

Exhibit A
The Agreements

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies which merged with and into The Home Insurance Company (collectively, "Home"), and AXA Global Risks (UK) Limited as successor in interest to London & Hull Maritime Insurance Company Limited ("AXA Global").

WITNESSETH:

WHEREAS, Home and AXA Global entered into certain reinsurance agreements (the "Reinsurance Agreements") pursuant to which Home ceded to AXA Global, and AXA Global accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, the Reinsurance Agreements are hereinafter collectively referred to as the "Commuted Agreements" (as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and AXA Global recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter

into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commutated Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from AXA Global to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.
- (e) "Home U.K. Branch Business" shall mean all non-novated business ceded through the participation of the United Kingdom branch of The Home

Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days after the Effective Date of this Agreement (as defined in Paragraph 3 below), AXA Global will pay to Home the sum of \$ [REDACTED] (the "Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by AXA Global in effecting such payment. The payment of the Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if AXA Global fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date, AXA Global shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Effective Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full within seven (7) days after the Effective Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that AXA Global fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to AXA Global, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with

respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Settlement Sum by AXA Global, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges AXA Global, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against AXA Global by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of AXA Global pursuant to Paragraph 6 above, AXA Global on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands

whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which AXA Global ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, AXA Global fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the

transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) AXA Global represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understand its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable

or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

17. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

By: Jonathan Rosen

Date: ~~June~~ ^{July 16,} 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

**AXA Liabilities Managers UK as duly authorized representative
for and on behalf of AXA Global Risks (UK) Limited**

By: L.S. Howe

Date: 7/1/2004

Name: L.S. Howe

Title: General Manager Operations



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AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies which merged with and into The Home Insurance Company (collectively, "Home"), and (a) AXA General Insurance Company Limited as successor in interest to (i) British Traders Insurance Company Limited, (ii) Guardian Assurance plc, (iii) Licenses & General Insurance Company Limited, (iv) Reliance Marine Company Limited, (v) Motor Union Insurance Company Limited, and (vi) Royal Exchange Assurance; (b) AXA Insurance UK plc as successor in interest to Provincial Insurance Company Limited; and (c) AXA UK plc as successor in interest to Guardian Royal Exchange Assurance, (collectively, "AXA").

WITNESSETH:

WHEREAS, Home and AXA entered into certain reinsurance agreements (the "Reinsurance Agreements") pursuant to which Home ceded to AXA, and AXA accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, the Reinsurance Agreements are hereinafter collectively referred to as the "Commuted Agreements" (as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and AXA recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from AXA to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

(e) "Home U.K. Branch Business" shall mean all non-novated business ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days after the Effective Date of this Agreement (as defined in Paragraph 3 below), AXA will pay to Home the sum of \$ [REDACTED] (the "Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by AXA in effecting such payment. The payment of the Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if AXA fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date, AXA shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Effective Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full within seven (7) days after the Effective Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that AXA fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by

notice in writing to AXA, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Settlement Sum by AXA, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges AXA, their officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against AXA by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of AXA pursuant to Paragraph 6 above, AXA on behalf of themselves, their officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally release and discharge the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts,

controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which AXA ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, AXA fully understand and expressly waive their rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the

transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) AXA severally represent and warrant that they are a legally constituted entities in good standing; that they are not insolvent; that they are duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on their behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that they have read this Agreement, that they understand its contents and that it is being executed freely and voluntarily with an intent for them to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might

render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

17. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

By: *Jonathan Rosen*

Date: July 16, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

**AXA Liabilities Managers UK as duly authorized representative
for and on behalf of AXA General Insurance Limited, AXA Insurance UK plc
and AXA UK plc**

By: *L. B. Howe*

Date: 12/7/2004

Name: *L. B. Howe*

Title: *General Manager Operations*



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Receiver") of THE HOME INSURANCE COMPANY and those companies merged with and into The Home Insurance Company (collectively, "Home"), and BRITTANY INSURANCE COMPANY LIMITED, BERMUDA ("Brittany").

WITNESSETH:

WHEREAS, Home and Brittany entered into various reinsurance agreements (the "Reinsurance Agreements") pursuant to which Home ceded to Brittany, and Brittany accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, the Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements", which term shall include all such contracts between the parties save as set out in the definition of Commuted Agreements in Paragraph 1 below; and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Brittany recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter

into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Brittany to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.
- (e) "Home U.K. Branch Business" shall mean all non-novated business ceded through the participation of the United Kingdom branch of The Home

Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days of Brittany receiving written notification from Home of the approval set out in Paragraph 3 below (the "Payment Date"), Brittany will pay to Home the sum of \$ [REDACTED] (the "Net Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by Brittany in effecting such payment. The payment of the Net Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Brittany fails to pay any portion of the Net Settlement Sum by the Payment Date, Brittany shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Payment Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Net Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Net Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full by the Payment Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Brittany fails to pay any portion of the Net Settlement Sum by the Payment Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to Brittany, to terminate this Agreement, in which event (a) this Agreement shall be null

and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Net Settlement Sum by Brittany, Home on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Brittany, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Brittany by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Brittany by Home pursuant to Paragraph 6 above, Brittany on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity,

which Brittany ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Brittany fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate

arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) Brittany represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understand its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Receiver represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person

signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

17. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

By: Jonathan Rosen

Date: June 11, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

Brittany Insurance Company Limited, Bermuda

By: Paul O'Shea

Date: 12/06/04

Name: Paul O'Shea

Title: DIRECTOR



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Receiver") of THE HOME INSURANCE COMPANY and those companies merged with and into The Home Insurance Company (collectively, "Home"), and (a) Hillcot Re Ltd (formerly known as The Toa-Re Insurance Company (UK) Ltd), (b) Security Insurance Company (UK) Ltd, (c) Harleysville Insurance Company (UK) Ltd, (d) Chevanstell Ltd (formerly known as Tryg Baltica Insurance Company (UK) Ltd and Colonia Insurance Company (UK) Ltd), and (e) Oslo Re (UK) Ltd (formerly known as Norden Insurance Company (UK) Ltd), together being the members of the Hillcot Underwriting Pool (formerly the Toa-Re Oatley Pool) and hereinafter collectively referred to as "the Hillcot Pool Members".

W I T N E S S E T H:

WHEREAS, the Hillcot Pool Members are entering into this Agreement with Home in respect of all business written and accepted on their behalf as members of the Hillcot Underwriting Pool by their underwriting agents and managers Hillcot Underwriting Management Limited (formerly Toa Re Underwriting Management Limited), and Hillcot Re Limited is, in addition, entering into this Agreement with Home in respect of all business written by it or in its behalf outside the Hillcot Underwriting Pool; and

WHEREAS, references to Hillcot herein shall mean the Hillcot Pool Members severally (including, for the avoidance of doubt, Hillcot Re Limited) in respect of their interests in all of the business of the Hillcot Underwriting Pool and, in addition, to Hillcot Re Limited in respect of all business written by it or, on its behalf outside the Hillcot Underwriting Pool; and

WHEREAS, Home and Hillcot entered into various reinsurance agreements (the "Outwards Reinsurance Agreements") pursuant to which Home ceded to Hillcot, and Hillcot accepted from Home, a certain share of Home's liabilities as more fully reflected in the

percentages of participation and periods for each respective Outwards Reinsurance Agreement as set forth therein; and

WHEREAS, Hillcot and Home entered into various reinsurance agreements (the "Inwards Reinsurance Agreements") pursuant to which Hillcot ceded to Home, and Home accepted from Hillcot, a certain share of Hillcot's liabilities as more fully reflected in the percentages of participation and periods for each respective Inwards Reinsurance Agreement as set forth therein. The Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements are hereinafter collectively referred to as the "Commuted Agreements", which term shall include all such contracts save as set out in the definition of Commuted Agreements in Paragraph 1 below; and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Hillcot recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements collectively; provided that in no event shall the Commuted Agreements incorporate or be deemed to

event shall the Commuted Agreements incorporate or be deemed to incorporate (i) Outwards Reinsurance Agreements constituting or involving Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Outwards Reinsurance Agreements or Inwards Reinsurance Agreements constituting or involving Home U.K. Branch Business (as hereinafter defined).

- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Hillcot to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.
- (e) "Home U.K. Branch Business" shall mean all non-novated business assumed and ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days of Hillcot receiving written notification from Home of the approval set out in Paragraph 3 below (the "Payment Date"), Hillcot will collectively pay to Home the sum of \$ [REDACTED] (the "Net Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by Hillcot in effecting such payment. The payment of the Net Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA

ABA No. [REDACTED]

For the Account of The Home Insurance Company
in Liquidation

Account No. [REDACTED]

3. This Agreement shall only become effective two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Hillcot fails to pay any portion of the Net Settlement Sum within by the Payment Date, Hillcot shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Payment Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Net Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Net Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full by the Payment Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Hillcot fails to pay any portion of the Net Settlement Sum by the Payment Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to Hillcot, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Net Settlement Sum by Hillcot, Home on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Hillcot, their officers, directors, employees, agents, attorneys, affiliates, shareholders,

parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Hillcot by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Hillcot by Home pursuant to Paragraph 6 above, Hillcot on behalf of themselves, their officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally release and discharge Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Hillcot ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Hillcot fully understands and expressly waives their rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. Upon written request, Home shall provide Hillcot with such documentary and other information as Hillcot may reasonably require from time to time, including, for the avoidance of doubt, regular on-going billings which Home would have been obligated to provide (or would in the ordinary course have provided) to Hillcot under the Outwards Reinsurance Agreements as if such agreements had not been commuted by this Agreement.

9. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

10. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

11. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

12. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the

transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

13. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

14. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

15. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

16. (a) Hillcot severally represent and warrant that they are legally constituted entities in good standing; that they are not insolvent; that they are duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on their behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that they have read this Agreement, that they understand its contents and that they are executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Receiver represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavors to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this

Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

17. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

18. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

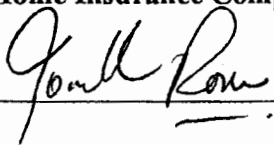
19. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

20. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

21. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

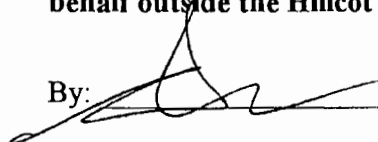
By: 

Date: June 11, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

**For and on behalf of Hillcot Re Limited in respect of all business written by it or on its
behalf outside the Hillcot Underwriting Pool**

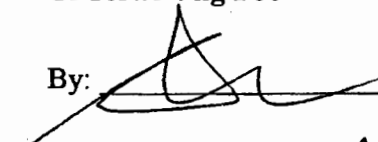
By: 

Date: 12/6/04

Name: NICHOLAS PACKARD

Title: DIRECTOR

**For and on behalf of Hillcot Underwriting Management Ltd (formerly known as Toa Re
Underwriting Management Limited) as agent for and on behalf of Hillcot Re Limited,
Security Insurance Company (UK) Ltd, Harleysville Insurance Company (UK) Ltd,
Chevanstell Ltd and Oslo Re (UK) Ltd in respect of all business written through the Hillcot
Underwriting Pool**

By: 

Date: 12/6/04

Name: NICHOLAS PACKARD

Title: DIRECTOR



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Receiver") of THE HOME INSURANCE COMPANY and those companies merged with and into The Home Insurance Company (collectively, "Home"), and COMPAGNIE EUROPEENE D'ASSURANCE INDUSTRIELLES S.A. ("CEAI").

