

PRESS RELEASE

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NORCAL Announces New Chief Legal Officer and Creation of New Government & Regulatory Affairs Department

San Francisco, CA (December 18, 2006) – NORCAL Mutual Insurance Company announced today that it has hired Katherine “Kit” Crocker to serve as the new Senior Vice President, Chief Legal Officer & Assistant Corporate Secretary, effective January 11, 2007. In this position, Ms. Crocker will provide corporate legal advice to the Board of Directors and company management. Her duties will include planning and directing all aspects of NORCAL’s legal affairs, leading the defense of NORCAL in lawsuits and the prosecution of lawsuits on behalf of NORCAL, providing direct support to the Board of Directors on board governance issues, policies and practices, and providing legal advice to other NORCAL departments.

Ms. Crocker brings with her a wealth of experience and education in the legal and insurance environments. She worked for two prominent law firms in San Francisco for 14 years before joining Fireman’s Fund Insurance Company in Novato, California in 1994. Serving as Vice President & Associate General Counsel in the office of the General Counsel, Ms. Crocker worked on various legal matters involving the Fund’s Finance and Commercial Insurance Divisions. In 2001 she moved to the Fund’s parent company, Allianz of America, serving as General Counsel and Lead Legal Advisor for Allianz’s North American holding company and providing legal support in the areas of operating subsidiary capital and surplus, rating agency management and corporate governance. In addition, she oversaw legal matters pertaining to Allianz’s litigation management, trademark issues, employment law and general corporate and insurance regulatory law.

Philip R. Hinderberger, current Senior Vice President, General Counsel & Assistant Corporate Secretary, will assume the newly created position of Senior Vice President & Government Affairs Counsel, effective January 11, 2007. In his new role, Mr. Hinderberger will head up the new Government & Regulatory Affairs Department responsible for planning and directing all aspects

of NORCAL's federal and state government legislative and regulatory activities. He will also continue to plan and direct all aspects of NORCAL's four MICRA PACs.

"The growth and diversification of NORCAL's business and regulatory affairs in recent years has necessitated the creation of the Government & Regulatory Affairs Department," said James Sunseri, President & CEO of NORCAL. "I am pleased to welcome Kit to our legal team, and Phil to his new position as Senior Vice President & Government Affairs Counsel. Kit's experience in corporate and insurance law as well as corporate governance, along with Phil's expertise in the legislative and regulatory arenas, will enable NORCAL to better protect our policyholders' interests and ensure our continued support of MICRA and other tort reform initiatives in the states where we do business."

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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