProAssurance / Eastern Reinsurance Markets
  - Reinsurance Program Protection
- “Turn-key” Operation
  - Provides simple and easy transition from start to finish
  - Minimal start-up capitalization
  - Flexible ownership
- Monthly and Annual Reporting Package
  - Detailed monthly reporting package
  - Quarterly actuarial reviews and financials
- Opportunities to Participate in Profit
- Dedicated Service Team
  - Account management, underwriting, claims, risk management, marketing, accounting, premium audit
Advantages of the Cayman Islands Domicile

• Second largest captive domicile in the world
  ◦ Largest healthcare captive domicile in the world
  ◦ 90% of business from North America
• Healthcare captives represent 33.2% of all captives
• Medical professional liability is the largest primary line followed by workers’ compensation
  ◦ Medical Malpractice: $5.8 billion in period premiums ($14.8 bln in Assets)
  ◦ Workers’ Compensation: $4.0 billion in premiums ($11.9 bln in Assets)
• CIMA: Cayman Islands Monetary Authority
• Strong regulatory structure
  ◦ SPC Legislation

# Lloyd’s Segment Financial Highlights (9/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Gross Premiums Written</td>
<td>$30.4</td>
<td>$26.4</td>
</tr>
<tr>
<td>Net Premiums Earned</td>
<td>$21.3</td>
<td>$19.0</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$22.5</td>
<td>$20.1</td>
</tr>
<tr>
<td>Net Losses &amp; Loss Adjustment Expenses</td>
<td>$ (11.9)</td>
<td>$ (10.0)</td>
</tr>
<tr>
<td>Underwriting, Policy Acquisition &amp; Operating Expenses</td>
<td>$ (9.4)</td>
<td>$ (8.4)</td>
</tr>
<tr>
<td>Operating Result</td>
<td>$1.3</td>
<td>$1.9</td>
</tr>
</tbody>
</table>

|                                | 2019   | 2018   | 2019   | 2018   |
| Current Accident Year Net Loss Ratio | 58.3 % | 56.1 % | 60.5 % | 62.7 % |
| Effect of Prior Accident Year Reserve Development | (2.4%) | (3.4%) | —% | 0.6% |
| Net Loss Ratio                 | 55.9 % | 52.7 % | 60.5 % | 63.3 % |
| Underwriting Expense Ratio     | 44.2 % | 44.4 % | 44.5 % | 48.5 % |
| Combined Ratio                 | 100.1 % | 97.1 % | 105.0 % | 111.8 % |

In millions, except ratios  Subject to rounding
Lloyd’s Syndicates Business Detail YTD*

- Syndicate 1729 2019 maximum underwriting capacity: $157.3 million
  - ProAssurance’s 61%† share is $95.9 million
- Syndicate 6131 2019 underwriting capacity: $14.7 million
  - ProAssurance is the 100% capital provider

* in millions and based on exchange rates at 9/30/2019
†Participation in operating results of Syndicate 1729 slightly decreased for 2019 underwriting year from 62% to 61%
Segment Investment Thesis & Strategic Review

Lloyd’s of London, November 2019
Why Lloyd’s? Our Investment Thesis

**Westernization** of international healthcare professional liability

- Many countries are moving towards a contingency fee tort system
- ProAssurance’s expertise is adaptable

**Universal distribution & licensure**

- Particularly appealing to Medmarc as Medical Technology & Life Sciences developing and testing expands globally

Opportunity to **invest alongside a recognized leader** in Duncan Dale

Visibility into potential **international expansion** through investment or M&A
The Future of Our Lloyd’s Investment

- **Review of strategic options is ongoing**
  - Expect to reduce exposure by 50%

- **The Syndicate is developing its proposed business plan for 2020**
  - Will then allow for completion of a more fulsome review of future options
  - Improve profitability
  - Assess capital use and degree of participation