WITNESSETH:

WHEREAS, Home and CAEI entered into various reinsurance agreements (the "Outwards Reinsurance Agreements") pursuant to which Home ceded to CAEI, and CAEI accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Outwards Reinsurance Agreement as set forth therein; and

WHEREAS, CAEI and Home entered into various reinsurance agreements (the "Inwards Reinsurance Agreements") pursuant to which CAEI ceded to Home, and Home accepted from CAEI, a certain share of CAEI's liabilities as more fully reflected in the percentages of participation and periods for each respective Inwards Reinsurance Agreement as set forth therein. The Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements", which term shall include all such contracts between the parties save as set out in the definition of Commuted Agreements in Paragraph 1 below; and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and CAEI recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent

liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements collectively; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate (i) Outwards Reinsurance Agreements constituting or involving Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Outwards Reinsurance Agreements or Inwards Reinsurance Agreements constituting or involving Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from CEAI to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.

(d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

(e) "Home U.K. Branch Business" shall mean all non-novated business assumed and ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days of CEAI receiving written notification from Home of the approval set out in Paragraph 3 below (the "Payment Date"), CEAI will pay to Home the sum of \$ [REDACTED] (the "Net Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by CEAI in effecting such payment. The payment of the Net Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if CEAI fails to pay any portion of the Net Settlement Sum by the Payment Date, CEAI shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Payment Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Net Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Net Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement)

constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full by the Payment Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that CEAI fails to pay any portion of the Net Settlement Sum by the Payment Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to CEAI, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Net Settlement Sum by CEAI, Home on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges CEAI, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against CEAI by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of CEAI by Home pursuant to Paragraph 6 above, CEAI on behalf of itself, its officers,

directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which CEAI ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, CEAI fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. Upon written request, Home shall provide CEAI with such documentary and other information as CEAI may reasonably require from time to time, including, for the avoidance of doubt, regular on-going billings which Home would have been obligated to provide (or would in the ordinary course have provided) to CEAI under the Outward Reinsurance Agreements as if such agreements had not been commuted by this Agreement.

9. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

10. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

11. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

12. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

13. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

14. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

15. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

16. (a) CEAI represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the

transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Receiver represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavors to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

17. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement.

18. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

19. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

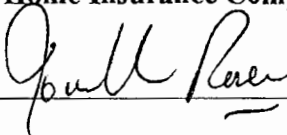
20. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or

in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

21. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**


By: 

Date: June 11, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

COMPAGNIE Europeene D'Assurance Industrielles S.A.

By: 

Date: 12/6/04

Name: DIRECTOR

Title: NICHOLAS PANKEL



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those which merged with and into The Home Insurance Company (collectively, "Home"), and Fortis Insurance Limited (formerly known as Bishopsgate Insurance Limited) ("Fortis").

WITNESSETH:

WHEREAS, Home and Fortis entered into certain reinsurance agreements identified in Schedule "A" hereto and incorporated herein by reference (the "Outwards Reinsurance Agreements") pursuant to which Home ceded to Fortis, and Fortis accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Outwards Reinsurance Agreement as set forth in Schedule "A"; and

WHEREAS, the Outwards Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements" (as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Fortis recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter

into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving Pool/Agency/Syndicate Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean any reinsurance specifically procured by an Independent Underwriting Agent from Fortis to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

2. Within ten (10) business days after the Effective Date of this Agreement (as defined in Paragraph 3 below), Fortis will pay to Home the sum of \$ [REDACTED] (the "Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due to Home under the Commuted Agreements, with time being of the essence in the performance by Fortis in effecting such payment. The payment of the Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Fortis fails to pay any portion of the Settlement Sum within ten (10) business days after the Effective Date, Fortis shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Effective Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Settlement Sum had been made in full within ten (10) business days after the Effective Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Fortis fails to pay any portion of the Settlement Sum within ten (10) business days after the Effective Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to Fortis, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Settlement Sum by Fortis, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Fortis, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all

liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Fortis by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Fortis pursuant to Paragraph 6 above, Fortis on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Fortis ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Fortis fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) Fortis represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understand its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any

representation by any other party hereto except those representations contained in this Agreement .

17. This Agreement shall inure to the benefit of and bind the parties and their respective officers, directors, heirs, executors, predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

By: Jonathan Rosen

Date: July 16, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

**Cavell Management Services Ltd., with respect to those Commuted Agreements
managed by them, as duly authorized representative
for and on behalf of Fortis Insurance Limited**

By: R. D. Turney

Date: 8/7/04

Name: R. D. TURNERY

Title: CLAIMS MANAGER

**Pro Insurance Solutions, with respect to those Commuted Agreements
managed by them, as duly authorized representative
for and on behalf of Fortis Insurance Limited**

By: R. Kingston

Date: 7/7/2004

Name: R. KINGSTON

Title: EXECUTIVE DIRECTOR.

Schedule "A" Of The Home Insurance Company's Ceded Treaties To Bishopsgate Insurance Ltd.

Line #	Marsh Treaty Ref #	Treaty Name	Limits	Effective Date	Expiration Date	% Of Ceded	Broker Name
AVERS							
02		ALL PROPERTY CARPENTER PLAN		1/1/1972	12/31/1972	0.2216	GUY CARPENTER & CO
02		ALL PROPERTY CARPENTER PLAN		1/1/1973	12/31/1974	0.1392	GUY CARPENTER & CO
13	TH043174	EXCESS CASUALTY FIRST EXCESS	\$1.5m xs 5000,000	1/1/1974	12/31/1974	0.1407	GUY CARPENTER & CO
14	TH043272	EX CASUALTY SECOND EXCESS OF LOSS	1m xs 1m	1/1/1972	12/31/1972	0.2047	GUY CARPENTER & CO
14	TH043273	EX CASUALTY SECOND EXCESS OF LOSS	1m xs 1m	1/1/1973	12/31/1973	0.2368	GUY CARPENTER & CO
	TH043074		1m xs 1m	1/1/1974	12/31/1974	0.6415	
15		ASSUMED THIRD CAT EXCESS		8/1/1973	7/31/1974	0.2200	GUY CARPENTER & CO
15		ASSUMED THIRD CAT EXCESS		8/1/1974	7/31/1975	0.2200	GUY CARPENTER & CO
15		ASSUMED THIRD CAT EXCESS		8/1/1975	7/31/1976	0.0000	GUY CARPENTER & CO
66		SECOND PROPERTY CATASTROPHE EXCESS		7/1/1972	6/30/1973	0.0587	GUY CARPENTER & CO
66		SECOND PROPERTY CATASTROPHE EXCESS		7/1/1973	6/30/1974	0.0752	GUY CARPENTER & CO
66		SECOND PROPERTY CATASTROPHE EXCESS		7/1/1974	6/30/1975	0.0521	GUY CARPENTER & CO
	TH043372/						
49	TH043373	CASUALTY EXCESS OF LOSS THIRD LAYER	\$5m xs \$2m	2/1/1972	12/31/1973	0.6109	GUY CARPENTER & CO
49	N74TH0432	CASUALTY EXCESS OF LOSS THIRD LAYER	\$6m xs \$2m	1/1/1974	12/31/1974	0.3817	GUY CARPENTER & CO
33	TH042174	BLANKET CASUALTY FIRST EXCESS	\$4.5m xs 500,000	1/1/1974	12/31/1974	0.2289	GUY CARPENTER & CO
34		BLANKET CASUALTY SECOND EXCESS		1/1/1972	12/31/1972	0.4947	GUY CARPENTER & CO
32		BLANKET CASUALTY THIRD EXCESS		1/1/1972	12/31/1972	0.1053	GUY CARPENTER & CO
32		BLANKET CASUALTY THIRD EXCESS		1/1/1973	12/31/1973	0.1474	GUY CARPENTER & CO
32		BLANKET CASUALTY THIRD EXCESS		1/1/1974	12/31/1974	0.1073	GUY CARPENTER & CO
[HS WEAVERS							
20		HULL SURPLUS LINE TREATY		7/1/1966	12/31/1970	2.0000	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1971	12/31/1971	2.1600	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1972	12/31/1972	2.0000	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1973	12/31/1973	1.9300	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1974	12/31/1974	1.8900	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1975	12/31/1975	1.8700	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1976	12/31/1976	1.8600	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1977	12/31/1977	1.9100	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1978	12/31/1978	1.4290	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1979	12/31/1979	1.4160	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1980	12/31/1980	1.4540	GUY CARPENTER & CO

Line #	Marsh Treaty Ref #	Treaty Name	Limits	Effective Date	Expiration Date	% Of Ceded	Broker Name
20		HULL SURPLUS LINE TREATY		1/1/1981	12/31/1981	1.3760	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1982	12/31/1982	1.3550	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1983	12/31/1983	1.0100	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1984	12/31/1984	1.4590	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1985	12/31/1985	1.5000	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1986	12/31/1986	1.4670	GUY CARPENTER & CO
20		HULL SURPLUS LINE TREATY		1/1/1987	12/31/1987	1.4590	GUY CARPENTER & CO
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1976	7/31/1977	2.2500	WILLCOX INCORPORATED
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1977	7/31/1978	2.2600	WILLCOX INCORPORATED
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1978	7/31/1979	2.2840	WILLCOX INCORPORATED
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1979	7/31/1980	2.1080	WILLCOX INCORPORATED
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1980	7/31/1981	1.8260	WILLCOX INCORPORATED
60		EXCESS MARINE LIABILITY 2ND EXCESS		8/1/1981	7/31/1982	1.8260	WILLCOX INCORPORATED
72		PERMANENT FACULTATIVE CARGO		1/1/1978	12/31/1978	1.5500	GUY CARPENTER & CO
72		PERMANENT FACULTATIVE CARGO		1/1/1979	12/31/1980	1.5700	GUY CARPENTER & CO
72		PERMANENT FACULTATIVE CARGO		1/1/1981	12/31/1981	1.5700	GUY CARPENTER & CO
72		PERMANENT FACULTATIVE CARGO		1/1/1982	12/31/1982	1.5900	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1974	6/30/1975	1.0500	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1975	6/30/1976	1.1300	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1976	6/30/1977	1.1300	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1977	6/30/1978	1.1000	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1978	6/30/1979	1.0800	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1979	6/30/1980	1.0900	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1980	6/30/1981	1.1660	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1981	6/30/1982	1.1660	GUY CARPENTER & CO
86		SPECIE FIRST EXCESS OF LOSS		7/1/1982	6/30/1983	1.1438	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1973	7/31/1974	0.1100	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1974	7/31/1975	0.3500	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1975	7/31/1976	0.3500	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1976	7/31/1977	0.3600	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1977	7/30/1978	0.3600	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		7/31/1978	7/30/1979	0.3489	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		7/31/1979	7/31/1980	0.3488	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1980	6/30/1981	0.3600	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		7/1/1981	7/31/1982	0.3831	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1982	7/31/1983	0.3811	GUY CARPENTER & CO
97		COMBINED OCEAN MARINE EXCESS		8/1/1983	12/31/1984	0.4630	GUY CARPENTER & CO
13		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1976	7/31/1977	1.7400	GUY CARPENTER & CO
13		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1977	7/31/1978	1.7300	WILLCOX INCORPORATED
13		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1978	7/31/1979	1.7680	GUY CARPENTER & CO

