



ALLIED WORLD ASSURANCE COMPANY (U.S.), INC.

200 State Street, Boston, MA, 02109, USA
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California Department of Insurance
Field Claims Bureau
300 South Spring Street – 11th Floor
Los Angeles, CA 90013

Re: Public Report of Examination of Claims Practices of
ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.-NAIC#19849
(f.k.a. Commercial Underwriters Insurance Company)

Field Claims Bureau:

This letter is in response to the Report filed by the Department of Insurance as of June 30, 2001 regarding the claims practices of Allied World Assurance Company (U.S.) Inc. ("AWAC US"). AWAC US was recently acquired by Allied World Assurance Holdings, Ltd. on July 15, 2002. The Report covers the claims practices of AWAC US from July 1, 2000 through June 30, 2001. The examination period was prior to the acquisition.

As a result of the acquisition, AWAC US is under new control and management. None of the officers or directors during the examination period are still with AWAC US. AWAC US does not employ any of the same claims handling staff or third party administrators, who were employed during the examination period. The new management has reviewed the citations from the Report and intends to bring the company into a higher level of compliance by employing highly skilled and responsive claims managers with a proven history of successful claims management.

Sincerely,

A handwritten signature in black ink that reads "Richard E. Jodoin". The signature is written in a cursive, flowing style.

Richard Jodoin
President