

# 2017 PROXY VOTE

## BOARD NOMINEES & CANDIDATES' STATEMENTS

Your proxy is solicited by the Board of Directors of NORCAL Mutual Insurance Company (the "Company"), the principal offices of which are located at 560 Davis Street, San Francisco, California, 94111, for use at the 42nd Annual Meeting of Members to be held Saturday, June 3, 2017, at 8:00 a.m. and at any adjournment of the meeting for the purposes set forth in the attached notice. A member giving a proxy has the power to revoke it at any time prior to its exercise.

The only matters the Board of Directors intends to present or knows that others will present at the meeting are (1) the election of four Directors, and (2) any other matters that might properly come before the meeting or any adjournment of the meeting. Each member is entitled to one vote upon each matter submitted to a vote of the members and no cumulative voting is permitted. **It is important that the enclosed proxy card be executed and returned promptly.**

### 1. ELECTION OF DIRECTORS

At the meeting, members will elect four Class 3 Directors to serve a three-year term until the Annual Meeting of Members to be held in 2020, subject to earlier retirement. The Governance Committee of the Board of Directors has proposed Sandra L. Beretta, MD, Scott Diener, Steven Packer, MD, and Rebecca J. Patchin, MD, for election as Class 3 Directors.

Unless marked to the contrary, proxies received will be voted for the election of Sandra L. Beretta, MD, Scott Diener, Steven Packer, MD, and Rebecca J. Patchin, MD. If a candidate is unable or unwilling to serve as a nominee for the office of Director at the date of the meeting or any adjournment of the meeting, proxies that would otherwise be voted for such candidate will be voted for a substitute candidate as the Board of Directors may designate. The Board of Directors has no reason to believe that any of the candidates will be unable or unwilling to serve if elected as a Director.



#### **Sandra L. Beretta, MD**

In my 26 years of practicing Medicine, I have seen many changes in the industry that cause stress for physicians. As a NORCAL Mutual Board member, I value the opportunity to help give our policyholders peace of mind by protecting and defending their practice. I am eager to work with my fellow board members to continue to be an advocate for our physicians who put their trust in a strong mutual company like NORCAL.

Sandra L. Beretta, MD, has been a Director since July 2011. She has been a practicing OB/GYN for 25 years. Dr. Beretta has been a past Department Chair of Obstetrics and Gynecology at Mills-Peninsula Hospital, Burlingame, CA. She is currently a Director of Medicus Insurance Company, FD Insurance Company, PPM Services, Inc., Preferred Physicians Medical Risk Retention Group and Mills-Peninsula Medical Group (a multispecialty independent practice association). She is a managing partner of a private practice partnership in San Mateo, CA, and also serves as a director of a private investment company. We believe Dr. Beretta's qualifications to serve on our Board include her experience in claims management and business transactions.



#### **Scott Diener, MSIM, CPCU, ARé**

I am proud to have been employed by policyholder-owned and physician-directed MPLI companies for over 30 years. I am grateful for the opportunity to help guide our physicians through the many changes we see today in the insurance business and in healthcare. The fundamental structural changes occurring now provide both a challenge and opportunity for NORCAL. In order to manage premium cost, we have created economies of scale through acquisition of other policyholder-led organizations and have grown to become one of the top ten national carriers. I look forward to the work ahead as we continue to grow our company with our policyholders' interests at the forefront of all we do.

Scott Diener, MSIM, CPCU, ARé, has been a Director since September 2015. He has been an insurance professional for over 30 years. Mr. Diener is currently President and CEO of NORCAL Mutual, Medicus Insurance Company, FD Insurance Company, and PPM Services, Inc. He serves as Chair of the Board for NORCAL Specialty Insurance Company and a Director of Preferred Physicians Medical Risk Retention Group. We believe Mr. Diener's qualifications to serve on our Board include his years of executive leadership in the medical professional liability insurance industry and his key role at NORCAL Group.



**Steven Packer, MD**

In a time of great uncertainty in the healthcare industry, it is important for NORCAL to provide a stable product and consistent support for our policyholders. I am honored to serve on the NORCAL Mutual Board of Directors and to share the company vision of ensuring our policyholders can face the challenges of medicine today without uncertainty about their liability insurance carrier. I look forward to continuing to serve on the board of NORCAL Mutual, a physician-owned company known for providing excellent products and services to its policyholders.

Steven Packer, MD, has been a Director since January 2013. He is President and CEO of Montage Health and its related companies, including Community Hospital of the Monterey Peninsula, Monterey, CA. He assumed this position in January 1999, after serving as Chief of Staff of the hospital (1997-1999) and Medical Director of the hospital's Intensive Care Unit (1988-1999). Under Dr. Packer's leadership Community Hospital has achieved many milestones, including the largest expansion in the organization's history. After earning a BS degree at the University of California, Irvine, and a medical degree at the University of California, San Francisco, he received postgraduate training in internal medicine at UCSF, followed by fellowship training in pulmonary and critical care medicine at UCI. In 2009, Dr. Packer was awarded the California Health Foundation & Trust's Walker-Sullivan Fellowship, allowing him to study mass casualty incident response in Israel. He is a Past-Chair of the California Hospital Association and is currently a Director of Medicus Insurance Company and FD Insurance Company. We believe Dr. Packer's qualifications to serve on our Board include his extensive experience as a clinician and his leadership experience with a large and dynamic healthcare system.



**Rebecca J. Patchin, MD**

I share NORCAL Mutual's commitment to meeting the needs of all of our physicians in today's rapidly changing healthcare environment. I am aware of the unique changes in healthcare delivery today through my continued involvement in organized medicine at the national level and my experience in various practice settings - from solo to group to academic practice. I have served on NORCAL's board of directors for six years, and I pledge to continue to uphold NORCAL Mutual's values in ensuring we provide excellent service to our policyholders.

Rebecca J. Patchin, MD, has been a Director since January 2011. She has been an Anesthesiologist who practiced Pain Medicine in Riverside-San Bernardino (Inland Empire) counties for 22 years. Dr. Patchin retired from practice in August 2016. She has served as a Director of the Riverside County Medical Association, California Medical Association, CMA CALPAC, California Society of Anesthesiologists, and California Society of Interventional Pain Physicians and as a delegate to the American Society of Anesthesiologists. She has been Chair of the CMA Council on Legislation. She currently serves as a Member of the House of Delegates of the American Medical Association, California Medical Association and Washington State Medical Association. She is a Director of Medicus Insurance Company, FD Insurance Company and PPM Services, Inc. She served on the American Medical Association Board of Trustees, 2003 to 2011, and as Chair, 2009 to 2010. Dr. Patchin served as Chair of The Joint Commission (2013 and 2014) and has also served as Secretary and Treasurer. She also served as Chair of the Center for Transforming Health Care (2013 and 2014). She is an NACD Governance Fellow. We believe that Dr. Patchin's qualifications to serve on our Board include her training in pain management and experience in organized medicine and leadership.

**2. OTHER MATTERS**

As of this date, there are no other matters the Board of Directors intends to present at the Annual Meeting. If other matters now unknown to the Board of Directors come before the meeting, those who have been appointed to act by proxy will vote in accordance with their best judgment.

**FINANCIAL SUMMARY**

The Financial Summary for the Company for the year ending December 31, 2015, was distributed in April 2016. To request another copy, please contact Kara M. Ricci at 844-466-7225. The Financial Summary for the Company for the year ending December 31, 2016, will be distributed in April 2017.

BY ORDER OF THE BOARD OF DIRECTORS,

REBECCA J. PATCHIN, MD  
Secretary of the Board

Dated: April 3, 2017

