



American Physicians Service Group, Inc.

SHAREHOLDER COMMUNICATIONS POLICY

Shareholders who wish to communicate with the board of directors or with a particular director may send a letter to the Corporate Secretary at APS' principal executive offices, at 1301 S. Capital of Texas Hwy., Suite C-300, Austin, Texas 78746. The mailing envelop should contain a clear notation indicating that the enclosed letter is a "Shareholder-Board Communication." All such letters should identify the author as a shareholder and clearly state whether the intended recipients are all members of the board or just certain specified individual directors.

Following receipt of the communication, the Secretary will:

- a. Filter out obscene or otherwise inappropriate materials, unsolicited advertising material, mass mailings, spam and unsolicited newsletters, newspapers, books and publications.
- b. Direct to Company personnel routine questions, complaints, comments, invoices/statements and related communications, surveys and questionnaires, and requests for business contacts or referrals that can be appropriately addressed by management. The Secretary will provide a copy of the original communication to the Chairman of the Audit Committee and advise him or her of any action taken with respect to the communication.
- c. Create a log of all communications, except for those excluded under a. above, and will provide, quarterly, a copy of such log to the Chairman of the Audit Committee for review. The Secretary will also provide to any director, upon his or her request, a copy of the log.
- d. Forward all communication not covered in a. or b. above to the whole board, or any particular committee or individual member, as requested in the communication.
- e. Maintain a file of all communications, which shall be kept in accordance with the Company's record retention policy. The Secretary will provide to any Director upon request a copy of any filed Director Communication.