PROASSURANCE CORP
Form 424B2
November 20, 2013
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-188786

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee (1)**
5.30% Senior Notes due 2023	$250,000,000	$32,200
Total	$250,000,000	$32,200

(1) The filing fee of $32,200 is calculated in accordance with Rule 457(r) under the Securities Act of 1933.

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Prospectus Supplement

(To Prospectus dated November 18, 2013)

$250,000,000

ProAssurance Corporation

5.30% Senior Notes due 2023

This is an offering by ProAssurance Corporation of $250,000,000 of its 5.30% Senior Notes due 2023 (the Notes). The Notes will mature on November 15, 2023, and interest will be paid semi-annually in arrears on May 15 and November 15 of each year or, if such day is not a business day, on the next succeeding business day, commencing on May 15, 2014. Interest will accrue from November 21, 2013. We may redeem the Notes in whole or in part at any time and from time to time at the redemption prices described under Description of Notes Redemption of Notes at Our Option.

The Notes will be unsecured general obligations of ProAssurance Corporation and will rank equal in right of payment with all existing and future unsecured and unsubordinated debt of ProAssurance Corporation, but will be effectively junior in right of payment to all existing and future secured debt of ProAssurance Corporation. The Notes will not be the obligation of any of our subsidiaries and will be effectively subordinated to the debt and liabilities of our subsidiaries.

The Notes will not be listed on any securities exchange. Currently, there is no public market for the Notes.

Investing in the Notes involves risks that are described or referred to under Risk Factors beginning on page S-5 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this prospectus supplement and the accompanying prospectus are accurate or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price(1)	100.00%	$ 250,000,000
Underwriting discount	0.65%	$ 1,625,000
Proceeds, before expenses, to us(2)	99.35%	$ 248,375,000

(1) Plus accrued interest, if any, from November 21, 2013.
(2) Before expenses in connection with the offering. See Underwriting.

We expect that delivery of the Notes will be made in book-entry form through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about November 21, 2013.

Joint Book-Running Managers

Goldman, Sachs & Co. **Wells Fargo Securities** **US Bancorp**

Co-Managers

BB&T Capital Markets **J.P. Morgan**

The date of this prospectus supplement is November 18, 2013.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the Notes being offered. The second part, the accompanying prospectus, gives more general information, some of which may not apply to the Notes being offered. This prospectus supplement, together with the documents incorporated by reference in this prospectus supplement, may add, update or change information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus or the documents incorporated by reference in the accompanying prospectus, this prospectus supplement will apply and will supersede the information in the accompanying prospectus or the documents incorporated by reference in the accompanying prospectus.

Please read and consider all information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus before you make an investment decision. You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus that we may provide you in connection with the sale of the Notes offered hereby. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information you should not rely on it. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are not, and the underwriters are not, making any representation to the purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

References in this prospectus supplement to ProAssurance, we, us and our refer to ProAssurance Corporation, an insurance holding company incorporated in Delaware, and its subsidiaries, unless the context otherwise requires. Terms used in this prospectus supplement that are not otherwise defined will have the meanings given to them in the accompanying prospectus.

This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein or therein concerning our future results and performance and other matters not directly related to historical information are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the Securities Act) and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act). These statements are based upon our estimates and anticipation of future events and are subject to certain risks and uncertainties that could cause actual results to vary materially from the expected results described in the forward-looking statements. The words anticipates, believes, estimates, expects, hopes, hopeful, plans, intends, likely, may, optimistic, possible, potential, will and similar expressions are intended, but are not the exclusive means, to identify these forward-looking statements. These forward-looking statements include among other things statements concerning: liquidity and capital requirements, investment valuation and performance, return on equity, financial ratios, net income, premiums, losses and loss reserves, premium rates and retention of current business, competition and market conditions, the expansion of product lines, the development or acquisition of business in new geographic areas, the availability of acceptable reinsurance, actions by regulators and rating agencies, court actions, legislative actions, payment or performance of obligations under indebtedness, payment of dividends, and other matters.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including, among other things, the following factors that could affect the actual outcome of future events:

- changes in general economic conditions;
- our ability to maintain our dividend payments;
- regulatory, legislative and judicial actions or decisions that could affect our business plans or operations;
- the enactment or repeal of tort reforms;
- formation or dissolution of state-sponsored medical professional liability insurance entities that could remove or add sizable groups of physicians from or to the private insurance market;
- the impact of deflation or inflation;
- changes in the interest rate environment;
- changes in U.S. laws or government regulations regarding financial markets or market activity that may affect the U.S. economy and our business;
- changes in the ability of the U.S. government to meet its obligations that may affect the U.S. economy and our business;
- performance of financial markets affecting the fair value of our investments or making it difficult to determine the value of our investments;

changes in accounting policies and practices that may be adopted by our regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;

changes in laws or government regulations affecting the financial services industry, the property and casualty insurance industry or particular insurance lines underwritten by our subsidiaries;

the effects of changes in the healthcare delivery system, including but not limited to the Patient Protection and Affordable Care Act;

- consolidation of healthcare providers and entities that are more likely to self insure and not purchase medical professional liability insurance;
- uncertainties inherent in the estimate of loss and loss adjustment expense reserves and reinsurance;
- changes in the availability, cost, quality or collectability of insurance/reinsurance;
- the results of litigation, including pre- or post-trial motions, trials and/or appeals we undertake;
- allegation of bad faith which may arise from our handling of any particular claim, including failure to settle;
- loss of independent agents;
- changes in our organization, compensation and benefit plans;
- our ability to retain and recruit senior management;
- assessments from guaranty funds;
- our ability to achieve continued growth through expansion into other states or through acquisitions or business combinations;
- changes to the ratings assigned by rating agencies to our insurance subsidiaries, individually or as a group;
- state insurance restrictions may prohibit assets held by our insurance subsidiaries, including cash and investment securities, from being used for general corporate purposes;
- taxing authorities can take exception to our tax positions and cause us to incur significant amounts of legal and accounting costs and, if our defense is not successful, additional tax costs, including interest and penalties;
- insurance market conditions may alter the effectiveness of our current business strategy and impact our revenues; and
- expected benefits from completed and proposed acquisitions may not be achieved or may be delayed longer than expected due to business disruption; loss of customers, employees and key agents; increased operating costs or inability to achieve cost savings; and assumption of greater than expected liabilities, among other reasons.

Additional risks that could adversely affect the merger of Medmarc Mutual Insurance Company, now Medmarc Casualty Insurance Company (Medmarc), Independent Nevada Doctors Insurance Exchange (IND), merged into ProAssurance Casualty Company effective October 1, 2013, and Eastern Insurance Holdings, Inc. (Eastern) into ProAssurance, include but are not limited to the following:

the outcome of any potential claims asserted by either the policyholders or shareholders of any of these acquired entities relating to payments or other issues associated with the acquisition of the entities and subsequent mergers into ProAssurance;

the businesses of ProAssurance and Medmarc, ProAssurance and IND or ProAssurance and Eastern may not be integrated successfully, or such integration may take longer to accomplish than expected;

cost savings from the transactions may not be fully realized or may take longer to realize than expected;

operating costs, customer loss and business disruption following one or all transactions, including adverse effects on relationships with employees, may be greater than expected;

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- there may be restrictions on our ability to achieve continued growth through expansion into other states or through acquisitions or business combinations;

- governmental approvals of the Eastern merger may not be obtained or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger;

- the board of directors of Eastern may withdraw its recommendation and support a competing acquisition proposal; and

- Eastern s shareholders may fail to approve the merger.

These forward-looking statements are based upon our estimates and anticipation of future events that are subject to certain risks and uncertainties that could cause actual results to vary materially from historical or expected results described in the forward-looking statements. These risks and uncertainties include, but are not limited to those described or referenced under the heading Risk Factors in this prospectus supplement, the accompanying prospectus and the documents included or incorporated by reference herein or therein. Due to such risks and uncertainties, you are urged not to place undue reliance on forward-looking statements.