- **Operational goals**
  - Mitigating risk through **reinsurance**
  - Remaining disciplined and focused on core products
  - Trimming away lower margin business
  - Maintaining vigilance on expenses

- **Little or no exposure to Brexit and related issues**
  - Few UK risks written
Appendix
Investment Strategy and 2019 Outlook

• Effective stewardship of capital ensures a position of financial strength through turbulent market cycles

• Optimizing our allocations for better risk-adjusted returns
  ◦ Ensures non-correlation of returns

• Duration management remains paramount
  ◦ We will not extend duration in search of incremental yield

• Ongoing analysis of holdings to ensure lasting quality and profitability
## YTD 2019 Net Investment Result

<table>
<thead>
<tr>
<th></th>
<th>9/30/2019</th>
<th>9/30/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Investment Income</strong></td>
<td></td>
<td></td>
<td>$ in thousands</td>
</tr>
<tr>
<td>Fixed maturities</td>
<td>$54,154</td>
<td>$51,814</td>
<td>$2,340</td>
</tr>
<tr>
<td>Equities</td>
<td>13,755</td>
<td>15,553</td>
<td>(1,798)</td>
</tr>
<tr>
<td>Short-term investments including Other</td>
<td>5,466</td>
<td>3,968</td>
<td>1,498</td>
</tr>
<tr>
<td>BOLI</td>
<td>1,557</td>
<td>1,525</td>
<td>32</td>
</tr>
<tr>
<td>Investment fees and expenses</td>
<td>(4,894)</td>
<td>(5,183)</td>
<td>289</td>
</tr>
<tr>
<td><strong>Net investment income</strong></td>
<td>70,038</td>
<td>67,677</td>
<td>2,361</td>
</tr>
</tbody>
</table>

### Equity in Earnings (Loss) of Unconsolidated Subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>9/30/2019</th>
<th>9/30/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>All other investments, primarily investment fund LPs/LLCs</td>
<td>8,621</td>
<td>31,396</td>
<td>(22,775)</td>
</tr>
<tr>
<td>Tax credit partnerships</td>
<td>(15,861)</td>
<td>(19,149)</td>
<td>3,288</td>
</tr>
<tr>
<td><strong>Equity in earnings (loss)</strong></td>
<td>(7,240)</td>
<td>12,247</td>
<td>(19,487)</td>
</tr>
</tbody>
</table>

Excluding Capital Gains / (Losses)

<table>
<thead>
<tr>
<th></th>
<th>9/30/2019</th>
<th>9/30/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net investment result</strong></td>
<td>$62,798</td>
<td>$79,924</td>
<td>(17,126)</td>
</tr>
</tbody>
</table>

- Fixed income is up slightly due to higher yields from all asset classes in our fixed maturity portfolio and, for the quarter, ~1% higher average balances
- Income yield is 3.4% (3.4% tax equivalent) for 2019 and 3.3% (3.4% tax equivalent) for 2018
- Excludes Lloyd’s Syndicates investment income of $3.3M for 2019 and $2.4M for 2018 and SPC Reinsurance investment income of $1.3M for 2019 and $1.1M for 2018
**Contribution to Returns 2015-2019 / PRA vs Benchmarks**

