Exhibit 19

9/30/03

Tom Wamser (General Counsel St paul)

Howard Denbin

Gareth Hughes (provisional Liquidator) Bty

Sarah Ellis (assistant Director) Bty

Jonathan Rosen (chief operating officer)

Pete Bengelsdorf (Special Deputy Liquidator)

- w/o prejudice
- 2 options - split between Home & cedents
  commute with Home & Ace will negotiate directly with Ace
  issue of filing claims with estate
- Gareth recommending one liquidator
- Surprise by Ace that any claim filed with Ace constitutes a claim against the estate (Tom Wamser & Howard Denbin)
  Reins obligation
- issue of Ace's timing of obligation to pay
  - once we rubber stamp Aces approval, there is an obligation to pay
  - when do they pay Home, we said after Home rubber stamps their approval of the claim
- Tom & Howard don't have authority
  most people left that had authority
- letters sent to Rutty members to continue servicing pool (w/o recourse)
- would Ace/Home contract (US Laws) be resolved in NY or NH. NH court will apply NY law
- Wamser - Hard to figure out what they were doing in "84" with Baffo
- Jonathan said there's no right of Baffo offset they (Ace) has an opposite opinion
- Ace agrees that there was no portfolio transfer (London & assumed book) - checks have Home on them

- Wamser & Desbin agree they are the 100% reinsurer of the Home & they have an obligation to pay

- Reconciliation of ACE books & Cedants estimates of claim

- Unionamerica letter caught ACE by surprise — surprise was a cut through they are a big reinsurer of Homes book & lose offset potential
They are evaluating cut through

- Jonathan — cut through by reinsurer
(1) Fraud
(2) Tortious interference — Lovells thinks this is a strong case

* - 1997 Pemogia case in UK — no detriment to the estate
- EU directive in UK creates classes
- Gareth — UK Liquidator would get hold of documents if there was a cut through (if the detriment to the estate)
- DR thinks if someone is bought off not to file a claim

* - unclear if this will play out in US or UK courts
will be resolved in next couple of weeks by ACE
Strock & Strock will provide ACE with an opinion — John Cashin

- If ACE commutes with Home, ACE no longer has an obligation to service claims from cedants
- 2 cut throughs issues

- Wamser — a commutation/resolution does not work to the detriment of any other sellers
~~[illegible]~~ (1) no further runoff cost
(2) discount
(3) wins on uncollectable reins — no further amounts not to collect
- setoff would have to be priced

Exhibit 20

MINUTES OF THE INFORMAL MEETING HELD ON OCTOBER 21 2003

Minutes of the FIRST Meeting of the Informal Creditors Committee
The Home Insurance Company (In Provisional Liquidation)
At 9:30a.m.
Held in the Offices of Clifford Chance LLP
10 Upper Bank Street, London E14 5JJ

ATTENDEES: See attached attendee contact list.

Introductions, Agenda and New Hampshire Procedures

Mr Roger Sevigny (Insurance Commissioner of New Hampshire) gave an overview in which he stated that the aim of the US liquidator was to act on behalf of all worldwide creditors under the New Hampshire statute but in so doing to also seek to achieve sensible businesslike solutions where at all possible. He added that he was keen to address any issues the UK branch creditors might have.

Mr Gareth Hughes, one of the Joint Provisional Liquidators said that the aim of the meeting was to "educate" creditors on the complex US versus UK scenario. He stated that the provisional liquidation was an ancillary proceeding to the US liquidation as there is no separate legal entity in the UK. Mr Hughes explained that his remit was to protect assets for the benefit of worldwide creditors but in so doing undertakings have been given to the UK Court that there would be no remission of UK branch assets to the US liquidation until he was satisfied that the UK Branch creditors would not be materially disadvantaged by such a remission.

Mr Peter Benglesdorf (CEO of The Home Insurance Company in the US) gave an outline of the financial position of the US Estate. The estate had been active in collecting cash. Mr Benglesdorf reported that cash collection had increased from $8m at the time of the rehabilitation order in February to $325m on the date of the liquidation order in June. The latest actuarial valuations at the date of liquidation indicated that The Home was insolvent by some $692m. There was no current updated estimate of the value of the estate in terms of assets and liabilities but it is expected to be a "high pay out estate". Mr Bengelsdorf re-emphasised that this was a new proceeding and greater clarity on the financial position would come with time once the filing deadline in June 2004 for claims and further actuarial valuations were obtained.

Mr Steve Goodlud (representing Slater Walker) asked what percentage of creditors were reinsurance creditors as opposed to direct creditors. Mr Bengelsdorf stated he believed about 90% of the total creditors were direct creditors.

Mr David Leslie (of Rakemann, Sawyer and Brewster, US legal advisors to the Home) explained the statutory framework for insurance in the USA, with each state being self-regulated. In this case, New Hampshire was the state where Home was domiciled, thus the Commissioner from this state was the Liquidator, namely Mr Sevigny. Mr Leslie said that the US and UK insurance insolvency regimes were closely aligned as was detailed in a "matrix" of key issues which had been developed by the legal advisers, namely his own firm and Clifford Chance LLP. This document compared the New Hampshire and UK insolvency procedures and would be circulated to the Committee after the meeting.

Mr Leslie referred to the claims filing deadline of June 2004 in the US liquidation. He said that proofs of claim forms were preferred by the Liquidator but claims could be submitted in other ways. Late filings of claims would be permitted in circumstances beyond the creditor's control or if the creditor did not know about a particular claim. The liquidator would take a commercial view to late filing.

Mr Peter Roth (attorney to the New Hampshire Insurance department) said that as a matter of "general principle" the Liquidator would be looking towards achieving commercial settlements of disputes and other items as opposed to litigation.

Mr Leslie advised that there was quarterly reporting and details of applications and orders issued by the New Hampshire Court that was all available on the Home web site.

Mr Leslie also confirmed the estate would accept "placeholder" claims, where the claims are of a contingent nature. This would allow Home to identify claimants. These claims would subsequently be firmed up by an estimation or court determination. Mr Leslie then explained that the priority of ranking of direct claims before reinsurance claims was for all intents and purposes the same in New Hampshire as it was in the UK (post the implementation of the Winding Up Directive for Insurers in the UK 20 April 2003). In addition the set-off rights were very similar.

Mr Roth clarified that reinsurers had set-off rights in New Hampshire and once contingent claims were valued they could be used for set-off.

There was then a general discussion on the procedures.

Mr Rhydian Williams (representing Equitas) asked whether the "exception" rules meant that the filing deadline was only really applicable for putting names and addresses into the estate. Mr Leslie replied that he expected all creditors to present details of their claims.

Mr Williams asked, where a referee is used to determine a claim, who this would be? Mr Roth said they are appointed by the New Hampshire court and are usually retired judges.

Mr Williams then asked for more clarification around the "estimation" process. Mr Roth said it allowed for the firming up of claims for the purposes of commutations etc. Mr Williams observed that the "estimation" process might allow for liabilities to be valued and agreed before they fall due. Mr Leslie reiterated that this allowed proceedings of the estate as a whole to come to a swifter end. He also noted that reinsurance was only payable to the extent that The Home agreed an inward claim, whether it be by any of the above methods.

Mr Hughes observed that estimation of contingent liabilities might raise issues in relation to ACE-INA's reinsurance obligations. Mr Jonathan Rosen (COO of the Home in the US) said that ACE had the right, under the "Insurance and Reinsurance Assumption Agreement" ("Assumption Agreement") to participate in the agreement of claims.

Mr Leslie commented that an "agreed" figure could be imposed on ACE-Ina if it were accepted by the New Hampshire Court and an order was granted to that effect. Mr Roth added that ACE-Ina was likely to be invited to participate in the agreement of such disputed claims.

Mr Trevor Rawlings (representing Horizon) asked whether ACE-Ina was agreeing claims. Mr Rosen replied that ACE-Ina should be adjusting claims in the normal course, but it could not pay them given Home was now in liquidation. The amounts due now have to be paid to Home and it was important for ACE-Ina to be involved in the determination of any contingent claims to ensure that it would support its reinsurance obligations to Home.

A number of Committee members made reference to ACE-Ina being generally under-resourced in relation to the run off.

Mr Goodlud asked about debt trading. Mr Leslie said that such trading could not be carried on so as to permit creditors to gain a set-off advantage post liquidation under New Hampshire laws.

Ms Lorna Hemsley (representing Sphere Drake) asked whether there were any distinctions between creditors claims based on their domicile. Mr Leslie confirmed not. US and UK creditors would be treated in the same manner under New Hampshire law.

Mr Williams asked whether there was any reinsurance creditors in Canada, and if so how were they treated? Mr Bengelsdorf explained the unique circumstances in Canada. He said that it currently appeared likely that creditors in Canada would be paid in full. This was because there were regulatory deposits held in Canada sufficient, with investment income, to discharge all Canadian liabilities.

AFIA Pool

Mr John Curran (of Clifford Chance LLP, UK legal advisors to the Home) talked through the AFIA purchase agreement and made reference to the pre and post purchase structure diagrams and other materials distributed to the creditors committee prior to the meeting. He explained that BAFCO was owned and capitalised by AFIA to protect the pool members against the growing problems of the Treaty Business in the early 1980's.

Mr Williams made an observation that effectively this is a self reinsurance by AFIA but just going through a separate legal entity domiciled in Bermuda for tax purposes. Mr Curran questioned whether the BAFCO reinsurance had been transferred to INA as part of the AFIA purchase agreement. Mr Curran said he believed not.

A discussion then took place in relation to the AFIA purchase agreement.

Mr Goodlud asked who owned BAFCO. Mr Curran informed the committee that it was now an ACE company (now called Century International Reinsurance Company (CIRC)).

Mr Richard Leedham (representing Continental Insurance Company of New York) asked whether the "other reinsurances" as shown on the "pre purchase" slide had been transferred to INA as part of the AFIA purchase. Mr Curran confirmed that they probably had been transferred.

Mr Williams noted that the "BAFCO III" agreement left no need for the AFIA purchase agreement as BAFCO was paying all of the claims. Mr Curren said that there were two possible paths to recoveries, namely INA and BAFCO.

Mr Williams asked why the XOL on "London Losses" was 90% of $335-$600m and not 100%. Ms Sarah Ellis (of Ernst & Young LLP) speculated that this was because AETNA was a CIGNA company and that, therefore, ACE would recover net.

Portfolio Transfer

Mr David Steinberg (of Clifford Chance LLP) outlined the legal advice that had been provided to Home in 2001 by Leboeuf, Lamb,Greene and Macrae (LLGM). This advice addressed whether they was any action Home could take to force ACE to complete the portfolio transfer. Mr Steinberg confirmed that LLGM had advised that any such action was time barred. He discussed whether the FSA had powers under the FSMA 2000 to enforce this transfer retrospectively. Mr Steinberg advised that although he believed that technically they might have, he considered it very unlikely that the FSA would evoke such powers to enforce the transfer at this time.

A discussion then took place in relation to the portfolio transfer.

Mr Gernot Warmuth (representing Agrippina) wanted the legal advice on the above shared with the ICC. Mr Steinberg confirmed that he could not see any reason why the creditors committee could not have the advice in short order.

Mr Leedham asked whether Clifford Chance had done a detailed analysis of the reasons why the transfer had not been completed as these reasons might assist the creditors to put pressure on the regulator. Mr Steinberg said that reliance had been placed on the LLGM advice and that since any action appeared to be statute barred and, as such, the cost of any further analysis could not be justified at this time. On this point Mr Hughes questioned whether it was likely that any different facts were likely to emerge which could change the position.

There then followed a further discussion and Mr Steinberg commented that there may be many reasons why the portfolio transfer did not take place. He said that for example, he had seen references to Home looking financially stronger than ACE-Ina at one point in time. Mr Rosen urged creditors to remember that this was not an absolute contract but a "best efforts" contract that was never completed.

Mr Goodlud noted that the FSA would also have to bear in mind ACE policy holders when considering whether to enforce a portfolio transfer today if the FSA did indeed have the powers.

ACE-INA

Ms Ellis took the creditors through the AFIA purchase agreement including ACE-Ina's ongoing responsibilities, the discussions to date between the provisional liquidator and ACE-Ina and the matter of a possible commercial resolution. She summarised the financial position of the AFIA book (run off by ACE-Ina) including the apparent significant differences between ACE's paid and case reserves and figures being provided by major creditors to date. She confirmed that the PLs urgently needed cedants to provide them with full details of their unpaid claims and case reserves so that reconciliations could be done in order to establish the reasons for these differences.

A general discussion then took place:

Mr Williams asked whether BAFCO was the first port of call for reinsurance recoveries. Ms Ellis confirmed that, on the basis of currently available information, it was, with ACE-Ina paying the claim and subsequently billing BAFCO (now CIRC).

Mr Hughes reiterated that he was keen to get detailed numbers from creditors in order to "drill down" into the reasons for the differences and be able to evaluate with more certainity the likely level of the UK branch's liabilities.

Mr Goodlud asked what the latest actuarial view of the reserves was. Mr Hughes said that E&Y's actuaries had carried out a "desk top" review of the latest Millerman report and have come up with higher estimates.

Mr Goodlud commented that ACE-Ina could be difficult and they raised many queries. Within the discussion which followed comments were made that, for example, ACE-Ina wrote-off time barred claims from their books and that this might explain some of the differences. Mr Hughes stated that there were likely to be a number of reasons for the differences including commutations (not recognised by ACE-Ina), time bar, brokers not presenting claims, matters subject to disputes etc.

Mr Williams asked whether the provisional liquidation stopped time running for time bar purposes. Mr Steinberg said no. Mr Williams further whether the appointment of a liquidator in New Hampshire stopped time running. Mr Leslie said he would revert to the ICC on this matter.

