



24 pc  
Travelers Special Services Ltd.  
23-27 Alie Street  
London E1 8DS  
020 7488 6200 TEL  
020 7488 6345 FAX

Office of the Clerk,  
Merrimack County Superior Court,  
163 N. Main Street, P.O. Box 2880  
Concord, New Hampshire 03301

23rd December, 2008

Attn: The Home Docket No.03-E-0106

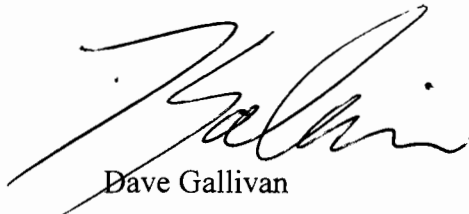
Dear Sirs

**The Home Insurance Company in Liquidation**  
**Re: Unionamerica Insurance Company Ltd Notice of Determination #38**  
**Proof of Claim No INTL 700695-38 Gross Amount of Claim \$324,166.38**

Please find attached our duly signed Acknowledgment of receipt for NOD#38. We have rejected the determination as we believe that all five claims included within the Notice of Determination are recoverable under the respective contracts. As to our reason why, we enclose copies of our latest communications with Ace Ina Services UK Ltd.

Yours sincerely

For and on behalf of  
Travelers Special Services Limited



Dave Gallivan

Cc: Jonathan Rosen The Home Ins Co in Liquidation

THE HOME INSURANCE COMPANY IN LIQUIDATION  
P.O. Box 1720  
Manchester, New Hampshire 03105-1720  
Tel: (800) 347-0014

POC INTL 700695-38

Amount Allowed: \$0 (US \$)

Unionamerica Insurance Company Ltd.  
c/o Schiff Hardin  
6600 Sears Tower  
Chicago, Illinois 60606  
Attention: Dennis G LaGory

ACKNOWLEDGMENT OF RECEIPT -- NOD#38

I hereby acknowledge receipt of the Notice of Determination as a Class V Creditor claim and confirm that I understand the content thereof. I further acknowledge and confirm that I understand the Instructions regarding the Notice of Determination of my Claim against The Home Insurance Company in Liquidation and in that regard advise as follows:

(Check off all applicable items.)

- I agree to the determination.  
 I agree to \$ \_\_\_\_\_ of the determination and will file either a Request for Review or an Objection with the Court for the balance of \$ \_\_\_\_\_.  
 I reject the determination and want to file a Request for Review (specific reasons must be included along with return of the signed Acknowledgment).  
 I reject the determination and intend to file a separate Objection with the Court, without filing a Request for Review (specific reasons must be included along with return of the signed Acknowledgment).

I request that The Home mail further correspondence to:

same name as above.  
new name \_\_\_\_\_  
 same address as above  
new address \_\_\_\_\_

**This Acknowledgment of Receipt must be completed, signed and returned to The Home in order to be eligible for distributions from The Home estate as directed by the Court.**

Signature: 

Printed Name: TIMOTHY P. OWEN

Title: DIRECTOR - UNIONAMERICA INSURANCE CO LTD.

Date: 11<sup>TH</sup> DECEMBER 2008.

The Home Insurance Company in Liquidation  
**Rejected Claims**

Claimant Names: KX Re (formerly Continental Ins Co NY UK Branch)  
 Unionamerica Insurance Company Limited

Loss Name	Loss Details	Date of Loss	Total		Unionamerica US\$ Share	KX Re US\$ Share	Remarks
			Submitted US \$	Agreed US \$			
Brush Wellman	aggregate BI - Beryllium	12/31/1974	\$125,000.00	\$0.00	\$0.00	\$0.00	see Tyndall letter 10-23-08
Brush Wellman	aggregate BI - Beryllium	12/31/1975	\$125,000.00	\$0.00	\$0.00	\$0.00	see Tyndall letter 10-23-08
Brush Wellman	aggregate BI - Beryllium	12/31/1976	\$125,000.00	\$0.00	\$0.00	\$0.00	see Tyndall letter 10-23-08
Norton Company	Welsh respirator claims	7/1/1977	\$125,000.00	\$0.00	\$0.00	\$0.00	see Tyndall letter 10-23-08
Dana Corp	vars asbestos related BI	6/1/1975	\$25,617.54	\$0.00	\$0.00	\$0.00	see Tyndall letter 10-21-08
			\$525,617.54	\$0.00	\$0.00	\$0.00	