We caution readers not to place undue reliance on any such forward-looking statements, which are based upon conditions existing only as of the date made, and advise readers that these factors could affect our financial performance and could cause actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. Except as required by law or regulations, we do not undertake and specifically decline any obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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INFORMATION INCORPORATED BY REFERENCE

We are incorporating by reference into this prospectus supplement certain information that we file with the Securities and Exchange Commission (the SEC), which means that we are disclosing important information to you by referring you to those documents. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, except for any information superseded by information contained directly in this prospectus supplement or in any prospectus contained in a post-effective amendment or superseded by information in subsequent reports filed with the SEC. This prospectus supplement incorporates by reference the documents set forth below:

- Our Annual Report on Form 10-K for the Year Ended December 31, 2012 (including information specifically incorporated by reference into the Annual Report on Form 10-K from our definitive proxy statement filed on April 5, 2013);

- Our Quarterly Reports on Form 10-Q for the Quarters Ended March 31, 2013, June 30, 2013 and September 30, 2013;

- Our Current Report on Form 8-K filed January 2, 2013 (Item 2.01 only), March 6, 2013 (Item 8.01 only), March 13, 2013 (Item 8.01 only), May 14, 2013 (Item 5.02 only), May 22, 2013 (Items 5.02 and 5.07 only), September 11, 2013 (Item 8.01 only), September 24, 2013 (Item 1.01 only), November 13, 2013 and November 18, 2013 (in all cases, to the extent these items were filed with the SEC and not furnished); and

- All documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and before the termination of this offering (to the extent these items were filed with the SEC and not furnished).

We will provide you with a copy of any of these filings (other than an exhibit to these filings, unless the exhibit is specifically incorporated by reference into the filing requested), at no cost, if you submit a request to us by writing or calling us at the following address or telephone number:

Frank B. O Neil

Senior Vice President of Corporate Communications and Investor Relations

ProAssurance Corporation

100 Brookwood Place

Birmingham, Alabama 35209

Tel: (205) 877-4400

E-mail: foneil@proassurance.com

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SUMMARY

This summary highlights information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference. Because it is a summary, it does not contain all of the information that you should consider before investing in the Notes. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the sections entitled Risk Factors and Description of the Notes and the financial statements and related notes thereto included or incorporated by reference in this prospectus supplement and the accompanying prospectus in their entirety before making an investment decision.

ProAssurance Corporation

ProAssurance Corporation is a holding company for property and casualty insurance companies. We were incorporated in Delaware in 2001 as the successor to Medical Assurance, Inc. and in conjunction with its merger with Professionals Group, Inc. Medical Assurance was founded by physicians as a mutual company in 1976 and became a public company in 1991. Professionals Group was founded in 1980, principally for the purpose of providing physician professional liability insurance. For the year ended December 31, 2012, our net written premiums totaled $528.3 million, and at December 31, 2012 we had total assets of $4.9 billion.

We have sustained our financial stability during difficult market conditions through responsible pricing and loss reserving practices and through conservative investment practices. We are committed to maintaining prudent operating and financial leverage and conservatively investing our assets. Our overall investment strategy is to focus on maximizing current income from our investment portfolio while maintaining safety, liquidity, moderate duration and portfolio diversification. We recognize the importance that our customers and producers place on the financial strength of our principal insurance subsidiaries and we manage our business to protect our financial security.

Our executive offices are located at 100 Brookwood Place, Birmingham, Alabama 35209, and our telephone number is (205) 877-4400.

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Summary Historical Financial Data

	Nine Months Ended September 30, 2013	Year Ended December 31, 2012	2011	2010
		(In thousands)		
Selected Financial Data(1)				
Gross premiums written	$ 451,819	$ 536,431	$ 565,895	$ 533,205
Net premiums earned	398,528	550,664	565,415	519,107
Net investment income	99,282	136,094	140,956	146,380
Equity in earnings (loss) of unconsolidated subsidiaries	(3,500)	(6,873)	(9,147)	1,245
Net realized investment gains (losses)	47,650	28,863	5,994	17,342
Other revenues	5,305	7,106	13,566	7,991
Total revenues	547,265	715,854	716,784	692,065
Net losses and loss adjustment expenses	189,872	179,913	162,287	221,115
Net income(2)	$ 226,658	$ 275,470	$ 287,096	$ 231,598
Balance Sheet Data				
Total investments	$ 3,857,673	$ 3,926,902	$ 4,090,541	$ 3,990,431
Total assets	4,963,832	4,876,578	4,998,878	4,875,056
Reserve for losses and loss adjustment expenses	2,148,112	2,054,994	2,247,772	2,414,100
Long-term debt		125,000	49,687	51,104
Total liabilities	2,590,471	2,605,998	2,834,425	3,019,193
Total capital	$ 2,373,361	$ 2,270,580	$ 2,164,453	$ 1,855,863

(1) Includes acquired entities since date of acquisition only.
(2) Includes a loss on extinguishment of debt of $2.2 million for the year ended December 31, 2012.