The UK Provisional Liquidation

Mr Philip Hertz and Mr David Steinberg (both of Clifford Chance) took the creditors through the powers of the UK Provisional Liquidators and their remit.

Global vs Dual Proceedings

Mr Hertz told the creditors that a comprehensive review on the question of one global versus dual proceedings in the US and UK has been completed by Clifford Chance and Rakemann, Sawyer and Brewster. The comparative advantages of each course of action havd been looked at. In addition, as referred to earlier a detailed comparison of the UK and New Hampshire winding up proceedings for insurance companies had been completed. This analysis had resulted in a "Matrix" of issues and procedures which would be distributed to the creditors committee in due course.

Mr Steinberg then discussed the Insurers (Reorganisation and Winding Up) Regulations 2003 and addressed whether the provisions on priority applied to The Home. He stated that they did apply because they covered the "Insurance debts" of a 3rd country insurer (The Home is 3rd country insurer as defined in the regulation) in any proceedings after 20 April 2003. Thus the priority rankings specified in the new regulation would apply

Mr Hughes made the additional point that the application of the above legislation went to the authorisation granted by the regulator and not the actual business carried out, thus the fact that the Home did little (if any) direct business was not important for these purposes.

A discussion then took place on one global proceeding.

Mr Warmuth requested clarification on whether reinsurance creditors did, indeed rank as class V in New Hampshire. He explained that the "Model Act" was drafted with a sentence making this point clear, but the relevant wording had been taken out of the New Hampshire legislation. In addition, there was, so far as he was aware, no case law on this point. Mr Leslie said that in his experience, the statutory language in New Hampshire was not unique for US states. He believed that US case law strongly confirmed that reinsurance creditors rank as class V. Mr Leslie said he would circulate a paper on this for the members of the committee. He further stated that he was not aware of one Insurance Commissioner in the US who would agree that reinsurance creditors ranked in class II. Mr Warmuth added that the "Model Act" came first, followed by the New Hampshire legislation which omitted the relevant wording and he could only assume that it was taken out for a reason.

Mr Peter Roth (Legal Advisor to the New Hampshire Insurance Commissioner) inquired whether Mr Warmuth's New Hampshire counsel had produced any case law or legislative in support of his position? Mr Warmuth said no but he wanted to raise the point. Mr Leslie again agreed to provide a paper for the ICC on these issues.

Mr Williams asked whether it was the status of the "creditor" or the "underlying transaction" that determined which class a creditor's claim ranked in. Mr Rosen confirmed that the whole process was "contract driven".

Mr Hughes reported that a lot of detailed work had been completed on researching the global versus dual proceedings. The advice he had received had been provided by Clifford Chance but the ICC should also be aware that this had also been separately confirmed in an opinion from

Robin Knowles QC and Professor Fletcher. Mr Steinberg added that although English law allows assets to be "ring fenced" if creditors in the UK were disadvantaged (as in the case of BCCI), the advice received suggested that there was no disadvantage to UK Branch creditors of one US Liquidation.

Mr Leedham asked if the ICC could have a copy of the opinion and Mr Hughes confirmed that he was happy to provide this to the Committee.

Mr Williams asked whether the timing of distributions was a key issue in deciding on a global versus dual proceedings. Mr Hughes responded that the FSA had raised this point, Mr Leslie agreed that the success of the liquidation depended on payments being made on a timely basis and that he was very mindful of this.

Mr Williams asked if there had ever been an insurance liquidation in New Hampshire. Mr Sevigny said that so far as he was aware there had not been a "Property and Casualty" case. Mr Leslie added that there had been "Property and Casualty" cases in other states, sufficient to give the US team precedent to fall back on.

Mr Warmuth asked whether ACE-Ina had a conflict of interest in both running off the AFIA book as well as reinsuring it. Mr Hughes replied that there were "checks and balances" being put in place with ACE-Ina. However, he was mindful that he could not do anything that could give rise to grounds for ACE-Ina to repudiate the agreement. Mr Hertz agreed with this and said that Clifford Chance had advised the provisional liquidator to act with caution on this point. Mr Warmuth commented that he believed close supervision of ACE-Ina was needed.

Mr Rosen responded that inspections of ACE were being done and we had requested monthly information to monitor claims. We had done this because we had a more direct interest in ACE's business than before.

Mr Alistair Gunn (representing Unionamerica) asked what the relevant areas were which the UK Court would focus on to assess whether UK branch creditors were likely to be prejudiced by one proceeding given it appeared that they were unlikely to receive anything anyway. Mr Hertz said the Court could look at individual creditors and see if they were prejudiced in relation to such areas as ranking of claims, set-off rights, agreement of claims procedures etc.

Mr Williams asked what assets were likely to be remitted from the UK to the US. Mr Hughes replied mainly the ACE-Ina reinsurance asset. Mr Williams further asked if we could remit the "right to claim from ACE-Ina in the future". Mr Steinberg said yes and Mr Hertz added that operational concerns with regards to the physical collection of the UK assets might lead to the Provisional Liquidator being kept in place to collect UK assets and pass them through to the US.

Proposed Way Forward

Mr Hughes reiterated that the estate was looking for commercial solutions. He listed the ICC requests for further information:

- Advice on how the US liquidation affects time bar.
- Confirmation that direct creditors ranked above reinsurance creditors in a New Hampshire Liquidation.
- A comfort letter to creditors stating that any numerical information they provided to the liquidation team would not be construed as a claim in the estate or used for commercial resolution with ACE-Ina (see below for further discussion on this point).
- The advice on the limitations impacting the ability of Home to force a portfolio transfer on ACE-INA (including the FSA's powers in relation to this matter).

- Counsel's opinion on the applicability of the Winding Up Directive for Insurers to this Liquidation and the global versus dual proceedings
- The "Matrix" of the key areas in the UK and New Hampshire statutory schemes

Mr Hughes also referred to the provisional liquidators costs. He commented that this was an unsual provisional liquidation and as would normally be the case he would be applying to the UK Court for approval of his costs. He said that he was however proposing to circulate details to the Committee so they were aware of the amounts involved.

Further Questions

Mr Hughes then opened the discussion to the floor for any further questions.

Mr Rawlings asked whether the Liquidator/Provisional Liquidators had had any discussions with ACE to date regarding a commercial solution. Mr Hughes said that various things had been discussed but as things currently stood, ACE-Ina was not performing regarding the run off of the "Rutty pool" and in addition had not paid any funds over to the provisional liquidation yet. Mr Hughes continued that he was keen to find a commercial solution if possible rather than have to revert to litigation. The discussions were leading towards ACE accepting that it had to perform the run-off of the Rutty pool and pay some monies over.

Mr Bengelsdorf reiterated this point and commented that the important point was to establish the correct level of liabilities. His view was that there are three types of creditor in the UK branch:

- Those with offset issues
- Those with contractual treaty issues
- And others

Mr Bengelsdorf said he also wanted information from the cedants about which of these categories they fell into, their unique circumstances and issues. He stated his willingness to discuss business solutions with any individual creditor. He said none of the people on the ICC had yet presented a claim and information (regarding claims and potential claims) was a key part of the liquidation.

Mr Williams summarised his understanding of the present situation:

- There was a lot of uncertainty (in particular regarding the eventual size of the estate).
- Reinsurers ranked down the list and would probably get nothing form the estate (save offset)
- The ACE-INA reinsurance provided the largest asset in this estate and this asset depended on claims made by creditors. He questioned what incentive there was for reinsureds to put claims in to such an estate.

Mr Hertz emphasised that set-off would be a strong incentive for these people to present their claims at least up to that level.

Mr Goodlud re-emphasised that from the perspective of a reinsured party there would be a great deal of administrative effort and cost involved with getting a claim set up and agreed, for no real benefit. A discussion then took place on the need to achieve a commercial resolution of all issues. Mr Hughes confirmed that the estate was aware of the need to achieve this.

Mr Warmuth asked whether they could have a comfort letter saying that any information provided by the ICC members as requested in the meeting would not be construed as a claim in the estate. Mr Leslie said the reason the Liquidator needed this information was purely commercial and that he could provide a comfort letter to send out to creditors in due course.

Close

Mr Hughes closed the meeting saying that the Liquidation team would provide all the information and documentation promised in due course.

Exhibit 21

Gareth Hughes

10/11/2003 10:17

To: rhydian□williams@equitas□co□uk
cc: philip□hertz@cliffordchance□com, Sarah Ellis/19121P/CFAS/London/ErnstYoung/GB@EYGB
Subject: The Home Insurance Company U□K□ Branch [Virus checked]

WITHOUT PREJUDICE

Rhydian, I am attaching the letter as discussed on the phone□

Home ICC Letter(v6).DO

I'm happy to receive any comments you may have on it□ It may be sensible to try and do this by a conference call or a short meeting□ I'm copying Philip and Sarah in□ I'm in meetings for most of today but will try and catch up later□ rgds, Gareth

H01433

[6] November 2003

AFIA Cedent

Dear Ladies and Gentlemen,

Re: AFIA Treaties underwritten by The Home Insurance Company U.K. Branch (the "AFIA Treaties")

In furtherance of the Informal Creditors' Committee meeting with respect to The Home Insurance Company ("Home") recently conducted in London, we hereby request that you provide us with your most up-to-date information concerning paid losses, outstanding losses (case reserves) and IBNR on the business which you have ceded to Home pursuant to the AFIA Treaties (the "**Information**"). In that regard, you have asked that we provide you with certain assurances in advance of your providing us with the Information. Therefore, conditional upon your providing us with the Information and any supporting documentation thereto as we reasonably request, we hereby confirm that:

1. **Information**

We shall use the Information only for the purposes of (a) updating Home's own records with respect to the AFIA Treaties; (b) seeking to reconcile the Information with the data relating to the AFIA Treaties contained in the books and records held by companies within the ACE Group; (c) providing the same to the ACE Group in order to assist in such reconciliation; (d) seeking to reach agreement with the ACE Group on the accuracy and/or adequacy of their books and records as aforesaid; (e) attempting, subject to paragraph 2 below, to reach a commercial resolution as to the value of the ACE Group's obligations relative to the AFIA Treaties; (f) in the absence of any such commercial resolution, seeking, if appropriate, a judicial or quasi-judicial determination of such obligations; and (g) determining the value of any potential offsets that may apply with respect to claims that may be asserted by you under the AFIA Treaties.

2. **ACE Group proceeds**

2.1 In recognition of the unique circumstances associated with the AFIA Treaties and in consideration of your providing the Information, but subject to:

2.1.1 your agreement that:

(1) (subject to sub-paragraph 2.1.1(2) below) the arrangement reflected by this proposal will represent your sole source of recovery in respect of the Home's liabilities under the AFIA Treaties (in particular, you shall not seek to reach any agreement or arrangement with any member of the ACE Group whereunder you receive payment from any such member in respect of the AFIA Treaties); and

(2) in determining your entitlement (if any) to receive any distribution payable to you in your capacity as a Class 5 creditor in Home's New Hampshire liquidation you must bring into account, and give credit for, any payments received by you pursuant to the arrangements described in this paragraph 2; and

2.1.2 the agreement of 75% in number of Informal Creditors' Committee members to the arrangement reflected by this proposal,

we agree to seek the approval of:

2.1.3 the supervising New Hampshire Court to the distribution of the "Net Recoveries" (as defined in sub-paragraph 2.2 below) to all AFIA cedents pari passu according to the value of their claims against Home under the AFIA Treaties as agreed or adjudicated (net of any applicable set-off) in the New Hampshire liquidation of Home; and

2.1.4 the English Court to a scheme of arrangement pursuant to section 425 of the Companies Act 1985 between Home and the AFIA cedents ("**Scheme**"), the purpose of which will be to effect the distribution of the "Net Recoveries" (as defined in sub-paragraph 2.2 below) in the manner described in sub-paragraph 2.1.3 above,

upon such terms as may be approved by the English and New Hampshire Courts.

2.2 "**Net Recoveries**" means 25% of the "Proceeds" (as defined in paragraph 2.3).

2.3 "**Proceeds**" means the proceeds received from the ACE Group, after accounting for amounts offset between Home and any ACE Group company, with respect to the AFIA Treaties (whether such proceeds are derived through an ongoing resolution process with the ACE Group or through a commutation or similar compromise arrangement with any ACE Group company relating to that company's indemnity and/or reinsurance obligations to Home) net of:

2.3.1 the costs of the UK provisional liquidation;

2.3.2 any collection costs;

2.3.3 costs incurred in our seeking the approvals of the New Hampshire and English Courts set out in sub-paragraphs 2.1.3 and 2.1.4 above (including, without prejudice to the generality of the foregoing, the costs of any legal and other professional advisors in obtaining and implementing such approvals); and

2.3.4 the portion of any proceeds received from the ACE Group with respect to the AFIA Treaties that are attributable to inwards liabilities of Home which are subject to offset between Home and the relevant AFIA cedent (whether such offset right derives from contract or statute).

3. **Confidentiality and Non-Disclosure**

Save as provided above, we agree that we shall not, without your prior agreement, disclose any of the Information to any third party (save where required so to do so by law) with the exception of (a) our legal, accounting and actuarial advisers; (b) our reinsurers; (c) any applicable regulator; and (d) courts of competent jurisdiction for purposes of seeking judicial approval of the arrangement proposed herein.

We furthermore reaffirm that this letter and its contents constitute "Confidential Information" within the meaning of the Confidentiality Undertaking executed by you.

4. **Authorisation**

The New Hampshire Insurance Commissioner, Roger A. Sevigny, in his capacity as Liquidator of Home, has approved this proposal and authorised its circulation by the provisional liquidators to members of the Informal Creditors' Committee.

5. **Acceptance by Informal Creditors' Committee members**

If this proposal is acceptable to you, please indicate your acceptance, coupled with your agreement to provide the Information by no later than November 30, 2003, by signing one copy of this letter where indicated below and returning such copy, duly signed, to us as soon as possible.

