

**EXHIBIT B-4**

**APRIL 13 2012 CORRESPONDENCE WW CLAIM  
FILING THE HOME 13 04 2012**

Wüstenrot & Württembergische AG, 70163 Stuttgart

Peter A. Bengelsdorf  
Special Deputy Liquidator  
The Home Insurance Co. i.L.  
61 Broadway, 6th Floor  
New York, N.Y. 10006

USA

Ihr Gesprächspartner:

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13.04.2012

**SUBJECT TO CONFIDENTIALITY PROVISION**

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

Dear Pete:

This letter is in response to your request of 12 December 2011 for a substantiated ultimate valuation analysis of W&W'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, requires the prior written approval by W&W.**

Per your request, we have divided the evaluation analysis of W&W's reinsurance claims into four parts, (1.) Paid/Billed Losses, (2.) Case Reserves, (3.) IBNR load, (4.) Discount Rate Applied to Case and IBNR, and (5.) Other Assets to consider.

Please note

- That pursuant to both Reinsurance Contract "R" between The Home and W&W of 15<sup>th</sup> April 1977 and the Settlement Agreement between The Home and W&W dated 26<sup>th</sup> January 2006 The Home shall not only be liable to indemnify W&W for the fixed pool share of W&W's Rutyty policy liabilities but also shall bear certain administration responsibilities of W&W as further described in said Settlement Agreement;
- That, as a result, W&W's Rutyty related inwards and outwards claims are being processed (denied/calculated/admitted) by The Home with the assistance of ACE;

Besucheranschrift:  
Gutenbergstraße 30  
70178 Stuttgart

Vorstand: Dr. Alexander Erdland (Vors.)  
Klaus Peter Frohmüller  
Dr. Michael Gutjahr, Dr. Jan Martin Wicke

Sitz der Gesellschaft:  
Stuttgart  
AG Stuttgart HRB 20203

Internet:  
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Aufsichtsratsvorsitzender:  
Hans Dietmar Sauer

Steuernummer:  
99016/08199

Bankverbindung:  
Landesbank Baden-Württemberg, Stuttgart  
BLZ 600 501 01  
Konto 7 871 502 668  
IBAN DE46 6005 0101 7871 5026 68  
BIC SOLA DE ST

- That, as a result, W&W's Rutty related reserves are being maintained by The Home with the assistance of ACE;
- That, because of limited access to more current data, W&W has decided to base the following analysis on the data provided by ACE as per 31 March 2012;
- That it is W&W'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 W&W's information regarding their pool share where the other Rutty Pool member Nationwide fronted is limited which is why that portion of the claim requires an upwards risk adjustment;
- That such upwards risk adjustments for unknown pool share claims of W&W 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 W&W's pool share (and not at Rutty Pool level);
- That, due to the poor quality of the Rutty Pool records and W&W's limited access to such records, the IBNR calculations are on the basis of a simple benchmark method;
- That for all of W&W's Rutty Pool participations from 1964 and 1967, the same benchmark IBNR loading 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 W&W's understanding that, upon commutation between The Home and ACE, The Home will return to W&W 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 W&W on the one hand and W&W'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 W&W would get substantial time and support as well as all documentation and electronic data which will be necessary to continue with the administration of W&W's pool responsibilities in a timely and cost effective manner;
- That W&W'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 W&W;
- That W&W'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 W&W have been made part of and included in the IBNR calculations; and
- That, regarding unpaid items "pre 2003", W&W applied the following currency exchange rates to convert foreign currencies into USD:

CAD -> USD 1,00  
 GBP -> USD 1,50

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

**1. Paid/Billed losses**

1.1. Total Paid losses

	GBP	USD	CAD
Total NOD Amounts, incl. NOD#31		2.933.901,48	
Plus Unpaid Items "Pre 2003"		178.206,45	
Reduced by set-offs	12.097,23	1.243.074,27	311,31
<b>Total amount</b>	<b>-12.097,23</b>	<b>1.869.033,66</b>	<b>-311,31</b>

Regarding the paid losses, please find attached copy of following document for your further information:

- M.E.Ruddy 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 W&W to The Home. It is W&W'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 1.8 Mio.**

1.2. Amount of Billed Losses for which AISUK has issued inquiries

**Unknown**

1.3. Amount of Paid Losses awaiting Submission to AISUK

**Unknown**

1.4. Total Amount of London Market Fees

**Unknown**

**2. Case Reserves**

2.1. Total of Reserves maintained by The Home and ACE on behalf of W&W

	GBP	USD	CAD	AUD
<b>Case Reserves 1st Quarter 2012</b>	<b>112.862</b>	<b>8.537.002</b>	<b>28.772</b>	<b>39.970</b>

