

THE STILWELL GROUP
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February 25, 2008

Dear Fellow Shareholder:

If the proposed sale of our Company for \$28 per share in cash occurs, you will, as SKP management continues to write, receive that \$28. However, **if you are a California doctor who received shares in exchange for your membership interests in the old reciprocal, you will generally be required to send \$4.20 per share to your Uncle Sam in Washington, D.C. and \$2.60 per share to your Uncle Arnold in Sacramento.* This is not tax advice, and you should confirm your liabilities to Uncles Sam and Arnold with your tax advisor. Generally, a California doctor can expect to have \$21.20 of capital remaining if the sale to The Doctors Company occurs – less capital than before the deal was approved.**

If SKP were to accept the board-rejected but still outstanding merger offer from American Physicians Capital, Inc. (ACAP) – which you are not being asked to vote on at this time – you would not owe taxes on your shares until such time as you decide to sell them.

Additionally, should SKP merge with ACAP – which you are not being asked to vote on at this time – SCPIE Insurance Company will continue to exist. All agreements including premium rates, coverage terms, limits of liability and retirement ‘tail’ vesting will be honored. SCPIE personnel will continue to provide California doctors the high level of service that SCPIE insureds have enjoyed for more than 30 years — sans the board members who voted for a deal that would leave our California doctors with a \$6.80 per share tax liability.

If you have already voted in favor of the \$28 cash deal **that will generally result in tax liabilities of \$6.80 per share to a California doctor who received shares in exchange for interests in the old reciprocal,*** you can vote AGAINST the proposed deal by signing the enclosed gold proxy card. Only your last vote will count.

Sincerely,

/s/ Joseph Stilwell
Joseph Stilwell