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of</td>
<td>PRA</td>
<td>Benchmark</td>
<td>PRA</td>
<td>Benchmark</td>
<td>PRA</td>
<td>Benchmark</td>
<td>PRA</td>
<td>Benchmark</td>
<td>PRA</td>
</tr>
<tr>
<td>Core Fixed</td>
<td>68%</td>
<td>3.43%</td>
<td>3.77%</td>
<td>67%</td>
<td>1.08%</td>
<td>0.75%</td>
<td>72%</td>
<td>2.33%</td>
<td>2.24%</td>
<td>72%</td>
</tr>
<tr>
<td>Alternative Fixed</td>
<td>11%</td>
<td>0.76%</td>
<td>0.66%</td>
<td>12%</td>
<td>0.09%</td>
<td>0.02%</td>
<td>11%</td>
<td>0.58%</td>
<td>0.46%</td>
<td>8%</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>2%</td>
<td>0.07%</td>
<td>0.08%</td>
<td>3%</td>
<td>0.16%</td>
<td>0.03%</td>
<td>3%</td>
<td>0.09%</td>
<td>0.09%</td>
<td>4%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>3%</td>
<td>0.01%</td>
<td>0.27%</td>
<td>3%</td>
<td>0.55%</td>
<td>0.48%</td>
<td>3%</td>
<td>0.59%</td>
<td>0.59%</td>
<td>3%</td>
</tr>
<tr>
<td>Equity</td>
<td>11%</td>
<td>1.66%</td>
<td>1.83%</td>
<td>9%</td>
<td>-0.50%</td>
<td>-0.65%</td>
<td>9%</td>
<td>0.96%</td>
<td>1.01%</td>
<td>9%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1%</td>
<td>0.06%</td>
<td>0.07%</td>
<td>1%</td>
<td>0.19%</td>
<td>0.09%</td>
<td>1%</td>
<td>0.07%</td>
<td>0.07%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>0.16%</td>
<td>0.12%</td>
<td>5%</td>
<td>0.08%</td>
<td>-0.07%</td>
<td>1%</td>
<td>0.31%</td>
<td>0.25%</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>6.16%</td>
<td>6.80%</td>
<td>1.64%</td>
<td>0.65%</td>
<td>4.95%</td>
<td>4.72%</td>
<td>5.13%</td>
<td>3.95%</td>
<td>2.23%</td>
<td>1.53%</td>
</tr>
</tbody>
</table>

**Total Portfolio Outperformance**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PRA</td>
<td>7%</td>
<td>Benchmark</td>
<td>5%</td>
<td></td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

*As of Sep 30, 2019. Management reporting item which is “tax equivalent,” unaudited, and non GIPS, may not equal 100% due to rounding*
ProAssurance Investment Profile

$3.5 Billion Overall Portfolio
- Fixed Income: 67%
- Equities & Equity Substitutes: 23%
- Short Term (excluding cash): 8%
- BOLI: 2%

Sources of Liquidity
- DAILY Cash: 84%
- Bonds: 4%
- Stocks: 4%
- Equity: 2%
- BOLI: 2%
- MONTHS (Negotiated) LPs (Secondary Liquidity): 9%
- 30-90 DAYS: 4%
- SIX MONTHS: 1%

$2.3 Billion Fixed Income Portfolio (67% of Invested Assets)
- Corporate: 57%
- Asset Backed: 22%
- State & Muni: 12%
- Govt & Agency: 6%
- Fixed Trading: 2%

• Average duration: 2.95 years
• Average tax-equivalent income yield: 3.4%
• Investment grade: 94%
• Weighted average: A+

9/30/19 Subject to Rounding
Full portfolio disclosure on our website: investor.proassurance.com/CustomPage/Index?KeyGenPage=305596
ProAssurance Portfolio Detail: Corporate