2.2. Other Reserves not yet submitted to AISUK

**Unknown**

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

	GBP	USD	CAD	AUD
2.3.1 Asbestos Reserves	72.130	4.543.637	28.747	-
2.3.2 Pollution Reserves	22.643	3.315.145	-	0
2.3.3 Health	3.520	344.687	-	-
2.3.4 Attritional	14.569	333.534	26	39.970
<b>Total for Case Reserves</b>	<b>112.862</b>	<b>8.537.002</b>	<b>28.772</b>	<b>39.970</b>

**3. IBNR (Best Case – Average)**

	GBP	USD	CAD	AUD
3.1.1 Asbestos Reserves (389%)	280.585	17.674.746	111.824	-
3.1.2 Pollution Reserves (73%)	16.529	2.420.056	-	2
3.1.3 Health (100%)	3.520	344.687	-	-
3.1.4 Attritional (50%)	7.284	166.767	13	19.985
<b>Total IBNR loadings</b>	<b>307.918</b>	<b>20.606.256</b>	<b>111.837</b>	<b>19.987</b>
<b>Total Reserves &amp; IBNR</b>	<b>420.780</b>	<b>29.143.258</b>	<b>140.609</b>	<b>59.960</b>

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

As discount rate, W&W 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 W&W's claims.

	GBP	USD	CAD	AUD
<b>Discount on Reserves &amp; IBNR</b>	<b>- 34.778</b>	<b>- 2.408.692</b>	<b>- 11.621</b>	<b>- 4.956</b>

#### 5. Other Assets to consider

##### 5.1. Realised commutation on non Ruty-Pool business

An amount of USD 13.000 has to be considered in favour of The Home following an executed commutation agreement in year 2010 on Non-Ruty-Pool inwards Reinsurance contracts.

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

Very truly yours,

Württembergische Versicherung AG  
im Auftrag der  
Wüstenrot & Württembergische AG

  
ppa. Daniel Männle

Head of Department Reinsurance



i.A. Robert Bühler

Run-off Manager

**U.S. Realty Corp**  
**Summary Statement of Earnings 1912 - 12/31/2002**  
**4th Qtr 1994 to 4th Qtr 2002 - Not Salted Balances**

