FIDELITY SECURITY LIFE INSURANCE COMPANY
3130 Broadway · Kansas City, Missouri 64111-2406
Phone: (800) 648-8624

September 1, 2004

Mr. Craig Dixon, Bureau Chief
California Department of Insurance
Field Claims Bureau
45 Fremont Street, 22nd Floor
San Francisco, CA 94105

RE: Fidelity Security Life Insurance Company (FSL), NAIC 71870
RESPONSE To Field Claims Examination Report

Dear Mr. Dixon:

PUBLIC REPORT OF MARKET CONDUCT EXAMINATION

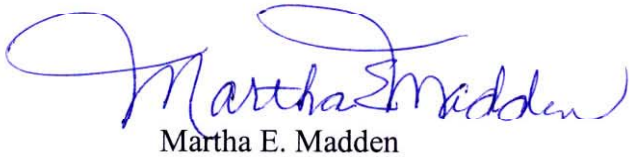
FSL understands and appreciates the need to follow the procedures established by the Department. All but one citation identified by the Department in the Public Report centered on mechanical procedures that did not involve any substantive claim payment errors such as incorrect payment or wrongful denial of any claim. The citations were unfortunately repeated in more than one claim file due to the repetitive nature of claims payment. FSL has taken corrective action in each of the areas to alleviate any pattern of incidents that caused any Department concern.

FSL appreciates the Department's inclusion of FSL's responses to each of the citations. However, FSL would like to emphasize that many of the citations attributable to FSL

were the result of claims processing that had been delegated to an administrator that FSL has since terminated.

FSL would like to thank the examiners for working through the issues associated with this examination.

Very truly yours,



Martha E. Madden
Assistant Vice President and Senior Counsel