

CODE OF ETHICS FOR DIRECTORS

POLICY STATEMENT

“PMA Capital” is committed to conducting its business in accordance with applicable laws, rules, regulations and the highest ethical standards. This Code of Ethics applies to the Directors of PMA Capital.

The Directors have a responsibility to conduct themselves in an honest and ethical manner and have leadership responsibilities that include creating a culture of integrity and commitment to compliance.

It is PMA Capital’s policy to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Make full, fair, accurate, timely and understandable disclosure in reports and documents that PMA Capital files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by PMA Capital;
- Comply with applicable governmental laws, rules and regulations;
- Require the prompt internal reporting of violations of this Code; and
- Ensure accountability for adherence to this Code.

Definitions

“Director” as used herein to mean a member of the Board of Directors of PMA Capital.

“Immediate Family” is used herein to mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships and any one sharing the Director’s household (except for domestic employees).

“PMA Capital” as used herein to mean PMA Capital Corporation or PMA Capital and its subsidiaries as the context implies.

CODE OF ETHICS FOR DIRECTORS

Code

The Directors of PMA Capital are subject to the following specific policies:

1. Conflict of Interest. Each Director must act in an honest and ethical manner, including the ethical resolution of any actual or apparent conflicts of interest between personal and professional relationships. Before making any investment, accepting any position or benefits, participating in any transaction or business arrangement or otherwise acting in a manner that creates or appears to create a conflict of interest, the Director must make full disclosure of all facts and circumstances to, and obtain prior written approval from, the Audit Committee. Specifically:

a) Directors must not take part in any transaction in which they have a personal interest if there is, or might appear to be, a conflict between that interest and the interests of PMA Capital or any of its subsidiaries.

b) In the course of his/her duties, a Director must act solely in the best interests of PMA Capital without consideration of the interests of any other company, organization or association of which the Director belongs or with which the Director comes into contact, and refrain from taking part in any transaction where such Director does not believe in good faith, he/she can act in the best interest of PMA Capital.

c) Directors must not take part in any business transaction in which they have a personal interest if their participation is in any way related to otherwise confidential information they have received as Directors.

d) Directors must inform the Audit Committee and PMA Capital's General Counsel in writing of all existing or proposed outside relationships, financial interests and business transactions that could, or might appear to, influence the performance of their responsibilities to PMA Capital. Such disclosure will cover, among other things, any significant interest in any entity that competes or does business with PMA Capital or any of its subsidiaries.

e) Outside financial or business involvement by members of a Director's Immediate Family or by persons with whom the Director has a close personal relationship, may create a possible conflict of interest for the Director. Directors must inform the Audit Committee and PMA Capital's General Counsel, in writing, of any such circumstances creating even the appearance or possibility of a conflict of interest.

CODE OF ETHICS FOR DIRECTORS

2. SEC Reports. The Directors must promote the Company's full, fair, accurate, timely and understandable disclosure in such reports of PMA Capital's business, results of operations, liquidity, capital resources and other material information required to be disclosed in such reports. Accordingly, it is the responsibility of such Directors to promote compliance with this policy by promptly bringing to the attention of the full Board and management any material information of which he or she may become aware that affects the disclosure made by PMA Capital in its public filings.

3. Gifts. In a business setting, the giving, receiving or solicitation of "Gifts" is a sensitive matter that can or might appear to, improperly influence the business judgments of those involved. (The term "Gifts" includes cash, cash equivalents, goods and services and tickets to sporting events, recreational or other events from/to non-PMA Capital parties.) It is PMA Capital's policy that:

- Directors must not solicit or accept Gifts that would, or might appear to, influence their decisions regarding PMA Capital business.
- Directors must not offer or give Gifts that would, or might appear to, influence the business decisions of others.

Each situation is different, but simple business courtesies, such as giving or receiving Gifts of small value that no one would mistake for anything but a sign or respect or friendship, are permitted. Likewise, normal business-related meals and appropriate forms of business-related entertainment may be provided or accepted, if reasonable. Gifts given by Directors on behalf of the Company must be properly reflected on appropriate books and records of the Company.

4. Compliance with Laws. PMA Capital's goal and intention is to comply with the laws, rules and regulations by which it is governed. In fact, PMA Capital strives to comply not only with requirements of the law but also with recognized compliance practices. All illegal activities or illegal conduct are prohibited whether or not they are specifically set forth in this Code.

Where law does not govern a situation or where the law is unclear or conflicting, you should discuss the situation with the PMA Capital's General Counsel. Business should always be conducted in a fair and forthright manner. Directors are expected to act according to high ethical standards.

CODE OF ETHICS FOR DIRECTORS

5. Accounting Policies. Directors are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. Directors and others are expressly prohibited from directly or indirectly manipulating an audit, and from destroying or tampering with any record, document or tangible object with the intent to obstruct a pending or contemplated audit, review or federal investigation. The commission of, or participation in, one of these prohibited activities or other illegal conduct will subject you to federal penalties, as well as punishment of up to and including removal from the Board.

