

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

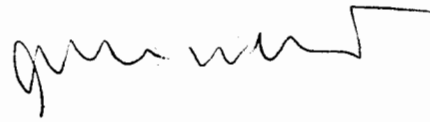
SUPERIOR COURT

Docket No 03 - E - 0106

In the matter of the Liquidation of The Home Insurance Company

EXHIBIT "GW1" TO THE AFFIDAVIT
OF GERNOT WARMUTH

This is the exhibit "GW1" referred to in the Affidavit of GERNOT WARMUTH
sworn the 31st day of March 2004.



Before me,

Notary Public

London-3/1271294/01

Office/OFFICE

Nummer 148 der Urkundenrolle für 2004

Die umstehende Unterschrift des Rechtsanwalts Gernot A. Warr, ge-
schäftsansässig Kennedyallee in Frankfurt am Main, der mir von
Person bekannt ist und mir auf mein Verlangen erklärte, daß eine Verfas-
sung im Sinne von § 3 Abs. 1 Nr. 1 vorliege, wurde voll-
zogen.

Frankfurt am Main, 31. März 2004

Kosten:

Geschäftsgebühr € 10,00

Gebühr § 45 KostO
zuzüglich 16% MWSt.

€ 10,00

(Birn)
Notar



made between

AGRIPPINA VERSICHERUNG A.G. of
RIEHLER STRASSE 90, 5 KOLN 1, WEST GERMANY
(hereinafter referred to as the "Reassured")

As underwritten for Agrippina Versicherung A.G. by

M.E. RUTTY UNDERWRITING AGENCIES LIMITED of
5-7 Ireland Yard, London, E.C.4.
(hereinafter referred to as the "Agent")

and

HOME INSURANCE COMPANY OF NEW YORK

acting through its branch office at

26/28 Fenchurch Street, London, E.C.3.
(Hereinafter referred to as the "Reinsurers")

RECITALS

- (1) Whereas under agreements dated 1st July, 1962 with addenda No. 1, 2 and 3 and 6th January, 1967 with addenda No. 1 and 2 between the Agent and the Reassured, the Agent accepted Insurance and reinsurance business on behalf of the Reassured for the underwriting years 1962, 1963, 1964, 1965, 1966 and 1967 and
- (2) Whereas the Agent ceased to write new business after 31st December, 1967 and
- (3) Whereas the Reassured desire to effect reinsurance in respect of their liability under any and/or all policies and/or contracts of Insurance and/or reinsurance written by the Agent on their behalf (hereinafter referred to as the "Original Policies") and
- (4) Whereas the Reinsurers having had full disclosure and inspection of the Agent's records and accounts relating to the Original Policies and all claims and outstanding matters thereunder have agreed to afford such reinsurance to the Reassured in accordance with the terms and conditions of this Contract, Now it is hereby agreed as follows:

ARTICLE I

This Contract is in respect of all losses which the Reassured may be or may become liable to pay, arising out of risks written for the Reassured by the Agent during 1962, 1963, 1964, 1965, 1966 and 1967 underwriting years of account, excluding however "Stop and Shop" Losses arising from or consequent upon a fire on 5th August, 1969.

The Reinsurers hereon shall follow all terms, conditions and settlements as agreed by or on behalf of the Reassured under the Original Policies included in the accounts reinsured hereby.

ARTICLE II

This Contract covers all claims due for payment on or after 1st April, 1977 as hereinbefore defined and shall remain in force until all the liability hereunder shall have been exhausted, subject however to such cancellation provision as hereinafter defined in ARTICLE IX.

ARTICLE III

Notwithstanding anything contained herein to the contrary, this Contract shall exclude:

- a) Any loss or liability accruing to the Reassured directly or indirectly and whether as Insurer or Reinsurer from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy Risks.

