

STATE OF ILLINOIS



Department of Financial and Professional Regulation Division of Insurance

IN THE MATTER OF
THE MEDICAL MALPRACTICE
RATE INCREASE OF:

ACE AMERICAN INSURANCE COMPANY (the Company)
1601 CHESTNUT STREET
TLC28C
PHILADELPHIA, PA 19103

HEARING NO. 06-HR-0628

ATTENTION: PATRICIA M. GOUDARZI
EXECUTIVE VICE PRESIDENT

NOTICE OF HEARING

YOU ARE HEREBY NOTIFIED, pursuant to Sections 155.18, 401, 402 and 403 of the Illinois Insurance Code (215 ILCS 5/155.18, 5/401, 5/402 and 5/403), that a hearing will be held on September 27, 2006, at 10:00 a.m. or as soon after as the business of the Illinois Department of Financial and Professional Regulation, Division of Insurance will permit, at the office of the Division of Insurance, 320 West Washington Street, Springfield, Illinois 62767, before the Director of Insurance.

YOU ARE FURTHER NOTIFIED, that you must appear at this hearing. The purpose of this hearing is to determine whether the medical malpractice insurance rates of ACE AMERICAN INSURANCE COMPANY are in compliance with Section 155.18 of the Illinois Insurance Code.

YOU ARE FURTHER NOTIFIED, that this hearing will be conducted in accordance with the following procedures:

I. Role of the Director

1. The hearing may be conducted by the Director of Insurance or such other authorized representative of the Director, as deemed appropriate.
2. The Director has the authority to conduct a hearing, take all necessary action to avoid delay, maintain order, limit or eliminate the presentation of information, and ensure the development of a clear and complete record. The Director shall have all powers necessary to conduct a hearing, including the power to:
 - a. Administer oaths and affirmations;
 - b. Regulate the course of the hearing, set the time and place for a continued hearing, fix time for filing of documents, provide for the taking of sworn testimony, and conduct the proceeding according to generally recognized principles of administrative law;
 - c. Examine witnesses and direct witnesses to testify, limit the testimony of any witness, and set reasonable limits on the amount of time each witness may testify;
 - d. Sign and issue subpoenas that require attendance, giving testimony and the production of books, papers and other documents;
 - e. Dispose of procedural requests or similar matters;
 - f. The Director may assess the costs of this proceeding against the Company;
 - g. Enter any Order that further carries out the purpose of this hearing.

II. Pre-hearing Conferences

1. Upon notice, the Director may direct the Company or its representatives to appear at a specified time and place for a conference, prior to or during the course of the hearing, for the purpose of considering:
 - a. The identification of Issues;
 - b. The Stipulations of fact;
 - c. Such other matters as may aid in the conduct of the proceeding.
2. Any participants may be represented by legal counsel.

III. Conduct of the Hearing

1. All hearings shall be public and shall be recorded.
2. The Director will determine the order and length of oral presentations at this hearing.

IV. PARTICIPATION

1. At the discretion of the Director, participants other than the Company shall provide the Director with a written request to participate not less than ten (10) days prior the hearing. Such request(s) shall include two copies of any documentary information to be presented, and the identity of the individual desiring to present testimony and a summary of that testimony.

V. Order of the Director

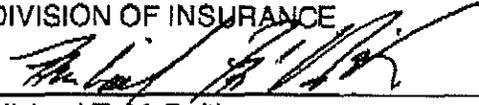
At the conclusion of this hearing, the Director shall enter an Order in accordance with Section 155.18 and all other applicable provisions of the Illinois Insurance Code.

YOU ARE DIRECTED to acknowledge receipt of this Notice of Hearing in writing to the Director at the Division's address listed above.

YOU ARE FURTHER DIRECTED that on the date of the hearing you must appear. Your legal counsel, if any, must file a written Notice of Appearance with the Director not less than ten (10) days prior to the hearing.

ILLINOIS DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION

DIVISION OF INSURANCE



Michael T. McRaith
Director of Insurance

Date: 9-18-6