Gareth Hughes
12/11/2003 18:23

To: "Williams, Rhydian" <Rhydian.Williams@Equitas.co.uk>@EYUKSME
cc: "David Steinberg (E-mail)" <David.Steinberg@CliffordChance.com>, Sarah Ellis/19121P/CFAS/London/ErnstYoung/GB@EYGB
Subject: Re: Home Proposal

Rhydian, thanks for this and for coming to the meeting with your colleagues yesterday. Its always good to be working with you all. I am copying your comment onto Sarah so it can be "put into the mix".
rgds, Gareth
"Williams, Rhydian" <Rhydian.Williams@Equitas.co.uk>

"Williams, Rhydian" <Rhydian.Williams@Equitas.co.uk>
12/11/2003 18:01

To: "Gareth H Hughes (E-mail)" <ghhughes@uk.ey.com>
cc: "David Steinberg (E-mail)" <David.Steinberg@CliffordChance.com>
Subject: Home Proposal

Gareth

Further reflection on your draft proposal and our meeting, not only would it
be useful understanding the logic of the 25% value - you already have my gut
response to that - but assuming that this is justifiable (and could get the support of creditors) then as 75% of the net benefit is going to Home why should they not bear 75% of the costs? I would suggest any model produced by Sarah should be flexed to show the effect of a change in this assumption.

Regards

Rhydian

Exhibit 23

Gareth Hughes
18/11/2003 11:27

To: rhydian.williams@equitas.co.uk
cc: david.steinberg@cliffordchance.com, philip.hertz@cliffordchance.com, Sarah Ellis/19121P/CFAS/London/ErnstYoung/GB@EYGB, Matthew
Subject: The Home Insurance Company UK Branch (In Provisional Liquidation) [Virus checked]

Rhydian, I am attaching a revised version of the "without prejudice and for settlement purposes only" letter we forwarded you last week.

HomeUS.DOC

This has as you will see been substantially revised to take into account all or the vast majority of your points. Once you and your colleagues have had a chance to review this version, we and Clifford Chance are happy to arrange a conference call or a meeting at short notice. We would like to get this letter out to the Informal Creditors Committee this week. rgds, Gareth

[Headed notepaper of E&Y]

[17] November 2003

AFIA Cedent

Dear Ladies and Gentlemen,

Re: AFIA Treaties underwritten by The Home Insurance Company U.K. Branch (the "AFIA Treaties")

1. **ACE Group proceeds**

1.1 In compromise of disputed positions respecting the AFIA Treaties, we agree that, as soon as reasonably practicable following the agreement of 75% in number of Informal Creditors' Committee members to the arrangement reflected by the proposals set out in this letter agreement, we will take the following steps:

1.1.1 seek the approval of the supervising New Hampshire Court ("**New Hampshire Order**") to a compromise involving the implementation of a scheme of arrangement pursuant to section 425 of the Companies Act 1985 between Home and the AFIA cedents ("**Scheme**"), the purpose of which will be to effect the distribution of the "Net Recoveries" (as defined in sub-paragraph 1.2 below) to all AFIA cedents <u>pari passu</u> according to the value of their claims against Home under the AFIA Treaties as agreed or adjudicated (net of any applicable set-off) in the New Hampshire liquidation of Home, such approval to be conditional upon:

(1) the sanction of the English Court in respect of the Scheme;

(2) an order of the English Court approving the remission of the Home's assets situated in England and Wales (other than the "Net Recoveries" (as defined in sub-paragraph 1.2 below)) to the New Hampshire liquidator for administration and distribution as part of the New Hampshire liquidation ("**Global Liquidation Order**"); and

(3) the approval, or "non-objection", of the Financial Services Authority to the making of the Global Liquidation Order ("**FSA Approval**"); and

1.1.2 as soon as reasonably practicable after the making of the New Hampshire Order:

(1) make an application to the English Court for permission to convene a meeting of AFIA cedents to approve the Scheme; and

(2) following the approval of the Scheme by the requisite majority of AFIA cedents, seek the sanction of the English Court in respect of the Scheme,

provided that the Scheme shall not become effective on its terms until after the making of the Global Liquidation Order and the granting of FSA Approval,

the New Hampshire Order and the Scheme to be upon such terms as may be approved by the New Hampshire Court and English Court.

1.2 "**Net Recoveries**" means the "Relevant Percentage" (as defined in paragraph 1.4) of the "Proceeds" (as defined in paragraph 1.3).

1.3 "**Proceeds**" means the proceeds received from the ACE Group (after accounting for amounts offset between Home and the relevant ACE Group company concerned in relation to AFIA business) with respect to the AFIA Treaties (whether such proceeds are derived through an ongoing resolution process with the ACE Group or through a commutation or similar compromise arrangement with any ACE Group company relating to that company's indemnity and/or reinsurance obligations to Home) net of:

1.3.1 the costs of the UK provisional liquidation;

1.3.2 any collection costs;

1.3.3 costs incurred in our seeking the orders of the New Hampshire and English Courts set out in sub-paragraphs 1.1.1 and 1.1.2 above (including, without prejudice to the generality of the foregoing, the costs of any legal and other professional advisors in obtaining and implementing such approvals); and

1.3.4 the portion of any proceeds received from the ACE Group with respect to those inwards liabilities of Home under the AFIA Treaties which are, or will upon final adjudication be, settled by way of offset as between Home and the relevant AFIA cedent concerned (whether such offset right derives from contract or statute).

1.4 "**Relevant Percentage**" means the percentage specified in column 2 below in respect of the Proceeds specified in column 1 below[1].

Column 1	**Column 2**
Proceeds	%

[1] The percentages set out in this paragraph 1.4 of the letter will apply on a marginal basis such that in the event that Proceeds amount to US$200,000,000, Net Recoveries will equal US$55,000,000, calculated as follows: (25% x US$149,999,999) + (35% x (US$200,000,000 - US$149,999,999))

Up to US$ 149,999,999	25%
Between US$ 150,000,000 and US$ 249,999,999	35%
Between US$ 250,000,000 and US$ 349,999,999	45%
More than US$ 350,000,000	50%

1.5 We also agree that during the "Standstill Period" (as defined in paragraph 1.7 below) we will not enter into a commutation or similar compromise arrangement with any ACE Group company relating to that company's indemnity and/or reinsurance obligations to Home in respect of the AFIA Treaties without first consulting the Informal Creditors' Committee.

1.6 You agree that:

1.6.1 during the Standstill Period you shall not seek to reach any agreement or arrangement with any member of the ACE Group whereunder you receive payment from any such member in respect of the AFIA Treaties; and

1.6.2 in determining your entitlement (if any) to receive any distribution payable to you in your capacity as a Class 5 creditor in Home's New Hampshire liquidation you will bring into account, and give credit for, any payments received by you pursuant to the arrangements described in this paragraph 1.

1.7 "**Standstill Period**" shall mean the period commencing upon the date on which you agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us and ending on the "Standstill Termination Date" (as defined in paragraph 1.8 below).

1.8 "**Standstill Termination Date**" shall mean the earlier of:

1.8.1 31 December 2003, if 75% in number of Informal Creditors' Committee members do not agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us by that date;

1.8.2 the date upon which the New Hampshire Court denies the New Hampshire liquidator's motion for the approval of the New Hampshire Order in substantially similar terms to those described in paragraph 1.1 above;

1.8.3 the date upon which the English Court refuses to grant permission to convene a meeting of AFIA cedents to approve the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.4 the date upon which a majority in number representing 75% in value of the AFIA cedents do not approve the Scheme at the meeting specially convened for this purpose (or at any adjournment thereof) in substantially similar terms to those described in paragraph 1.1 above;

1.8.5 the date upon which the English Court refuses to sanction the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.6 the date upon which the English Court refuses to make the Global Liquidation Order;

1.8.7 the date upon which the Financial Services Authority notifies Home that it will not grant the FSA Approval; or

1.8.8 1 June 2004 (or such other date as Home and 75% in number of Informal Creditors' Committee members shall agree from time to time), if the English Court has not by that date sanctioned the Scheme under section 425 of the Companies Act 1985 as envisaged in paragraph 1.1.2 above.

2. **Information**

2.1 You agree that within 7 days following notice from us that the New Hampshire Court has made the New Hampshire Order (enclosing a certified copy of the New Hampshire Order), you will provide us with your most up-to-date information concerning paid losses, outstanding losses (case reserves) and IBNR on the business which you have ceded to Home pursuant to the AFIA Treaties (the "**Information**").

2.2 Conditional upon your providing us with the Information and any supporting documentation thereto as we reasonably request and subject to Clause 3.2 below, we hereby confirm that we shall use the Information only for the purposes of (a) updating Home's own records with respect to the AFIA Treaties; (b) seeking to reconcile the Information with the data relating to the AFIA Treaties contained in the books and records held by companies within the ACE Group; (c) providing the same to the ACE Group in order to assist in such reconciliation; (d) seeking to reach agreement with the ACE Group on the accuracy and/or adequacy of their books and records as aforesaid; (e) attempting, subject to paragraph 1 above, to reach a commercial resolution as to the value of the ACE Group's obligations relative to the AFIA Treaties; (f) in the absence of any such commercial resolution, seeking, if appropriate, a judicial or quasi-judicial determination of such obligations; and (g) determining the value of any potential offsets that may apply with respect to claims that may be asserted by you under the AFIA Treaties.

3. **Proof of Claim in Home's liquidation proceeding**

3.1 Subject to Clause 3.2 below, we acknowledge that, by providing the Information to us pursuant to paragraph 2 of this letter, you shall not be deemed to be submitting a proof of claim or similar formal claim against Home, either in the New Hampshire liquidation proceeding or in any English proceeding. We acknowledge that, by providing us with the Information pursuant to this letter, you thereby reserve all your rights in that regard.

3.2 You agree that upon the Scheme becoming effective in accordance with its terms, the Information provided to us pursuant to paragraph 2 of this letter shall thereinafter be deemed to constitute, without further action on your behalf, your proof of claim in

Home's New Hampshire liquidation (subject to your right to supplement or modify such proof of claim prior to 13 June 2004, the proof of claims filing deadline in the New Hampshire liquidation).

4. **Confidentiality and Non-Disclosure**

Save as provided above, we agree that we shall not, without your prior agreement, disclose any of the Information to any third party (save where required so to do so by law) with the exception of (a) our legal, accounting and actuarial advisers; (b) our reinsurers; (c) any applicable regulator; and (d) courts of competent jurisdiction for purposes of seeking judicial approval of the arrangement proposed herein.

We furthermore reaffirm that this letter and its contents constitute "Confidential Information" within the meaning of the Confidentiality Undertaking executed by you.

5. **Authorisation**

The New Hampshire Insurance Commissioner, Roger A. Sevigny, in his capacity as Liquidator of Home, has approved this proposal and authorised its circulation by the provisional liquidators to members of the Informal Creditors' Committee.

6. **Acceptance by Informal Creditors' Committee members**

If this proposal is acceptable to you, please indicate your acceptance to its terms by no later than December 5, 2003, by signing one copy of this letter agreement where indicated below and returning such copy, duly signed, to us as soon as possible.

Gareth Hughes
19/11/2003 13:18

To: rhydian.williams@equitas.co.uk
cc: peter.bengelsdorf@homeinsco.com, jonathan.rosen@homeinsco.com, proth@doj.state.nh.us, JDL@Rackemann.com, david.steinberg@cliffordchance.com,
Subject: The Home Insurance Company UK Branch [Virus checked]

Rhydian thank you for the call. I am, as mentioned, writing to enclose some working papers which illustrate the percentage participations set out in the letter I forwarded yesterday. This Email and the attached schedules are both provided on the same basis as the letter, namely "draft: without prejudice and for settlement purposes only".

afiaparticpations2.xls

I'm trying to fix up a meeting for tomorrow and will be in touch as soon as I've heard back from David or Philip @ Clifford Chance. rgds, Gareth

Data

		$Millions Gross	Net		
1. At Dec-02 ACE had booked AFIA as follows:	Paid	$382.5	$204.4	P	
	Case	$187.4	$109.0	C	
	IBNR	$56.6	$26.0	I	
	Reserve	$244.0	$135.0	R	R=C+I
	Ultimate	$626.5	$339.4	T	T=P+R
For purposes of application of the CIC (INA) stop-loss, ACE is booked slightly above the net deductible	CIC (INA) Deductible		$335.0	D	
The CIC (INA) stop-loss cover for net loss is	CIC (INA) Stop Loss Limit		$265.0	L	
Home % share of the CIC (INA) stop-loss cover			27%	Sci	
Home % share of uncollectible reinsurance			15%	Sun	
According to ACE's current accounting most reinsurance is non-performing			96%	N	
According to ACE's current accounts Home owes for uncollectible			$4.0	U	
2. On a sample of 7 cedents where ACE acknowledges case+paid of		$47.8			
the cedents declare a case+paid obligation worth;		$64.6			
the dollar-weighted sampled percentage increase is therefore		35%			
the percentage of business sampled (based on ACE's case+paid statistic) is		26%			
On a sample of 5 cedents where ACE acknowledges case+paid of		$17.4			
the cedents declare a case+paid of		$30.6			
and the cedents also declare an IBNR of		$70.3			
the cedents' IBNR-to-case ratio is therefore		230%			
the percentage of business sampled (based on ACE's case+paid statistic) is		10%			
Based on this limited sample a restatement of ACE's net reserves yields the following result:					
Restated Case Reserves = 135%*C:net		$147	C:net:rev		
Restated IBNR Reserves = 230%*C:net:rev		$338			
Restated Total Reserves		$485			
Implied Deficiency = $485 - R:net		$350			

H01403

Assumptions

1. Based on ACE's Dec-02 case+IBNR ratio (R:gross/R:net), each dollar of net loss equates to gross loss of	180%		
2. Gross incremental paid losses in 2003 (prior to Home liquidation) ($M)	$4.0	E	estimate
3. Minimal-loss scenario is that ACE's carried reserves are adequate			
4. Costs (for administering provisional liquidation, securing court approvals, and collection costs)	$20	A	estimate for purposes of illustration
5. Cedents collective offset against Home	$100	O	estimate for purposes of illustration
6. Likely minimal net proceeds =(R:gross - E) - Sci*(T-D) - U - Sun*N*(R:gross - R:net) - A - O			
=(244-4)-27%*(339-335)-4-15%*96%*(244-135)-20-100	$99.1		

Cedent Participations in Net Proceeds

$0	to	$150	25%
$150	to	$250	35%
$250	to	$350	45%
$350	to	unlimited	50%

Notes:

1. These percentages apply on a marginal basis; for example the participation will be $55M at $200M net proceeds [= 25%*150 + 35%*(200-150)]

2. In the event of a commutation between Home and ACE, for purposes of calculating the percentage participation the commutation proceeds will be increased by 50% in order to avoid penalizing the cedents for the lower net proceeds associated with discounting. The 50% increase in proceeds is equivalent to the assumption that the commutation proceeds will have been discounted by 33.3%. Such a discount might arise from an interest rate of 4.5% and a mean duration of 9 years. The adjustment should roughly leave the cedents economically neutral as to the pace of a Home/ACE commutation.