Line #	Marsh Treaty Ref #	Treaty Name	Limits	Effective Date	Expiration Date	% Of Ceded	Broker Name
43		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1979	7/31/1980	1.6050	GUY CARPENTER & CO
43		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1980	7/31/1981	1.4600	GUY CARPENTER & CO
43		EXCESS MARINE LIABILITY THIRD EXCES		8/1/1981	7/31/1982	1.4500	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1973	6/30/1974	1.7667	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1974	6/30/1975	1.7333	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1975	6/30/1976	1.7111	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1976	6/30/1977	2.4556	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1977	6/30/1978	2.3889	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1978	6/30/1979	2.3000	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1979	6/30/1980	2.3000	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1980	6/30/1982	2.3556	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1982	6/30/1983	1.8936	GUY CARPENTER & CO
88		SPECIAL SECOND EXCESS OF LOSS		7/1/1983	6/30/1984	1.9300	GUY CARPENTER & CO
S1		PERSONAL LINES CATASTROPHE FIRST EX		1/1/1989	12/31/1989	0.6500	E W BLANCH COMPANY
S2		PERSONAL LINES CATASTROPHE SECOND		1/1/1989	12/31/1989	0.6600	E W BLANCH COMPANY
S3		PERSONAL LINES CATASTROPHE THIRD EX		1/1/1989	12/31/1989	0.6300	E W BLANCH COMPANY
J9		MARINE GENERAL SURPLUS		1/1/1989	12/31/1989	1.2300	GUY CARPENTER & CO
E9		MARINE GENERAL SURPLUS		1/1/1990	12/31/1990	1.1300	GUY CARPENTER & CO
J7		PERS LINES MOBILEHOMEOWNERS FIRST		1/1/1990	3/31/1990	1.7100	E W BLANCH COMPANY
J7		PERS LINES MOBILEHOMEOWNERS FIRST		4/1/1990	12/31/1990	1.7100	E W BLANCH COMPANY
J8		PERS LINES MOBILEHOMEOWNERS 2ND		1/1/1990	3/31/1990	0.7300	E W BLANCH COMPANY
J8		PERS LINES MOBILEHOMEOWNERS 2ND		4/1/1990	12/31/1990	0.7300	E W BLANCH COMPANY
J9		PERS LINES MOBILEHOMEOWNERS 2ND		1/1/1990	3/31/1990	0.6900	E W BLANCH COMPANY
J9		PERS LINES MOBILEHOMEOWNERS 2ND		4/1/1990	12/31/1990	0.6900	E W BLANCH COMPANY
K1		PERS LINES MOBILEHOMEOWNERS THIRD		1/1/1990	3/31/1990	0.7000	E W BLANCH COMPANY
K1		PERS LINES MOBILEHOMEOWNERS 4TH		4/1/1990	12/31/1990	0.7000	E W BLANCH COMPANY
J6		MARINE GENERAL SURPLUS		1/1/1991	12/31/1991	1.5000	GUY CARPENTER & CO
A1		JERGER-MOBILE HOMEOWNERS 1ST EXCESS		1/1/1991	12/31/1991	1.8600	E W BLANCH COMPANY
A2		JERGER-MOBILE HOMEOWNERS 2ND EXCESS		1/1/1991	12/31/1991	0.7300	E W BLANCH COMPANY
A2		JERGER-MOBILE HOMEOWNERS 2ND EXCESS		1/1/1991	12/31/1991	0.8400	E W BLANCH COMPANY
A3		JERGER-MOBILE HOMEOWNERS 3RD EXCESS		1/1/1991	12/31/1991	0.8600	E W BLANCH COMPANY
A3		JERGER-MOBILE HOMEOWNERS 3RD EXCESS		1/1/1991	12/31/1991	1.0520	E W BLANCH COMPANY
A4		JERGER-MOBILE HOMEOWNERS 4TH EXCESS		1/1/1991	12/31/1991	1.0460	E W BLANCH COMPANY
A4		JERGER-MOBILE HOMEOWNERS 4TH EXCESS		1/1/1991	12/31/1991	1.1570	E W BLANCH COMPANY
33		MAD PROPERTY NET 3RD EXCESS		1/1/1991	12/31/1991	0.7000	U S RE CORPORATION
34		PIPELINE QUOTA SHARE TREATY		3/1/1983	12/12/1999	1.7200	BURKE-DANIELS
11		PETROCHEMICAL MARINE FIRST EXCESS		7/1/1984	6/30/1985	1.9897	ALEXANDER RE INTERMEDIARIES
12		PETROCHEMICAL MARINE SECOND EXCESS		7/1/1984	6/30/1985	1.5419	ALEXANDER RE INTERMEDIARIES
39		PROPERTY CATASTROPHE FIRST EXCESS		1/1/1991	12/31/1991	0.7870	GUY CARPENTER & CO
11		PROPERTY CATASTROPHE THIRD EXCESS		1/1/1991	12/31/1991	0.7895	GUY CARPENTER & CO

Line #	Marsh Treaty Ref #	Treaty Name	Limits	Effective Date	Expiration Date	% Of Ceded	Broker Name
90		CARGO FACULTATIVE EXCESS		1/1/1988	12/31/1988	1.3700	GUY CARPENTER & CO
90		CARGO FACULTATIVE EXCESS		1/1/1989	12/31/1989	1.3300	GUY CARPENTER & CO
'88		MARINE GENERAL SURPLUS		1/1/1988	12/31/1988	1.3500	GUY CARPENTER & CO
13		MOBILE HOMEOWNERS FIRST EXCESS CAT		11/1/1987	12/31/1988	1.0440	E W BLANCH COMPANY
14		MOBILE HOMEOWNERS SECOND EXCESS		11/1/1987	12/31/1988	0.5030	E W BLANCH COMPANY
15		MOBILE HOMEOWNERS THIRD EXCESS		11/1/1987	12/31/1988	0.7680	E W BLANCH COMPANY



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Seigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies which merged with and into The Home Insurance Company (collectively, "Home"), and Liberty Mutual Insurance Europe Limited, as successor in interest to Liberty Mutual Insurance Company (UK) Limited, which in turn was successor in interest to Liberty Mutual Insurance Company (Massachusetts) Limited, ("Liberty").

WITNESSETH:

WHEREAS, Home and Liberty entered into certain reinsurance agreements (the "Outwards Reinsurance Agreements") pursuant to which Home ceded to Liberty, and Liberty accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, Liberty and Home entered into certain reinsurance agreements (the "Inwards Reinsurance Agreements") pursuant to which Liberty ceded to Home, and Home accepted from Liberty, a certain share of Liberty's liabilities as more fully reflected in the percentages of participation and periods for each respective Inwards Reinsurance Agreement as set forth therein; and

WHEREAS, the Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements" (as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Liberty recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities

cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Outwards Reinsurance Agreements constituting or involving Pool/Agency/Syndicate Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Liberty to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.

(d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

2. Within seven (7) days after the Effective Date of this Agreement (as defined in Paragraph 3 below), Liberty will pay to Home the sum of \$ [REDACTED] (the "Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by Liberty in effecting such payment. The payment of the Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Liberty fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date, Liberty shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Effective Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Settlement Sum had been made in full within seven (7) days after the Effective Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Liberty fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date (and

notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to Liberty, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Settlement Sum by Liberty, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Liberty, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Liberty by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Liberty pursuant to Paragraph 6 above, Liberty on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money,

accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Liberty ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Liberty fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the

parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) Liberty represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understand its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use

best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement.

17. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

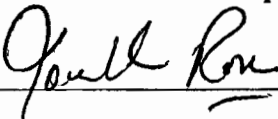
19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

21. The Court shall retain jurisdiction with respect to any matters relating to or arising under the terms and conditions of this Agreement and the terms of this Agreement shall be construed and determined in accordance with the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

By: 

Date: ^{August 6,} ~~July~~ __, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

Liberty Mutual Insurance Europe Limited

By: 

Date: 30th July 2004

Name: J.H. BUEGGELN

Title: CLAIMS MANAGER RUN-OFF



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Seigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Receiver") of The Home Insurance Company and those companies merged with and into The Home Insurance Company (collectively, "Home"), and (a) River Thames Insurance Company Limited, (b) Gothaer Ruckversicherung AG, (c) Mercantile Indemnity Company Limited (formerly known as Mercantile Mutual Insurance Company (UK) Limited), (d) New India Assurance Company Limited, (e) New Zealand Insurance Plc (formerly known as New Zealand South British Insurance Plc and as successor in title of New Zealand Insurance (UK) Limited and South British Insurance Company Limited) and (f) Sumitomo Marine & Fire Insurance Company (Europe) Limited, together being the members of the Regis Pool and hereinafter collectively referred to as "the Regis Pool Members".

WITNESSETH:

WHEREAS, the Regis Pool Members are entering into this Agreement with Home in respect of all business written and accepted on their behalf as members of the Regis Pool by their underwriting agents and managers Regis Agencies Limited (formerly known as River Thames Agencies Limited), and River Thames Insurance Company Limited is, in addition, entering into this Agreement with Home in respect of all business written by it or on its behalf outside the Regis Pool; and

WHEREAS, references to Regis herein shall mean the Regis Pool Members severally (including, for the avoidance of doubt, River Thames Insurance Company Limited) in respect of each of their respective interests in all of the business of the Regis Pool and, in addition, to River Thames Insurance Company Limited in respect of all of the business written by it or on its behalf outside the Regis Pool; and

WHEREAS, Home and Regis entered into various reinsurance agreements (the "Outwards Reinsurance Agreements") including, but not limited to, the agreements set out in the

attached Schedule A, pursuant to which Home ceded to Regis, and Regis accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Outwards Reinsurance Agreement as set forth therein; and

WHEREAS, Regis and Home entered into various reinsurance agreements (the "Inwards Reinsurance Agreements") pursuant to which Regis ceded to Home, and Home accepted from Regis, a certain share of Regis' liabilities as more fully reflected in the percentages of participation and periods for each respective Inwards Reinsurance Agreement as set forth therein. The Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements", which term shall include all such contracts between the parties save as set out in the definition of Commuted Agreements in Paragraph 1 below; and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Regis recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commutated Agreements" shall mean the Outwards Reinsurance Agreements and the Inwards Reinsurance Agreements collectively; provided that in no

event shall the Commuted Agreements incorporate or be deemed to incorporate (i) Outwards Reinsurance Agreements constituting or involving Pool/Agency/Syndicate Business (as hereinafter defined); (ii) Outwards Reinsurance Agreements constituting or involving Facultative Reinsurance Agreements (as hereinafter defined); or (iii) Outwards Reinsurance Agreements or Inwards Reinsurance Agreements constituting or involving Home U.K. Branch Business (as hereinafter defined).

- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Regis to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.
- (e) "Facultative Reinsurance Agreements" shall mean those agreements or certificates of facultative reinsurance pursuant to which Home ceded to River Thames Insurance Company Limited, and River Thames Insurance Company Limited accepted from Home, a certain share of Home's liabilities in respect of a specific identified risk and/or (re)insured as more fully reflected in the percentage of participation and periods for each respective agreement or certificate of facultative reinsurance as set forth therein, and, for the avoidance of any doubt, excluding all treaty reinsurances of any kind whatsoever.

(f) "Home U.K. Branch Business" shall mean all non-novated business assumed and ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days of Regis receiving written notification from Home of the approval set out in Paragraph 3 below (the "Payment Date"), Regis will collectively pay to Home the sum of \$ [REDACTED] (the "Net Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by Regis in effecting such payment. The payment of the Net Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Regis fails to pay any portion of the Net Settlement Sum by the Payment Date, Regis shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] (simple rate) per annum from the Payment Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Net Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Net Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full by the Payment Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Regis fails to pay any portion of the Net Settlement Sum by the Payment Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by notice in writing to Regis,

to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Net Settlement Sum by Regis, Home on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Regis, their officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Regis by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Regis by Home pursuant to Paragraph 6 above, Regis on behalf of themselves, their officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally release and discharge Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known

or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Regis ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Regis fully understand and expressly waive their rights and benefits under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. Upon written request, Home shall provide Regis with such documentary and other information as Regis may reasonably require from time to time, including, for the avoidance of doubt, regular on-going billings which Home would have been obligated to provide (or would in the ordinary course have provided) to Regis under the Outwards Reinsurance Agreements as if such agreements had not been commuted by this Agreement.

9. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

10. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

11. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

12. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

13. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

14. The parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

15. The parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

16. (a) Regis severally represent and warrant that they are legally constituted entities in good standing; that they are not insolvent; that they are duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on their behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that they have read this Agreement, that they

understand its contents and that they are executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Receiver represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

17. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement.

18. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

19. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

20. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

21. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further

agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Seigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**


By: 

Date: September 15, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

For and on behalf of River Thames Insurance Company Limited in respect of all business written by it or on its behalf outside the Regis Pool

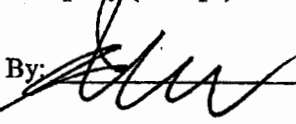
By: 

Date: 24/9/04

Name: NICOLAS PACKARD

Title: DIRECTOR

For and on behalf of Regis Agencies Limited (formerly known as River Thames Agencies Limited) as agent for and on behalf of River Thames Insurance Company Limited, Gothaer Ruckversicherung AG, Mercantile Indemnity Company Limited, New India Assurance Company Limited, New Zealand Insurance Plc and Sumitomo Marine & Fire Insurance Company (Europe) Limited in respect of all business written through the Regis Pool

By: 

Date: 24/9/04

Name: NICHOLAS PACKER

Title: DIRECTOR

SCHEDULE A

Schedule Of The Home Insurance Company's Ceded Treaties To River Thames Insurance Company Ltd. And The Regis Pool

Home Treaty Ref #	Treaty Name	Effective Date	Expiration Date	% Of Ceded	Broker Name
O13	EXCESS CASUALTY FIRST EXCESS	4/1/1967	12/31/1967	2.121	GUY CARPENTER & CO
O14	EX CASUALTY SECOND EXCESS OF LOSS	4/1/1967	12/31/1967	2.2873	GUY CARPENTER & CO
O39	ASSUMED SECOND CAT EXCESS	8/1/1980	7/31/1981	1.154	GUY CARPENTER & CO
O39	ASSUMED SECOND CAT EXCESS	7/1/1982	6/30/1983	0.584	GUY CARPENTER & CO
O39	ASSUMED SECOND CAT EXCESS	7/1/1983	12/31/1983	0.584	WILLCOX INCORPORATED
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1978	12/31/1978	0.77	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1979	12/31/1980	0.79	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1981	12/31/1981	0.79	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1982	12/31/1982	0.711	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1983	12/31/1983	0.85	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1984	12/31/1984	0.73	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1985	12/31/1985	0.7585	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1986	12/31/1986	0.87	GUY CARPENTER & CO
O72	FACULTATIVE CARGO QUOTA SHARE	1/1/1987	12/31/1987	0.85	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1971	6/30/1972	1.105	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1972	6/30/1973	0.92	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1975	6/30/1976	0.29	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1978	6/30/1979	0.42	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1979	6/30/1980	0.47	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1980	6/30/1981	0.4746	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1981	6/30/1982	0.4745	GUY CARPENTER & CO
O86	SPECIE FIRST EXCESS OF LOSS	7/1/1982	6/30/1983	0.4005	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1972	7/31/1973	0.705	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1973	7/31/1974	0.517	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1974	7/31/1975	0.5	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1975	7/31/1976	0.25	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1976	7/31/1977	0.31	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1977	7/30/1978	0.36	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	7/31/1978	7/30/1979	0.3489	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	7/31/1979	7/31/1980	0.3979	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1980	6/30/1981	0.41	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	7/1/1981	7/31/1982	0.437	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1982	7/31/1983	0.3876	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	8/1/1983	12/31/1984	0.566	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1985	12/31/1985	0.55	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1986	12/31/1986	0.4296	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1987	12/31/1987	0.61	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1988	12/31/1988	0.5409	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1989	12/31/1989	0.5131	GUY CARPENTER & CO
O87	COMBINED OCEAN MARINE EXCESS	1/1/1990	12/31/1990	0.4639	GUY CARPENTER & CO
O98	EXCESS CASUALTY EXCESS OF LOSS	1/1/1967	3/31/1967	1.5694	GUY CARPENTER & CO
355	EXCESS CASUALTY QUOTA SHARE	1/1/1967	3/31/1967	1.605	GUY CARPENTER & CO
949	EXCESS CASUALTY THIRD EXCESS	4/1/1967	12/31/1967	2.88	GUY CARPENTER & CO
974	PUBLIC UTILITY QUOTA SHARE	1/1/1967	3/31/1967	5.0006	GUY CARPENTER & CO
974	PUBLIC UTILITY QUOTA SHARE	4/1/1967	6/30/1967	5.5721	GUY CARPENTER & CO
974	PUBLIC UTILITY QUOTA SHARE	7/1/1967	12/31/1967	5.715	GUY CARPENTER & CO
974	PUBLIC UTILITY QUOTA SHARE	1/1/1968	12/31/1968	5.31	GUY CARPENTER & CO
975	PUBLIC UTILITY EXCESS	1/1/1967	3/31/1967	4.084	GUY CARPENTER & CO
975	PUBLIC UTILITY EXCESS	4/1/1967	12/31/1967	4.5945	GUY CARPENTER & CO
975	PUBLIC UTILITY EXCESS	1/1/1968	3/31/1968	4.69	GUY CARPENTER & CO
975	PUBLIC UTILITY EXCESS	4/1/1968	12/31/1968	4.94	GUY CARPENTER & CO
983	BLANKET CASUALTY FIRST EXCESS	1/1/1967	12/31/1967	1.635	GUY CARPENTER & CO
984	BLANKET CASUALTY SECOND EXCESS	1/1/1967	12/31/1967	1.814	GUY CARPENTER & CO
992	BLANKET CASUALTY THIRD EXCESS	1/1/1967	12/31/1967	2.18	GUY CARPENTER & CO
A10	ASSUMED REINS FOURTH EXCESS	7/1/1983	12/31/1983	0	GUY CARPENTER & CO
A10	ASSUMED REINS FOURTH EXCESS	1/1/1984	12/31/1984	2.941	GUY CARPENTER & CO
AL3	MAJOR LINES PROPERTY SECOND EXCESS	1/1/1989	12/31/1989	0.96	ALEXANDER RE INTERMEDIARIES
AL4	MAJOR LINES PROPERTY THIRD EXCESS	1/1/1989	12/31/1989	0.82	ALEXANDER RE INTERMEDIARIES

SCHEDULE A

Schedule Of The Home Insurance Company's Ceded Treaties To River Thames Insurance Company Ltd. And The Regis Pool

