



175 Berkeley Street
Boston, Massachusetts 02116

Edmund F. Kelly
Chairman, President and
Chief Executive Officer

(617) 357-9500

July 11, 2006

Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Baucus:

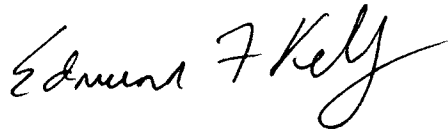
Thank you for holding this important hearing on S. 3495, and for your leadership on the matter of granting Permanent Normal Trade Relations (PNTR) to Vietnam. Liberty Mutual Group strongly supports Congressional passage of PNTR legislation for Vietnam during the coming weeks to ensure that Vietnam can formally join the WTO by the November 2006 APEC Summit. As you know, Vietnam's accession to the WTO will bring significant economic benefits to both our nations by lowering trade barriers for a wide range of services and industrial and agricultural products.

Liberty Mutual views Vietnam as a market with tremendous opportunity and we are committed to expanding our presence and operations there. We established our representative office in Hanoi in 2003. We then filed our application in June 2005 for a license to operate a 100% foreign owned non-life insurance company. We have focused considerable time and effort on working with officials from the Vietnamese Ministry of Finance in insurance training exercises as well as improving their understanding of insurance regulatory structures. We have also worked with Vietnamese officials to strengthen their expertise in occupational safety and health matters. For example, our world renowned Research Institute for Safety is currently working with Vietnamese health officials on a pilot study to discern the causes of occupational injury in Nam Dinh Province. We are confident that these findings will eventually form the basis of "best practices" to improve on-the-job safety throughout Vietnam. A summary of the study is attached.

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Liberty Mutual serves as a corporate Co-Chair of the U.S.-Vietnam WTO Coalition, and we are playing a leadership role in this group in helping to mobilize support in the Congress for expedited consideration and passage of the PNTR legislation for Vietnam. We are committed to working closely with you to achieve this important objective.

With best regards,

A handwritten signature in black ink that reads "Edmund F. Kelly". The signature is written in a cursive style with a large, stylized "E" and "K".

Edmund F. Kelly



Occupational Injury Surveillance in Vietnam – A Model for Developing Economies

In 2004, the Liberty Mutual Research Institute established official agreements with the Vietnamese National Institute of Occupational and Environment Health (NIOEH) and the Vietnam Occupational Health Association (VOHA), which laid the foundation for a surveillance study to examine the Vietnamese societal burden of workplace injury. Now underway, the inaugural project aims to build an injury-reporting model that can accurately inform and help prevent workplace accidents in Vietnam and potentially other industrializing countries.

Over the past several years, Vietnam has rapidly transitioned to a market economy. While this transformation has stimulated strong economic growth, it has also brought about a dramatic increase in injuries. To better understand the nature and true scale of the injuries occurring in Vietnamese workplaces, the Liberty Mutual Research Institute is doing a pilot surveillance study of injuries in Xuan Tien commune, Nam Dinh Province. This commune was chosen for the pilot study because Xuan Tien has a stable but developing industrial base with some medium and large enterprises and many family owned businesses. Many rural communes in Vietnam are expected to develop similarly.

Researchers have surveyed more than 2,500 households in the commune, gathering work and injury information on approximately 10,000 residents. They also began collecting prospective injury information from over 50 reporting sites to include the district hospital servicing this commune, the commune health station, pharmacists, traditional healers, and village health volunteers. In addition, Liberty Mutual has provided 40 first aid boxes in high-risk mechanical enterprises where a reporting log is filled out every time the first aid box is used. Information from all reporting logs will be used to develop a model for understanding the true burden of work-related injuries in Vietnam and, potentially, other developing nations.

Liberty Mutual also provided 4 computers to help with collection and analysis of data within Vietnam. Computers were given to the district hospital and district health center for input, manipulation and use of hospital admissions data, the commune health station to collect active surveillance data (i.e. reporting form and tracking of injuries information), and the National Institute for compiling and analyzing study data.