THE STILWELL GROUP
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February 25, 2008

Dear Fellow Shareholder:

By my estimates, at least 40% of our shares are owned by California doctors who received SKP shares in exchange for membership interests in the old reciprocal. **If you are one of those physicians, you generally will be liable for state and federal taxes of $6.80 per share* based on the proposed $28 cash offer for our Company—leaving you with less capital than before the board recommended this transaction. This is not tax advice; you should consult with your tax advisor.**

Partnerships that I manage own approximately $25 million of SKP and approximately $50 million of ACAP. I favor the ACAP-SKP stock deal (which you are not being asked to vote on at this time) because our very good SCPIE Insurance Company would benefit from having the very good managers at ACAP – who are tight with Company expenses. For example, each board member at SKP receives on average $100,000 per year more than the board members at ACAP. As a second example, SKP management enjoys using the company charge card at Spago—the sort of wanton waste that ACAP management would never countenance. I can see why SKP management and board members don't like the tight management of ACAP. You can see why I do like the ACAP management.

In the four years that I (and my attorney) have been on ACAP's board, the share price has increased by approximately 150%. In contrast, during the 11 years that SKP management has been running SKP, they have produced a total return of 35%.

An ACAP-SKP combination will benefit me, and it will benefit you. Mathematically, having a 10% position in each company, I can only benefit by the combined companies doing well. As evidenced by SKP management's disregard for the tax consequences to 40% of our shareholders by accepting the proposed cash offer, and their continued insistence that there is some benefit to me not available to other shareholders, their financial acumen appears limited.

My experience with the SKP board highlighted those limitations. Often, when it was time to discuss financial concepts like accretion, dilution, or capital allocation, our CEO resorted to less challenging concepts. Along with the pablum, "Cash is king", Don Zuk was also fond of quoting to the board as it considered potential transactions: "A bird in the hand is worth two in the bush." Unfortunately, the board is asking you to vote for a transaction that will leave 40% of our shareholders with only ¾ of a bird.

As of last night's closing price, the 'spot' value of the competing ACAP offer (which you are not being asked to vote on at this time) of 0.70 shares per SKP share was $30.88 (tax-deferred). As of last night, the 20 day volume-weighted average sales price was $30.30. Either way you approach the ACAP offer, it is meaningfully higher.

While I am flattered that SKP management believes this ex-director's rhetoric might mislead you, I think the facts and figures and our doctors' desire not to be left holding merely '¾ of a bird' is what really disturbs them. Variously, SKP management characterizes the auction for our Company as 'robust', 'rigorous', and 'open', yet it was none of those things. How 'robust', 'rigorous' or 'open' could it be when our management refused to even go back to ACAP to ask them to increase their $28 floor price? I support a floor price from ACAP of at least $30 per SKP share.

In the flawed process that led our board to accept a materially inferior offer, SKP management says they 'have had and continue to have the best interests of our stockholders as a guiding force...'. Apparently, this force guided them to do what even a first year finance student knows not to do – accept a cash transaction when 40% of your shareholders have a zero basis in their holdings!

Now that they've stopped calling the board-rejected but very real and still-outstanding offer from ACAP 'illusory', they say the offer 'had numerous and prohibitive conditions'. I know of only two conditions that they might have found prohibitive:

1) The CEO is not going to be retained; and

2) The CFO is not going to be retained.

If there are any other 'prohibitive' conditions, SKP management should tell us what they are.

Although you are not being asked to vote on the ACAP offer at this time, I believe there are 'numerous' points that strongly recommend it over the proposed $28 cash offer:

First, the exchange ratio and the higher floor I would support give us a higher price for our SKP shares.

Second, the offer is tax-deferred.

Third, the transaction is accretive for shareholders of both companies.

Fourth, ACAP is managed by an experienced CEO who has previously purchased three insurance companies and sold another.

Fifth, ACAP (as would a combined ACAP-SKP) pays a dividend to shareholders and repurchases its shares with its excess earnings.

Sixth, the SCPIE Insurance Company will continue to service our doctors for many years to come and provide California physicians with an alternative to The Doctors Company.

Seventh, an ACAP-SKP merger maintains greater competition in the California marketplace, thus discouraging the possibility of oligopolistic pricing by The Doctors Company.

The Doctors Company has a lot to gain by eliminating SCPIE Insurance Company as a competitor. If you are a physician/shareholder, do you really want to lose the choice of buying your professional liability coverage from SCPIE Insurance?

Vote AGAINST the proposed giveaway of our Company to The Doctors Company by signing the enclosed gold proxy card. Only your last vote will count. If you've already returned the Company's card, you can still change your vote and vote against the merger agreement with The Doctors Company by returning the GOLD card to us or voting via the Internet or telephone.

Sincerely,

/s/ Joseph Stilwell
Joseph Stilwell

*The estimated tax liability of $6.80 for a California physician who received shares in SKP when it went public in 1997 is calculated as follows. According to SKP's proxy statement, the receipt of cash exchanged for stock will result in a gain between the cash received and the basis (p. 3), the basis for shares received in the public offering would be zero (p. 45), and this would result generally in a taxable gain of $28 per share. The federal capital gain rate of 15% yields a tax liability of $4.20; California has a marginal tax rate of 9.3% for taxable income levels above $44,819, yielding a California income tax liability of $2.60 per share. Please note that ***this is not tax advice***. I urge you to consult your own tax advisor for advice regarding your personal tax liability.