   Suppose, for example, that after collecting $120M net proceeds on a regular billing schedule, the business is commuted for another $120M of net proceeds. Without adjustment, the cedent share of the net proceeds would be $69M [= 25%*150 + 35%*90]. With this adjustment, the cedents' percentage is calculated as if there had been an additional $60M of net proceeds (i.e., 50% of $120M commutation proceeds). The cedent share corresponding to uncommuted net proceeds of $300M is $95M [95 = 25%*150 + 35%*100 + 45%*50], or 31.67%. Thus, in this example, the cedents' share of the total net proceeds will be $76M (=31.67% of $240M). If they had already received $30M (i.e., 25% of the first $120M of net proceeds), they would get 46% (38.33%) of the $120M commutation proceeds.

H01404

ILLUSTRATIONS

(1)	Net Reserve Deficiency	0	50	100	150	200	250	300	350	400	450	500
(2)	Implied Gross Liability	240	330	420	510	600	690	780	870	960	1050	1140
(3)	Costs	20	20	20	20	20	20	20	20	20	20	20
(4)	Cedent Offset vis a vis Home	100	100	100	100	100	100	100	100	100	100	100
(5)	Uncollectible Reinsurance Offset	20	25	31	37	43	48	54	60	66	72	77
(6)	CIC (INA) Stop-Loss Offset	1	15	28	42	55	69	72	72	72	72	72
(7)	Net proceeds	99	170	241	311	382	453	534	618	703	787	871
(8)	Cedent Participation in Net Proceeds	25	44	69	100	134	169	210	252	294	336	378
(9)	Cedent Participation as a % of Net Proceeds	25%	26%	29%	32%	35%	37%	39%	41%	42%	43%	43%

Remarks:

(1) The first column corresponds to ACE's booked reserves proving adequate (Assumption #3). The additional columns trace the consequences of higher net liabilities.

(2) The first column corresponds to ACE's gross booked reserve of $244M at Dec-02, reduced for an estimated 2003 payment to date of $4M (Assumption #2). The later columns reflect this $240M plus 180% of the net reserve deficiency hypothesized on the first row. [180% reflects Assumption #1.]

(3) The Cost estimate reflects Assumption #4. For illustration costs are held constant although they could well rise with increased gross liabilities.

(4) The Cedent Offset (Assumption #5) is a rough estimate, pending more facts about the cedents' outwards to Home, including the basis for determining mutuality of offset. The valuation of the Cedent Offset will largely be a function of the amount of reinsurance placed with Home's US Branch, and therefore will not vary much by AFIA's net reserve deficiency in the first row

(5) The Uncollectible Reinsurance Offset in the first column represents $4M currently billed by ACE plus 15% of 96% of the $109M ceded reserve booked by ACE. The increase in the Uncollectible Reinsurance Offset reflects 15% of 96% of the deficiency in booked ceded reserves. The ceded deficency is 80% of the hypothetical net deficiency in the first row. The 15% is Home's contractual share of uncollectible reinsurance. The 96% is the percentage of reinsurance currently non-performing. Note that the Uncollectible Reinsurance Offset increases without bound.

(6) The CIC (INA) Stop-Loss Offset in the first column represents Home's 27% contractual share of the $4M ACE has booked in excess of the $335M CIC (INA) deductible. The increase in the CIC (INA) Stop-Loss Offset in subsequent columns represents Home's 27% share of the additional net reserves hypothesized in the first row. However the CIC (INA) Stop-Loss Offset maxes out at $72M when the $265M Stop-Loss coverage limit is exhausted.

(7) Net Proceeds = (2) - (3) - (4) - (5) - (6)

(8) The Cedents' Participation in Net Proceeds is calculated by the lock-step marginal rates in the table. The minimal participation of 25% results where the value of the cedents' information does not serve to increase the liability estimate over that recorded by ACE. At a restated deficiency of $350M the cedents realize a 41% blended share, representing 25% of ACE's booked value plus 44% of the increase in net proceeds. In addition to their participation in row (8) cedents will in addition variously realize their offset values per row (4).

(9) = (8)/(7). Note that the illustrations are constructed as if there is no Home/ACE commutation. In the event of a commutation one can interpolate a cedent participation by adding 50% of the net commutation proceeds to the nominal net reserve deficiency.

While we have chosen to show the variability of the cedents' participation as a function of net reserve deficiency, the values in rows (1) - (6) are only one possible scenario for achieving the net proceeds shown in row (7). The values in rows (1) - (6) are also subject to estimation error. The relationship between rows (7) and (8), on the other hand, is a pure mathematical function expressed by the table of marginal participation percentages.

Exhibit 25

Matthew Harrison
21/11/2003 17:41

To: tammy.lewis@stpaul.com, rhydian.williams@equitas.co.uk, richard.leedham@addleshawgoddard.com, warmuth@scheiberpartner.de, lorna.hemsley@rsml.co.uk,
cc: Gareth Hughes/40235P/CFAS/London/ErnstYoung/GB@EYGB, david.steinberg@cliffordchance.com, philip.hertz@cliffordchance.com, Sarah
Subject: to members of the Home ICC [Virus checked]

The contents of this e -mail is without prejudice and for settlement purposes only

Dear All

I attach the most recent draft of the Liquidator's proposal to the Informal Creditors Committee in relation to the Home estate. As was noted in Gareth Hughes' e-mail of earlier today we propose to meet with you at the back end of next week to discuss any points you have in relation to the attached document. The date of this meeting will be finalised, based on availability, in the early part of next week.

Home ICC Letter(v11) .DO

regards

Matthew Harrison
Corporate Restructuring
Tel: 0207 951 1195
Fax 0207 951 9002

We are now located in our new London headquarters: 1 More London Place, London SE1 2AF.
All E-mail and telephone details remain unchanged.

[Headed notepaper of E&Y]

[21] November 2003

AFIA Cedent

Dear Ladies and Gentlemen,

Re: AFIA Treaties underwritten by The Home Insurance Company U.K. Branch (the "AFIA Treaties")

1. **ACE Group proceeds**

1.1 In compromise of disputed positions respecting the AFIA Treaties, we agree that, as soon as reasonably practicable following the agreement of 75% in number of Informal Creditors' Committee members to the arrangement reflected by the proposals set out in this letter agreement, we will take the following steps:

1.1.1 seek the approval of the supervising New Hampshire Court ("**New Hampshire Order**") to a compromise involving the implementation of a scheme of arrangement pursuant to section 425 of the Companies Act 1985 ("**Scheme**") between Home and cedents of Home in respect of the AFIA Treaties ("**AFIA Cedents**"), the purpose of which will be to effect the distribution of the "Net Recoveries" (as defined in sub-paragraph 1.2 below) to all AFIA Cedents pari passu according to the value of their claims against Home under the AFIA Treaties as agreed or adjudicated (net of any applicable set-off) in the New Hampshire liquidation of Home, such New Hampshire Order to be on terms that it is conditional upon:

(1) the sanction of the English Court in respect of the Scheme;

(2) an order of the English Court approving the remission of the Home's assets situated in England and Wales (other than the "Net Recoveries" (as defined in sub-paragraph 1.2 below)) to the New Hampshire liquidator for administration and distribution as part of the New Hampshire liquidation ("**Global Liquidation Order**"); and

(3) the approval, or "non-objection", of the Financial Services Authority to the making of the Global Liquidation Order ("**FSA Approval**"); and

1.1.2 as soon as reasonably practicable after the making of the New Hampshire Order:

(1) make an application to the English Court for permission to convene a meeting of AFIA cedents to approve the Scheme; and

(2) following the approval of the Scheme by the requisite majority of AFIA Cedents, seek the sanction of the English Court in respect of the Scheme,

provided that the Scheme shall not become effective on its terms until after the making of the Global Liquidation Order and the granting of FSA Approval,

the New Hampshire Order and the Scheme to be upon such terms as may be approved by the New Hampshire Court and English Court.

1.2 "**Net Recoveries**" means the "Relevant Percentage" (as defined in paragraph 1.4) of the "Proceeds" (as defined in paragraph 1.3).

1.3 "**Proceeds**" means the proceeds received by Home from the ACE Group or any other third party reinsurer (after deducting amounts offset between Home and either the relevant ACE Group company concerned or any other third party reinsurer in relation to AFIA business) with respect to the AFIA Treaties (whether such proceeds are derived through an ongoing resolution process with the ACE Group or any other third party reinsurer or through a commutation or similar compromise arrangement with any ACE Group company or any other third party reinsurer relating to that company's indemnity and/or reinsurance obligations to Home) net of:

1.3.1 the costs of the UK provisional liquidation;

1.3.2 any collection costs;

1.3.3 costs incurred in our seeking the orders of the New Hampshire and English Courts set out in sub-paragraphs 1.1.1 and 1.1.2 above (including, without prejudice to the generality of the foregoing, the costs of any legal and other professional advisors in obtaining and implementing such approvals); and

1.3.4 the portion of any proceeds received by Home from the ACE Group or any other third party reinsurer with respect to those inwards liabilities of Home under the AFIA Treaties which are, or will upon final adjudication be, settled by way of offset as between Home and the relevant AFIA Cedent concerned (whether such offset right derives from contract or statute).

1.4 **"Relevant Percentage"** means the percentage specified in column 2 below in respect of the Proceeds specified in column 1 below[1].

Column 1	**Column 2**
Proceeds	%
Up to US$ 149,999,999	25%
Between US$ 150,000,000 and US$ 249,999,999	35%
Between US$ 250,000,000 and US$ 349,999,999	45%
More than US$ 350,000,000	50%

1.5 We also agree that during the "Standstill Period" (as defined in paragraph 1.7 below) we will not enter into a commutation or similar compromise arrangement with any ACE Group company or any other third party reinsurer relating to that company's indemnity and/or reinsurance obligations to Home in respect of the AFIA Treaties without first consulting the Informal Creditors' Committee.

1.6 You agree that:

1.6.1 during the Standstill Period you shall not seek to reach any agreement or arrangement with any member of the ACE Group or any other third party reinsurer whereunder you receive payment from any such entity in respect of the AFIA Treaties; and

1.6.2 in determining your entitlement (if any) to receive any distribution payable to you in your capacity as a Class 5 creditor in Home's New Hampshire liquidation you will bring into account, and give credit for, any payments received by you pursuant to the arrangements described in this paragraph 1.

1.7 **"Standstill Period"** shall mean the period commencing upon the date on which you agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us and ending on the "Standstill Termination Date" (as defined in paragraph 1.8 below).

1.8 **"Standstill Termination Date"** shall mean the earlier of:

[1] The percentages set out in this paragraph 1.4 of the letter will apply on a marginal basis such that in the event that Proceeds amount to US$200,000,000, Net Recoveries will equal US$55,000,000, calculated as follows: (25% x US$149,999,999) + (35% x (US$200,000,000 - US$149,999,999))

1.8.1 31 December 2003, if 75% in number of Informal Creditors' Committee members do not agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us by that date;

1.8.2 the date upon which the New Hampshire Court denies the New Hampshire liquidator's motion for the approval of the New Hampshire Order in substantially similar terms to those described in paragraph 1.1 above;

1.8.3 the date upon which the English Court refuses to grant permission to convene a meeting of AFIA Cedents to approve the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.4 the date upon which a majority in number representing 75% in value of the AFIA Cedents do not approve the Scheme at the meeting specially convened for this purpose (or at any adjournment thereof) in substantially similar terms to those described in paragraph 1.1 above;

1.8.5 the date upon which the English Court refuses to sanction the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.6 the date upon which the English Court refuses to make the Global Liquidation Order;

1.8.7 the date upon which the Financial Services Authority notifies Home that it will not grant the FSA Approval; or

1.8.8 1 June 2004 (or such other date as Home and 75% in number of Informal Creditors' Committee members shall agree from time to time), if the English Court has not by that date sanctioned the Scheme under section 425 of the Companies Act 1985 as envisaged in paragraph 1.1.2 above.

2. **Information**

2.1 You agree that:

2.1.1 within 7 days following notice from us that the New Hampshire Court has made the New Hampshire Order (enclosing a certified copy of the New Hampshire Order), you will provide us with your most up-to-date information concerning paid losses, outstanding losses (case reserves) and IBNR on the business which you have ceded to Home pursuant to the AFIA Treaties; and

2.1.2 you will also provide us with any additional information and any supporting documentation as we reasonably request,

(the information to be provided in accordance with paragraphs 2.1.1 and 2.1.2 above being hereinafter referred to as the "**Information**").