**Corporate: $1.3 Billion**  (57% of Fixed Assets / 39% of Invested Assets)

Weighted Average Rating: A-

9/30/19 Subject to rounding

### Top 20 Banks/Financials: $248 million

<table>
<thead>
<tr>
<th>Bank</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America</td>
<td>$24</td>
</tr>
<tr>
<td>Citi</td>
<td>$21</td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td>$20</td>
</tr>
<tr>
<td>GS</td>
<td>$20</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>$19</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>$17</td>
</tr>
<tr>
<td>US Bank</td>
<td>$13</td>
</tr>
<tr>
<td>Amex</td>
<td>$13</td>
</tr>
<tr>
<td>Doctor's Co</td>
<td>$12</td>
</tr>
<tr>
<td>PNC</td>
<td>$11</td>
</tr>
<tr>
<td>HSBC</td>
<td>$9</td>
</tr>
<tr>
<td>Simon Property</td>
<td>$9</td>
</tr>
<tr>
<td>Schwab</td>
<td>$8</td>
</tr>
<tr>
<td>Huntington Bank</td>
<td>$8</td>
</tr>
<tr>
<td>MUFG</td>
<td>$8</td>
</tr>
<tr>
<td>Key</td>
<td>$8</td>
</tr>
<tr>
<td>Lloyds Bank</td>
<td>$7</td>
</tr>
<tr>
<td>Mellon</td>
<td>$7</td>
</tr>
<tr>
<td>Athene</td>
<td>$7</td>
</tr>
<tr>
<td>BMO</td>
<td>$7</td>
</tr>
</tbody>
</table>
ProAssurance Portfolio Detail: Asset Backed

**Asset-Backed Securities: $516 Million** (22% of Fixed Income / 15% of Invested Assets)

- **RMBS** 39%
- **Auto** 18%
- **Student Loans** 2%
- **Corp. Pass thurs** 4%
- **Other** 11%
- **CMBS** 12%
- **Credit Cards** 8%
- **CLOs** 7%

Weighted Average Rating: “AAA”

9/30/19 Subject to rounding
ProAssurance Portfolio Detail: Fixed-Trading

**Fixed Maturities: $45 Million** (2% of Fixed Income / 1% of Invested Assets)

- **Government**: 41%
- **Financial**: 31%
- **Consumer Oriented**: 16%
- **Industrial**: 6%
- **Technology**: 3%
- **Utilities/energy**: 2%
- **ABS & Other**: 2%

All Fixed Trading Securities are owned by Lloyd’s Syndicate 1729

Weighted Average Rating: “AA”

9/30/19 Subject to rounding
ProAssurance Portfolio Detail: Municipals

Municipals: $293 Million (13% of Fixed Income / 8% Invested Assets)

- General Obligation 17%
- Prerefunded 9%
- Special Revenue 74%

Weighted Average Rating: AA

Top 10 Municipal Holdings

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Holdings (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, NY</td>
<td>$10</td>
</tr>
<tr>
<td>NY St Urban Dev</td>
<td>$8</td>
</tr>
<tr>
<td>Houston TX Utility Sys Rev</td>
<td>$8</td>
</tr>
<tr>
<td>Connecticut St Hsg Fin Authority</td>
<td>$7</td>
</tr>
<tr>
<td>OR St</td>
<td>$7</td>
</tr>
<tr>
<td>UT St</td>
<td>$7</td>
</tr>
<tr>
<td>Omaha NE Pub Pwr</td>
<td>$7</td>
</tr>
<tr>
<td>NY City Transitional</td>
<td>$6</td>
</tr>
<tr>
<td>Texas St A&amp;M Univ Rev</td>
<td>$6</td>
</tr>
<tr>
<td>TX St A&amp;M Univ Rev</td>
<td>$6</td>
</tr>
</tbody>
</table>

9/30/19 Subject to Rounding
ProAssurance Portfolio: Equities & Other

Equities & Other: $813 Million (23% of Invested Assets)

- Common Equities: 21%
- Bond Funds: 15%
- Private Equity: 15%
- Hedge Funds: 9%
- BDC Stocks: 4%
- Private Credit/Structured Credit: 12%
- Real Estate LP: 4%
- MLPs: 3%
- Inflation Focused Bond Fund: 5%
- Convertible Bonds: 5%
- Tax Credits: 7%

9/30/19 Subject to Rounding
### Combined Tax Credits Portfolio Detail & Projections

