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THE MEGA LIFE & HEALTH INSURANCE COMPANY
MID-WEST NATIONAL LIFE INSURANCE COMPANY OF TENNESSEE

October 14, 2002

Mr. Craig Dixon, Bureau Chief
California Department of Insurance
Field Claims Bureau
300 South Spring St., 11th Floor
Los Angeles, CA 90013

RE: **Field Claims Examination Reports**
The MEGA Life and Health Insurance Company (MEGA) – NAIC # 97055
Mid-West National Life Insurance Company of Tennessee (Mid-West) – NAIC # 66087

Dear Mr. Dixon:

Thank you for the opportunity to review and comment upon the Field Claims Examination Report of the subject Companies. The following is our final comment:

Public Reports of MEGA and Mid-West

1. **The Company failed to effectuate prompt, fair and equitable settlements of claims in which liability had become reasonably clear.**

   It is our opinion that the use of "thousands" in the following Departmental statement is subjective, "The Department has received an electronic study of the Company's claim payment activity and has determined that there exists the potential of thousands of claims that were not paid in a reasonable time." We would prefer that the statement read as follows, "The Department has received an electronic study of the Company's claim payment activity and has determined that there exists the potential of an unknown number of additional claims that were not paid in a reasonable time."

Your consideration of this request would be appreciated. Should you have any questions or require any additional information, please contact me.

Sincerely,

William J: O'Connor, Vice President
Government Relations and Regulatory Affairs

WJO/sh

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