2.2 Subject to Clause 3.2 below, we hereby confirm that we shall use the Information only for the purposes of (a) updating Home's own records with respect to the AFIA Treaties; (b) seeking to reconcile the Information with the data relating to the AFIA Treaties contained in the books and records held by companies within the ACE Group (or, to the extent relevant, any other third party reinsurer); (c) providing the same to the ACE Group (or, to the extent relevant, any other third party reinsurer) in order to assist in such reconciliation; (d) seeking to reach agreement with the ACE Group (or, to the extent relevant, any other third party reinsurer) on the accuracy and/or adequacy of their books and records as aforesaid; (e) attempting, subject to paragraph 1 above, to reach a commercial resolution as to the value of the obligations of the ACE Group (or, to the extent relevant, any other third party reinsurer) relative to the AFIA Treaties; (f) in the absence of any such commercial resolution, seeking, if appropriate, a judicial or quasi-judicial determination of such obligations; and (g) determining the value of any potential offsets that may apply with respect to claims that may be asserted by you under the AFIA Treaties.

3. **Proof of Claim in Home's liquidation proceeding**

3.1 Subject to Clause 3.2 below, we acknowledge that, by providing the Information to us pursuant to paragraph 2 of this letter, you shall not be deemed to be submitting a proof of claim or similar formal claim against Home, either in the New Hampshire liquidation proceeding or in any English proceeding. We acknowledge that, by providing us with the Information pursuant to this letter, you thereby reserve all your rights in that regard.

3.2 You agree that upon the Scheme becoming effective in accordance with its terms, the Information provided to us pursuant to paragraph 2 of this letter shall thereinafter be deemed to constitute, without further action on your behalf, your proof of claim in Home's New Hampshire liquidation (subject to your right to supplement or modify such proof of claim prior to 13 June 2004, the proof of claims filing deadline in the New Hampshire liquidation).

4. **Confidentiality and Non-Disclosure**

Save as provided above, we agree that we shall not, without your prior agreement, disclose any of the Information to any third party (save where required so to do so by law) with the exception of (a) our legal, accounting and actuarial advisers; (b) our reinsurers; (c) any applicable regulator; and (d) courts of competent jurisdiction for purposes of seeking judicial approval of the arrangement proposed herein.

We furthermore reaffirm that this letter and its contents constitute "Confidential Information" within the meaning of the Confidentiality Undertaking executed by you.

5. **Authorisation**

The New Hampshire Insurance Commissioner, Roger A. Sevigny, in his capacity as Liquidator of Home, has approved this proposal and authorised its circulation by the provisional liquidators to members of the Informal Creditors' Committee.

6. **Acceptance by Informal Creditors' Committee members**

If this proposal is acceptable to you, please indicate your acceptance to its terms by no later than December 5, 2003, by signing one copy of this letter agreement where indicated below and returning such copy, duly signed, to us as soon as possible.

Matthew Harrison

21/11/2003 17:41

To: tammy.lewis@stpaul.com, rhydian.williams@equitas.co.uk, richard.leedham@addleshawgoddard.com, warmuth@scheiberpartner.de, lorna.hemsley@rsml.co.uk, steve.goodlud@kpmg.co.uk, trevor.rawlings@thehartford.com, jim.tyson@kmsl.co.uk, abrannon@lcl-group.com, alistair.gunn@stpaul.com, jerry.dowlen@cnaeurope.com, guido.aulbach@zurich.com

cc: Gareth Hughes/40235P/CFAS/London/ErnstYoung/GB@EYGB, david.steinberg@cliffordchance.com, philip.hertz@cliffordchance.com, Sarah Ellis/19121P/CFAS/London/ErnstYoung/GB@EYGB

Subject: to members of the Home ICC

The contents of this e-mail is without prejudice and for settlement purposes only

Dear All

I attach the most recent draft of the Liquidator's proposal to the Informal Creditors Committee in relation to the Home estate. As was noted in Gareth Hughes' e-mail of earlier today we propose to meet with you at the back end of next week to discuss any points you have in relation to the attached document. The date of this meeting will be finalised, based on availability, in the early part of next week.

Home ICC Letter(v11) .DO

regards

Matthew Harrison
Corporate Restructuring
Tel: 0207 951 1195
Fax 0207 951 9002

We are now located in our new London headquarters: 1 More London Place, London SE1 2AF.
All E-mail and telephone details remain unchanged.

Exhibit 26

28 November 2003

The Home Insurance Company

Proposal to UK Branch Creditors

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Proposal and Timetable

Dec 03/Jan 04	Seek approval from New Hampshire to proposed comprise (subject to conditions)
Jan 04	Creditors to provide Home with up to date information
Jan/Feb 04	Draft Scheme of Arrangement
Mar 04	Apply to English Court to convene a meeting with AFIA Creditors
May/Jun 04	Hold Creditors Meeting to Approve Scheme, Sanction from English Court for Scheme and Global Liquidation Order

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Proposed Compromise

Share "Proceeds" with AFIA Cedents:

	Net AFIA Recoveries	x
less	Costs	(x)
less	Portion of the proceeds generated by those AFIA Cedents' claims which have been settled by Home by way of offset	(x)

	"Proceeds"	(x)

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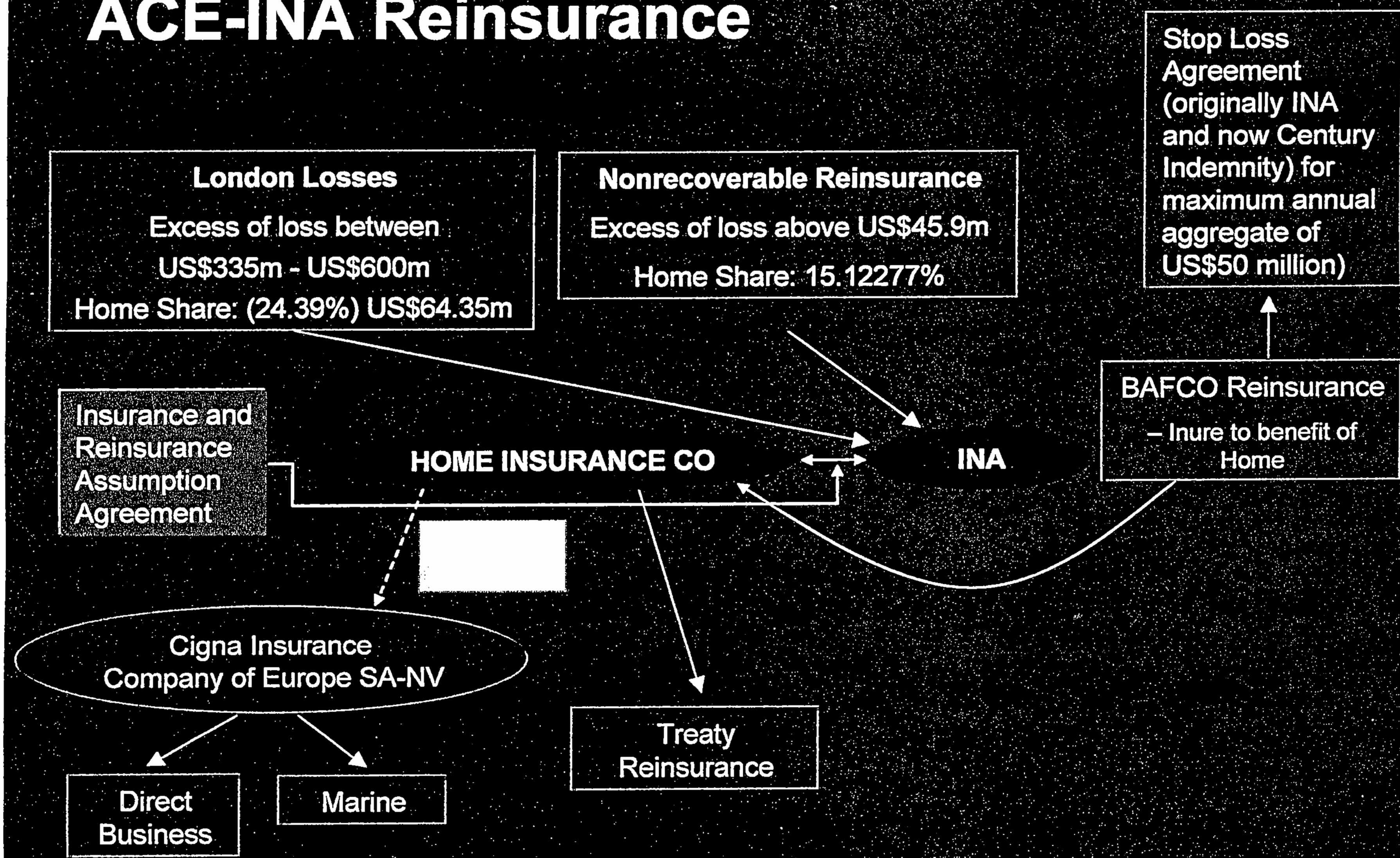
ACE-INA Reinsurance



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H00391

Home Proposal to ICC in Relation to AFIA – A Worked Example

Example where 3 cedants have the following positions:
(all figures are in $m)

	Debtor (Home US)	Creditor (AFIA)	Net Position DR	Net Position CR	Set-Off
Creditor A	$20	$150		$130	$20
Creditor B	$120	$100	($20)		$100
Creditor C	NIL	$200		$200	NIL
Total Claims to ACE		$450	($20)	$330	$120

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ACE Set-Off – London Losses

	$m
Gross Claims	450
less Third Party Reinsurance (47%)	-212
Net	238
Net Paid up to the date of Liquidation	204
Total	442
Deductible Under Quota Share	-335
Into the "Layer"	107
Of Which Home Share is 24.39% (Offset)	26

ACE Set-Off – Non Recoverable Reinsurance

	$m
Third Party Reinsurance (Per ACE)	212
Assume 96% Uncollectable	204
Of Which Home's Share is (15%)	31
Outstanding Unrecoverable Reinsurance	4
Total Offset in relation to Non-recoverable Reinsurance	35

Total ACE Set-Off

	$m
London Losses	26
Non Recoverable Reinsurance	35
Total ACE Set-Off	61

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Calculation of the "Pot"

	$m
Proceeds From ACE	$450
ACE can apply legitimate set-off	($61)
Legal and Administrative costs of the scheme	($20)
	$369
Less individual cedant set-offs	($120)
Variable divided is paid on this amount	$249

Final Calculation of the Dividend "Pot"

The dividend "pot" on $249m willl be calculated on a marginal basis as follows:

	$m
$150m @ 25%	37.5
($249m - $150m)@35%	34.65
The "Pot"	72.15

The percentages used are those proposed in the letter to the ICC

This pot is then divided between the cedants based on their share of the net credit in relation to the Home estate

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Example calculation of total final dividend

In the example on slide 4 Creditor A will receive:

Creditor A's gross credit in relation to the Home estate	$150m	G
Creditor A's net credit in relation to the Home estate	$130m	A
Total population of cedants net credits in relation to the Home estate	$330m	B
A/B = Creditor A's share of the population's credit (thus share of the "pot")	0.3939	C
The "pot" as calculated in slide 9	$72.15m	D
C*D = Total payable to Creditor A under this scheme on net credit	$28.42m	21.86%
Total payable to Creditor A for Offset (G-A)	$20m	100%
Total payable to Creditor A	$48.42	32.28%

Example calculation of total final dividend

<u>In the example on slide 4 Creditor C will receive:</u>

Creditor C's gross credit in relation to the Home estate	$200m	G
Creditor C's net credit in relation to the Home estate	$200m	A
Total population of cedants net credits in relation to the Home estate	$330m	B
A/B = Creditor C's share of the population's credit (thus share of the "pot")	0.606	C
The "pot" as calculated above	$72.15m	D
C*D = Total payable to Creditor C under this scheme	$43.72m	21.86%
Total payable to Creditor C for Offset (G-A)	NIL	0%
Total payable to Creditor C	$43.72	21.86%

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Commutation Proposal

- Home recognises that if it commutes future liabilities at a discount there should be some uplift for AFIA cedents
- Home proposes an amendment to letter to include a provision to enhance the "relevant percentage" applied to the "proceeds"
- We have a copy of draft wording to hand out

Exhibit 27

Gareth Hughes
09/12/2003 21:22

To: Matthew Harrison/63719D/FSO/London/ErnstYoung/GB@EYGB
cc: Sarah Ellis/19121P/CFAS/London/ErnstYoung/GB@EYGB
Subject: RWs View of Actuarial Model3.xls WITHOUT PREJUDICE - E&OE [Virus checked]

Matt/Sarah, can you both take a look at this and produce me a one page summary. I am going to try and get to Equitas tomorrow afternoon with Sarah from 14:30/45 but can only do this if our Carolina Re meeting is largely over. rgds, Gareth
----- Forwarded by Gareth Hughes/40235P/CFAS/London/ErnstYoung/GB on 09/12/2003 21:20 -----

"Williams, Rhydian " <Rhydian.Williams@Equitas.co.uk>
09/12/2003 18:19

To: "Sarah Ellis (E-mail)" <sellis@UK.EY.COM>
cc: "Gareth H Hughes (E-mail)" <ghhughes@uk.ey.com>
Subject: RWs View of Actuarial Model3.xls WITHOUT PREJUDICE - E&OE

<<RWs View of Actuarial Model3.xls>>

Sarah

Please find attached some worksheets based around the original spreadsheets from the Home's Actuary.