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Contributions</th>
<th>GAAP Income/(Loss) from Operations, Disposition &amp; Impairment</th>
<th>Total Credits</th>
<th>Tax Provision after Impairment</th>
<th>Impact on Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 150,596</td>
<td>(21,120,408)</td>
<td>(18,537,352)</td>
<td>(22,972,638)</td>
<td>1,852,230</td>
</tr>
<tr>
<td>2020</td>
<td>$ 136,251</td>
<td>(20,769,996)</td>
<td>(17,474,158)</td>
<td>(21,835,858)</td>
<td>1,065,861</td>
</tr>
<tr>
<td>2021</td>
<td>$ 120,658</td>
<td>(16,302,641)</td>
<td>(13,294,240)</td>
<td>(16,717,795)</td>
<td>415,153</td>
</tr>
<tr>
<td>2022</td>
<td>$ 311,047</td>
<td>(7,346,085)</td>
<td>(4,807,193)</td>
<td>(6,349,873)</td>
<td>(996,212)</td>
</tr>
<tr>
<td>2023</td>
<td>$ 51,338</td>
<td>(3,305,494)</td>
<td>(167,210)</td>
<td>(861,364)</td>
<td>(2,444,130)</td>
</tr>
<tr>
<td>2024</td>
<td>$ 51,338</td>
<td>(1,385,624)</td>
<td>(37,982)</td>
<td>(328,961)</td>
<td>(1,056,663)</td>
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<tr>
<td>2025</td>
<td>$ 41,159</td>
<td>(491,066)</td>
<td>(22,205)</td>
<td>(125,330)</td>
<td>(365,736)</td>
</tr>
<tr>
<td>2026</td>
<td>$ 25,734</td>
<td>(160,142)</td>
<td>(3,054)</td>
<td>(36,685)</td>
<td>(123,457)</td>
</tr>
<tr>
<td>2027</td>
<td>$ 0</td>
<td>90,239</td>
<td>(79)</td>
<td>18,871</td>
<td>71,368</td>
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</table>
## Change in Capital: 2009 – Q3 2019

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Equity</strong>*</td>
<td>$1,424</td>
<td>$1,705</td>
<td>$1,856</td>
<td>$2,164</td>
<td>$2,271</td>
<td>$2,394</td>
<td>$2,158</td>
<td>$1,958</td>
<td>$1,799</td>
<td>$1,595</td>
<td>$1,523</td>
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<tr>
<td>Cumulative-effect adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>149</td>
<td>8,334</td>
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<tr>
<td>Stock Issued</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Employee Stock Transactions</td>
<td>7,205</td>
<td>6,147</td>
<td>6,167</td>
<td>7,780</td>
<td>9,261</td>
<td>11,246</td>
<td>8,221</td>
<td>12,857</td>
<td>8,058</td>
<td>2,368</td>
<td>469</td>
</tr>
<tr>
<td>Earnings</td>
<td>222,026</td>
<td>231,598</td>
<td>287,096</td>
<td>275,470</td>
<td>297,523</td>
<td>196,565</td>
<td>116,197</td>
<td>151,081</td>
<td>107,264</td>
<td>47,057</td>
<td>60,378</td>
</tr>
<tr>
<td>Dividends</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(15,269)</td>
<td>(192,466)</td>
<td>(64,777)</td>
<td>(220,464)</td>
<td>(119,866)</td>
<td>(315,028)</td>
<td>(316,890)</td>
<td>(94,314)</td>
</tr>
<tr>
<td>Unrealized G/L</td>
<td>98,663</td>
<td>19,870</td>
<td>50,913</td>
<td>15,343</td>
<td>(85,719)</td>
<td>(1,457)</td>
<td>(34,349)</td>
<td>(6,456)</td>
<td>(2,488)</td>
<td>(35,238)</td>
<td>56,045</td>
</tr>
<tr>
<td><strong>Total Equity</strong>*</td>
<td>$1,705</td>
<td>$1,856</td>
<td>$2,164</td>
<td>$2,271</td>
<td>$2,394</td>
<td>$2,158</td>
<td>$1,958</td>
<td>$1,799</td>
<td>$1,595</td>
<td>$1,523</td>
<td>$1,589</td>
</tr>
</tbody>
</table>

