SEAN B. MCSWEENEY
SENIOR VICE PRESIDENT &
DEPUTY GENERAL COUNSEL

175 Berkeley Street
Boston, MA 02117
Telephone: (617) 574-5966
Fax: (617) 574-5788

July 24, 2006

Commissioner James J. Donelon
Louisiana Department of Insurance
Post Office Box 94212
Baton Rouge, LA 70804

Re: Extension of Timer period to file suit or legal action to recover damages caused by Hurricane Katrina and/or Hurricane Rita

Dear Commissioner Donelon:

On behalf of the Liberty Mutual Group of insurance companies (NAIC Group Code 0111), please let this serve to acknowledge receipt of Directive 199 and to confirm our intent to fully comply with Acts 739 and 802 of the Louisiana Legislature which were signed into law on June 29, 2006 and June 30, 2006, respectively. You have our commitment that all Liberty Mutual Group companies will extend the time period for filing property damage claims caused by Hurricane Katrina to September 1, 2007 and the time period for filing claims caused by Hurricane Rita to October 1, 2007, unless a greater time period is provided in the insurance policy. In accordance with Act 802, all Liberty Mutual Group companies will also extend the time for policyholders to file suit or to take legal action against any member company on account of property damage caused by Hurricanes Katrina and Rita. The prescriptive period for filing property damage suits or taking other legal action related to Katrina will be extended to August 30, 2007 and the prescriptive period for filing property damage suits related to Rita will be extended to September 25, 2007, unless a greater time period is period is provided in the insurance policy.

Liberty Mutual shares your view, as expressed in Directive 199, that the devastation and dislocation Louisiana policyholders have suffered as a result of the hurricanes warrant these extensions of the time limit for filing claims and suits. Liberty Mutual also agrees that the extension of these time periods will permit more claims to be settled in an amicable fashion. The Liberty Mutual Group companies will comply with Louisiana law by adhering to the extensions of time prescribed in Acts 739 and 802.

We trust that you will agree that our commitment to conform our business practices to Acts 739 and 802 constitutes compliance with Directive 199.

Respectfully,

Sean B. McSweeney

Cc: Mrs. Kathlee Hennigan
Director of Forms
P.O. Box 94214
Baton Rouge, LA 70804