



Danielson Indemnity Company

NATIONAL AMERICAN INSURANCE COMPANY OF CALIFORNIA
DANIELSON NATIONAL INSURANCE COMPANY
DANIELSON INSURANCE COMPANY
VALOR INSURANCE COMPANY, INCORPORATED

April 14, 2005

The Honorable Mike McCarter
Workers' Compensation Court of Montana
1625 11th Avenue
Helena, MT 59601

FILED

APR 15 2005

OFFICE OF
WORKERS' COMPENSATION JUDGE
HELENA, MONTANA

Re: *Rausch v. Montana State Fund*
Case No. : 9907-8274R1

Dear Judge McCarter:

Pursuant to the subpoena for records served on the agent for service of process for Valor Insurance Company, Inc. (Valor), the following response is respectfully submitted:

Valor was incorporated in 1994 and was purchased by National American Insurance Company of California (NAICC) in 1996. Valor stopped writing new business in 2002 and the last policies expired in January of 2003. Neither Valor nor NAICC have any remaining employees in Montana. We therefore use a third party administrator with a local office for the run-off claims handling. Closed claim files are in a storage facility. Due to the acquisition of Valor by NAICC and the subsequent decision to stop writing the business, there is a significant lack of continuity in our computerized claims data. We have therefore been unable to complete our response to the subpoena.

We have been working diligently on the requests. We have identified what we believe to be the claims that potentially meet the requirements laid out in the subpoena. Our TPA representative is now physically pulling the files from storage and reviewing them to confirm their applicability to the subpoena and to obtain copies of the requested documents. We expect to be able to fully comply with the subpoena within 90 days (July 14, 2005).

Our records also do not reflect receipt of the lien notice dated January 23, 2003. We respectfully request a copy of the mailing certificate so that we may attempt to determine if it was received.

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If you have any questions or need additional information regarding this response,
please contact the undersigned.

Yours Truly,

A handwritten signature in black ink, appearing to read 'Kevin Grant', with a stylized flourish extending from the end.

Kevin Grant
Vice President, Auto Claims
On behalf of National American Insurance Company of California
And Valor Insurance Company, Inc.
800-928-8601, extension 343