I have inserted:
* "Graphics" which is a simple diagram of my understanding of the
Home/Afia/Ace relationship;
* "Background" which puts into Welsh my understanding of how the diagram translates into words;
* "Data" which is the Home's Actuaries base data - with added cross-references to the "Background" worksheet;
* "Assumptions" which contain the same assumptions as provided by the
Home's Actuary.
* "Curr Benefits" which is the original "Lock Step" proposal from Home
with an added line or two to illustrate what the Home get out of the proposal;
* "Lock Step & Franchise" which illustrates these two ways of determining the pot;
* "5050 and Split" which illustrates how the 50:50 split and the Straight 35% or Straight 45% split would look like;
* "4555" illustrating how the 45:55 split would work; and
* "Summary" being a comparison of all views.

Tomorrow, we will want to discuss the fact that we have considered these many different approaches (we could spend weeks pulling together many more!). Naturally, everyone would like a Straight 40% (or better still Straight 50%!) but I tend towards the most equitable 50:50 approach. Lock Step is not seen as fair or desirable, even though we can see its attractions from the Home's point of view. I'm sure you can see why 40% would be preferred by the cedents even if it is not acceptable to the Home.

Please review the attached and call me tomorrow morning. Guy tells me that you are busy until about 2.30. That should be fine. A number of the committee want to participate either in person or by teleconference. I will
arrange that.

I look forward to speaking to you tomorrow.

Other Issues - Heads up..:

* There are still concerns about how Bafco fits in to this

analysis
*   Whether the percentages used for the Actuaries calculation of
Homes
share of the Stop loss (24% part of 90% of 100%, perhaps should be nearer
22% that 27%)
*   and whether all the reinsurance relationships portrayed at the
initial ICC meeting by Clifford Chance are fairly reflected in the
actuaries
base model.

Feel free to call me on my mobile if you have issues with the foregoing.

Regards

Rhydian

mobile 07941 744566

RWs View of Actuarial Model3.x

Background

1. Ace are liable for Afia claims, net of any inuring reinsurances, up to $335m. The Gross and Net figures in the "Data" worksheet refer to the inuring reinsurances.

2. * Beyond $335m, Ace can claim from the original Afia pool members for losses up to $265m excess of the $335m - the CIC (INA) Stop Loss Cover.

3. After the limit of this Stop Loss Cover has been exceeded Ace has no further protection from Afia and bear all further losses 100%.

4. * Any failure of the inuring reinsurances, subject to a deductible of $49.4m (which has been breached) can be claimed in part from the Afia Pool. This will lead to Ace being able to assert offset for Home's share of the uncollectible recoveries. Settlements on this were made by Home up to 1998. Ace assert that 96% of the reinsurance is no longer performing, however, much of the deficiency in the paids figures has been settled between Home and Ace.

5. The degree to which Ace's figures are understated is unknown, but actuaries have tried to extrapolate based on samples of data provided by some Cedents. The model attempts to show the impact of increasing net deficiencies on the degree of offset that may be asserted and on the benefit to cedents if the proposed payout method is agreed to.

6. The base data presented by the actuaries in the model are based on official returns prepared by Ace. They are as at Dec 02.

7. An adjustment needs to be made to bring the data up to the point when the liquidation was declared - See "Assumptions" note 2.

8. The model takes increasing levels of reserves deficiencies, calculates the gross claims that would generate this deficiency, adjusts for costs and offsets benefiting Ace and determines the net proceeds that would feed the cedents dividend model.

9. The proposal assumes that any commutation discount is grossed up to benefit cedents. Thus, if say the value sought was $300m and Ace commuted at $200m after the time value discount, the imputed agreed value for calculating cedents' dividend would be $200 x 150% = $300m.

* the importance of these two points is that they affect the Ace/Home offset figures

H01357

Data

		$Millions Gross	Net			See Background Notes
1. At Dec-02 ACE had booked AFIA as follows:	Paid	$382.5	$204.4	P		See notes 1 & 6
	Case	$187.4	$109.0	C		
	IBNR	$56.6	$26.0	I		
	Reserve	$244.0	$135.0	R	R=C+I	
	Ultimate	$626.5	$339.4	T	T=P+R	
For purposes of application of the CIC (INA) stop-loss, ACE is booked slightly above the net deductible	CIC (INA) Deductible		$335.0	D		See note 2 & 3
The CIC (INA) stop-loss cover for net loss is	CIC (INA) Stop Loss Limit		$265.0	L		
Home % share of the CIC (INA) stop-loss cover			27%	Sci		
Home % share of uncollectible reinsurance			15%	Sun		See note 4
According to ACE's current accounting most reinsurance is non-performing			96%	N		
According to ACE's current accounts Home owes for uncollectible			$4.0	U		

2. On a sample of 7 cedents where ACE acknowledges case+paid of	$47.8		See note 5
the cedents declare a case+paid obligation worth;	$64.6		
the dollar-weighted sampled percentage increase is therefore	35%		
the percentage of business sampled (based on ACE's case+paid statistic) is	26%		
On a sample of 5 cedents where ACE acknowledges case+paid of	$17.4		
the cedents declare a case+paid of	$30.6		
and the cedents also declare an IBNR of	$70.3		
the cedents' IBNR-to-case ratio is therefore	230%		
the percentage of business sampled (based on ACE's case+paid statistic) is	10%		
Based on this limited sample a restatement of ACE's net reserves yields the following result:			
Restated Case Reserves = 135%*C:net	$147	C:net:rev	
Restated IBNR Reserves = 230%*C:net:rev	$338		
Restated Total Reserves	$485		
Implied Deficiency = $485 - R:net	$350		

H01358

Assumptions

1. Based on ACE's Dec-02 case+IBNR ratio (R:gross/R:net), each dollar of net loss equates to gross loss of		180%		
2. Gross incremental paid losses in 2003 (prior to Home liquidation) ($M)		$4.0	E	estimate
3. Minimal-loss scenario is that ACE's carried reserves are adequate				
4. Costs (for administering provisional liquidation, securing court approvals, and collection costs)		$20	A	estimate for purposes of illustration
5. Cedents collective offset against Home		$100	O	estimate for purposes of illustration
6. Likely minimal net proceeds	=(R:gross - E) - Sci*(T-D) - U - Sun*N*(R:gross - R:net) - A - O			
	=(244-4)-27%*(339-335)-4-15%*96%*(244-135)-20-100	$99.1		

Cedent Participations in Net Proceeds

$0	to	$50	25%
$50	to	$150	35%
$150	to	$250	45%
$250	to	unlimited	50%

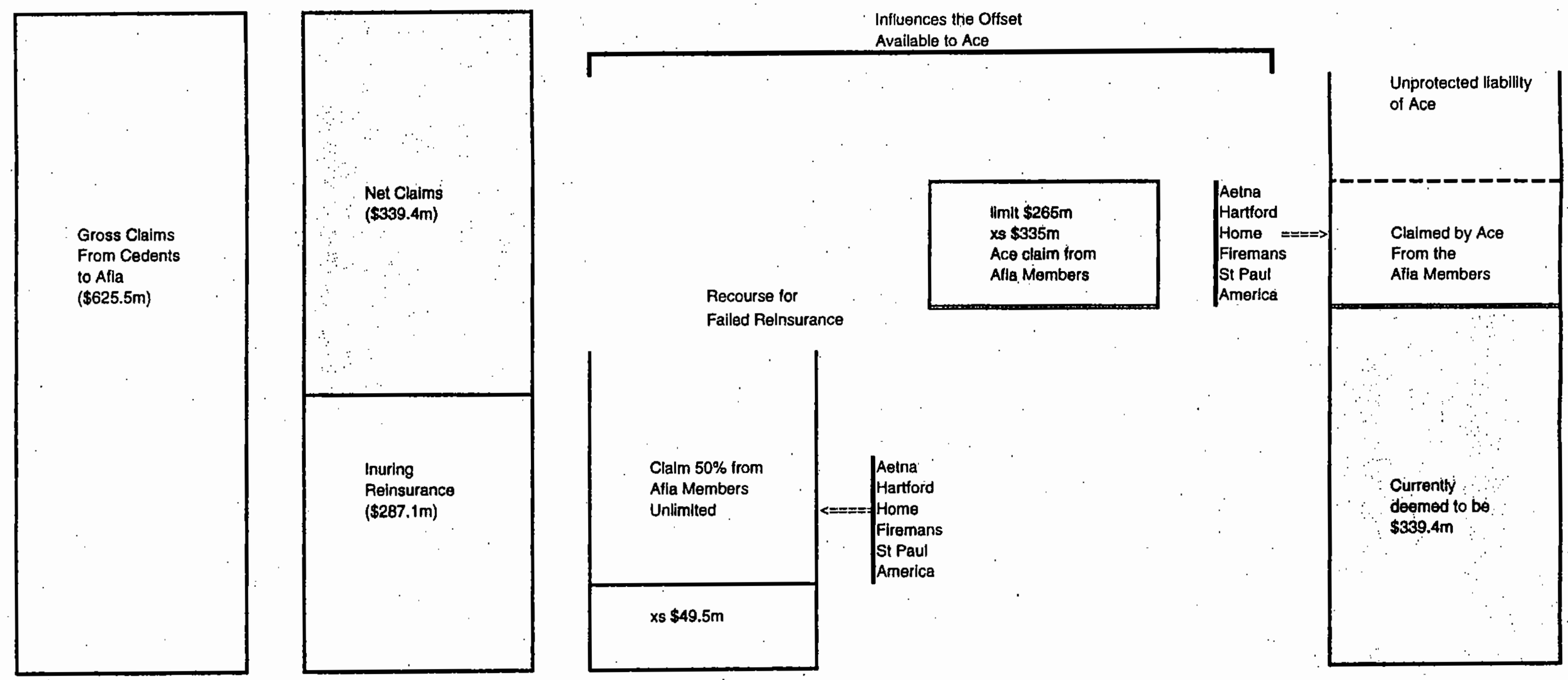
Notes:

1. These percentages apply on a marginal basis; for example the participation will be $55M at $200M net proceeds [= 25%*150 + 35%*(200-150)]

2. In the event of a commutation between Home and ACE, for purposes of calculating the percentage participation the commutation proceeds will be increased by 50% in order to avoid penalizing the cedents for the lower net proceeds associated with discounting. The 50% increase in proceeds is equivalent to the assumption that the commutation proceeds will have been discounted by 33.3%. Such a discount might arise from an interest rate of 4.5% and a mean duration of 9 years. The adjustment should roughly leave the cedents economically neutral as to the pace of a Home/ACE commutation.

   Suppose, for example, that after collecting $120M net proceeds on a regular billing schedule, the business is commuted for another $120M of net proceeds. Without adjustment, the cedent share of the net proceeds would be $69M [= 25%*150 + 35%*90].
   With this adjustment, the cedents' percentage is calculated as if there had been an additional $60M of net proceeds (i.e., 50% of $120M commutation proceeds).
   The cedent share corresponding to uncommuted net proceeds of $300M is $95M [95 = 25%*150 + 35%*100 + 45%*50], or 31.67%.
   Thus, in this example, the cedents' share of the total net proceeds will be $76M (=31.67% of $240M).
   If they had already received $30M (i.e., 25% of the first $120M of net proceeds), they would get 46% (38.33%) of the $120M commutation proceeds.

H01359



RWs View of Actuarial Model3

Graphic

H01360

	ILLUSTRATIONS	Scenario 1	2	3	4	5	6	7	8	9	10	11
(1)	Net Reserve Deficiency	0	50	100	150	200	250	300	350	400	450	500
(2)	Implied Gross Liability	240	330	420	510	600	690	780	870	960	1050	1140
(3)	Costs	20	20	20	20	20	20	20	20	20	20	20
(4)	Cedent Offset vis a vis Home	100	100	100	100	100	100	100	100	100	100	100
(5)	Uncollectible Reinsurance Offset	20	25	31	37	43	48	54	60	66	72	77
(6)	CIC (INA) Stop-Loss Offset	1	15	28	42	55	69	72	72	72	72	72
(7)	Net proceeds	99	170	241	311	382	453	534	618	703	787	871
(8)	Cedent Participation in Net Proceeds	30	56	88	123	159	194	235	277	319	361	403
(9)	Cedent Participation as a % of Net Proceeds	30%	33%	37%	40%	41%	43%	44%	45%	45%	46%	46%
10	Benefit accruing to Home above the Cedent Offset	69	113	152	188	224	259	300	342	384	426	468
11	Home's Participation as a % of Net Proceeds	70%	67%	63%	60%	59%	57%	58%	55%	55%	54%	54%
12	Cedent's return on Claims Presented	12%	17%	21%	24%	28%	28%	30%	32%	33%	34%	35%
13	Home's return based on Claims presented	29%	34%	36%	37%	37%	38%	38%	39%	40%	41%	41%

These values are over-and-above the "default" recovery arising from the $100m cedent offset and therefore represent the true economic benefit for the Home.

Remarks:

(1) The first column corresponds to ACE's booked reserves proving adequate (Assumption #3). The additional columns trace the consequences of higher net liabilities.

(2) The first column corresponds to ACE's gross booked reserve of $244M at Dec-02, reduced for an estimated 2003 payment to date of $4M (Assumption #2).
The later columns reflect this $240M plus 180% of the net reserve deficiency hypothesized on the first row. [180% reflects Assumption #1.]

(3) The Cost estimate reflects Assumption #4. For illustration costs are held constant although they could well rise with increased gross liabilities.

(4) The Cedent Offset (Assumption #5) is a rough estimate, pending more facts about the cedents' outwards to Home, including the basis for determining mutuality of offset.
The valuation of the Cedent Offset will largely be a function of the amount of reinsurance placed with Home's US Branch, and therefore will not vary much by AFIA's net reserve deficiency in the first row.

(5) The Uncollectible Reinsurance Offset in the first column represents $4M currently billed by ACE plus 15% of 96% of the $109M ceded reserve booked by ACE.
The increase in the Uncollectible Reinsurance Offset reflects 15% of 96% of the deficiency in booked ceded reserves. The ceded deficency is 80% of the hypothetical net deficiency in the first row.
The 15% is Home's contractual share of uncollectible reinsurance. The 96% is the percentage of reinsurance currently non-performing.
Note that the Uncollectible Reinsurance Offset increases without bound.

