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PRESS RELEASE

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NORCAL Announces 15 Percent Base Rate Decrease for Alaska Policyholders

San Francisco, CA (November 28, 2007) – NORCAL Mutual Insurance Company announced today that it will be instituting a 15 percent base rate decrease for Alaska policyholders in 2008.

Earlier this year, NORCAL filed and received approval for the proposed rate decrease from the Alaska Division of Insurance. The decrease applies to physicians, medical groups, healthcare extenders and healthcare facilities, and will take effect January 1, 2008.

Entity policyholders in Alaska should be aware that there will be a 2 percent increase (from 9 percent to 11 percent) in the rate used to calculate their entity premium in 2008. As a reminder, the entity premium is a *percentage* of the premium charged to the underlying physicians and health care extenders. Balanced with the 15 percent base rate decrease, the total premium for entity policyholders will still be less than in 2007 in the vast majority of cases.

“NORCAL is pleased to show our sustained dedication to our Alaska policyholders by offering this base rate decrease,” said James Sunseri, President & Chief Executive Officer of NORCAL. “Over the past several years our claims loss experience in the state has been favorable, and nothing pleases us more than to pass those positive results on to our policyholders in the form of premium relief. Coupled with the 2007 Alaska policyholder dividend, which we announced in October, we hope this comes as good news to our policyholders as we approach the end of the year.”

NORCAL Mutual Insurance Company was formed in 1975 to provide the highest quality medical professional liability insurance, products and services to its policyholders. NORCAL insures over 12,000 physicians, medical groups, hospitals, clinics and healthcare facilities primarily in Rhode Island, California and Alaska.

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