	Nine Months Ended September 30, 2013	Years Ended December 31, 2012	2011	2010	2009	2008
Ratio of Earnings to Fixed Charges	157.02x	142.74x	102.40x	87.67x	78.30x	33.79x

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The Offering

Issuer	ProAssurance Corporation
Notes Offered	5.30% Senior Notes due 2023
Aggregate Principal Amount	$250,000,000
Maturity Date	November 15, 2023
Interest Rate	5.30% per annum
Interest Payment Dates	Interest will be payable semiannually in arrears on May 15 and November 15 of each year, commencing May 15, 2014.
Trustee	Wilmington Trust Company
Ranking	The Notes will be unsecured general obligations of ProAssurance and will rank equal in right of payment with all existing and future unsecured and unsubordinated debt of ProAssurance, but will be effectively junior in right of payment to all existing and future secured debt of ProAssurance. The Notes will not be guaranteed by any of our subsidiaries and, accordingly, the Notes will be effectively subordinated to the indebtedness and other liabilities of our subsidiaries, including insurance policy-related liabilities. As of September 30, 2013, our subsidiaries had aggregate liabilities (including insurance policy-related liabilities) of $2.6 billion.
Optional Redemption	The Notes may be redeemed in whole or in part at any time and from time to time, at our option, on a date fixed for redemption at a redemption price equal to the greater of: 100% of the principal amount of the Notes then outstanding to be redeemed; or the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate, calculated as of the third business day preceding the date fixed for redemption, plus 40 basis points; plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the redemption date.

Covenants	The indenture governing the Notes contains limited covenants. See Description of Notes Covenants.
Use of Proceeds	We estimate the net proceeds to us from the sale of the Notes to be approximately $248.1 million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds for general corporate purposes, including, without limitation, contributions to the capital of insurance subsidiaries, repayment of debt and other capital management activity.
Denominations	$2,000 and integral multiples of $1,000 in excess thereof.
Listing	The Notes are not, and are not expected to be, listed on any national securities exchange nor included in any automated quotation system. Currently there is no public market in the Notes.
Risk Factors	Investing in the Notes involves risks that are described or referred to under Risk Factors beginning on page S-5 of this prospectus supplement.
Governing Law	The Notes and the indenture under which the Notes will be issued will be governed by the laws of the State of New York.

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RISK FACTORS

You should carefully consider the specific risk factors set forth below, as well as the risk factors described in Item 1A Risk Factors in our most recent Annual Report on Form 10-K for the year ended December 31, 2012, as supplemented by our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2013 and September 30, 2013 and other filings we may make from time to time with the SEC, which are incorporated by reference in this prospectus supplement, before deciding to invest in the Notes. You should also consider the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the Notes. Additional risks and uncertainties that are not yet identified or that we currently deem immaterial may also materially harm our business, operating results and financial condition and could result in a complete loss of your investment.

Risks relating to the Notes

We are an insurance holding company that depends on the ability of our subsidiaries to pay dividends to us in order to service our indebtedness.

We are an insurance holding company and do not have any significant operations or assets other than our ownership of the shares of our operating subsidiaries. Dividends and other permitted distributions from our subsidiaries are our primary source of funds to meet ongoing cash requirements, including any future debt service payments, and other expenses, and to pay dividends to our shareholders. Some of our subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends and make loans or other payments to their parent. In addition, the future operating performance of our subsidiaries, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that the operating performance of our subsidiaries will generate sufficient cash flow from operations or that our subsidiaries will be able to make distributions and payments in an amount sufficient to enable us to pay our liabilities, including the Notes and interest due thereon, or to fund our other liquidity needs.

Your right to receive payments under the Notes is unsecured and will be effectively subordinated to any of our secured indebtedness and to the indebtedness and other liabilities of our subsidiaries.