Furthermore, the Contract is also subject to the following Nuclear Incident Exclusion Clauses which are attached hereto and shall form an integral part hereof:

- 1) NUCLEAR INCIDENT EXCLUSION CLAUSES -
LIABILITY - REINSURANCE - U.S.A./CANADA
- 11) NUCLEAR INCIDENT EXCLUSION CLAUSES -
PHYSICAL DAMAGE - REINSURANCE - U.S.A./
CANADA
- b) Life, Financial Guarantee and Insolvency Risks.
- c) Furthermore, it is understood and agreed that:
 - 1) As regards Non-Marine business accepted by the
Reassured

this Contract shall exclude loss or damage directly caused by War and/or Civil War but this exclusion shall not apply to such business which is permitted under the terms of the United Kingdom Market War and/or Civil War Risks Exclusion Agreement.

II) As regards Marine and Aviation business accepted by the Reassured this Contract shall include loss, damage, liability or expense caused by or resulting from the risks of War or similar risks written by war risk Underwriters, as covered in the Original Policy(ies) provided that such loss, damage, liability or expense would be recoverable under the terms and conditions of the relevant Institute War and Strikes Clauses or War sections of the relevant Institute War and Strikes Clauses or relevant London Aviation Clauses in current use at the inception of this Contract or at the time when the War Risks cover would have commenced under the original Insurance or Reinsurance within the terms of these clauses, whichever is the earlier; except that if the risks of War are covered in the Original Policy(ies) under clauses approved by the London Hull War Risks Joint Sub-Committee, or in respect of Cargo interest under the Standard War Risks Clause of any country which complies with the limitation of the United Kingdom Waterborne Agreement, the foregoing proviso shall not apply.

The Reinsurers warrant that they are unaware as at the date hereof that any business has been placed by the Agent which is excluded under the terms of this clause.

ARTICLE IV

The consideration to be paid by the Reassured to the Reinsurers for this Contract shall be £188,873.00 plus US\$ 568,747.00 plus Can\$ 7,834.00 payable at inception.

The Reinsurers hereon shall have the right to receive any payments under any reinsurance placed by the Agent on behalf of the Reassured and any other income, derived from any source that otherwise would have been payable to the Reassured. The Reinsurers shall bear all expenses of whatever nature which would otherwise have been claimed or requested from the Reassured by the Agent during the run off period.

ARTICLE V

It is understood and agreed that settlement of all claims, refunds, return Premiums and original Profit Commission and administration of all premiums additional premiums and policy adjustments shall be effected on behalf of the Reinsured by the Agent and/or their appointed agents.

It is further understood and agreed that the Reinsurers hereon will receive all premium adjustments due on the Original Policies without deduction of overriding commission and all recoveries under surplus, excess loss, "stop loss" and other reinsurances effected for joint account, payable to the Reassured on or after 1st April, 1977 and will be responsible for payment of all returns of premium and reinsurance premiums payable thereafter.

ARTICLE VI

In the event of losses exceeding pounds 25,000 which may give rise to claims under this Contract the Agent shall give immediate notice to the Reinsurers, but inadvertent error in or omission of such notification shall not in any way prejudice the rights of the Reassured under this Contract.

ARTICLE VII

Reinsurers shall be bound unconditionally by all loss settlements made by the Agent, including compromise settlements, where such settlements are within the terms and conditions of the Original Policies and of this Contract. The Reinsurers' contribution to any other loss settlement shall be conditional upon prior notification of such settlement being given to the Reinsurers by the Agent and to their agreement thereto which agreement shall not be unreasonably withheld.

The Agent will conduct the settlement of or resistance to claims as conscientiously as if they were liable for the whole amount of the claim or claims that arise.

ARTICLE VIII

The Reinsurers and/or their nominees shall at all reasonable times be entitled to inspect all books, relevant records, correspondence, documents and vouchers in the possession of or accessible to the Agent, and in any way connected with the adjustment of a loss applying to this Agreement, it being understood that the Agent or the Reassured cannot be called upon to supply documentary evidence other than that which they themselves have received.

ARTICLE IX

Should the Reinsurers

- (i) Lose the whole or part of their paid-up capital, or
- (ii) Go into liquidation or a Receiver be appointed,

the Reassured have the right to terminate their participation in this Contract forthwith by giving notice in writing to the Reinsurers, and the Reinsurers shall have the same right vis a vis the Reassured.

