PROASSURANCE CORP
Form 4
September 14, 2006

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

(Last) (First) (Middle)

C/O PROASSURANCE CORPORATION, 100 BROOKWOOD PLACE

(Street)

BIRMINGHAM, AL 35209-6811

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
PROASSURANCE CORP [PRA]

3. Date of Earliest Transaction (Month/Day/Year)
09/12/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) __X__ Other (specify below)
Treasurer / Senior Vice-President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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	(A) or (D)	Price			
Common Stock	09/13/2006		F		1,863 (1)	D	$ 50.96	25,899	D	
Common Stock	09/13/2006		M		2,500	A	$ 50.96	27,762	D	
Common Stock	09/12/2006		F		1,455 (2)	D	$ 51.01	25,262	D	
Common Stock	09/12/2006		M		2,500	A	$ 51.01	26,717	D	
Common Stock	09/12/2006		F		4,054 (3)	D	$ 51.01	24,217	D	

Common Stock	09/12/2006		M		8,000	A	$ 51.01	28,271	D	
Common Stock								4,755	I	Shares held in the ProAssurance Group Savings and Retirement Plan

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

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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 o Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun or Numbe of Shar
Employee Stock Option (Right to Buy)	$ 51.38							09/11/2006 (4)	09/11/2016	Common Stock	6,250
Employee Stock Option (Right to Buy)	$ 41.15							09/10/2005 (5)	09/10/2015	Common Stock	12,50
Employee Stock Option (Right to Buy)	$ 33.28	09/13/2006		M			2,500	09/10/2004 (6)	09/10/2014	Common Stock	5,000
Employee Stock	$ 22	09/12/2006		M			2,500	09/04/2003 (7)	03/04/2013	Common Stock	2,500

Option (Right to Buy)								
Employee Stock Option (Right to Buy)	$ 16.8	09/12/2006	M	8,000	07/15/2002 [(8)]	01/15/2012	Common Stock	0
Employee Stock Option (Right to Buy)	$ 41.5				06/29/2006 [(9)]	12/09/2009	Common Stock	1,279
Employee Stock Option (Right to Buy)	$ 41.5				06/29/2006 [(9)]	12/01/2008	Common Stock	1,618
Employee Stock Option (Right to Buy)	$ 41.5				06/29/2006 [(9)]	12/02/2007	Common Stock	1,886

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

Frank B. O'Neil as POA for James J. Morello	09/14/2006
**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 1,863 shares disposed of reflect 1,633 shares withheld by the issuer to fund the cashless exercise of 2,500 options on 9/13/06, and 230 shares withheld by the issuer to cover the associated tax liability.

(2) The 1,455 shares disposed of reflect 1,079 shares withheld by the issuer to fund the cashless exercise of 2,500options on 9/12/06, and 376 shares withheld by the issuer to cover the associated tax liability.

(3)

The 4,054 shares disposed of reflect 2,635 shares withheld by the issuer to fund the cashless exercise of 8,000 options on 9/12/06, and 1,419 shares withheld by the issuer to cover the associated tax liability.

(4) The options vest in five equal, yearly installments commencing on September 11, 2006

(5) The options vest in five equal, yearly installments commencing on September 10, 2005

(6) The options vest in five equal, yearly installments commencing on September 10, 2004

(7) The options vest in five equal, yearly installments commencing on September 4, 2003

(8) The options vest in five equal, yearly installments commencing on July 15, 2002

(9) These are automatic reload rights resulting from the exercise of options under an existing grant to purchase shares under the ProAssurance Corporation Incentive Compensation Stock Plan. These reload options vest one year from the date of grant, provided that the Reporting Person maintains ownership of the ProAssurance shares that were purchased upon the exercise of the subject options. The grant of reload 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 16v-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.
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