The Notes are unsecured and therefore will be effectively subordinated to any secured debt we may incur to the extent of the assets securing such debt. In the event of a liquidation, dissolution, reorganization, bankruptcy or similar proceeding involving us, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the Notes. The terms of the indenture governing the Notes do not contain restrictions or limitations on our ability, or the ability of our subsidiaries, to incur additional secured or unsecured debt. On November 8, 2013, we entered into a standby letter of credit agreement providing for the issuance of a standby letter of credit in the amount of approximately $67 million (after giving effect to the applicable currency exchange), which may be secured.

In addition, the Notes are effectively subordinated to the liabilities of our subsidiaries (including trade creditors and policyholders). Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes, whether by dividends, distributions, loans or other payments. In the event of a liquidation, dissolution, reorganization, bankruptcy or any similar proceeding, the assets of our subsidiaries will be available to pay obligations on the Notes only after policyholders and creditors of our subsidiaries have been paid first, in full. In such a case, as a result of the application of the subsidiaries assets to satisfy claims of policyholders and creditors, the value of the stock of the subsidiaries would be diminished and perhaps rendered worthless. Accordingly, there may not be sufficient funds remaining to pay amounts due on all or any of the Notes. As of September 30, 2013, our subsidiaries had aggregate liabilities (including insurance policy-related liabilities) of $2.6 billion.

If an active market for the Notes fails to develop or is not sustained, the trading price and liquidity of the Notes could be materially adversely affected.

The Notes are new securities for which there is currently no market. We do not intend to apply for listing of the Notes on any securities exchange or automated quotation system. Although the underwriters have advised us that they currently intend to make a market in the Notes after the completion of the offering, the underwriters are not obligated to do so, and any such market making activities may be discontinued at any time without notice. In addition, such market making activities will be subject to limits imposed by the Securities Act and the Exchange Act. We do not know if any market for the Notes will develop, or that any such market will provide liquidity for holders of the Notes. If a market for the Notes were to develop, the Notes could trade at prices that may be higher or lower than their initial offering price depending upon many factors, including prevailing interest rates, our operating results and the market for similar securities. If an active market for the Notes fails to develop or be sustained, the trading price and liquidity of the Notes could be materially adversely affected.

If a trading market does develop, changes in our credit ratings or the debt markets could adversely affect the market price of the Notes.

The market price for the Notes depends on many factors, including our credit ratings with major credit rating agencies; the prevailing interest rates being paid by other companies similar to us; our financial condition, financial performance and future prospects; and the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the Notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the insurance industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating could have an adverse effect on the price of the Notes.

Our credit ratings may not reflect all risks of an investment in the Notes and there is no protection in the indenture for holders of the Notes in the event of a ratings downgrade.

Our credit ratings are an assessment of our ability to pay our obligations. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of your Notes. Our credit ratings, however, may not reflect the potential impact of risks related to the structures of the Notes or market or other factors discussed in this prospectus supplement on the value of the Notes. Neither we nor any underwriter undertakes any obligation to maintain the ratings or to advise holders of Notes of any change in ratings and there is no requirement in the indenture to maintain the rating. Each agency s rating should be evaluated independently of any other agency s rating.

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We may choose to redeem some or all of the Notes when prevailing interest rates are relatively low.

We may choose to redeem some or all of the Notes from time to time, especially when prevailing interest rates are lower than the rate borne by the Notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed. Our redemption right also may adversely impact your ability to sell your Notes as the redemption date or period approaches.

Fluctuations in interest rates may have negative implications on the value of the Notes.

The interest rate paid on the Notes may be significantly less than interest paid on other debt securities. The Notes may be riskier than other debt securities with a shorter term. By purchasing a debt security with a longer term, you are more exposed to fluctuations in interest rates than if you purchased a debt security with a shorter term. Specifically, you may be negatively affected if certain interest rate scenarios occur. Generally, if the prevailing interest rate begins to rise, the market value of your Notes may decline because the yield to maturity on the Notes may be less than the interest rate on another debt security issued at such time. For example, if the yield to maturity on the Notes at such time was 4.00% per annum, but a debt security issued in the then current market could yield an interest rate of 6.25% per annum, your Note may be less valuable if you tried to sell your Note in any secondary market.

The indenture governing the Notes contains limited covenants.

The indenture governing the Notes does not contain any financial covenants, including covenants requiring us to maintain specified levels of net worth, revenues, income, cash flow or liquidity and, therefore, does not protect holders of the Notes in the event that we experience significant adverse changes in our financial condition or results of operations.

