

STARNES WILLIAM STANCIL  
Form 4  
September 06, 2012

**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)  
09/05/2012

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman / CEO & President

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 Indirect Beneficial Ownership (Instr. 4)		
				Code	V	Amount	Price		
				(A) or (D)					
Common Stock	09/05/2012		F	(1)	11,945	\$ 90.29	90,923	D	
Common Stock	09/05/2012		M	(2)	16,000	\$ 90.29	102,868	D	
Common Stock	09/05/2012		F	(3)	75,978	\$ 90.29	86,868	D	
Common Stock	09/05/2012		M	(4)	100,000	\$ 90.29	162,846	D	

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

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(9-02)

**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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Restricted Stock Units	(5)					(5)	(5)	Common Stock	
Employee Stock Option (Right to Buy)	\$ 54.28	09/05/2012		M	16,000	09/01/2008 <sup>(6)</sup>	09/01/2018	Common Stock	16
Employee Stock Option (Right to Buy)	\$ 56.16	09/05/2012		M	100,000	01/03/2008 <sup>(7)</sup>	07/01/2017	Common Stock	100

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STARNES WILLIAM STANCIL C/O PROASSURANCE CORPORATION 100 BROOKWOOD PLACE BIRMINGHAM, AL 35209-6811	X		Chairman	CEO & President

## Signatures

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

09/06/2012

\*\*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 11,945 shares disposed of reflect 9,619 shares withheld by the issuer to fund the cashless exercise of 16,000 options after the market close on 9/5/12 and 2,326 shares withheld by the issuer to cover the associated tax liability.
- (2) Cashless exercise of 16,000 options after the close of the market on September 5, 2012
- (3) The 75,978 shares disposed of reflect 62,200 shares withheld by the issuer to fund the cashless exercise of 100,000 options after the market close on 9/5/12 and 13,778 shares withheld by the issuer to cover the associated tax liability.
- (4) Cashless exercise of 100,000 options after the close of the market on September 5, 2012
- (5) 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.
- (6) These options are fully vested and exercised in their entirety with this transaction.
- (7) These options are fully vested and exercised in their entirety with this transaction.

### Remarks:

\$90.29 is the closing price of a share of ProAssurance Common Stock on the New York Stock Exchange on 9/5/12.

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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