

STARNES WILLIAM STANCIL  
Form 4  
December 12, 2011

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
STARNES WILLIAM STANCIL

2. Issuer Name and Ticker or Trading Symbol  
PROASSURANCE CORP [PRA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/09/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman / Chief Executive Officer

C/O PROASSURANCE CORPORATION, 100 BROOKWOOD PLACE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

BIRMINGHAM, AL 35209-6811

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 12/09/2011                           |  | F                              | (1)   | \$ 3,186<br>79.87   | 47,246   | D                                 |
| Common Stock                    | 12/09/2011                           |  | M                              | (2)   | \$ 4,000<br>79.87   | 50,432   | D                                 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |              |                      |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount Number Shares |
| Restricted Stock Units                     | (3)  |                                      |  |                                |   | (3)  | (3)   | Common Stock | 39                   |
| Restricted Stock Units                     | (4)  |                                      |  |                                |   | (4)  | (4)   | Common Stock | 4,000                |
| Employee Stock Option (Right to Buy)       | \$ 54.28   | 12/09/2011                           |  | M                              | 4,000   | 09/01/2008 <sup>(5)</sup>                                | 09/01/2018  | Common Stock | 4,000                |
| Employee Stock Option (Right to Buy)       | \$ 56.16   |                                      |  |                                |   | 01/03/2008   | 07/01/2017  | Common Stock | 100,000              |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |          |                         |
|---|---------------|-----------|----------|-------------------------|
|   | Director      | 10% Owner | Officer  | Other                   |
| STARNES WILLIAM STANCIL<br>C/O PROASSURANCE CORPORATION<br>100 BROOKWOOD PLACE<br>BIRMINGHAM, AL 35209-6811 | X             |           | Chairman | Chief Executive Officer |

## Signatures

Frank B. O'Neil, POA for the Reporting Person, W. Stancil Starnes

12/12/2011

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The 3,186 shares disposed of reflect 2,719 shares withheld by the issuer to fund the cashless exercise of 4,000 options after the market close on 12/9/2011, and 467 shares withheld by the issuer to cover the associated tax liability.
- (2) Cashless exercise of 4,000 options after the close of the market on December 9, 2011

RSU's are equal in value to one share of Common Stock, are issued under the 2008 Equity Plan and acquired under terms of the ProAssurance Corporation 2011 Employee Stock Ownership Plan. The RSUs will vest upon the sooner of three years of continuous employment, termination of employment by reason of death or disability or for "good reason," or a change of control of the Company. If a participant terminates employment more than twelve months but less than three years from the date of grant, the RSUs will partially vest based on the number of days that the participant was employed in the vesting period. Any RSUs that are unvested on termination of employment will be forfeited. In addition, if a participant withdraws shares purchased for his or her account, matching unvested RSUs will be forfeited. Upon vesting, we will pay the RSUs in shares of our Common Stock from those shares reserved for issuance under the 2008 Equity Plan. Value to be established upon vesting.

- (3) Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of ProAssurance Corporation common stock, issueable from the ProAssurance 2008 Equity Incentive Plan. The RSUs will vest if the reporting person remains continuously employed by ProAssurance or one of its subsidiaries until February 26, 2012 (three years from date of grant). Vesting will accelerate upon
- (4) termination of employment as the result of (i) death; (ii) disability; or (iii) Good Reason, as defined in the reporting person's employment agreement with ProAssurance Corporation, or by action of the Compensation Committee of the ProAssurance Corporation Board of Directors. The RSUs will be settled in shares of ProAssurance Common Stock and in cash, with the cash portion being approximately equal to the federal, state, and local taxes.
- (5) The options vest in five equal, yearly installments commencing on September 1, 2008

### Remarks:

\$79.87 was the closing price of ProAssurance Common Stock on the New York Stock Exchange on December 9, 2011.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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