

EXHIBIT A-3

**ZURICH LETTER TO LIQUIDATOR DATED
APRIL 13, 2012**

SCHEIBER & PARTNER
Rechtsanwälte • Notare

Peter A. Bengelsdorf
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USA

Per E-Mail

SUBJECT to CONFIDENTIALITY PROVISION

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**Re: The Home Scheme of Arrangement
Letter to AFIA Scheme Creditors of 12 Dec 2011**

Dear Pete:

This letter is in response to your request of 12 December 2011 for a substantiated ultimate valuation analysis of Agrippina's claims against The Home. We understand that our evaluation analysis will serve as the basis for The Home's commutation negotiation with their reinsurer ACE and that it will be treated as confidential and shared with representatives of ACE only. Any disclosure to third parties, including other AFIA cedants, would require the prior written approval by Agrippina.

Per your request, we have divided the evaluation analysis of Agrippina's reinsurance claims into five parts, (1.) Paid/Billed Losses, (2.) Case Reserves, (3.) IBNR, (4.) Discount Rate Applied to Case and IBNR, and (5.) a valuation summary of Agrippina's reinsurance claims.

Please note

- That pursuant to both Reinsurance Contract "R" between The Home and Agrippina of 01 December 1977 (or around that time) and the Settlement Agreement between The Home and Agrippina dated 30 November 2004 The Home shall not only be liable to indemnify Agrippina for the fixed pool share of Agrippina's Ruddy policy liabilities but also shall bear certain pool administration responsibilities and respective costs of Agrippina as further described in said Settlement Agreement;
- That, as a result, Agrippina's Ruddy related inwards and outwards claims are being processed (denied/calculated/admitted) by The Home with the assistance of ACE;
- That, as a result, Agrippina's Ruddy related reserves are being maintained by The Home with the assistance of ACE;
- That, because of limited access to more current data, Agrippina has decided to base the following analysis on the reserve data provided by ACE for the first quarter of 2012 and, regarding paid losses, on all claims up to and including Claim No. INTL277984-35;
- That it is Agrippina's understanding and belief that those reserves maintained by ACE/The Home are appropriate and do require neither downwards adjustments because of redundancies nor upwards adjustments because of known but undocumented risks, except where otherwise expressly indicated;
- That Agrippina's information regarding their pool share where the other Ruddy Pool member Nationwide fronted is limited which is why that portion of the claim requires an upwards risk adjustment;
- That such upwards risk adjustment for unknown pool share claims of Agrippina where Nationwide fronted have been incorporated in and made part of the IBNR evaluation;

- That the following information on losses, reserves and IBNR is on the basis of Agrippina's pool share (and not at Ruddy Pool level);
- That, due to the poor quality of the Ruddy Pool records and Agrippina's limited access to such records, the IBNR calculations are on the basis of a simple benchmark method;
- That for all of Agrippina's Ruddy Pool participations from 1962 and 1967, the same benchmark IBNR load assumptions have been applied;
- That the benchmark IBNR load assumptions are as follows:

Asbestos:

Direct	250%
Treaty (Proportional)	350%
Facultative	250%
Excess of Loss (Non LMX)	350%
Excess of Loss (True LMX)	500%

Pollution:

Direct	100%
Treaty (Proportional)	100%
Facultative	100%
Excess of Loss (Non LMX)	100%
Excess of Loss (True LMX)	0%

Health:

Direct	100%
Treaty (Proportional)	100%
Facultative	100%
Excess of Loss (Non LMX)	100%
Excess of Loss (True LMX)	100%

Attritional:

Direct	50%
Treaty (Proportional)	50%
Facultative	50%
Excess of Loss (Non LMX)	50%
Excess of Loss (True LMX)	50%

- That inflation risks and other unknown risks have already been considered and incorporated into the IBNR loads;