Home Treaty Ref#	Treaty Name	Effective Date	Expiration Date	% Of Ceded	Broker Name
AS2	PERSONAL LINES CATASTROPHE SECOND	1/1/1989	12/31/1989	0.66	E W BLANCH COMPANY
AS3	PERSONAL LINES CATASTROPHE THIRD EX	1/1/1989	12/31/1989	0.63	E W BLANCH COMPANY
AY9	ENERGY QUOTA SHARE	7/1/1989	6/30/1990	0.3773	GUY CARPENTER & CO
B13	ASSUMED REINS FIFTH CAT EXCESS	7/1/1982	6/30/1983	0.93	GUY CARPENTER & CO
B13	ASSUMED REINS FIFTH CAT EXCESS	7/1/1983	12/31/1983	0.856	GUY CARPENTER & CO
C01	GLOBAL SLIP FIRST EXCESS	1/1/1982	12/31/1982	0.2918	GUY CARPENTER & CO
C01	GLOBAL SLIP FIRST EXCESS	1/1/1983	12/31/1983	0.51	GUY CARPENTER & CO
C01	GLOBAL SLIP FIRST EXCESS	1/1/1984	12/31/1984	0.504	GUY CARPENTER & CO
C01	GLOBAL SLIP FIRST EXCESS	1/1/1985	12/31/1985	0.773	GUY CARPENTER & CO
C03	GLOBAL SLIP THIRD EXCESS	1/1/1982	12/31/1982	0.3335	GUY CARPENTER & CO
C03	GLOBAL SLIP THIRD EXCESS	1/1/1983	12/31/1983	0.3294	GUY CARPENTER & CO
C03	GLOBAL SLIP THIRD EXCESS	1/1/1984	12/31/1984	1.367	GUY CARPENTER & CO
C03	GLOBAL SLIP THIRD EXCESS	1/1/1985	12/31/1985	1.377	GUY CARPENTER & CO
C05	GLOBAL SLIP FIFTH EXCESS	1/1/1982	12/31/1982	0.29	GUY CARPENTER & CO
C05	GLOBAL SLIP FIFTH EXCESS	1/1/1983	12/31/1984	0.88	GUY CARPENTER & CO
C05	GLOBAL SLIP FIFTH EXCESS	1/1/1985	12/31/1985	1.146	GUY CARPENTER & CO
C99	SEVENTH GLOBAL EXCESS OF LOSS	1/1/1982	12/31/1982	0.34	GUY CARPENTER & CO
C99	SEVENTH GLOBAL EXCESS OF LOSS	1/1/1983	12/31/1983	0.28	GUY CARPENTER & CO
C99	SEVENTH GLOBAL EXCESS OF LOSS	1/1/1984	12/31/1984	1.086	GUY CARPENTER & CO
C99	SEVENTH GLOBAL EXCESS OF LOSS	1/1/1985	12/31/1985	1.106	GUY CARPENTER & CO
CC8	ENERGY INTERNATIONAL QUOTA SHARE	10/1/1989	6/30/1990	1.6667	GUY CARPENTER & CO
CH2	MAJOR ACCOUNTS COMMON ACCT EXCESS	1/1/1990	12/31/1990	0.91	ALEXANDER RE INTERMEDIARIES
CH3	MAJOR ACCOUNTS 1ST BACKUP EXCESS	1/1/1990	12/31/1990	0.87	ALEXANDER RE INTERMEDIARIES
CH4	MAJOR ACCOUNTS 2ND EXCESS	1/1/1990	12/31/1990	0.71	ALEXANDER RE INTERMEDIARIES
CJ9	PERS LINES MOBILEHOMEOWNERS THIRD	1/1/1990	3/31/1990	0.35	E W BLANCH COMPANY
CJ9	PERS LINES MOBILEHOMEOWNERS THIRD	4/1/1990	12/31/1990	0.35	E W BLANCH COMPANY
CK1	PERS LINES MOBILEHOMEOWNERS 4TH	1/1/1990	3/31/1990	0.35	E W BLANCH COMPANY
CK1	PERS LINES MOBILEHOMEOWNERS 4TH	4/1/1990	12/31/1990	0.35	E W BLANCH COMPANY
CR2	ENERGY INTERNATIONAL QUOTA SHARE	7/1/1990	6/30/1991	1.6456	GUY CARPENTER & CO
CY6	MAJOR ACCOUNTS PROP 1ST COMMON ACCT	1/1/1991	12/31/1991	2.89	ALEXANDER RE INTERMEDIARIES
CY7	MAJOR ACCOUNTS PROP FIRST BACKUP EX	1/1/1991	12/31/1991	0.78	ALEXANDER RE INTERMEDIARIES
CY8	MAJOR ACCOUNTS PROPERTY SECOND EX	1/1/1991	12/31/1991	1.31	ALEXANDER RE INTERMEDIARIES
DA3	JERGER-MOBILE HOMEOWNERS 3RD EXCESS	1/1/1991	12/31/1991	0.43	E W BLANCH COMPANY
DA3	JERGER-MOBILE HOMEOWNERS 3RD EXCESS	1/1/1992	1/31/1992	0.526	E W BLANCH COMPANY
DA4	JERGER-MOBILE HOMEOWNERS 4TH EXCESS	1/1/1991	12/31/1991	0.392	E W BLANCH COMPANY
DA4	JERGER-MOBILE HOMEOWNERS 4TH EXCESS	1/1/1992	1/31/1992	0.5	E W BLANCH COMPANY
DA8	BOILER & MACHINERY 2ND COMMON ACCT	1/1/1991	12/31/1991	1.407	GUY CARPENTER & CO
DA8	BOILER & MACHINERY 2ND COMMON ACCT	1/1/1992	6/30/1992	1.4812	GUY CARPENTER & CO
DM2	MAD PROPERTY FIRST EXCESS	1/1/1992	12/31/1992	2.91	ALEXANDER RE INTERMEDIARIES
DM2	MAD PROPERTY FIRST EXCESS	1/1/1993	12/31/1993	3.0275	ALEXANDER RE INTERMEDIARIES
DM3	MAD PROPERTY FIRST EXCESS BACKUP	1/1/1992	12/31/1992	0.82	ALEXANDER RE INTERMEDIARIES
DM3	MAD PROPERTY 1ST BACKUP XOL RUNOFF	1/1/1993	12/31/1993	0.82	ALEXANDER RE INTERMEDIARIES
DM4	MAD PROPERTY SECOND EXCESS	1/1/1992	12/31/1992	1.42	ALEXANDER RE INTERMEDIARIES
DM4	MAD PROPERTY 2ND EXCESS RUNOFF	1/1/1993	12/31/1993	1.42	ALEXANDER RE INTERMEDIARIES
F01	FAC ASSUMED PROPERTY SURPLUS	1/1/1982	7/31/1982	0.4906	WILLCOX INCORPORATED
F01	FAC ASSUMED PROPERTY SURPLUS	8/1/1982	12/31/1982	0.4906	WILLCOX INCORPORATED
F01	FAC ASSUMED PROPERTY SURPLUS	1/1/1983	12/31/1983	0.395	WILLCOX INCORPORATED
F03	FACULTATIVE ASSUMED SECOND EXCESS	1/1/1983	12/31/1983	0.33	WILLCOX INCORPORATED
FJ1	STOCKBROKERS COMBINED BOND PRIMARY	12/1/1993	11/30/1994	3.597	GIBBS HARTLEY COOPER
FJ2	STOCKBROKERS COMBINED BOND 1ST EX	12/1/1993	11/30/1994	4.854	GIBBS HARTLEY COOPER
L93	THIRD CASUALTY EXCESS OF LOSS	1/1/1983	12/31/1983	0.555	GUY CARPENTER & CO
L93	THIRD CASUALTY EXCESS OF LOSS	1/1/1984	12/31/1984	0.75	GUY CARPENTER & CO
L93	THIRD CASUALTY EXCESS OF LOSS	1/1/1985	12/31/1985	1.6234	GUY CARPENTER & CO
P86	ASSUMED FACULTATIVE 1ST EXCESS	1/1/1984	12/31/1984	0.918	WILLCOX INCORPORATED
R68	THIRD PER RISK EXCESS PROPERTY	1/1/1986	12/31/1986	0.64	GUY CARPENTER & CO
R68	THIRD PER RISK EXCESS PROPERTY	1/1/1987	12/31/1987	0.5712	GUY CARPENTER & CO
U09	PROPERTY CATASTROPHE FIRST EXCESS	1/1/1991	12/31/1991	1.574	GUY CARPENTER & CO
U10	SECOND PROPERTY CAT EXCESS	1/1/1986	12/31/1986	2.028	GUY CARPENTER & CO

SCHEDULE A

Schedule Of The Home Insurance Company's Ceded Treaties To River Thames Insurance Company Ltd. And The Regis Pool

Home Treaty Ref #	Treaty Name	Effective Date	Expiration Date	% Of Ceded	Broker Name
U10	SECOND PROPERTY CAT EXCESS	1/1/1987	12/31/1987	1.8208	GUY CARPENTER & CO
U10	SECOND PROPERTY CAT EXCESS	1/1/1988	12/31/1988	1.7352	GUY CARPENTER & CO
U10	SECOND PROPERTY CAT EXCESS	1/1/1989	12/31/1989	1.671	GUY CARPENTER & CO
U10	SECOND PROPERTY CAT EXCESS	1/1/1990	12/31/1990	1.1693	GUY CARPENTER & CO
U10	SECOND PROPERTY CAT EXCESS	1/1/1991	12/31/1991	1.525	GUY CARPENTER & CO
U12	FOURTH PROPERTY CAT EXCESS	1/1/1986	12/31/1986	1.472	GUY CARPENTER & CO
U12	FOURTH PROPERTY CAT EXCESS	1/1/1987	12/31/1987	1.3949	GUY CARPENTER & CO
U12	FOURTH PROPERTY CAT EXCESS	1/1/1988	12/31/1988	1.3244	GUY CARPENTER & CO
U12	FOURTH PROPERTY CAT EXCESS	1/1/1989	12/31/1989	1.3226	GUY CARPENTER & CO
U12	FOURTH PROPERTY CAT EXCESS	1/1/1990	12/31/1990	0.8881	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1986	12/31/1986	1.4359	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1987	12/31/1987	1.6151	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1988	12/31/1988	1.6065	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1989	12/31/1989	1.6259	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1990	12/31/1990	1.1098	GUY CARPENTER & CO
U14	SIXTH PROPERTY CATASTROPHE EXCESS	1/1/1991	12/31/1991	1.0527	GUY CARPENTER & CO
U15	NON WIND PROPERTY CATASTROPHE	1/1/1987	12/31/1987	1.0404	GUY CARPENTER & CO
U15	NON WIND PROPERTY CATASTROPHE	1/1/1988	12/31/1988	1.0526	GUY CARPENTER & CO
U15	NON WIND PROPERTY CATASTROPHE	1/1/1989	12/31/1989	0.9798	GUY CARPENTER & CO
U15	NON WIND PROPERTY CATASTROPHE	1/1/1990	12/31/1990	0.6693	GUY CARPENTER & CO
U16	FIRST INTERMEDIATE CASUALTY	1/1/1986	12/31/1986	2.56	GUY CARPENTER & CO
U60	SECOND INTERMEDIATE CASUALTY	1/1/1986	12/31/1986	2	GUY CARPENTER & CO
U89	CASUALTY CATASTROPHE FIRST EXCESS	1/1/1987	12/31/1987	1.52	GUY CARPENTER & CO
U89	CASUALTY CATASTROPHE FIRST EXCESS	1/1/1988	12/31/1988	1.48	GUY CARPENTER & CO
U89	CASUALTY CATASTROPHE FIRST EXCESS	1/1/1989	12/31/1989	2.83	GUY CARPENTER & CO
U89	CASUALTY CATASTROPHE FIRST EXCESS	1/1/1990	12/31/1990	2.852	GUY CARPENTER & CO
U90	CASUALTY CATASTROPHE SECOND EXCESS	1/1/1987	12/31/1987	1.9	GUY CARPENTER & CO
U90	CASUALTY CATASTROPHE SECOND EXCESS	1/1/1988	12/31/1988	1.88	GUY CARPENTER & CO
U90	CASUALTY CATASTROPHE SECOND EXCESS	1/1/1989	12/31/1989	1.95	GUY CARPENTER & CO
U91	CASUALTY CATASTROPHE THIRD EXCESS	1/1/1987	12/31/1987	1.96	GUY CARPENTER & CO
U91	CASUALTY CATASTROPHE THIRD EXCESS	1/1/1988	12/31/1988	1.89	GUY CARPENTER & CO
U91	CASUALTY CATASTROPHE THIRD EXCESS	1/1/1989	12/31/1989	1.47	GUY CARPENTER & CO
U91	CASUALTY CATASTROPHE THIRD EXCESS	1/1/1990	12/31/1990	1.37	GUY CARPENTER & CO
U91	CASUALTY CATASTROPHE THIRD EXCESS	1/1/1991	12/31/1991	1.749	GUY CARPENTER & CO
V06	SECOND EVENT CATASTROPHE	1/1/1987	12/31/1987	0.7692	GUY CARPENTER & CO
V90	CARGO FACULTATIVE EXCESS OF LOSS	1/1/1987	12/31/1987	1.05	GUY CARPENTER & CO
V90	CARGO FACULTATIVE EXCESS OF LOSS	1/1/1988	12/31/1988	0.91	GUY CARPENTER & CO
V90	CARGO FACULTATIVE EXCESS OF LOSS	1/1/1989	12/31/1989	0.89	GUY CARPENTER & CO
W04	PETROCHEMICAL QUOTA SHARE	7/1/1987	6/30/1988	0.4706	GUY CARPENTER & CO
W05	PETRO CHEMICAL SURPLUS	7/1/1987	6/30/1988	0.4211	GUY CARPENTER & CO
X05	MAJOR LINES PROPERTY SECOND EXCESS	1/1/1988	12/31/1988	0.9263	ALEXANDER RE INTERMEDIARIES
X06	MAJOR LINES PROPERTY THIRD EXCESS	1/1/1988	12/31/1988	0.76	ALEXANDER RE INTERMEDIARIES
X14	MOBILE HOMEBOWNERS SECOND EXCESS	11/1/1987	12/31/1988	1.007	E W BLANCH COMPANY
X15	MOBILE HOMEBOWNERS THIRD EXCESS	11/1/1987	12/31/1988	0.769	E W BLANCH COMPANY
X54	BLOWN PML BOILER & MACHINERY EXCESS	1/1/1988	12/31/1988	1.6828	GUY CARPENTER & CO
X54	BLOWN PML BOILER & MACHINERY EXCESS	1/1/1989	12/31/1989	1.5882	GUY CARPENTER & CO
X54	BLOWN PML BOILER & MACHINERY EXCESS	1/1/1990	12/31/1990	1.5757	GUY CARPENTER & CO
Y20	PET RUNOFF THIRD EXCESS	1/1/1988	12/31/1988	0.5712	GUY CARPENTER & CO
Y87	PETROCHEMICAL QUOTA SHARE	7/1/1988	6/30/1989	0.3682	GUY CARPENTER & CO
Y88	PETROCHEMICAL SURPLUS	7/1/1988	6/30/1989	0.3365	GUY CARPENTER & CO



