Fortis Benefits Insurance Co.

10 Glenlake Parkway NE, Suite 500
Atlanta, Georgia 30328

Matthew F. McGuire
Chief Legal Officer

by email and priority mail

November 21, 2002

Ms. Sheryl Lawrence
Department of Insurance
Field Rating and Underwriting Bureau
45 Freemont Street, 22nd Floor
San Francisco, CA 94105

Re: Reports of Examination of the Race-Based Underwriting Practices of Pierce National Life Insurance Company as of September 26, 2001, by the California Department of Insurance

Dear Ms. Lawrence:

The company has received and reviewed the above-captioned reports, and we have no changes to suggest. The company wishes to again reiterate that race-based pricing is against the core values of the Fortis organization. The company's current management first became aware of this situation as a result of its self-audit in 2001 and regrets that it ever occurred. The company feels it important to reflect that it has and will continue to cooperate with the California Department of Insurance to take all reasonable steps to make past and present customers whole.

For your information I attach:

a) The proposed claim form we intend to use for customers who may have been subject to race-based underwriting practices.

b) A letter we intend to send to funeral homes we work with or have worked with in the past, advising them of this situation and requesting additional information.

c) A media statement we intend to make available if we receive questions regarding this matter.

Please let me know if you have any questions or if I can provide any further information.

Sincerely,

Matthew F. McGuire
Chief Legal Officer

Cc: Pam O'Connell, CA DOI
Geoffrey Margolis, CA DOI
Andy Loeb Esq., Chapin, Shea, McNitt & Carter

TR/MMG

Encl: