

**BLACKOUT POLICY**  
**AMERICAN PHYSICIANS SERVICE GROUP, INC.**

The purpose of this Blackout Policy (“Policy”) is to prevent inadvertent violations and to avoid even the appearance of a transaction made pursuant to material, non-public information. This Policy prohibits trading in securities of American Physicians Service Group, Inc. (the “Company”) by officers, directors and certain employees beginning on the first day of each calendar quarter and ending after the close of the market on the second day after the Company issues its quarterly earnings press release.

In addition to the standard quarterly periods, the Company may at times, impose other blackout periods by notifying those affected.

I. Applicability of Policy.

This Policy covers the following persons:

- All members of the Board of Directors;
- All officers of the Company and anyone holding the office of Chairman, President, Secretary, Treasurer or Senior Vice President of any subsidiary of the Company;
- Certain employees who are involved with the preparation of financial statements and/or investor relations, as designated by the chief financial officer;
- Any person who possesses material, non-public information about the Company; and
- Family members living in the same household as anyone covered by this Policy.

Employees who are not directly covered by this Policy are encouraged to refrain from trading in Company securities during blackout periods, to avoid even the appearance of any impropriety.

II. Covered Transactions.

This Policy covers the following transactions:

- Buying or selling Company securities in the open market or through a broker, unless pursuant to a pre-approved Rule 10b5-1 Trading Plan;
- Trading Company options (puts, calls, etc.); and
- Buying or selling Company securities in a Company benefit plan other than transactions effected by a plan trustee in the trustee’s sole discretion.

### III. Permissible Transactions.

The following transactions do not fall under the coverage of this Policy and are therefore permissible even during blackout periods:

- Regular and matching contributions of Company stock in a benefit plan;
- Gifts of Company stock, unless there is reason to believe that the recipient intends to sell the Company stock during the blackout period;
- Transfers of Company stock to or from a trust;
- Exercising stock options; provided any sale of the shares acquired upon exercise would be covered transactions (which includes any “cashless” or “net” exercise);
- Transactions pursuant to a pre-approved Rule 10b5-1 Trading Plan; and
- Buying or selling Company securities when done by a benefit plan trustee in the trustee’s sole discretion.

### IV. Policy Enforcement.

It is the responsibility of each director and employee to confirm that they are not in violation of this Policy when they or their family members trade in Company securities. Accordingly, all directors and employees are requested to obtain prior approval of the Company’s Chief Executive Officer or President before any such trade.

It is the responsibility of the Chief Executive Officer and the President to enforce compliance with this Policy. Should any questions arise concerning this Policy, please contact the Company’s Chief Executive Officer or the President.