

PRESS RELEASE

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Steven S. Fountain, MD to Step Down As Chairman of the Board of NORCAL Mutual Insurance Company

San Francisco, CA (March 14, 2007) – The Board of Directors of NORCAL Mutual Insurance Company announced today that, after 11 years of dedicated service as Chairman, Steven S. Fountain, MD will step down from his post effective January 1, 2008. The Board named David R. Holley, MD, who has served as a Director since 1995 and as the company’s Secretary since 1996, as his successor. Dr. Fountain will continue to serve as a Board member.

Dr. Fountain has been a Director since 1987, Vice Chairman from 1991 until 1996 and Chairman of the Board since 1996. For twenty-five years, Dr. Fountain was a widely respected orthopedic surgeon in Santa Clara County, California. In addition to his duties on the NORCAL Board of Directors, he is currently engaged in the practice of administrative medicine and acts as an orthopedic consultant. Dr. Fountain is stepping down as Chairman as part of NORCAL’s succession planning.

During his tenure as Chairman, Dr. Fountain has demonstrated tremendous leadership in guiding the company through some turbulent times for the medical liability insurance industry. He has also been an influential champion of medical liability tort reform and the patient safety movement, which seeks to identify and eliminate healthcare systems errors in order to protect patients from medical injury.

In addition, Dr. Fountain served as a member of the Board of the Physician Insurers Association of America (PIAA) from 1992 to 1998 and was Board Chair from 1994 to 1996. In 2001, he received the prestigious Peter Sweetland Award of Excellence, which is given annually to an industry leader. He continues to fill numerous committee positions for the PIAA.

“It has been a great honor and a privilege to serve as Chairman for the past 11 years,” stated Dr. Fountain. “NORCAL has emerged as one of the premier mutual medical liability insurance

companies in the country. We could not have accomplished as much as we have without a visionary Board, dedicated management and staff, and, of course, a phenomenal base of physician and healthcare professional policyholders. I am certain that Dr. Holley as my successor will carry on the legacy of excellence that has defined NORCAL since the company was founded in 1975."

Following a transition plan that will begin in late 2007, Dr. Holley will assume his role as Chairman on January 1, 2008.

In addition to his current Board duties, Dr. Holley serves as a California delegate to the American Medical Association (AMA) and also serves as Vice Chair of the AMA Section Council on Radiology. He has been engaged in the practice of radiation oncology in Monterey County, California for over thirty-two years.

James Sunseri, President & Chief Executive Officer of NORCAL, stated, "NORCAL is fortunate to have the caliber of Board members we currently enjoy. Dr. Fountain and Dr. Holley both have distinguished themselves in their careers as physicians and have served the company and our policyholders well in their respective tenures on the Board. While we will miss Dr. Fountain in his role as Chairman, we are fortunate that he will remain on the Board to provide guidance and leadership throughout the transition and beyond. We also look forward to working with Dr. Holley to carry on NORCAL's proud legacy as a policyholder-focused company."

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 California, Alaska and Rhode Island.

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