(6) The CIC (INA) Stop-Loss Offset in the first column represents Home's 27% contractual share of the $4M ACE has booked in excess of the $335M CIC (INA) deductible.
The increase in the CIC (INA) Stop-Loss Offset in subsequent columns represents Home's 27% share of the additional net reserves hypothesized in the first row.
However the CIC (INA) Stop-Loss Offset maxes out at $72M when the $265M Stop-Loss coverage limit is exhausted.

(7) Net Proceeds = (2) - (3) - (4) - (5) - (6)

(8) The Cedents' Participation in Net Proceeds is calculated by the lock-step marginal rates in the table.
The minimal participation of 25% results where the value of the cedents' information does not serve to increase the liability estimate over that recorded by ACE.
At a restated deficiency of $350M the cedents realize a 41% blended share, representing 25% of ACE's booked value plus 44% of the increase in net proceeds.
In addition to their participation in row (8) cedents will in addition variously realize their offset values per row (4).

(9) = (8)/(7). Note that the illustrations are constructed as if there is no Home/ACE commutation. In the event of a commutation one can interpolate a cedent participation by adding 50% of the net commutation proceeds to the nominal net reserve deficiency.

While we have chosen to show the variability of the cedents' participation as a function of net reserve deficiency, the values in rows (1) - (6) are only one possible scenario for achieving the net proceeds shown in row (7). The values in rows (1) - (6) are also subject to estimation error. The relationship between rows (7) and (8), on the other hand, is a pure mathematical function expressed by the table of marginal participation percentages.

H01361

	ILLUSTRATIONS	Scenario	1	2	3	4	5	6	7	8	9	10	11
(1)	Net Reserve Deficiency		0	50	100	150	200	250	300	350	400	450	500
(2)	Implied Gross Liability		240	330	420	510	600	690	780	870	960	1050	1140
(3)	Costs		20	20	20	20	20	20	20	20	20	20	20
(4)	Cedent Offset vis a vis Home		100	100	100	100	100	100	100	100	100	100	100
(5)	Uncollectible Reinsurance Offset		20	25	31	37	43	48	54	60	66	72	77
(6)	CIC (INA) Stop-Loss Offset		1	15	28	42	55	69	72	72	72	72	72
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(8)	Cedent Participation in Net Proceeds		30	56	88	123	159	194	235	277	319	361	403
(9)	Cedent Participation as a % of Net Proceeds		30%	33%	37%	40%	41%	43%	44%	45%	45%	46%	46%
	Lock Step Approach												
	Return to Cedents on Claims Presented		12%	17%	21%	24%	26%	28%	30%	32%	33%	34%	35%
	Return to Home on Claims Presented		29%	34%	36%	37%	37%	36%	38%	39%	40%	41%	41%
	Homes Return inc the "100" offset		71%	65%	60%	57%	54%	52%	51%	51%	50%	50%	50%
	FRANCHISE Approach												
	Return to Cedents		35	76	108	-	191	226	267	309	351	393	436
	Return to Home		64	93	132	311	191	226	267	309	351	393	436
	Return to Cedents on Claims Presented		14%	23%	26%	0%	32%	33%	34%	36%	37%	37%	38%
	Return to Home on Claims Presented		27%	28%	32%	61%	32%	33%	34%	36%	37%	37%	38%
	Homes Return inc the "100" offset		69%	59%	55%	81%	49%	47%	47%	47%	47%	47%	47%

Remarks:

(1) The first column corresponds to ACE's booked reserves proving adequate (Assumption #3). The additional columns trace the consequences of higher net liabilities.

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Note that the Uncollectible Reinsurance Offset increases without bound.

(6) The CIC (INA) Stop-Loss Offset in the first column represents Home's 27% contractual share of the $4M ACE has booked in excess of the $335M CIC (INA) deductible.
The increase in the CIC (INA) Stop-Loss Offset in subsequent columns represents Home's 27% share of the additional net reserves hypothesized in the first row.
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The minimal participation of 25% results where the value of the cedents' information does not serve to increase the liability estimate over that recorded by ACE.
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In addition to their participation in row (8) cedents will in addition variously realize their offset values per row (4).

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by adding 50% of the net commutation proceeds to the nominal net reserve deficiency.

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for achieving the net proceeds shown in row (7). The values in rows (1) - (6) are also subject to estimation error. The relationship between rows (7) and (8),
on the other hand, is a pure mathematical function expressed by the table of marginal participation percentages.

H01362

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(3)	Costs		20	20	20	20	20	20	20	20	20	20	20
(4)	Cedent Offset vis a vis Home		100	100	100	100	100	100	100	100	100	100	100
(5)	Uncollectible Reinsurance Offset		20	25	31	37	43	48	54	60	66	72	77
(6)	CIC (INA) Stop-Loss Offset		1	15	28	42	55	69	72	72	72	72	72
(7)	Net proceeds		99	170	241	311	382	453	534	618	703	787	871
(8)	Cedent Participation in Net Proceeds		50	85	120	156	191	226	267	309	351	393	436
[redacted]													
10	Benefit accruing to Home above the Cedent Offset		50	65	120	156	191	226	267	309	351	393	436
11	Home's Participation as a % of Net Proceeds		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
12	Cedent's return on Claims Presented		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
13	Home's return based on Claims presented		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
	Home's Return inc "100" offset		62%	56%	52%	50%	49%	47%	47%	47%	47%	47%	47%

These values are over-and-above the "default" recovery arising from the $100m cedent offset and therefore represent the true economic benefit for the Home. It matches the return to the cedents before the cedents account for their costs of presenting the claims

Straight % Split

		1	2	3	4	5	6	7	8	9	10	11
Cash From Ace		219	290	361	431	502	573	654	738	823	907	991
Cedents Share of Cash on 50:50		50	65	120	156	191	226	267	309	351	393	436
Cedents Share of Cash as %		23%	29%	33%	36%	38%	40%	41%	42%	43%	43%	44%
Cedents Cash as % of Claims made		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
Value based on straight %	35%	77	101	126	151	176	200	229	258	288	317	347
	40%	88	116	144	173	201	229	262	295	329	363	396
Cross-over points for						35%	40%					
Return to Home based on straight %	35%	122	168	214	260	306	352	405	460	515	569	624
	40%	111	154	196	239	281	324	373	423	474	524	575
excl "100" Cedent offset	35%	22	68	114	160	206	252	305	360	415	469	524
	40%	11	54	96	139	181	224	273	323	374	424	475
50:50 Return based on Reserves presented as claims		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
Benefit to Home inc Cedents Offset Presentation		62%	56%	52%	50%	49%	47%	47%	47%	47%	47%	47%
Benefit to Home exc Cedents Offset Presentation		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
Given Benefit ie Cedents Offset Presentations		42%	30%	24%	20%	17%	14%	13%	11%	10%	10%	9%
Consumed by costs/offset		17%	18%	19%	19%	20%	20%	19%	17%	16%	16%	15%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	ILLUSTRATIONS	Scenario	1	2	3	4	5	6	7	8	9	10	11
(1)	Net Reserve Deficiency		0	50	100	150	200	250	300	350	400	450	500
(2)	Implied Gross Liability		240	330	420	510	600	690	780	870	960	1050	1140
(3)	Costs		20	20	20	20	20	20	20	20	20	20	20
(4)	Cedent Offset vis a vis Home		100	100	100	100	100	100	100	100	100	100	100
(5)	Uncollectible Reinsurance Offset		20	25	31	37	43	48	54	60	66	72	77
(6)	CIC (INA) Stop-Loss Offset		1	15	28	42	55	69	72	72	72	72	72
(7)	Net proceeds		99	170	241	311	382	453	534	618	703	787	871
(8)	Cedent Participation in Net Proceeds		45	76	108	140	172	204	240	278	316	354	392
(9)	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Benefit accruing to Home above the Cedent Offset		55	93	132	171	210	249	294	340	386	433	479
11	Home's Participation as a % of Net Proceeds		55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%
12	Cedent's return on Claims Presented		19%	23%	26%	27%	29%	30%	31%	32%	33%	34%	34%
13	Home's return based on Claims presented		23%	28%	32%	34%	35%	36%	38%	39%	40%	41%	42%
	Home's Return inc "100" offset		64%	59%	55%	53%	52%	51%	50%	51%	51%	51%	51%

45:55

These values are over-and-above the "default" recovery arising from the $100m cedent offset and therefore represent the true economic benefit for the Home. It matches the return to the cedents before the cedents account for their costs of presenting the claims

		1	2	3	4	5	6	7	8	9	10	11
Cash From Ace		219	290	361	431	502	573	654	738	823	907	991
Cedents Share of Cash on 50:50		45	76	108	140	172	204	240	278	316	354	392
Cedents Share of Cash as %		20%	26%	30%	32%	34%	36%	37%	38%	38%	39%	40%
Cedents Cash as % of Claims made		19%	23%	26%	27%	29%	30%	31%	32%	33%	34%	34%
Value based on straight %	35%	77	101	126	151	176	200	229	258	286	317	347
	40%	88	118	144	173	201	229	262	295	329	363	396
Cross-over points for						35%	40%					
Return to Home based on straight %	35%	122	168	214	260	306	352	405	460	515	569	624
	40%	111	154	196	239	281	324	373	423	474	524	575
excl "100" Cedent offset	35%	22	68	114	160	206	252	305	380	415	469	524
	40%	11	54	96	139	181	224	273	323	374	424	475
45:55 Return based on Reserves presented as claims		19%	23%	26%	27%	29%	30%	31%	32%	33%	34%	34%
Benefit to Home inc Cedents Offset Presentation		64%	59%	55%	53%	52%	51%	50%	51%	51%	51%	51%
Benefit to Home exc Cedents Offset Presentation		23%	28%	32%	34%	35%	36%	38%	39%	40%	41%	42%
Given Benefit ie Cedents Offset Presentations		42%	30%	24%	20%	17%	14%	13%	11%	10%	10%	9%
Consumed by costs/offset		17%	18%	19%	19%	20%	20%	19%	17%	16%	16%	16%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Straight 45:55 Return to Cedents		19%	23%	26%	27%	29%	30%	31%	32%	33%	34%	34%
Straight 45:55 Return to Home		23%	28%	32%	34%	35%	36%	38%	39%	40%	41%	42%
Overall Return to Home		64%	59%	55%	53%	52%	51%	50%	51%	51%	51%	51%

ILLUSTRATIONS

Summary of Results

		Scenario	1	2	3	4	5	6	7	8	9	10	11
	Return to Cedents based on Straight %	40%	37%	35%	34%	34%	33%	33%	34%	34%	34%	35%	35%
40%	Return to Home excl "100" cedent offset	40%	5%	16%	23%	27%	30%	32%	35%	37%	39%	40%	42%
	Overall Return to Home - Straight %	40%	46%	47%	47%	47%	47%	47%	48%	49%	49%	50%	50%
	Return to Cedents based on Straight %	35%	32%	31%	30%	30%	29%	29%	29%	30%	30%	30%	30%
35%	Return to Home excl "100" cedent offset	35%	9%	21%	27%	31%	34%	37%	39%	41%	43%	45%	46%
	Overall Return to Home - Straight %	35%	51%	51%	51%	51%	51%	51%	52%	53%	54%	54%	55%
	Straight 50:50 Return to Cedents		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
50:50	Straight 50:50 Return to Home		21%	26%	29%	31%	32%	33%	34%	36%	37%	37%	38%
	Overall Return to Home - after 50:50		62%	56%	52%	50%	49%	47%	47%	47%	47%	47%	47%
	Straight 45:55 Return to Cedents		19%	23%	26%	27%	29%	30%	31%	32%	33%	34%	34%
45:55	Straight 45:55 Return to Home		23%	28%	32%	34%	35%	36%	38%	39%	40%	41%	42%
	Overall Return to Home - after 45:55		64%	59%	55%	53%	52%	51%	50%	51%	51%	51%	51%
	Cedents - Lock Step Approach (exc "100")		14%	23%	26%	0%	32%	33%	34%	36%	37%	37%	38%
Franchise	Home - Lock Step Share (exc "100")		27%	28%	32%	61%	32%	33%	34%	36%	37%	37%	38%
	Overall Return to Home - after Lockstep		69%	59%	55%	81%	49%	47%	47%	47%	47%	47%	47%
	Cedents - Lock Step Approach (exc "100")		12%	17%	21%	24%	26%	28%	30%	32%	33%	34%	35%
Lock	Home - Lock Step Share (exc "100")		29%	34%	36%	37%	37%	38%	38%	39%	40%	41%	41%
Step	Overall Return to Home - after Lockstep		71%	65%	60%	57%	54%	52%	51%	51%	50%	50%	50%

H01365

Exhibit 28

"Leedham, Richard "
<Richard.Leedham@addleshawgoddard.com>

12/12/2003 16:50

To: "David Steinberg (E-mail)" <david.steinberg@cliffordchance.com>, "Philip Hertz (E-mail)" <philip.hertz@cliffordchance.com>, "Gareth Hughes (E-mail)" <ghhughes@uk.ey.com>, "Sarah Ellis (E-mail)"
cc: "'Rhydian Williams (E-mail)'" <rhydian.williams@equitas.co.uk>, "'Robert Fleming (E-mail)'" <robert.fleming@equitas.co.uk>, "'Tammy Lewis (E-mail)'" <tammy.lewis@stpaul.com>, "'Jerry
Subject: The Home/AFIA cedents- Without prejudice/Subject to Contract [Virus checked]

Dear All

Following recent meetings/telephone discussions between certain members of the ICC on the one hand and Ernst & Young, Clifford Chance and the Home on the other, I attach a marked up draft of the 21/11 draft E & Y proposal for your comments.

