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Dear Fellow SCPIE Shareholder,

An investment fund I manage will be seeking to elect three people to the board of directors of SCPIE Holdings Inc., or "SKP", at this year's annual shareholders' meeting. I want to take this opportunity to introduce myself and to explain why my Group is seeking board representation.

The Stilwell Group currently owns approximately 6% of SKP, making us one of the Company's largest shareholders. I believe that the Company's core franchise — California medical malpractice insurance — has had its value obscured by the Company's past expansions into other areas. My intention is to focus on SKP's real strength, help management work off previous mistakes, and *avoid any but the most prudent expansions.*

My other investment funds currently hold board representation at two other publicly traded professional liability insurers — American Physicians Capital, Inc. ("ACAP") and FPIC Insurance Group, Inc. ("FPIC"). Each of those companies, like SKP, had expanded outside of their core markets with negative results. After joining those boards, we worked with management and other responsible board members to focus on each company's inherent strengths. As these companies exited from unprofitable markets and unprofitable lines, they turned their attention to their core markets. Now, as those core markets generate excess capital, they return it to the shareholders. That is what I would also like to see occur at SKP.

In past years SKP insured property risks, accident and health risks, workers' compensation risks, marine risks, directors and officers liability risks, bail bond risks, immigration risks, and sundry other risks. There was mention in last year's annual report that the Company will consider expanding yet again. Because most of the current directors were at the helm when SKP expanded into money-losing lines, I believe all shareholders would be well served by having the Group's nominees on the SKP board of directors. We will work with management to focus on the bottom line and, when it becomes appropriate, to begin returning capital to the owners.

Please take a few moments to fill out the enclosed form and provide me with your thoughts on our Company's direction. Thank you.

On behalf of the Stilwell Group,

Joseph Stilwell

Stilwell Joseph / SC 14A / Originally Filed with the SEC January 20, 2006
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