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies listed on Exhibit A hereto which merged with and into The Home Insurance Company, whose principal place of business is 59 Maiden Lane, New York, New York 10038 (collectively, "Home"), and Malvern Insurance Company Limited (Registered Number 529341) (formerly known as Touchline Insurance Company Limited), whose registered address is situated at Groupama House, 24-26 Minories, London EC3N 1DE ("Malvern").

WITNESSETH:

WHEREAS, Home and Malvern entered into certain reinsurance agreements (the "Reinsurance Agreements") pursuant to which Home ceded to Malvern, and Malvern accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, the Reinsurance Agreements are hereinafter collectively referred to as the "Commutated Agreements" (as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Malvern recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Malvern to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

(e) "Home U.K. Branch Business" shall mean all non-novated business ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. Within seven (7) days after the Effective Date of this Agreement (as defined in Paragraph 3 below), Malvern will pay to Home the sum of \$ [REDACTED] (the "Settlement Sum") in full and final settlement of any and all past, present and future liabilities due or potentially due from the parties to this Agreement to each other under the Commuted Agreements, with time being of the essence in the performance by Malvern in effecting such payment. The payment of the Settlement Sum shall be effected by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in
Liquidation
Account No. [REDACTED]

3. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.

4. Without prejudice to Home's right to terminate this Agreement under Paragraph 5 below, if Malvern fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date, Malvern shall pay (a) interest on any unpaid amounts at the rate of [REDACTED] simple rate) per annum from the Effective Date; and (b) any and all costs, including reasonable attorneys fees, incurred by Home in recovering the Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Settlement Sum had been made in full within seven (7) days after the Effective Date.

5. Notwithstanding the provisions of Paragraph 4 above, in the event that Malvern fails to pay any portion of the Settlement Sum within seven (7) days after the Effective Date (and notwithstanding any claim that may be asserted by Home for interest and Collection Costs) Home shall be entitled, at its sole discretion, to either seek enforcement of this Agreement or, by

notice in writing to Malvern, to terminate this Agreement, in which event (a) this Agreement shall be null and void; and (b) all of the rights and obligations of the parties with respect to the Commuted Agreements shall be fully reinstated as if this Agreement had never been made.

6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely payment of the Settlement Sum by Malvern, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Malvern, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Malvern by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Malvern pursuant to Paragraph 6 above, Malvern on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts,

controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Malvern ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Malvern fully understands and expressly waives its rights and benefits with respect to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

9. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the

transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

12. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

14. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

15. (a) Malvern represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understand its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable

or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

16. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement.

17. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

18. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

19. It is hereby agreed that the parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

20. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

Roger A. Sevigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company

By: Jonathan Rosen

Date: ~~June~~ July 16, 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

Malvern Insurance Company Limited

By: Mamadou

Date: July 8th 2004

Name: Jean RAMBATONANGA

Title: Managing DIRECTOR

EXHIBIT A

**City Insurance Company
The Home Indemnity Company
The Home Insurance Company of Indiana
Home Lloyd's Insurance Company of Texas
The Home Insurance Company of Illinois
The Home insurance Company of Wisconsin**



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies merged with and into The Home Insurance Company (collectively, "Home"), in connection with the Home liquidation proceedings pending before the Merrimack County Superior Court, State of New Hampshire (the "Court"), Docket No. 03-E-0106 (the "Home Liquidation Proceeding") and Liberty Mutual Insurance Company individually and through Helmsman (Underwriting) Limited (collectively, "LMIC").

WITNESSETH:

WHEREAS, Home and LMIC entered into certain reinsurance agreements (the "Reinsurance Agreements") which were either underwritten by Helmsman (Underwriting) Limited on LMIC's behalf or written directly by LMIC (which Reinsurance Agreements are referred to as the "Commutated Agreements" as further defined below) pursuant to which Home ceded to LMIC, and LMIC accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Commuted Agreement as set forth therein; and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and LMIC recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, LMIC has filed various POCs (as defined below) in the Home Liquidation Proceeding, containing both liquidated and unliquidated and/or contingent claims based on, among other things, alleged contributions owed by Home to LMIC by reason of Home's insolvency as well as alleged obligations owed by Home to LMIC in connection with certain

reinsurance agreements whereby LMIC ceded to Home, and Home accepted from LMIC, a certain share of LMIC's liabilities under certain policies; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, and to address the POCs filed by LMIC in the Home Liquidation Proceeding, all in accordance with the terms and conditions hereinafter contained.

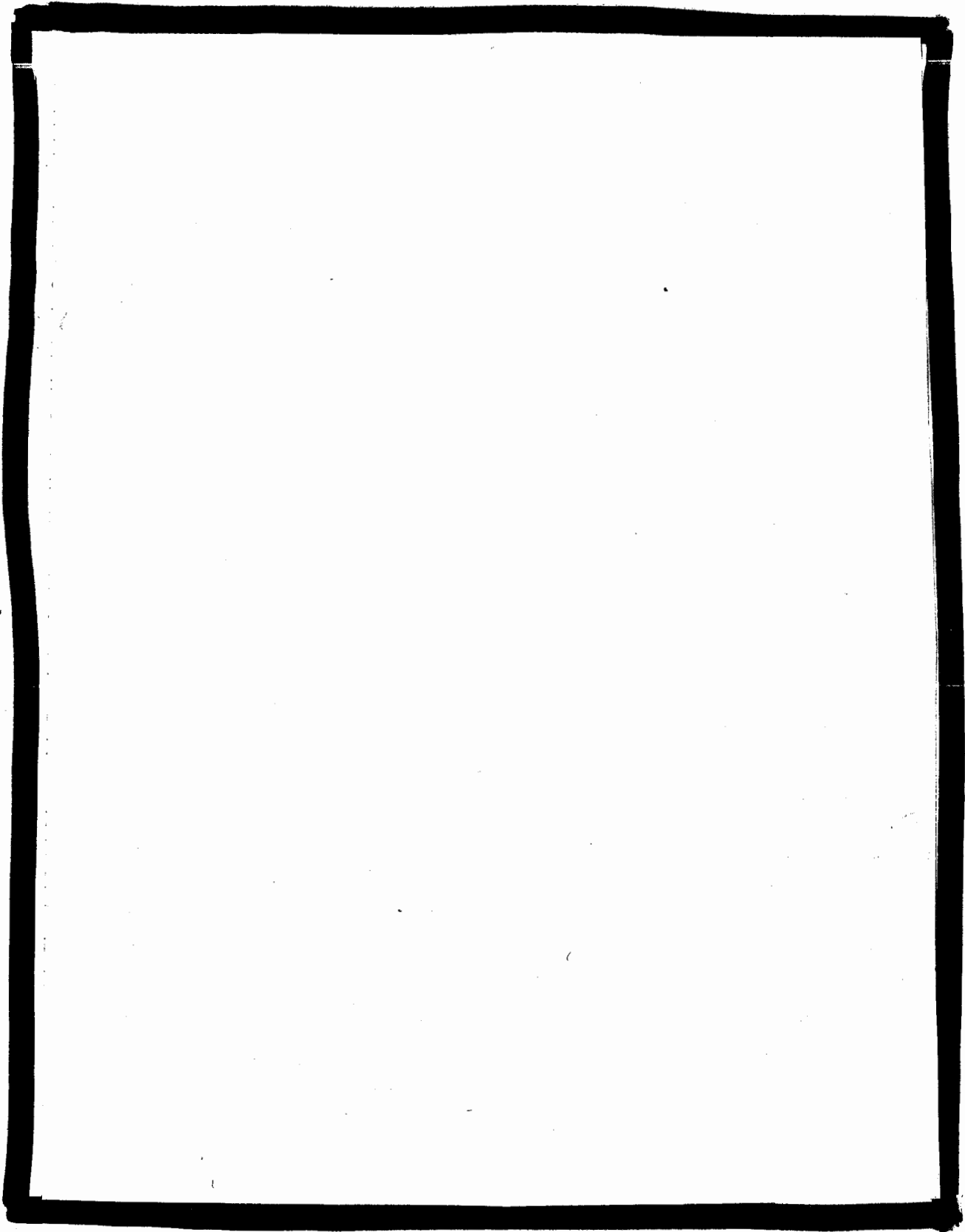
NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

