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PRESS RELEASE

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NORCAL Announces Rhode Island Rates Will Remain Stable in 2007

Providence, RI (August 30, 2006) – NORCAL Mutual Insurance Company announced today that it will not be increasing its base rates in Rhode Island in 2007.

Since NORCAL began insuring Rhode Island physicians in 1994, its mission has been to remain a positive, stabilizing force in the state's medical-legal arena. In addition to bringing its policyholders' rates into parity with claims loss experience in the state, NORCAL's strategic plan has included advocacy for several systemic improvements to the malpractice litigation environment in Rhode Island. The end goal has been to reduce the intense volatility around malpractice lawsuits, to discourage nonmeritorious claims and to resolve all claims promptly and fairly for physicians and patients alike.

"NORCAL's financial strength is the keystone of our ability to deliver service, value and peace of mind to our policyholders," said James Sunseri, President and Chief Executive Officer of NORCAL. "We understand the harsh economic realities our policyholders face as medical professionals, and will continue to do everything in our power to keep their rates stable while maintaining a sound financial base for the 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 allied healthcare facilities primarily in Rhode Island, California and Alaska.

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