In addition, the indenture governing the Notes does not limit or restrict the ability of:

- ProAssurance Corporation or our subsidiaries to incur additional indebtedness (secured or unsecured);
- ProAssurance Corporation or our subsidiaries to pledge or dispose of our assets (other than the capital stock of certain subsidiaries);
- any subsidiary of ours to issue securities that would be senior to the common stock of such subsidiary held by us;
- ProAssurance Corporation to pay dividends or make distributions to holders of our capital stock or repurchase or acquire our capital stock;
- ProAssurance Corporation to effect a highly leveraged transaction, reorganization, change of control, restructuring, merger or similar transaction; or
- ProAssurance Corporation to restrict our ability to contribute our assets to our insurance subsidiaries.

Any such event or transaction may adversely affect the value of the Notes and/or ProAssurance Corporation s ability to meet its payment obligations on the Notes. Therefore, you should consider the provisions of the indenture as a significant factor in evaluating whether to invest in the Notes.

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USE OF PROCEEDS

We estimate the net proceeds to us from the sale of the Notes to be approximately $248.1 million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds for general corporate purposes, including, without limitation, contributions to the capital of insurance subsidiaries, repayment of debt and other capital management activity.

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2013, on an actual basis and on an adjusted basis to give effect to the issuance of the Notes offered hereby and the application of the net proceeds therefrom and described under the Use of Proceeds. You should read this table in conjunction with our unaudited condensed consolidated financial statements and related notes for the three months ended September 30, 2013, which are incorporated by reference in this prospectus supplement.

	As of September 30, 2013	
	Actual	As Adjusted
	(in thousands, except share data)	
Cash and cash equivalents	$ 279,051	$ 527,124
Long-term debt, at amortized cost		
Debt offered hereby		250,000
Total Debt		250,000
Shareholders equity		
Common shares, par value $0.01 per share, 100.0 million shares authorized, 62.1 million shares issued	621	621
Additional paid-in capital	347,547	347,547
Accumulated other comprehensive income	70,073	70,073
Retained earnings	1,963,140	1,963,140
Treasury shares, at cost, 0.4 million shares	(8,020)	(8,020)
Total shareholders equity	2,373,361	2,373,361
Total capitalization	$ 2,373,361	$ 2,623,361

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SELECTED HISTORICAL FINANCIAL DATA

	Nine Months Ended September 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Revenues							
Net premiums earned	$ 398,528	$ 395,050	$ 550,664	$ 565,415	$ 519,107	$ 497,543	$ 459,278
Net investment income	99,282	101,912	136,094	140,956	146,380	150,945	158,384
Equity in earnings (loss) of unconsolidated subsidiaries	(3,500)	(4,082)	(6,873)	(9,147)	1,245	1,438	(7,997)
Net realized earnings (losses):							
Other-than-temporary impairment (OTTI) losses	(71)	(1,566)	(1,566)	(5,189)	(14,375)	(8,172)	(47,020)
Portion of OTTI losses recognized in (reclassified from) other comprehensive income before taxes		(201)	(201)	(823)	(1,474)	199	
Net impairment losses recognized in earnings	(71)	(1,767)	(1,767)	(6,012)	(15,849)	(7,973)	(47,020)
Other net realized investment gains (losses)	47,721	24,115	30,630	12,006	33,191	20,765	(3,893)
Total net realized investment gains (losses)	47,650	22,348	28,863	5,994	17,342	12,792	(50,913)
Gain on extinguishment of debt							4,571
Other income	5,305	5,207	7,106	13,566	7,991	9,965	3,839
Total revenues	547,265	520,435	715,854	716,784	692,065	672,683	567,162
Expenses							
Losses and loss adjustment expenses	203,885	197,112	161,726	151,270	252,615	265,983	267,412
Reinsurance recoveries	(14,013)	(22,208)	18,187	11,017	(31,500)	(34,915)	(55,913)
Net losses and loss adjustment expenses	189,872	174,904	179,913	162,287	221,115	231,068	211,499
Underwriting, policy acquisition and operating expenses	105,592	103,083	135,631	136,421	134,980	116,537	100,385
Interest expense	1,085	2,002	2,181	3,478	3,293	3,477	6,892
Loss on extinguishment of debt		2,163	2,163			2,839	
Total expenses	296,549	282,152	319,888	302,186	359,388	353,921	318,776
Gain on acquisition	35,986						
Income before income taxes	286,702	238,283	395,966	414,598	332,677	318,762	248,386
Provision for income taxes							
Current expense (benefit)	36,902	56,612	82,752	128,553	105,479	70,122	70,894
Deferred expense (benefit)	23,142	7,467	37,744	(1,051)	(4,400)	26,614	(233)
Total income tax expense (benefit)	60,044	64,079	120,496	127,502	101,079	96,736	70,661
Net income	$ 226,658	$ 174,204	$ 275,470	$ 287,096	$ 231,598	$ 222,026	$ 177,725

