

MORELLO JAMES J
 Form 4
 November 12, 2004

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 *
MORELLO JAMES J

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)
11/11/2004

___ Director ___ 10% Owner
 Officer (give title below) Other (specify below)
Treasurer / Senior Vice-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 (D) Price | | | |
| Common Stock | 11/11/2004 | | F(1)(2) | 3,423 D \$ 38.52 | 26,692 | D | |
| Common Stock | 11/11/2004 | | M(2) | 5,000 A \$ 38.52 | 30,115 | D | |

Common Stock

4,755 I

Shares held in the ProAssurance Group Savings and Retirement Plan

| | | | |
|-----------------|-------|---|---------------------------------------|
| Common Stock | 3,148 | I | Owned in Reporting Person's IRA |
|-----------------|-------|---|---------------------------------------|

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

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SEC 1474
(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 Securities (Instr. 3 and 4) | Amount or Number of Shares | |
|---|--|---|---|--------------------------------------|---|--|---|-------------------------------------|---------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Employee Stock Option (Right to Buy) | \$ 33.28 | | | | | 09/10/2004 ⁽³⁾ | 09/10/2014 | Common Stock | 12,500 |
| Employee Stock Option (Right to Buy) | \$ 22 | 11/11/2004 | | M | 5,000 | 09/04/2003 ⁽⁴⁾ | 03/04/2013 | Common Stock | 5,000 |
| Employee Stock Option (Right to Buy) | \$ 16.8 | | | | | 07/15/2002 ⁽⁵⁾ | 01/15/2012 | Common Stock | 16,000 |
| Employee Stock Option (Right to Buy) | \$ 21.01 | | | | | 06/27/2001 | 12/09/2009 | Common Stock | 2,403 <u>(6)</u> |
| Employee Stock Option | \$ 26.03 | | | | | 06/27/2001 | 12/01/2008 | Common Stock | 2,480 <u>(6)</u> |

(Right to Buy)

Employee Stock

Option \$ 24.68

06/27/2001 12/02/2007 Common Stock 3,067 (6)

(Right to Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------|-----------------------|
| | Director | 10% Owner | Officer | Other |
| MORELLO JAMES J C/O PROASSURANCE CORPORATION 100 BROOKWOOD PLACE BIRMINGHAM, AL 35209-6811 | | | Treasurer | Senior Vice-President |

Signatures

James J. Morello 11/12/2004

__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 3,423 shares disposed of reflect 2,856 shares withheld by the issuer to fund the cashless exercise of 5,000 options on 11/11/04, and 567 shares withheld by the issuer to cover the associated tax liability.
- (2) Cashless exercise of options on 9/7/2004
- (3) The options vest in five equal, yearly installments commencing on September 10, 2004
- (4) The options vest in five equal, yearly installments commencing on September 4, 2003
- (5) The options vest in five equal, yearly installments commencing on July 15, 2002

Reflects options to purchase shares of ProAssurance Corporation common stock acquired beneficially by the reporting person in exchange for surrender of options to purchase shares of Medical Assurance, Inc. in connection with the consolidation of Medical

- (6) Assurance, Inc. and Professionals group under the ownership of ProAssurance Corporation. The acquisition of options to purchase ProAssurance shares reported herein is exempt from Section 16(b) of the Securities Exchange Act, as amended (the "Act"), by virtue of Rule 16b-3(d) promulgated under the Act.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.