- That it is Agrippina's understanding that, upon commutation between The Home and ACE, The Home will return to Agrippina all rights and obligations owed by and among both parties pursuant to Reinsurance Contract "R";
- That the value of reinsurance assets not already collected by ACE and to be reassigned by The Home/ACE to Agrippina on the one hand and Agrippina's costs for continuing the pool administration on the other hand (including expenses for declaratory judgment and service fees) are difficult to ascertain in advance and that they could turn out to reach, more or less, the same (cost) value;
- That the foregoing cost and value analysis is on the basis that Agrippina would get substantial time and support as well as all documentation and electronic data which will be necessary to continue with the administration of Agrippina's pool responsibilities in a timely and cost effective manner;
- That Agrippina's rough estimate of necessary time to run-off its participation in the Ruddy Pool is seven (7) years from the time of full return of the administration responsibilities by The Home to Agrippina;
- That Agrippina's expectations regarding value of returned reinsurance assets, future costs of administration and The Home's as well as ACE's support in the taking-over of the pool administration by Agrippina have been made part of and included in the IBNR calculations; and
- That, regarding unpaid items "pre 2003", Agrippina applied the following currency exchange rates to convert foreign currencies into USD:

CAD	-> USD	1,00
AUD	-> USD	1,00
GBP	-> USD	1,50
EUR	-> USD	1,30

In consideration of the foregoing, Agrippina's claim valuation analysis is as follows:

1. **Paid/Billed Losses**

1.1 Total Paid Losses

Accepted insolvency claims:	USD 5,158,802
Reduced by set-offs:	USD 4,095,332
Plus Unpaid Items "Pre 2003"	USD 295,331
	=====
	USD 1,358,801

Regarding the paid losses, please find attached copies of the following three documents for your further information:

- NOD List per 31 March 2012
- E-mail of 19 July 2011
- M.E.Rutty Pool Summary Statement of Paid Losses 1962-1967 u/w yrs 4th Qtr 1996 to 4th Qtr 2002 - Net Settled Balances (which should actually say "Agreed but Unsettled Balances")

The agreed but unsettled balances for the period up to yearend 2002 will be subject to an upcoming claims submission by Agrippina to The Home. It is Agrippina's understanding that unpaid items may be subject to time bar defenses by The Home which is why the total amount of paid losses has been provisionally adjusted downwards to

USD 1.3 Mio.

1.2 Total NOD Amounts

USD 5,158,802

1.3 Amount of Billed Losses for which AISUK has issued inquiries

Generally unknown

1.4 Amount of Paid Losses Awaiting Submission to AISUK

Generally unknown

1.5 Total Amount of London Market Fees

Generally unknown

2. **Case Reserves**

2.1 Total of Reserves Maintained by The Home and ACE on behalf of Agrippina

USD 14.3 Mio

2.2 Total of Reserves Not Yet Submitted to AISUK

Generally unknown

2.3 Reserves by Loss Type/Line of Business with breakout of submitted and non-submitted reserves

2.3.1 Asbestos Reserves USD 7.4 Mio

2.3.2 Pollution Reserves USD 5.6 Mio

2.3.3 Other Mass Tort (Health) USD 0.6 Mio

2.3.4 General Casualty Business USD 0.7 Mio

3. **IBNR (Best Case - Average)**

3.1.1 Asbestos Reserves (389%) USD 28.8 Mio

3.1.2 Pollution Reserves (73%) USD 4.1 Mio

3.1.3 Health (100%) USD 0.6 Mio

3.1.4 Attritional (50%) USD 0.3 Mio

=====
Total IBNR loads USD 33.8 Mio

4. **Discount Rate Applied to Case and IBNR**

As discount rate, Agrippina proposes a flat percentage of 1,24 (%) which is the current rate for investments in German treasury bonds. This flat percentage is without adjustments for payments to creditors/cedants within the 7-year-period. Based on the proposed discount rate, case reserves and IBNR have been multiplied by a factor of 0.91735 for purposes of calculating Agrippina's claims.

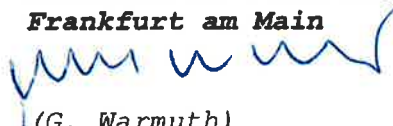
5. Summary of Reinsurance Claims

Case and IBNR	USD 48.1 Mio
	=====
Case and IBNR after discount	USD 44.1 Mio
Paid Claims	USD 1.3 Mio
	=====
TOTAL CLAIM	USD 45.4 Mio

Please do not hesitate to contact me if you have any questions. Best wishes for the commutation negotiation.

Very truly yours,

SCHEIBER & PARTNER
Rechtsanwälte und Notare
Frankfurt am Main



(G. Warmuth)
Rechtsanwalt