

UICI

The MEGA Life and Health Insurance Company
Mid-West National Life Insurance Company of Tennessee

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North Richland Hills, Texas 76180
817-255-3100
Fax: 817-255-8153

November 14, 2005

Via E-MAIL – Oconnellp@insurance.ca.gov
And OVERNIGHT MAIL

Ms. Pamela J. O'Connell
Bureau Chief
California Department of Insurance
Market Conduct Division
Field Rating & Underwriting Bureau
300 Capitol Mall, 16th Floor
Sacramento, CA 95814

RE: Final and Adopted Rating and Underwriting Examination Reports
The MEGA Life and Health Insurance Company (NAIC # 97055)
Mid-West National Life Insurance Company of Tennessee (NAIC #66087)
The Chesapeake Life Insurance Company (NAIC #61832)
Response to Public Examination Report

Dear Ms. O'Connell:

Thank you for your October 12, 2005 letter regarding the final and adopted rating and underwriting examination report of The MEGA Life and Health Insurance Company (NAIC #97055), Mid-West National Life Insurance Company of Tennessee (NAIC # 66087) and The Chesapeake Life Insurance Company (NAIC # 61832), collectively referred to as "the Companies."

We respectfully submit the following comments in connection with the final public market conduct examination report for your consideration.

The Company completed the mailing to its insureds by November 1, 2005 in which it provided insureds with an updated prescription drug rider and informed them of the benefits available for prescription contraceptives and prescription diabetic medications and insulin. Insureds were advised of the opportunity to submit any claims that may not have been previously submitted to the Company for review. The Company established a process to identify any claims that are submitted as a result of the mailing, and will be reporting results of the mailing to the

California Department of Insurance by December 1, 2005 and quarterly thereafter. We propose to complete the quarterly updates through 2006 and expect that any claims to be resubmitted should be received and processed by the end of 2006.

We also wish to advise you that the Company is modifying its process to communicate new mandates covered by its insurance plans to insureds by special mailings that will be completed upon the approval of revised certificate form amendments. Through this process, existing insureds will routinely receive updates / amendments to their certificates of insurance when such amendments are approved and implemented.

The Companies appreciate the courtesies extended by the California Department of Insurance during this examination process. Please feel free to contact me at (817) 255-3188 or by e-mail at sjohnson@uiciinsctr.com if you have any questions or need additional information.

Sincerely,



Susan A. Johnson
Director, Compliance Unit

SAJ/ts