Section 1			Württembergische	Agrippa	Nationwide	FAI	AFG	North Atlantic	Totals
Fronted Values	€	US\$	-880,30	17,434,80	0,217,81	0,00	0,00	0,00	23,899,27
		CAN\$	305,808,32	350,719,48	287,657,51	7,672,03	0,00	0,00	991,715,32
Section 2		US\$	-10,38	-17,30	-2,414,22	0,00	0,00	0,00	-2,441,98
		CAN\$							
Pool share to front	€	US\$	-138,79	2,438,84	677,08	0,00	0,00	0,00	2,980,11
		CAN\$	49,978,81	88,209,51	28,281,82	14,45	0,00	0,00	174,184,68
Württembergische	€	US\$	-1,89	-3,24	-482,87	0,00	0,00	0,00	-457,89
		CAN\$							
Agrippa	€	US\$	-205,18	3,042,59	1,441,91	231,72	0,00	0,00	8,411,63
		CAN\$	75,169,89	142,848,80	70,708,06	1,883,68	0,00	0,00	285,806,20
Nationwide	€	US\$	-2,92	-4,88	-878,88	0,00	0,00	0,00	-886,68
		CAN\$							
FAI	€	US\$	-84,22	2,478,86	1,881,59	324,40	0,00	0,00	3,688,61
		CAN\$	38,168,56	24,778,52	84,784,21	2,777,42	0,00	0,00	122,273,70
AFG	€	US\$	0,00	0,00	0,00	0,00	0,00	0,00	0,00
		CAN\$							
North Atlantic	€	US\$	-113,06	2,794,40	1,017,81	188,37	0,00	0,00	3,784,33
		CAN\$	30,881,31	-158,40	-44,187,21	1,648,88	0,00	0,00	78,728,12
Total	€	US\$	0,00	0,00	0,00	0,00	0,00	0,00	0,00
		CAN\$							
Section 3		US\$	-103,07	1,698,19	489,88	0,00	0,00	0,00	1,947,08
		CAN\$	38,898,98	36,211,87	15,826,27	-82,53	0,00	0,00	89,078,69
North Atlantic	€	US\$	-2,27	-3,78	-828,23	0,00	0,00	0,00	-834,28
		CAN\$							
Total	€	US\$	-227,88	4,285,76	1,488,78	186,37	0,00	0,00	5,711,82
		CAN\$	80,174,18	88,838,46	86,781,33	1,459,88	0,00	0,00	208,251,81
Section 4		US\$	-3,24	-5,41	-784,44	0,00	0,00	0,00	-793,09
		CAN\$							
Total	€	US\$	-880,38	17,434,80	0,217,81	828,85	0,00	0,00	23,899,27
		CAN\$	305,808,32	350,719,48	287,657,51	7,672,03	0,00	0,00	991,715,32
Section 5		US\$	-10,38	-17,30	-2,414,22	0,00	0,00	0,00	-2,441,98
		CAN\$							
Section 6		Reclassification of North Atlantic Share							
Württembergische	€	US\$	1,638,85	2,458,42	48,10	304,31	1,788,51	-8,431,72	-218,86
		CAN\$	262,022,41	341,178,21	5,168,71	101,072,87	184,733,35	-1,878,823,21	-164,488,52
Agrippa	€	US\$	24,84	38,88	38,27	23,90	8,18	-123,22	-8,08
		CAN\$							
Agrippa	€	US\$	1,880,12	11,847,04	84,86	2,005,27	8,468,87	-33,289,27	-8,832,37
		CAN\$	102,388,84	1,344,842,21	131,52	489,816,99	548,888,44	-3,878,823,87	-1,484,848,08
Nationwide	€	US\$	98,78	168,18	113,87	122,88	0,23	-87,88	-134,88
		CAN\$							
Nationwide	€	US\$	825,27	5,708,07	803,42	3,818,78	788,84	-18,878,88	-8,838,28
		CAN\$	128,781,77	878,848,95	168,287,82	628,888,23	172,878,01	-3,283,837,88	-1,208,284,38
FAI	€	US\$	-152,28	2,228,88	-23,81	1,488,72	-582,30	-7,488,38	-4,898,40
		CAN\$							
Total	€	US\$	0,00	88,18	0,00	48,92	2,08	-188,88	-78,78
		CAN\$	204,81	5,683,88	218,88	2,748,76	1,513,28	-18,881,88	-9,238,44
North Atlantic Share	€	US\$	0,00	0,00	0,00	0,00	0,00	0,00	0,00
		CAN\$							
Share of Shortfall	€	US\$	4,128,24	18,772,72	1,884,87	7,170,37	8,812,10	-57,882,82	-18,881,81
		CAN\$	480,284,87	2,708,844,72	171,808,72	1,214,288,76	918,013,35	-8,228,785,88	-2,835,828,40
North Atlantic Share	€	US\$	-8,88	2,448,77	128,00	1,848,50	-681,77	-4,187,17	-4,898,70
		CAN\$							
Section 7		US\$	-237,88	4,285,76	1,488,78	186,37	0,00	0,00	6,711,82
		CAN\$	80,174,18	88,838,46	86,781,33	1,459,88	0,00	0,00	208,251,81
Section 8		US\$	-3,24	-5,41	-784,44	0,00	0,00	0,00	-793,09
		CAN\$							
Section 9		Reversal of North Atlantic Share (Including reclassification of FAI's Share of ISA)							
Württembergische	€	US\$	1,718,18	2,672,88	48,88	0,00	1,808,82	-8,431,72	-288,47
		CAN\$	278,202,18	418,158,28	6,978,47	0,00	284,878,43	-1,078,823,21	-173,034,88
Agrippa	€	US\$	38,08	48,12	38,27	0,00	8,24	-188,22	-18,42
		CAN\$							
Agrippa	€	US\$	2,287,07	12,671,88	84,85	0,00	8,818,87	-33,288,27	-8,832,37
		CAN\$	208,844,85	1,588,804,74	187,87	0,00	587,212,78	-3,878,822,87	-1,484,848,08
Nationwide	€	US\$	78,88	138,18	113,87	0,00	0,44	-87,88	-30,12
		CAN\$							
Nationwide	€	US\$	1,853,42	7,788,42	1,777,85	0,00	1,327,78	-18,878,58	-8,838,28
		CAN\$	284,047,85	1,208,373,88	358,234,88	0,00	292,878,88	-3,883,837,18	-1,208,284,38
FAI	€	US\$	181,11	2,781,11	348,84	0,00	-577,34	-7,488,38	-4,898,40
		CAN\$							
Total	€	US\$	0,13	77,78	-8,01	0,00	4,88	-188,88	-192,48
		CAN\$	342,85	6,672,14	288,88	0,00	1,538,81	-18,881,88	-7,752,87
North Atlantic Share	€	US\$	0,00	0,00	0,00	0,00	0,00	0,00	0,00
		CAN\$							
Share of Shortfall	€	US\$	5,893,78	22,488,88	1,888,28	0,00	10,188,28	-57,882,82	-17,848,80
		CAN\$	780,237,38	3,157,781,12	384,168,61	0,00	1,038,888,78	-3,228,785,88	-3,017,882,87
North Atlantic Share	€	US\$	28,04	3,885,38	487,88	0,00	378,85	-4,187,17	-4,818,32
		CAN\$							
Section 10		US\$	-227,88	4,285,76	1,488,78	186,37	0,00	0,00	6,711,82
		CAN\$	80,174,18	88,838,46	86,781,33	1,459,88	0,00	0,00	208,251,81
Section 11		US\$	-3,24	-5,41	-784,44	0,00	0,00	0,00	-793,09
		CAN\$							