No Director may directly or indirectly:

- Make or cause to be made a materially false or misleading statement, or
- Omit to state, or cause another person to omit to state, any material fact necessary to make statements made not misleading

in connection with the audit of financial statements by independent accountants, the preparation of any required reports whether by independent or internal accountants, or any other work, which involves or relates to the filing of a document with the SEC.

6. Confidential Information. Under PMA Capital and the law, Directors are prohibited from disclosing confidential information about PMA Capital, its businesses or their customers, to anyone outside the company. Confidential information includes such matters as:

- Non-public information about individuals or entities (such as policyholders, insureds, customers, employees, shareholders, agents, claimants, borrowers or suppliers) with whom PMA Capital has a business relationship, past, present or prospective; and
- Current or proposed investments, products, services, business deals, plans or activities that PMA Capital has not authorized for public disclosure.

Directors, of course, may disclose confidential information to other PMA Capital Directors, employees and agents but only if the recipient has a legitimate need for such information in conducting PMA Capital's business and understands the need to preserve the confidentiality of the material. Care must also be taken when Directors discussing confidential matters among themselves in restaurants, elevators, on public transportation or in other public areas. Similarly, confidential documents should not be kept in the view of others.

CODE OF ETHICS FOR DIRECTORS

Directors must not use confidential information for personal advantage. In addition, Directors are subject to other corporate policies concerning external communications, whether or not information is confidential.

In unclear cases, Directors should consult with PMA Capital Corporation's General Counsel or his or her designee.

7. Corporate Opportunities. Directors are prohibited from:
- i. Taking for themselves, personally, opportunities that are discovered through the use of PMA Capital property, information or position;
 - ii. Using PMA Capital property, information or position for personal gain; or
 - iii. Competing with PMA Capital.

Directors have a duty to PMA Capital to advance its legitimate interests when the opportunity to do so arises.

PMA Capital property should not be misused. PMA Capital property may not be sold, loaned or given away regardless of condition or value without proper authorization. Each Director should protect our assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on PMA Capital's profitability. PMA Capital assets should be used only for legitimate business purposes.

8. Political Contributions. Directors must refrain from making any use of PMA Capital or other funds or resources on behalf of PMA Capital for political or other purposes, which are improper or prohibited by the applicable federal, state, local or foreign laws, rules or regulations. PMA Capital contributions or expenditures in connection with election campaigns will be permitted only to the extent allowed by federal, state, local or foreign election laws, rules and regulations.

9. A Director shall promptly bring to the attention of PMA Capital's General Counsel or any member of the Audit Committee any information he or she may have concerning evidence of a violation of any PMA Capital compliance policy, including this Code, a violation of the securities or other laws, rules or regulations applicable to the operation of the business by any employee, Director, officer or agent of PMA Capital. A Director may also report a suspected violation to Alertline, which is the Company's anonymous reporting hotline.

CODE OF ETHICS FOR DIRECTORS**Violations**

1. The Audit Committee of PMA Capital Corporation's Board of Directors shall determine, or designate appropriate persons to determine, whether a violation of this Code has occurred and take appropriate disciplinary action in the event of violations of this Code. The Audit Committee or its designee shall conduct a prompt investigation of any suspected violation of this Code through the use of internal and/or external resources. The Audit Committee shall notify the subject(s) of any investigation of a violation of this Code. The findings of any investigation shall be set forth in writing and provided to the subject of the investigation. The subject shall have twenty (20) business days to respond in writing to a finding of a violation of this Code by the Audit Committee or its designee. If after considering the subject's response, the Audit Committee or its designee still determines that a violation of this Code has occurred, the Audit Committee shall take appropriate disciplinary action.

2. Such disciplinary action shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code, and may include disciplinary censure by the Audit Committee, suspension or removal from the Board. In determining what action is appropriate in a particular case, the Audit Committee or its designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a first or single occurrence or a repeated occurrence, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations of this Code or any other PMA Capital policy in the past. All disciplinary decisions by the Audit Committee shall be in writing and provided to the subject.

3. No retaliation or adverse action will be taken against any person who in good faith reports a suspected violation under this Code. Moreover, the identity of the subject of an investigation or an employee making any allegation of a violation of this Code will be kept confidential to the fullest extent possible, consistent with the need to conduct an adequate investigation and except as may deemed necessary by the General Counsel or his or her designee.

EXCEPTIONS

Only a majority of the non-employee Directors (excluding the requesting Director) may grant waivers under this Code of Ethics. Any Director seeking a waiver under this policy must request such waiver in writing explaining the waiver requested and the reasons for it. Such written request shall be directed to the Lead Director or non-executive Chairman of the Board, as applicable, who shall place the request on the agenda for the next regular meeting of the Board

CODE OF ETHICS FOR DIRECTORS

or who, in his or her discretion, may call a special meeting of the Board to consider such request. The Lead Director or non-executive Chairman of the Board shall promptly inform the Director of the Board's decision with respect to the request for a waiver so that any waiver may be reported as required under SEC, Nasdaq or stock exchange rules, as applicable.

RELATED POLICY

Antitrust
Insider Trading
Disclosure