

**The State of New Hampshire  
Insurance Department**

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Roger Sevigny  
Commissioner

Alex Feldvebel  
Deputy Commissioner

September 26, 2003

Mr. Michael J. Daley, President  
Century Indemnity Company  
1601 Chestnut Street  
Philadelphia, PA 19192

Re: The Home Insurance Company ("The Home")  
Assumption Agreement dated January 31, 1984

Dear Mr. Daley:

We write as the Liquidator of The Home appointed by the Merrimack County Superior Court in New Hampshire and as Provisional Liquidators of The Home's UK Branch appointed by the High Court of Justice in London in light of the attached letter dated September 16, 2003 from Lovells and certain discussions between Jonathan Rosen, Gareth Hughes and Michael Durkin.

We are concerned that attempts may be made to circumvent the existing contractual relationships between, on the one hand, The Home and its cedants and, on the other hand, The Home as cedant and its reinsurers, with a view to enabling Home's cedants to cut directly through to Home's reinsurers.

In the circumstances, and to avoid any ambiguity, we wish to make clear that both the Liquidator and the Provisional Liquidators would regard such efforts as being unlawful and would seek strenuously to restrain them. Any such arrangements would unlawfully benefit those cedants and those reinsurers by circumventing both contractual provisions and both the United States and United Kingdom liquidation regimes, to the detriment of the remaining creditors of The Home.

As The Home's run-off agent and reinsurer, ACE-INA Services and ACE-INA, clearly have an important role to play in ensuring that claims are handled properly and that reinsurance protecting The Home is not improperly interfered with or appropriated to particular creditors. We would appreciate confirmation that:

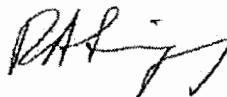
Mr. Michael J. Daley, President  
September 26, 2003  
Page 2

(1) the ACE group will advise us if it is presently aware of any such efforts on the part of cedants and/or reinsurers (if so, please provide details); and

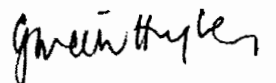
(2) no ACE group company will in any way participate in, or otherwise facilitate, any such efforts, and will notify us immediately upon becoming aware of any such efforts being made.

We look forward to hearing from you. Please direct any correspondence or questions concerning these matters to David Steinberg at Clifford Chance in London.

Very truly yours,



Roger A. Sevigny  
Insurance Commissioner, as  
Liquidator of The Home Insurance  
Company



Gareth H. Hughes  
Provisional Liquidator  
The Home Insurance Company UK  
Branch

cc: David Gold  
Michael Durkin  
Thomas Wamser  
David Steinberg  
Peter Bengelsdorf  
Jonathan Rosen  
David Leslie