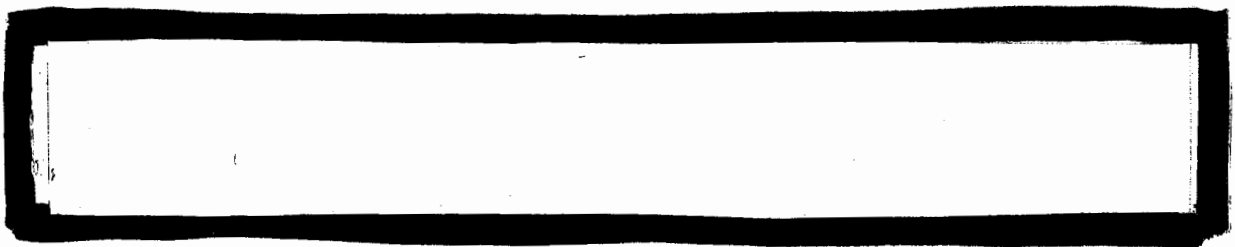
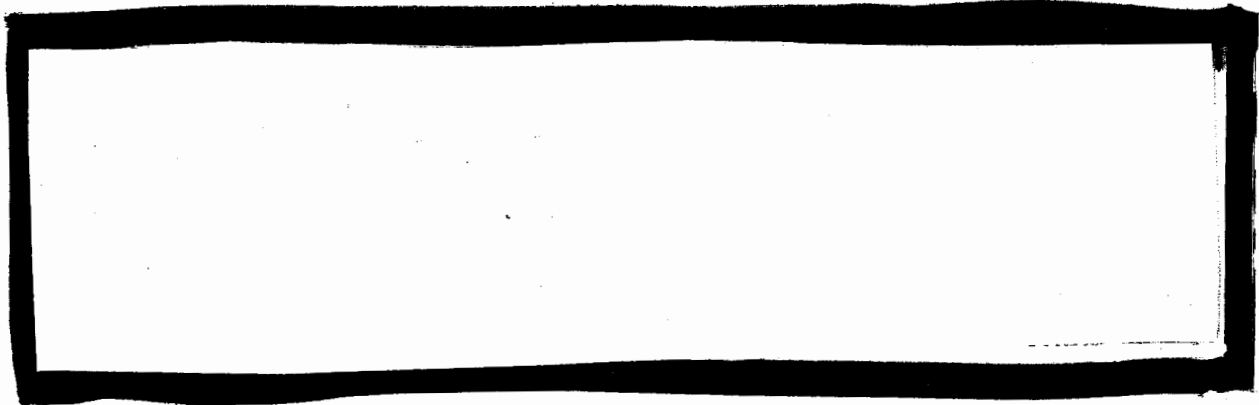
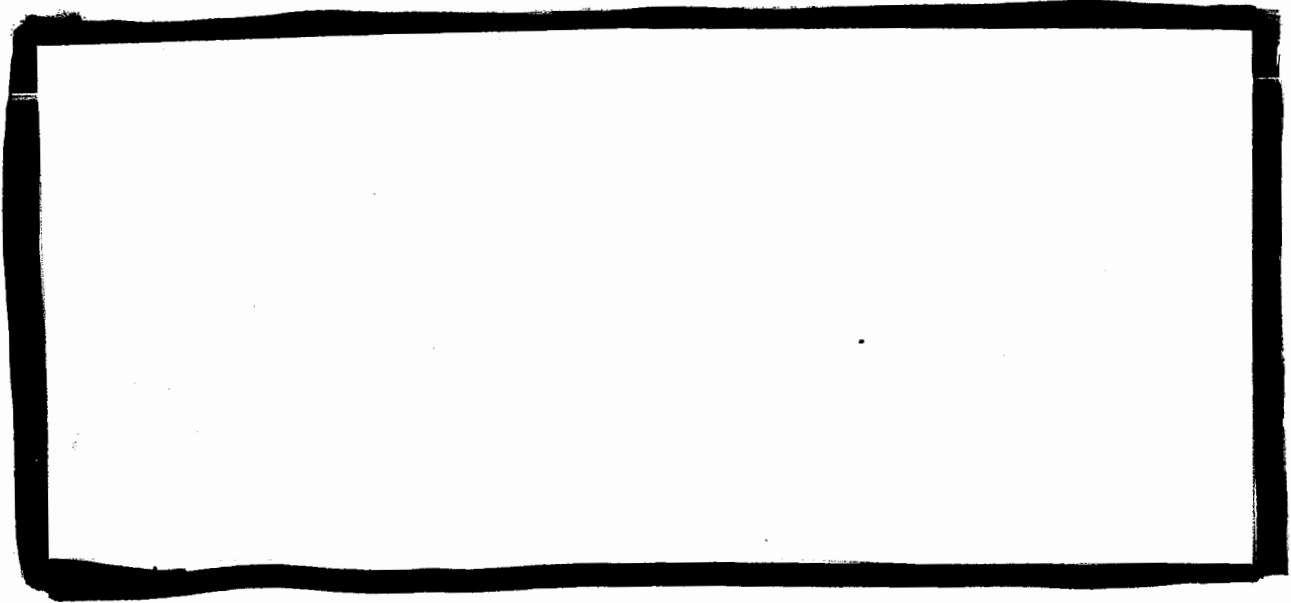
1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

- (a) "Commuted Agreements" shall mean the Reinsurance Agreements; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) the AT&T Facultative Certificates (as hereinafter defined) but only to the extent that the AT&T Facultative Certificates relate to the subject matter of and risks associated with the Settlement Agreement and Release entered into on or about July 1, 2004 by and between, *inter alia*, the parties concerning an underlying settlement between Home and American Telephone & Telegraph Co. ("AT&T") with respect to AT&T's environmental pollution liabilities.
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from LMIC to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.

- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.
- (d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.
- (e) "AT&T Facultative Certificates" shall mean those certificates of facultative reinsurance subscribed to by LMIC covering a certain policy of insurance issued for the period October 15, 1967 to October 15, 1970 by Home to AT&T, bearing Policy No. HEC 955 5788.

2. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approval by the Court.





[REDACTED]

8. Except for those obligations and claims arising under this Agreement, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, subsidiaries, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges LMIC, its officers, directors, employees, agents, attorneys, affiliates, subsidiaries, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, ~~suspected or~~ unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against LMIC by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits in relation to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

9. Except for those obligations and claims arising under this Agreement, LMIC on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, subsidiaries, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, subsidiaries, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known

or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which LMIC ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, LMIC fully understands and expressly waives its rights and benefits in relation to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

10. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

11. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

12. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

13. The parties hereby agree that, subject to Paragraph 5 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate

arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

14. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

15. The parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

16. The parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

17. (a) LMIC represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavors to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person

signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

18. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

19. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

20. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

21. It is hereby agreed that the parties, including but not limited to their officers, employees, attorneys, agents, representatives, corporate parents and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, agents, representatives, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, agents, representatives, accountants, reinsurers, retrocessionaires and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

22. The Court shall retain jurisdiction with respect to any matters relating to or arising under the terms and conditions of this Agreement and the terms of this Agreement shall be construed and determined in accordance with the laws of the State of New Hampshire.

23. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Seigny, New Hampshire Commissioner of Insurance,
solely in his capacity as Liquidator of
The Home Insurance Company**

By: *Jonathan Rosen*

Date: ~~July~~ ^{August 6,} 2004

Name: Jonathan Rosen

Title: Chief Operating Officer

Liberty Mutual Insurance Company

By: *David R. Dworz*

Date: *July 29, 2004*

Name: *David R. Dworz*

Title: *SVP + GM*
Complex + Emerging Risks



**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company and those companies listed on Exhibit A hereto which merged with and into The Home Insurance Company, whose principal place of business is 59 Maiden Lane, New York, New York 10038 (collectively, "Home"), and Minster Insurance Company Limited (Registered Number 361302) (formerly known as Groupama Insurance Company Limited, GAN Insurance Company Limited and GAN Minster Insurance Company Limited), whose registered office is situated at Groupama House, 24-26 Minorities, London, EC3N 1DE ("Minster").

WITNESSETH:

WHEREAS, Home and Minster entered into certain reinsurance agreements (the "Reinsurance Agreements") pursuant to which Home ceded to Minster, and Minster accepted from Home, a certain share of Home's liabilities as more fully reflected in the percentages of participation and periods for each respective Reinsurance Agreement as set forth therein; and

WHEREAS, the Reinsurance Agreements are hereinafter collectively referred to as the "Commuted Agreements"(as hereinafter defined); and

WHEREAS, in addition to their past and present obligations under the Commuted Agreements, Home and Minster recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the parties' past and present obligations will resolve all pending and outstanding issues between the parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Commuted Agreements; and

WHEREAS, the parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Commuted Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the parties agree as follows:

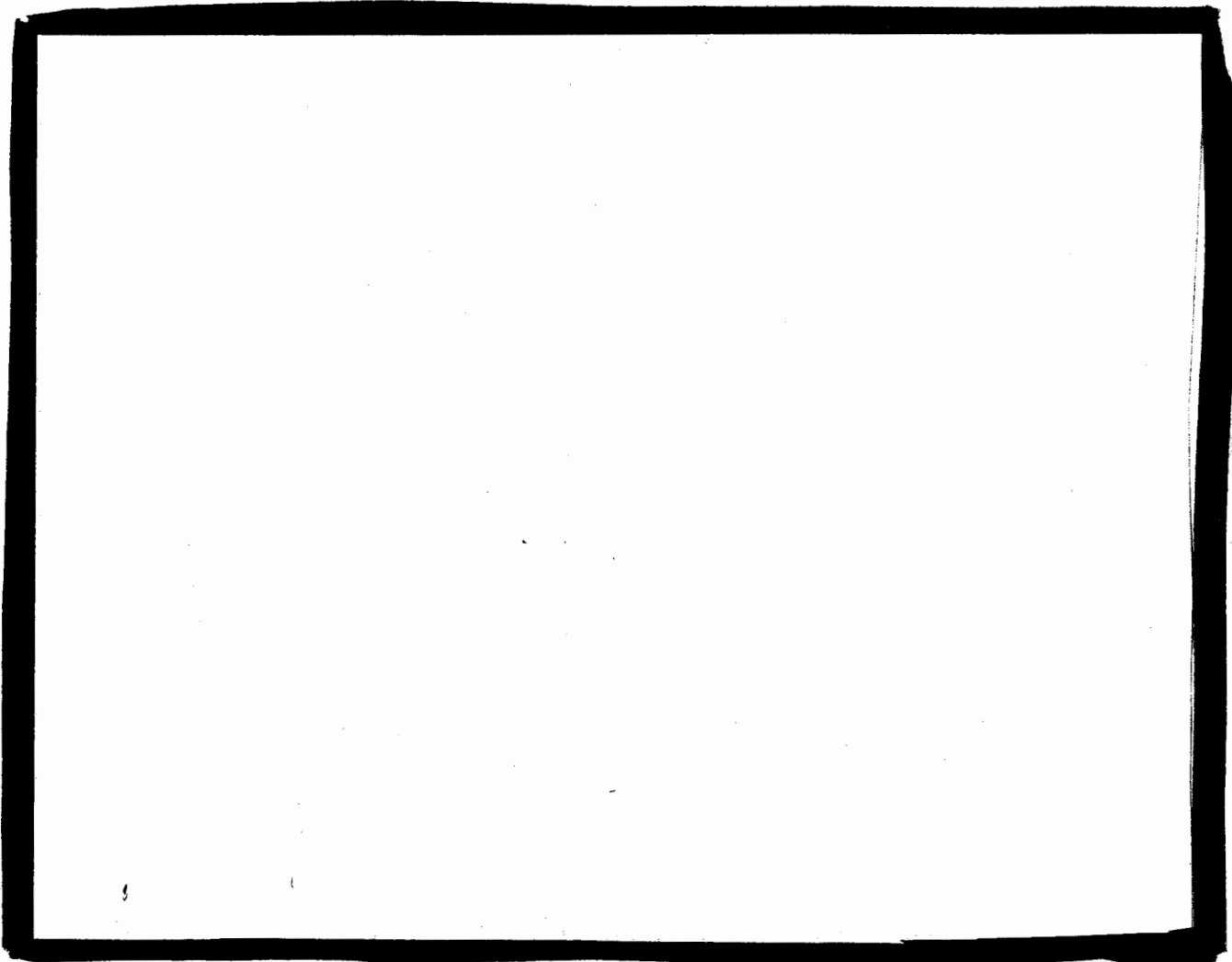
1. The parties agree that in addition to the terms defined elsewhere in this Agreement, the terms set forth below shall be defined as follows:

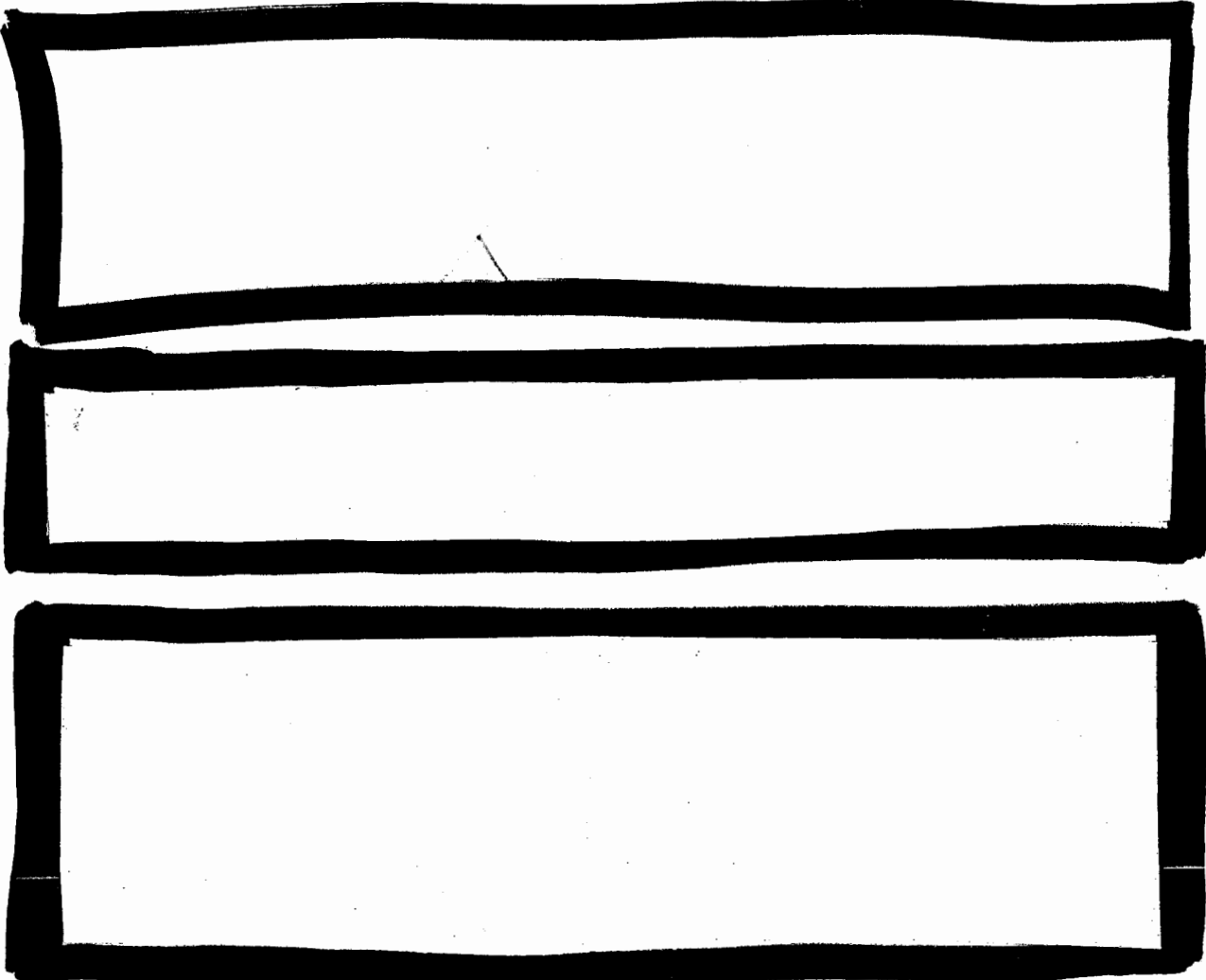
- (a) "Commuted Agreements" shall mean the Reinsurance Agreements and, for the avoidance of doubt, shall, subject to the proviso set forth below, include all business underwritten by GAN Incendie Accidents S.A. on a co-insurance basis with Minster (then known as GAN Minster Insurance Company Limited), which business was transferred on March 31, 1993 to Minster pursuant to Section 51 of the United Kingdom Insurance Companies Act, 1982; provided that in no event shall the Commuted Agreements incorporate or be deemed to incorporate Reinsurance Agreements constituting or involving (i) Pool/Agency/Syndicate Business (as hereinafter defined); or (ii) Home U.K. Branch Business (as hereinafter defined).
- (b) "Pool/Agency/Syndicate Business" shall mean (i) any business underwritten on behalf of Home by an Independent Underwriting Agent (as hereinafter defined) either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool (as hereinafter defined); or (ii) any reinsurance specifically procured by an Independent Underwriting Agent from Minster to cover business underwritten on behalf of Home by that Independent Underwriting Agent either acting for Home alone or jointly with other underwriters as members of an Underwriting Pool.
- (c) "Independent Underwriting Agent" shall mean any third party acting as agent and in that capacity appointed by Home and given authority to underwrite insurance and/or reinsurance business on behalf of Home.

(d) "Underwriting Pool" shall mean an arrangement whereby an Independent Underwriting Agent was appointed to act collectively on behalf of Home and at least one other insurance/reinsurance company or entity (jointly referred to as the "Pool Members") for the purpose of underwriting insurance/reinsurance business on behalf of the Pool Members.

(e) "Home U.K. Branch Business" shall mean all non-novated business assumed and ceded through the participation of the United Kingdom branch of The Home Insurance Company as a member of the American Foreign Insurance Association.

2. This Agreement shall only become effective (the "Effective Date") two (2) Business Days after approved by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of Home is presently pending.





6. Subject to the terms of this Agreement and in consideration of and as a condition precedent to the timely satisfaction by Minster of its obligations pursuant to Paragraphs 3 and 5 above, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges Minster, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or

unsuspected, fixed or contingent in law or in equity, which Home ever had, now has, or hereafter may have against Minster by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Home fully understands and expressly waives its rights and benefits in relation to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to the terms and conditions of this Agreement, and in consideration of the release of Minster pursuant to Paragraph 6 above, Minster on behalf of itself, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, predecessors, successors and assigns, hereby irrevocably and unconditionally releases and discharges the Liquidator and Home, its officers, directors, employees, agents, attorneys, affiliates, shareholders, parents, representatives, liquidators, receivers and rehabilitators and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, commissions, variances, expenses, acts, omissions, executions, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, claims and demands whatsoever, all whether known or unknown, suspected or unsuspected, fixed or contingent in law or in equity, which Minster ever had, now has, or hereafter may have against Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Commuted Agreements. Additionally, Minster fully understands and expressly waives its rights and benefits in relation to the Commuted Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

9. This Agreement shall, subject to its approval by the Court, be binding upon and shall inure to the benefit of the parties. The parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the reinsurance agreements commuted and released hereunder.

10. This instrument embodies the final, complete and entire agreement between the parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

11. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

12. The parties hereby agree that, subject to Paragraph 4 above, this Agreement shall take precedence over and supersede the Commuted Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the parties under the Commuted Agreements. In addition, the parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Commuted Agreements.

13. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

14. The parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

15. The parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the parties

regarding their rights and obligations under and in terms of the Commuted Agreements. As such, the parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Commuted Agreements, other than with respect to the terms and conditions herein contained.

16. (a) Minster represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is executing it freely and voluntarily with an intent to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that he will use best endeavours to obtain the Court's approval of this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

17. The parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto, and not on the basis of any representation by any other party hereto except those representations contained in this Agreement .

18. This Agreement shall inure to the benefit of and bind the parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

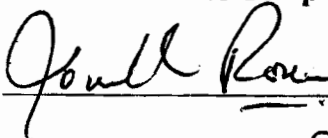
19. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the parties.

20. It is hereby agreed that the parties, including but not limited to their officers, employees, attorneys, agents, representatives, corporate parents and affiliates, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the parties may disclose the terms of this Agreement to and through their attorneys, agents, representatives, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, agents, representatives, accountants, reinsurers, retrocessionaires and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Court.

21. The parties represent and agree that the consideration for this Agreement, provided in exchange for the parties' mutual promises made herein, is fair and reasonable. The parties further agree to provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized officers.

**Roger A. Seigny, New Hampshire Commissioner of Insurance,
Solely in his capacity as Liquidator of
The Home Insurance Company**

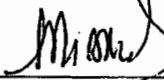
By: 

Date: July 16, 2004

Name: Jonathan Rosen

Title: COO

Minster Insurance Company Limited

By: 

Date: July 8th 2004

Name: Jean RAMBAÏOMANOA

Title: Managing Director

EXHIBIT A

City Insurance Company
The Home Indemnity Company
The Home Insurance Company of Indiana
Home Lloyd's Insurance Company of Texas
The Home Insurance Company of Illinois
The Home insurance Company of Wisconsin