PROASSURANCE CORP

Form 4

February 27, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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if no longer subject to Section 16. Form 4 or Form 5

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obligations may continue.

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

1(b).

(Last)

(0:4-)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * Thomas Darryl Keith

2. Issuer Name and Ticker or Trading Symbol

PROASSURANCE CORP [[PRA]]

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

3. Date of Earliest Transaction

(Check all applicable)

C/O PROASSURANCE CORPORATION, 100 **BROOKWOOD PLACE**

(Month/Day/Year) 02/26/2009

Director 10% Owner _X__ Officer (give title __X__ Other (specify below) below)

Senior Vice-President / Co-President of

Subsidiary

(Street)

(Stata)

(First)

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

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

BIRMINGHAM, AL 35209-6811

Security (Month/Day/Year) Execution Date, if any (Month/Day/Year) (Instr. 3) Execution Date, if any (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Execution Date, if any (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Execution Date, if any (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Execution Date, if any (Code (D) (Instr. 3, 4 and 5) Execution Date, if any (Code (D) (Instr. 3, 4 and 5) Execution Date, if any (Code (D) (Instr. 3, 4 and 5) Execution Date, if any (Instr. 3, 4 and 5) Execution Date, if any (Instr. 3, 4 and 5) Execution Date, if any (Instr. 3, 4 and 5) Execution Date, if any (Instr. 3, 4 and 5) Execution Date in India Execution Date, if any (Instr. 3, 4 and 5) Execution Date, if any (Instr. 3, 4 and 5) Execution Date in India Execution Date, if any (Instr. 3, 4 and 5) Execution Date in India	(City)) (State)	(Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
Common Stock Code V Amount (D) Price Transaction(s) (Instr. 4)	ırity		Execution Date, if any	Transactio Code	or(A) or Disposed of (D)			Securities Beneficially Owned	Ownership Form: Direct (D)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Stock 02/26/2009 A (1) A \$0 42,4/1 D				Code V	Amount	or	Price	Transaction(s)			
Common 2 185 \$		n 02/26/2009		A		A	\$0	42,471	D		
Stock 02/26/2009 A 2,185 A 39,344 D		on 02/26/2009		A	2,185 (2)	A	\$ 47.7	39,344	D		

Shares Held in the

ProAssurance

Common Stock

1,320 Ι

Group Savings and Retirement Plan [401(k)]

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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 onDerivative 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 Underlying Securition (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Restricted Stock Units	<u>(3)</u>	02/26/2009		A	2,085	<u>(3)</u>	(3)	Common Stock	2,08
Employee Stock Option (Right to Buy)	\$ 54.28	02/28/2008		A	12,500	09/01/2008	09/01/2018	Common Stock	12,5
Employee Stock Option (Right to Buy)	\$ 51.48					09/10/2007(4)	09/10/2017	Common Stock	12,5
Employee Stock Option (Right to Buy)	\$ 51.38					09/11/2006(5)	09/11/2016	Common Stock	12,5
Employee Stock Option (Right to Buy)	\$ 41.15					09/10/2005(6)	09/10/2015	Common Stock	5,00
Employee Stock Option (Right to Buy)	\$ 33.28					09/10/2004 <u>(7)</u>	09/10/2014	Common Stock	7,50

Employee Stock

Option \$ 22

(Right to Buy)

09/04/2003(8) 09/03/2013

Common Stock

10,0

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Thomas Darryl Keith C/O PROASSURANCE CORPORATION 100 BROOKWOOD PLACE BIRMINGHAM, AL 35209-6811

Senior Vice-President Co-President of Subsidiary

Signatures

Darryl K. 02/27/2009

**Signature of Date Reporting Person

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).
- Payout of Performance Shares awarded to the reporting person upon compleition of a three year performance period in 2009. The

 (1) Compensation Committee (consisting entirely of independent directors) of the ProAssurance Corporation Board of Directors reviewed the company's performance against the defined criteria and approved this award.
- These shares are exempt under Rule 16b-3. Bonus shares awarded to the reporting person under the terms of the ProAssurance 2008

 (2) Equity Incentive Plan by the Compensation Committee of the Board of Directors. The Compensation Committee is comprised solely of independent, non-employee directors
 - 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
- (3) 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.
- (4) The options vest in five equal, yearly installments commencing on September 10, 2007
- (5) The options vest in five equal, yearly installments commencing on September 11, 2006
- (6) The options vest in five equal, yearly installments commencing on September 10, 2005
- (7) The options vest in five equal, yearly installments commencing on September 10, 2004
- (8) The options vest in five equal, yearly installments commencing on September 4, 2003

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.

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