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DESCRIPTION OF NOTES

We will issue the Notes under an indenture dated November 21, 2013, as supplemented by a supplemental indenture dated November 21, 2013, between us and Wilmington Trust Company, as trustee, which is referred to in this prospectus supplement and in the accompanying prospectus as the indenture. The indenture contains the full legal text of the matters described in this section. This section summarizes material terms of the indenture, where applicable, and the Notes. It does not, however, describe every aspect of the indenture and the Notes. For example, in this section, we use terms that have been given special meaning in the indenture, but we describe the meaning for only the more important of those terms. We have included the form of the indenture as an exhibit to the registration statement of which the accompanying prospectus forms a part, and you should read the indenture for provisions that may be important to you.

The following description of the particular terms of the Notes offered in this prospectus supplement should be read together with the description of the general terms and provisions in the accompanying prospectus of debt securities under the heading Description of Debt Securities. To the extent this prospectus supplement is inconsistent with the accompanying prospectus, the particular terms of the Notes offered in this prospectus supplement should be read to replace the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

General

This offering will be limited to $250,000,000 aggregate principal amount of our 5.30% Senior Notes due 2023. We will issue the Notes in registered form of $2,000 each or integral multiples of $1,000 in excess thereof. The Notes will mature on November 15, 2023. Payment of principal of, and interest on, the Notes will be made in U.S. dollars.

Interest on the Notes accrues at a rate of 5.30% per annum from the date of original issuance (or, if later, from the most recent date to which interest on the Notes has been paid or made available for payment) until the principal of the Notes is paid or made available for payment, payable semi-annually on May 15 and November 15 of each year or, if such day is not a business day, on the next succeeding business day, commencing on May 15, 2014. We will make each interest payment in cash to the holders of record of the Notes at the close of business on each May 1 and November 1 immediately preceding the interest payment date, whether or not such day is a business day. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Notes will be payable both as to principal and interest on presentation, if in certificated form, at the offices or agencies we maintain for such purpose in Wilmington, Delaware or, at our option, payment of interest may be made by check mailed or delivered to the holders of the Notes at their respective addresses set forth in the register of holders of Notes or by wire transfer of immediately available funds to an account previously specified in writing by the holder to us and the trustee. Payments to The Depository Trust Company, New York, New York, which we refer to as DTC, will be made by wire transfer of immediately available funds to the account of DTC or its nominee.

All moneys we pay to a paying agent of the trustee for the payment of principal of, or any premium, interest or additional amounts on, a Note which remains unclaimed at the end of two years will be repaid to us, and the holder of the Note may then look only to us for payment. The trustee will initially act as paying agent for the Notes.

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Further Issuances

We may, from time to time, without notice to or the consent of the holders of the Notes, increase the principal amount of this series of Notes under the indenture and issue such increased principal amount (or any portion thereof), in which case any additional Notes so issued will have the same form and terms (other than the date of issuance, the issue price and, under certain circumstances, the initial date from which interest thereon will begin to accrue), and will carry the same right to receive accrued and unpaid interest, as the Notes previously issued, and such additional Notes will form a single series with the Notes; provided that such additional Notes must be part of the same issue as the Notes offered by this prospectus supplement for U.S. federal income tax purposes.

We may not reissue a Note that has matured or otherwise been cancelled.

Ranking

The Notes will be unsecured and unsubordinated indebtedness of ours and will rank on a parity with our other unsecured and unsubordinated indebtedness, but will be effectively junior in right of payment to all of our existing and future secured indebtedness to the extent of the value of the collateral securing any such indebtedness. As of September 30, 2013, we have $150 million of borrowing availability under our revolving credit facility that expires in 2016, subject to borrowing base limitations, which may be secured by certain of our investments. On November 8, 2013, we entered into a standby letter of credit agreement supporting our recently announced Lloyd s transaction which provides for the issuance of a standby letter of credit in the amount of approximately $67 million (after giving effect to the applicable currency exchange), which also may be secured.

