

UNITRIN®

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Via Federal Express

Margaret L. O'Hara
Vice President &
Corporate Counsel

August 19, 2010

Michael McRaith, Director
Illinois Department of Insurance
320 W. Washington Street
Springfield, IL 62767-0001

Attn: Ms. Marcy Savage

RE: Redomestication of National Merit Insurance Company

Dear Ms. Savage:

Pursuant to 215 ILCS 5/180 et seq. of the Illinois Insurance Code, I enclose the following documents in support of our request to redomesticate National Merit Insurance Company ("Company") to the State of Illinois from the State of Washington:

1. Company's Articles of Reorganization, in duplicate;
2. Company's Amended and Restated Bylaws, in duplicate;
3. Copy of Company's Shareholder Approval, in duplicate;
4. Certified Resolution of Company's Board of Directors approving the Redomestication and Articles of Reorganization;
5. Certified Resolution of Company's Board of Directors approving the Amended and Restated By-Laws;
6. Company's Record-Keeping Plan of Operation, in duplicate; and
7. One check in the amount of \$2,000 for the filing fee.

Please note that these documents are substantially identical in substance (individual company details differ) to those previously submitted in support of the redomestication of Company's affiliates, Response Insurance Company, Response Worldwide Direct Auto Insurance Company, Response Worldwide Insurance Company, and Warner Insurance Company.

These same documents are being filed simultaneously with the Washington State Office of the Insurance Commissioner, which will review the plan for redomestication. Once the State of Washington is comfortable with the redomestication plan, it will schedule a hearing regarding the redomestication from Washington to Illinois. If the hearing results in an order approving redomestication, the order will be specifically conditioned upon the Washington State Office of Insurance Commissioner's ("OIC") receipt of an approval order from the Illinois Department of Insurance. If you need to speak to the OIC about these documents, you may contact Ronald J. Pastuch, Holding Company Manager, directly at 360.725.7211. Similarly, we will supply your contact information in our filing cover letter to the OIC.

Unitrin Direct

One East Wacker Drive, Suite 3700 • Chicago, Illinois 60601 • 312.661.4542 • Fax 312.661.4703 • Cell 312.307.2116 • mohara@unitrin.com

We are in the process of satisfying the Illinois mandatory statutory deposit in the amount of \$1,500,000 for National Merit Insurance Company. Please contact Ms. Cathy Suhling of the Department's Securities Unit for confirmation.

We respectfully request a redomestication effective date of September 30, 2010, or a later date as specified by the Department, with our preference being the last day of a subsequent month to facilitate accounting matters.

Please contact me with any questions or requests for additional information. Thank you for the Department's consideration of this matter.

Very truly yours,



Margaret L. O'Hara

MLO/kh
Enclosures

cc: Washington State Office of Insurance Commissioner (letter only)

From: Origin ID: CHIA (312) 661-4710
Kristine Heykoop
Unitrin Direct
1 E. Wacker Dr., Suite 3700

Chicago, IL 60601



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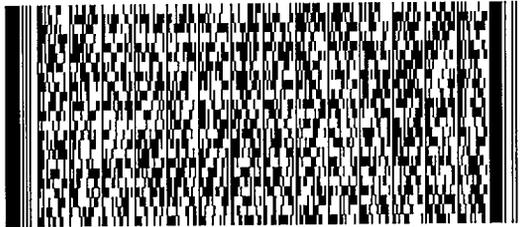
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Invoice #
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Dept #

SHIP TO: (360) 725-7211 BILL SENDER
Ronald Pastuch
Office of the Commissioner
5000 CAPITOL BLVD SE
STATE OF WASHINGTON
TUMWATER, WA 98501

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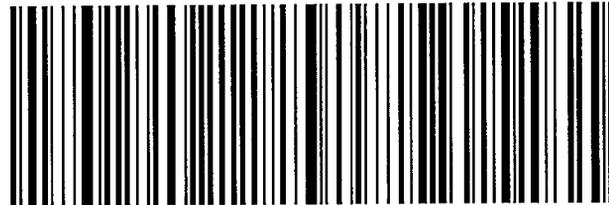


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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

No. 1329

I, MIKE KREIDLER, State Insurance Commissioner, do hereby certify that I am the state official charged with the general control and supervision of all insurance business (except State Workers' Compensation) transacted in the State of Washington and charged with the administration of the laws relating to insurance in said jurisdiction, and that this office is a department of record, having custody of original documents.

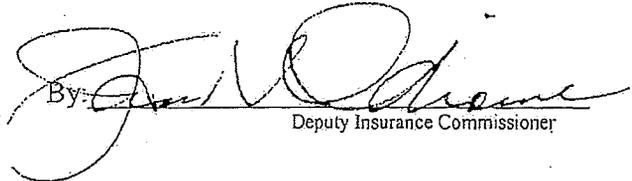
I FURTHER CERTIFY That NATIONAL MERIT INSURANCE COMPANY, Spokane, Washington, was duly organized and incorporated under the laws of the State of Washington, and, having complied with the requirements of said laws, has been authorized since December 31, 1980 to issue policies and transact the business of Property, Marine and Transportation, Vehicle, General Casualty, and Surety insurance as defined in RCW, 48.11.040, 48.11.050, 48.11.060, 48.11.070, and 48.11.080 of the Insurance Code of the State of Washington.

IN WITNESS WHEREOF, *I have hereunto set my hand and affixed the official seal of the Insurance Commissioner of the State of Washington, this 3rd day of November, 2010.*



MIKE KREIDLER
Insurance Commissioner

By:


Deputy Insurance Commissioner

AMENDED
No. 1278

Certificate of Authority

STATE OF WASHINGTON
INSURANCE COMMISSIONER
OLYMPIA

THIS IS TO CERTIFY, That

NATIONAL MERIT INSURANCE COMPANY
Spokane, Washington

organized under the laws of WASHINGTON presented satisfactory evidence of compliance with the Insurance Code of the State of Washington and is therefore granted this Certificate of Authority, authorizing the company, subject to all provisions of this Certificate, to transact the following classes of insurance:

Property
Marine & Transportation
Vehicle
General Casualty
Surety

as such classes are now or may hereafter be defined in the Revised Code of Washington.

THIS CERTIFICATE is expressly conditioned upon the holder being and remaining in full compliance with, and not in violation of, all of the applicable laws and lawful requirements made under authority of the laws of the State of Washington.

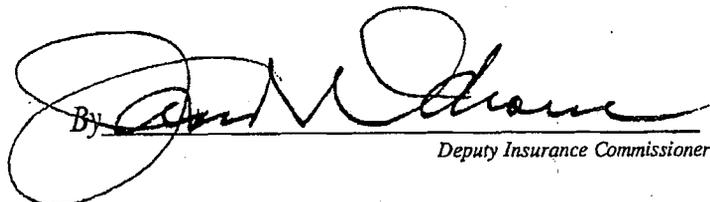
THIS CERTIFICATE will be automatically revoked upon failure to annually apply for renewal or pay the statutory fee for renewal.

THIS CERTIFICATE IS NOT TRANSFERABLE WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER.

IN WITNESS WHEREOF, effective as of the 31st day of December, 1980, I have hereunto set my hand and caused my official seal to be affixed this 14th day of January, 2010.



Mike Kreidler
Insurance Commissioner

By 
Deputy Insurance Commissioner