

Ronald L. Snow
Orr & Reno
Attorneys for Century Indemnity Company, ACE Property and Casualty Company and others
1 Eagle Square
PO Box 3550
Concord
NH03302-3550
United States of America

28th February 2005

Dear Mr Snow,

In the matter of the liquidation of The Home Insurance Company, Merrimack County Superior Court (New Hampshire) Docket No. 03-E-0106

I refer to your letters dated 15 February 2005 and 23 February 2005, addressed to Ms Tammy Lewis. For the avoidance of any doubt this response, like Ms Lewis' letter dated 8 February 2005, cannot and does not constitute a submission to the jurisdiction of the court in relation to your clients' proceedings.

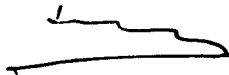
With respect to your letter dated February 15 2005, we note that the contents of that letter refer to Continental Insurance Company NY (**Continental NY**). We fail to see how it is in any way relevant therefore to Unionamerica.

Even assuming that by referring to Continental NY, you actually intended to refer to Unionamerica, the letter dated 15 February 2005 provides us with no reason to reconsider our view (as set out in Ms Lewis' letter) that the ACE Companies have no basis for obtaining the discovery. While Unionamerica's filing a proof of claim with The Home's Liquidator in the context of The Home's liquidation proceedings (Docket No. 03-E-0106) may authorize the Liquidator to request supplementary information respecting that claim, it does not constitute a general submission to the jurisdiction of the Merrimack County Superior Court, authorizing the provision of burdensome and open ended discovery to The Home's reinsurers, in relation to disputes they may have with the Liquidator.

With all due respect, your quote from Judge McGuire's order dated 8 October 2004 does not assist the ACE Companies' argument. On 8 October 2005, Judge McGuire authorized *limited discovery*, which we understand to have been based on representations from the ACE Companies that they intended to seek written discovery from the Liquidator and take the depositions of seven witnesses who had made representations to the court regarding the necessity, fairness and reasonableness of the compromise and agreement. We note that Unionamerica has filed no affidavits with the court in support of the compromise and agreement. Accordingly, we again emphasize that Unionamerica is not a party to the proceedings in the Merrimack County Superior Court involving the ACE Companies' dispute with the Liquidator and, therefore, object to ACE Companies' discovery requests.

With respect to your letter dated 23 February 2005, in which you advised us that ACE intends to file a motion to compel against Unionamerica on 1 March 2005, we would appreciate your informing us prior to that date of the procedural basis upon which the ACE Companies believe they can effect process on an insurance company domiciled in the United Kingdom.

Yours sincerely,
For and on behalf of
St Paul Specialist Services Limited



Tim Open
Director of Ceded Reinsurance