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## **NORCAL Mutual Acquires Medicus Insurance Company**

San Francisco, CA (July 29, 2011)—Today, NORCAL Mutual Insurance Company of San Francisco, CA announced that it has entered into a definitive merger agreement for the acquisition of Medicus Insurance Holdings, Inc. of Austin, TX and its wholly-owned subsidiary, Medicus Insurance Company. The transaction is subject to customary closing conditions, including receipt of regulatory approval.

NORCAL Mutual President & CEO, Jim Sunseri, commented, “This acquisition of a growing, national medical malpractice carrier affords the NORCAL Group, including NORCAL Mutual and PMSLIC Insurance Company of Mechanicsburg, PA, an opportunity to extend our reach nationally. Likewise, NORCAL’s capital resources coupled with our A.M. Best rating of A (Excellent-Stable) will enable Medicus to continue on its growth trajectory.”

Medicus is admitted to write business in 31 states throughout the country. In 2010, Medicus had direct written premiums of \$54 million and the NORCAL Group had direct written premiums of \$240 million. On a combined basis, the NORCAL Group will be the ninth largest provider of medical professional liability insurance in the country, according to information published by A.M. Best.

“We are very pleased to have Medicus join the NORCAL family,” said Walter Keenan, Chairman of Medicus. “NORCAL is among the most respected companies in the industry and will greatly enhance Medicus’s future growth prospects.”

Eugenie Shea, President of Medicus, added, “Physicians will be pleased as well. We have combined the best of two strong organizations with shared values to better serve doctors throughout the U.S. These shared values align for the physician’s peace of mind through personal service from an A-rated company.”

NORCAL further noted that Eugenie Shea will continue in a leadership position with Medicus following the closing, and that Medicus will remain headquartered in Austin. Medicus expects to continue its current operations without change for the foreseeable future. Physicians and their professional insurance agents will continue to receive the excellent service and responsiveness that Medicus has become known for in the medical community.

NORCAL received financial advice for the transaction from StoneRidge Advisors, LLC and legal counsel from Kaye Scholer LLP. Medicus received legal advice from Dwyer Murphy Calvert LLP. Financial terms of the transaction were not disclosed.

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**NORCAL Mutual Insurance Company** was formed by physicians in 1975 to provide the highest quality medical professional liability insurance products and services to its policyholder-owners. The company insures nearly 20,000 physicians and other healthcare professionals in solo practice, medical groups, hospitals, clinics and allied healthcare facilities in California, Alaska and Rhode Island.

**PMSLIC Insurance Company** is the carrier of choice for medical professional liability insurance among physicians in Pennsylvania and Delaware. As part of the NORCAL Group, the company is wholly owned by NORCAL Mutual.

**Medicus Insurance Company** provides MPLI to physicians, surgeons and related medical service providers from coast to coast. Founded in 2006 by its management and investors led by The Cypress Group and CHL Medical Partners, Medicus focuses on traditional medical malpractice insurance for individual physicians and practice groups across all specialties and territories in which it is licensed to do business. The company provides exceptional, personal service and innovative products for its clients' protection and peace of mind in today's complex health care environment.

**NORCAL Group** includes medical professional liability carriers NORCAL Mutual Insurance Company and PMSLIC Insurance Company. NORCAL Group is rated "A" (Excellent - Stable) by A.M. Best.