We are an insurance holding company and do not have any significant operations or assets, other than our ownership of the shares of our subsidiaries. Our primary source of funds to pay our obligations, including the Notes and interest due thereon, is dividends or distributions from our operating subsidiaries. The Notes will not be obligations of any of our subsidiaries. The indenture does not limit the ability of our subsidiaries to incur debt in the future. Our right to participate in the assets of any subsidiary (and thus the ability of holders of the Notes to benefit indirectly from such assets) is generally subject to the prior claims of creditors, including trade creditors and policyholders, of that subsidiary, except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would still be subject to any security interest of other creditors of such subsidiary. Accordingly, the Notes will be structurally subordinated to creditors, including trade creditors and policyholders, of our subsidiaries with respect to the assets of the subsidiaries against which such creditors have a more direct claim. In addition, many of our subsidiaries are subject to laws that restrict dividend payments or authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to us. Restrictions or regulatory action of that kind could impede access to funds that we need to make payments on our obligations, including the Notes and interest due thereon. As of September 30, 2013, our subsidiaries had aggregate liabilities of approximately $2.6 billion.

Covenants

The indenture contains limited covenants. Under the indenture, we agree that we will:

- pay the principal, interest and any premium on the Notes when due;
- maintain a place of payment;
- deliver a report to the trustee at the end of each fiscal year reviewing our obligations under the indentures; and
- deposit sufficient funds with any paying agent on or before the due date for any principal, interest or any premium on the Notes.

We are generally not permitted to create, incur, assume or guarantee or otherwise permit to exist any indebtedness secured by any lien on any shares of capital stock of any significant subsidiary unless we concurrently provide that the Notes are secured equally and ratably with such other indebtedness for so long as such other indebtedness is so secured. The indenture also contains a customary covenant regarding any consolidation or merger involving the Company or the sale, lease or disposition of the Company s properties and assets as an entirety.

The indenture does not contain any financial covenants or any covenants limiting or restricting, among other things, the ability of us or our subsidiaries to: incur indebtedness (secured or unsecured); pledge assets to secure obligations (other than the capital stock of certain subsidiaries); dispose of assets; pay dividends or repurchase capital stock; recapitalize or restructure. In addition, the indenture does not contain any covenant or provision that affords holders of the Notes protection in the event of a change of control of ProAssurance Corporation or in the event we enter into a highly leveraged transaction. See Risk Factors The indenture governing the Notes contains limited covenants.

Redemption of Notes at Our Option

The Notes may be redeemed in whole or in part at any time and from time to time, at our option, on a date fixed for redemption, at a redemption price equal to the greater of:

100% of the principal amount of the Notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate, calculated as of the third business day preceding the date fixed for redemption, plus 40 basis points;

plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the redemption date.

For purposes of calculating the redemption price with respect to any redemption date, the following terms have the following meanings:

treasury rate means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the week immediately preceding the date of calculation, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or (ii) if such release (or any successor release) is not published during the week immediately preceding the date of calculation or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date;

comparable treasury issue means the U.S. Treasury security selected by the independent investment banker as having a maturity comparable to the remaining term (remaining life) of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining life;

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comparable treasury price means, with respect to any redemption date, (1) the average of five reference treasury dealer quotations for such redemption date, after excluding the highest and lowest reference treasury dealer quotations, or (2) if the independent investment banker obtains fewer than four such reference treasury dealer quotations, the average of all such reference treasury dealer quotations;

independent investment banker means Goldman, Sachs & Co., Wells Fargo Securities, LLC and U.S. Bancorp Investments, Inc., as specified by us, or, if these firms are unwilling or unable to select the comparable treasury issue, an independent investment banking institution of national standing appointed by us;

reference treasury dealer means (1) Goldman, Sachs & Co.; (2) a primary U.S. government securities dealer in New York City (a primary treasury dealer) selected by Wells Fargo Securities, LLC; (3) a primary treasury dealer selected by U.S. Bancorp Investments, Inc.; (4) the respective successors of the primary treasury dealers set forth