In order to secure the Reassured in the event of liquidation, either voluntary or compulsory of the Reinsurers, or in the event of any default by the Reinsurers in performance of any of their obligations under this Contract, any further monies which may after the occurrence of any of the events contemplated in this clause be available for or credited to or claimable by the Reinsurers shall be held upon trust for the Reassured as sole and absolute beneficiaries.

ARTICLE X

It is hereby understood and agreed that any amendments and/or alterations to this Contract that are agreed either by correspondence and/or Brokers Slip Endorsements shall be automatically binding hereon and shall be considered as forming an integral part hereof.

ARTICLE XI

This Contract is negotiated through Harrington, Austin Limited, 2/12, Wilson Street, London, EC2M 2TJ through whom all correspondence between parties hereto shall be addressed.

ARTICLE XII

It is hereby declared and agreed that any inadvertent delays, errors or omissions made in connection with this Contract shall not be held to relieve either of the parties hereto from any liability which would have attached to them hereunder if such delay, error or omission had not occurred and it is further agreed that in all things coming within the scope of this Contract the Reinsurers shall share to the extent of their interest the fortunes of the Reassured.

Nevertheless it is understood and agreed that any such delay, error or omission shall be rectified as soon after its discovery as possible.

The Reinsurers acknowledge having made the enquiries and inspections referred to in RECITAL (4) hereof unconditionally waive and release any present or future right to avoid or terminate this Contract, for non-disclosure, misrepresentation or any other cause whatever.

ARTICLE XIII

(1) All matters in difference between the Reassured and the Reinsurer (hereinafter referred to as "the Parties") in relation to this Agreement, including its formation and validity, and whether arising during or after the period of this Agreement, shall be referred to an Arbitration Tribunal in the manner hereinafter set out.

(2) Unless the parties agree upon a single Arbitrator within thirty days of one receiving a written request from the other for Arbitration, the Claimant (the party requesting Arbitration) shall appoint his Arbitrator and give written notice thereof to the Respondent. Within thirty days of receiving such notice the Respondent shall appoint his Arbitrator and give written notice thereof to the Claimant, failing which the Claimant may apply to the appointer hereinafter named to nominate an Arbitrator on behalf of the Respondent.

(3) Should the Arbitrators fail to agree, then they shall within thirty days of such disagreement appoint an Umpire to whom the matter in difference shall be referred. Should the Arbitrators fail within such period to appoint an Umpire, then either of them or either of the parties may apply to the appointer for the appointment of the Umpire.

(4) Unless the parties otherwise agree, the Arbitration Tribunal shall consist of persons employed or engaged in a senior position in insurance or reinsurance business.

(5) The Arbitration Tribunal shall have power to fix all procedural rules for the holding of the Arbitration including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, Discovery, Inspection of Documents, examination of witnesses and any other matter whatsoever relating to the conduct of the Arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion think fit.

(6) The appointer shall be the Chairman or Deputy Chairman for the time being of Lloyd's or the Institute of London Underwriters.

(7a) The seat of the Arbitration shall be in LONDON and the Arbitration Tribunal shall apply the laws of ENGLAND as the proper law of this Agreement.

(7b) The Award of the Arbitration Tribunal shall be in writing and binding upon the parties who covenant to carry out any Award and if any party be in default the other may apply for its enforcement to a Court of Competent Jurisdiction in any territory in which the party in default is domiciled or has assets or carries on business.

Signed:

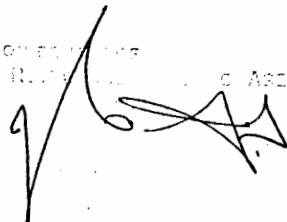
Agrippina Versicherung A.G.

Home Insurance Company



We acknowledge that we are fully aware of and (having been so requested by the Reassured and the Reinsurers) consent to the arrangements proposed in this Contract. We undertake to carry out the obligations under this Contract which fall on ourselves and to send accounts to the Home Insurance Company and to deal with them in all respects.

FOR AGENCY LIMITED
M. E. RUTTY UNDERWRITING AGENCY LTD.



Secretary.

Signed:

M. E. RUTTY UNDERWRITING AGENCY LIMITED

We will from now on deal only with M.E. RUTTY UNDERWRITING AGENCY LIMITED

Signed:

HOME INSURANCE COMPANY