This comes with the following caveat. Whilst, as requested, the views of all members of the ICC have been sought on the proposal, in the time frame available it has not been possible to obtain views from all, and there may be individual creditors who have issues they still wish to raise, for example issues pertinent to their own particular relationship with the Home.
However, as far as I can gauge, there have been no contrary views expressed to the key amendments in the attached, and there is no doubt that the majority of the ICC is keen to move the process forward, accepting that there still may be some drafting to be done.

I trust that the suggested amendments will be self explanatory, at least to David and Philip, who helpfully allowed us to clarify some issues yesterday,
and we trust that the appropriate consideration will be given to the realistic way in which the ICC have approached the contentious issues.

Please contact in the first instance, Rhydian or myself, if you have any questions on the attached. In the meantime the ICC await your comments.

Kind regards

Richard

<<193646_1.rtf>>

Richard Leedham
Partner
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tel: 020 7788 5157
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3AB and 150 Aldersgate Street, London, EC1A 4EJ.

Additional terms and conditions are available on our Web site - http://www.addleshawgoddard.com.

== 193646_1.rtf

[Headed notepaper of E&Y]

[21] November 2003

AFIA Cedent

Dear Ladies and Gentlemen,

Re: ~~AFIA~~Reinsurance Treaties underwritten by AFIA on behalf of The Home Insurance Company U.K. Branch in the Home's treaty account. (the "AFIA Treaties")

1. **ACE Group proceeds**

1.1 In compromise of disputed positions respecting the AFIA Treaties, we agree that, as soon as reasonably practicable following the agreement of not less than 75% in number of Informal Creditors' Committee members (whose identities are set out on schedule 1 attached) to the arrangement reflected by the proposals set out in this letter agreement, we will take the following steps:

1.1.1 seek the approval of the supervising New Hampshire Court ("**New Hampshire Order**") to a compromise involving the implementation of a scheme of arrangement pursuant to section 425 of the Companies Act 1985 ("**Scheme**") between Home and cedents of Home in respect of the AFIA Treaties ("**AFIA Cedents**"), the purpose of which will be to effect the distribution of the "Net Recoveries" (as defined in sub-paragraph 1.2 below) to all AFIA Cedents pari passu according to the value of their claims against Home under the AFIA Treaties as agreed or adjudicated (net of any applicable set-off) in the New Hampshire liquidation of Home (as described in more detail at sub-paragraph 1.9 below), such New Hampshire Order to be on terms that it is conditional upon:

(1) the sanction of the English Court in respect of the Scheme;

(2) an order of the English Court approving the remission of the Home's assets situated in England and Wales (other than the "Net Recoveries" (as defined in sub-paragraph 1.2 below)) to the New Hampshire

liquidator for administration and distribution as part of the New Hampshire liquidation ("**Global Liquidation Order**"); and

(3) the approval, or "non-objection", of the Financial Services Authority to the making of the Global Liquidation Order ("**FSA Approval**"); and

1.1.2 as soon as reasonably practicable after the making of the New Hampshire Order:

(1) make an application to the English Court for permission to convene a meeting of AFIA cedents to approve the Scheme; and

(2) following the approval of the Scheme by the requisite majority of AFIA Cedents, seek the sanction of the English Court in respect of the Scheme,

provided that the Scheme shall not become effective on its terms until after the making of the Global Liquidation Order and the granting of FSA Approval,

the New Hampshire Order and the Scheme to be upon such terms as may be approved by the New Hampshire Court and English Court.

1.2 "**Net Recoveries**" means ~~the "Relevant Percentage" (as defined in paragraph 1.4)~~**50%** of the "Proceeds" (as defined in ~~paragraph~~**subparagraph** 1.3).

1.3 "**Proceeds**" means the proceeds received by Home from the ACE Group or any other third party reinsurer (after deducting amounts offset between Home and either the relevant ACE Group, company concerned or any other third party reinsurer in relation to AFIA business **having taken all available defences to assertions by the ACE Group as regards such off-set**) with respect to the AFIA Treaties (whether such proceeds are derived through an ongoing resolution process with the ACE Group or any other third party reinsurer or through a commutation or similar compromise arrangement with any ACE Group company or any other third party reinsurer relating to that company's indemnity and/or reinsurance obligations to Home) net of:

1.3.1 the costs of the UK provisional liquidation;

1.3.2 any collection costs;

1.3.3 costs incurred in our seeking the orders of the New Hampshire and English Courts set out in sub-paragraphs 1.1.1 and 1.1.2 above (including, without prejudice to the generality of the foregoing, the costs of any legal and other professional advisors in obtaining and implementing such approvals); ~~and~~

on the basis that all such costs have been reasonably incurred

1.3.4 the portion of any proceeds received by Home from the ACE Group or any other third party reinsurer with respect to those inwards liabilities of Home under the AFIA Treaties which are, or will upon final adjudication be, settled by way of offset as between Home and the relevant AFIA Cedent concerned (whether such offset right derives from contract or statute).

1.4 ~~**"Relevant Percentage"** means the percentage specified in column 2 below in respect of the Proceeds specified in column 1 below~~+

~~**Column 1**~~	~~**Column 2**~~
~~**Proceeds**~~	~~%~~
~~Up to US$ 149,999,999~~	~~25%~~
~~Between US$ 150,000,000 and US$ 249,999,999~~	~~35%~~
~~Between US$ 250,000,000 and US$ 349,999,999~~	~~45%~~
~~More than US$ 350,000,000~~	~~50%~~

In the event that we enter into a commutation or similar compromise agreement with any ACE Group company or any other third party reinsurer, whether during the Standstill Period or thereafter provided that the Scheme has then been sanctioned, we agree to apply a multiplier of 150% to actual cash received as the proceeds of such commutation or similar compromise agreement, net of amounts attributable to overdue paid losses and loss adjustment expenses then due and payable, for purposes of computing the cumulative Relevant Percentage.

1.5 We also agree that during the "Standstill Period" (as defined in paragraph 1.7 below) we will not enter into a commutation or similar compromise arrangement with any ACE Group company or any other third party reinsurer relating to that company's indemnity and/or reinsurance obligations to Home in respect of the AFIA Treaties without first ~~consulting the Informal Creditors' Committee.~~**obtaining the prior consent of 75% by value of the Informal Creditors' Committee to such commutation, such consent not be unreasonably withheld; to consult with the Informal Creditors' Committee as to any such proposed commutation; and to provide all relevant documentation to the Informal Creditors' Committee prior to such consultation.**

1.6 You agree that:

1.6.1 during the Standstill Period you shall not seek to reach any agreement or arrangement with any member of the ACE Group or any other third party reinsurer whereunder you receive payment from any such entity in respect of the AFIA Treaties; and

1.6.2 in determining your entitlement (if any) to receive any distribution payable to you in your capacity as a ~~Class 5~~ creditor in Home's New Hampshire liquidation you

---

+ ~~The percentages set out in this paragraph 1.4 of the letter will apply on a marginal basis such that in the event that Proceeds amount to US$200,000,000, Net Recoveries will equal US$55,000,000, calculated as follows: (25% x US$149,999,999) + (35% x (US$200,000,000 - US$149,999,999))~~

will bring into account, and give credit for, any payments received by you pursuant to the arrangements described in this paragraph 1.

1.7 "**Standstill Period**" shall mean the period commencing upon the date on which you agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us and ending on the "Standstill Termination Date" (as defined in paragraph 1.8 below).

1.8 "**Standstill Termination Date**" shall mean the earlier of:

1.8.1 31 December 2003, if 75% in number of Informal Creditors' Committee members do not agree to the arrangement reflected by the proposals set out in this letter agreement by returning a signed copy of this letter agreement to us by that date;

1.8.2 the date upon which the New Hampshire Court denies the New Hampshire liquidator's motion for the approval of the New Hampshire Order in substantially similar terms to those described in paragraph 1.1 above;

1.8.3 the date upon which the English Court refuses to grant permission to convene a meeting of AFIA Cedents to approve the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.4 the date upon which a majority in number representing 75% in value of the AFIA Cedents do not approve the Scheme at the meeting specially convened for this purpose (or at any adjournment thereof) in substantially similar terms to those described in paragraph 1.1 above;

1.8.5 the date upon which the English Court refuses to sanction the Scheme in substantially similar terms to those described in paragraph 1.1 above;

1.8.6 the date upon which the English Court refuses to make the Global Liquidation Order;

1.8.7 the date upon which the Financial Services Authority notifies Home that it will not grant the FSA Approval; or

1.8.8 1 June 2004 (or such other date as Home and at least 75% in ~~number~~value of Informal Creditors' Committee members shall agree from time to time), if the English Court has not by that date sanctioned the Scheme under section 425 of the Companies Act 1985 as envisaged in paragraph 1.1.2 above.

1.9 The Scheme will include the following provisions:

1.9.1 The Net Recoveries will be distributed to all AFIA Cedents pari passu according to the value of their claims against Home under the AFIA Treaties. Distribution of a percentage of the Net Recoveries will be made annually to AFIA Cedents in respect of claims agreed by the ACE Group or in respect of which the ACE Group has been adjudicated liable(after deduction of set-off), the percentage being calculated by reference to the proportion of paid claims to all claims (including IBNR) on a reserving basis;

1.9.2 The Net Recoveries are to be held and invested by the Scheme Administrators for the benefit of the AFIA Cedents;

1.9.3 A Creditors Committee will be established under the Scheme with the right to be consulted by the Scheme Administrators on any significant transaction or litigation affecting Net Recoveries including any commutation with the ACE Group, and to be provided with relevant documentation prior to such consultation;

1.9.4 A cut-off scheme is to be introduced if approved by 75% by value of AFIA Cedents in the event of a commutation with the ACE Group;

1.9.5 Set-off is to be on a running account basis.

2. **Information**

2.1 You agree that:

2.1.1 within ~~7~~37 days following notice from us that the New Hampshire Court has made the New Hampshire Order (enclosing a certified copy of the New Hampshire Order) **and provided that that Order is final**, you will provide us with your most up-to-date information concerning paid losses, outstanding losses (case reserves) and IBNR on the business which you have ceded to Home pursuant to the AFIA Treaties; and

2.1.2 you will also provide us with any additional information and any supporting documentation as we reasonably request,

(the information to be provided in accordance with paragraphs 2.1.1 and 2.1.2 above being hereinafter referred to as the "**Information**").

2.2 Subject to Clause 3.2 below, we hereby confirm that we shall use the Information only for the purposes of (a) updating Home's own records with respect to the AFIA Treaties; (b) seeking to reconcile the Information with the data relating to the AFIA Treaties contained in the books and records held by companies within the ACE Group (or, to the extent relevant, any other third party reinsurer); (c) providing the same to the ACE Group (or, to the extent relevant, any other third party reinsurer) in order to assist in such reconciliation; (d) seeking to reach agreement with the ACE Group (or, to the extent relevant, any other third party reinsurer) on the accuracy and/or adequacy of their books and records as aforesaid; (e) attempting, subject to paragraph 1 above, to reach a commercial resolution as to the value of the obligations of the ACE Group (or, to the extent relevant, any other third party reinsurer) relative to the AFIA Treaties; (f) in the absence of any such commercial resolution, seeking, if appropriate, a judicial or quasi-judicial determination of such obligations; and (g) determining the value of any potential offsets that may apply with respect to claims that may be asserted by you under the AFIA Treaties.

2.3 If the Scheme is not approved for any reason on or before the Standstill Information Date, all Information supplied by an AFIA Cedent will be returned to that cedent and no copies shall be retained by Home or the ACE Group.

3. **Proof of Claim in Home's liquidation proceeding**

3.1 Subject to Clause 3.2 below, we acknowledge that, by providing the Information to us pursuant to paragraph 2 of this letter, you shall not be deemed to be submitting a proof of claim or similar formal claim against Home, either in the New Hampshire liquidation proceeding or in any English proceeding. We acknowledge that, by providing us with the Information pursuant to this letter, you thereby reserve all your rights in that regard.

3.2 You agree that upon the Scheme becoming effective in accordance with its terms, the Information provided to us pursuant to paragraph 2 of this letter shall thereinafter be deemed to constitute, without further action on your behalf, your proof of claim in Home's New Hampshire liquidation (subject to your right to supplement or modify such proof of claim prior to 13 June 2004, the proof of claims filing deadline in the New Hampshire liquidation).

4. **Confidentiality and Non-Disclosure**

Save as provided above, we agree that we shall not, without your prior agreement, disclose any of the Information to any third party (save where required so to do so by law) with the exception of (a) our legal, accounting and actuarial advisers; (b) our reinsurers; (c) any applicable regulator; and (d) courts of competent jurisdiction for purposes of seeking judicial approval of the arrangement proposed herein.

We furthermore reaffirm that this letter and its contents constitute "Confidential Information" within the meaning of the Confidentiality Undertaking executed by you.

5. **Authorisation**

The New Hampshire Insurance Commissioner, Roger A. Sevigny, in his capacity as Liquidator of Home, has approved this proposal and authorised its circulation by the provisional liquidators to members of the Informal Creditors' Committee.

6. **Acceptance by Informal Creditors' Committee members**

If this proposal is acceptable to you, please indicate your acceptance to its terms by no later than December 5, 2003, by signing one copy of this letter agreement where indicated below and returning such copy, duly signed, to us as soon as possible.

....

Signed by [AFIA Cedent]

....

Signed by G. Hughes/E. Mills
Joint Provisional Liquidators of the Home

Document comparison done by DeltaView on 12 December 2003 09:38:34

Input:	
Document 1	iManageDeskSite://AG/LON-3/192174/1
Document 2	iManageDeskSite://AG/LON-3/192174/4
Rendering set	Addleshaw Goddard On Screen Version

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	30
Deletions	27
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	57

H01319