* Equity shown in millions; all other data shown in thousands.
Ceded Premiums Written (9/30/19)

<table>
<thead>
<tr>
<th>Specialty P&amp;C</th>
<th>HCPL including Podiatry(2)</th>
<th>Products</th>
<th>Lawyers</th>
<th>Workers’ Compensation Insurance (1)</th>
<th>Segregated Portfolio Cell Reinsurance</th>
<th>Lloyd’s (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9/30/19</td>
<td>9/30/18</td>
<td>9/30/19</td>
<td>9/30/18</td>
<td>9/30/19</td>
<td>9/30/18</td>
</tr>
<tr>
<td>Gross premiums written</td>
<td>$410.9</td>
<td>$407.6</td>
<td>$26.7</td>
<td>$27.1</td>
<td>$21.7</td>
<td>$21.4</td>
</tr>
<tr>
<td>Ceded premiums written</td>
<td>55.8</td>
<td>51.0</td>
<td>8.4</td>
<td>8.6</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Net premiums written</td>
<td>$355.1</td>
<td>$356.6</td>
<td>$18.3</td>
<td>$18.5</td>
<td>$19.8</td>
<td>$19.5</td>
</tr>
</tbody>
</table>

Ceded Premium Components

<table>
<thead>
<tr>
<th></th>
<th>9/30/19</th>
<th>9/30/18</th>
<th>9/30/19</th>
<th>9/30/18</th>
<th>9/30/19</th>
<th>9/30/18</th>
<th>9/30/19</th>
<th>9/30/18</th>
<th>9/30/19</th>
<th>9/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary reinsurance arrangement, current accident year</td>
<td>$18.4</td>
<td>$18.0</td>
<td>$8.4</td>
<td>$8.6</td>
<td>$1.9</td>
<td>$1.9</td>
<td>$10.3</td>
<td>$9.5</td>
<td>$7.7</td>
<td>$7.5</td>
</tr>
<tr>
<td>All other reinsurance arrangements</td>
<td>37.4</td>
<td>36.9</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>67.0</td>
<td>67.5</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Ceded premiums, current accident year</td>
<td>55.8</td>
<td>54.9</td>
<td>8.4</td>
<td>8.6</td>
<td>1.9</td>
<td>1.9</td>
<td>77.3</td>
<td>77.0</td>
<td>7.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Reduction in premiums owed under reinsurance agreements</td>
<td>—</td>
<td>(3.9)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.2</td>
<td>0.7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total ceded premiums written</td>
<td>$55.8</td>
<td>$51.0</td>
<td>$8.4</td>
<td>$8.6</td>
<td>$1.9</td>
<td>$1.9</td>
<td>$77.5</td>
<td>$77.7</td>
<td>$7.7</td>
<td>$7.5</td>
</tr>
<tr>
<td>Ceded premiums ratio, current accident year</td>
<td>13.6 %</td>
<td>13.5 %</td>
<td>31.5 %</td>
<td>31.7 %</td>
<td>8.8 %</td>
<td>8.9 %</td>
<td>34.6 %</td>
<td>33.7 %</td>
<td>10.9 %</td>
<td>11.0 %</td>
</tr>
</tbody>
</table>

Subject to rounding

(1) All other reinsurance arrangements primarily represent alternative market business ceded under a 100% quota share reinsurance agreement, net of a ceding commission, to SPCs in our Segregated Portfolio Cell Reinsurance segment.

(2) All other reinsurance arrangements includes alternative market premium, net of reinsurance, which all or a portion of the premium is ceded to certain SPCs in our Segregated Portfolio Cell Reinsurance segment.

(3) All Lloyd’s reinsurance premium is shown in the “all other reinsurance arrangements” line.
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 Non-GAAP operating income, a Non-GAAP financial measure that is widely used to evaluate performance within the insurance sector. In calculating Non-GAAP 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 Non-GAAP 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.