**NOD# 38**      **NOD# 32**  
 INTL 700695      RAHM 700612  
 Unionamerica      KX Re

**COMPANY RECAP**

	Unionamerica	KX Re
Brush Wellman	\$89,080.00	\$35,920.00
Brush Wellman	\$125,000.00	\$35,920.00
Brush Wellman	\$125,000.00	\$62,500.00
Norton Company	\$125,000.00	\$62,500.00
Dana Corp	\$25,617.54	\$4,611.16
	\$324,166.38	\$201,451.16
	\$525,617.54	

Mr N Tyndall  
ACE INA Services UK Ltd  
Run-Off Services  
9 - 13 Fenchurch Buildings  
London EC3M 5HR

5<sup>th</sup> December 2008

Dear Nick,

**Re: Casualty XL Loss Reinsurance  
US \$50,000 xs US\$25,000 and US\$75,000 xs US\$75,000  
1974, 1975 and 1976 Years of Account  
Brush Wellman D.O.L. 31<sup>st</sup> December 1974, 1975 and 1976**

Further to your letter of 23<sup>rd</sup> October, 2008. We feel it is in order to respond to the various points raised in your correspondence regarding the above captioned losses.

Firstly we believe you accept that these losses fall to our Casualty account and are protected under the relevant years of account as defined under the Period Clause contained in the reinsurance agreements between Unionamerica/ CIC and Home. If this is not the case please advise us accordingly.

We have provide you with sufficient details of this loss settlement and the relevant allocation by UA/CIC and original policy. As one of the Insurers on the original policies we have spent considerable time and effort to ensure that this settlement was made in good faith and in accordance with the terms and conditions of the original policies.

As you will note from the allocation summary this reinsurance layer with the Home is exhausted on paid indemnity and expenses, irrespective of your comments relative to the replacement policy. Please note that we do not accept these comments, however for the purposes of recovery under these reinsurance agreements this is a moot point.

We also believe this settlement with the insured namely Brush Wellman falls within the scope of the Ultimate Nett Loss clause contained in the relevant agreements, the "The term 'ultimate net loss' shall mean the sum actually paid by the Reinsured in settlement of losses or liability...."

Further you will note from the Notice of Loss clause contained in the relevant agreement, "All loss settlements made by the Reinsured, including compromised settlements, shall be unconditionally binding upon Reinsurers provided such settlements are within the conditions of the original policies &/or contracts & within the terms of this reinsurance, & amounts falling to the share of the Reinsurers shall be payable by them upon reasonable evidence of the amount paid being given by the Reinsured.

The application of these clauses to the facts of this loss settlement clearly demonstrate that Unionamerica are entitled to reimbursement under these contracts from the Home.

Yours sincerely

For and on behalf of  
Travelers Special Services Limited

A handwritten signature in black ink, appearing to read "D. Gallivan", written in a cursive style.

Dave Gallivan

N Tyndall,  
Ace INA Services U.K. Ltd,  
9 - 13 Fenchurch Buildings,  
London, EC3M 5HR.

18<sup>th</sup> November 2008

Dear Nick,

**Re: Unionamerica Insurance Company Limited and Continental Insurance  
Company of New York Casualty XS Loss Reinsurance  
US \$50,000 xs US\$25,000 and US \$75,000 xs US \$75,000  
Norton Company D.O.L. 1/7/1977**

We refer to your letter of the 23rd October 2008 and in particular your comments regarding Defence Costs "....stand alone Defense Costs with no associated Indemnity are not recoverable from this reinsurance".

It is our belief that Defense Expenses are covered under our treaty by the wording of the UNL clause, which states:

"The term "Ultimate Nett Loss" shall mean the sum actually paid by the Reinsured in settlement of losses or liability after making deductions for all recoveries, all salvages and all claims upon other reinsurances, whether collected or not, and shall include all adjustments expenses arising from the settlement of claims...".

Whilst we note your comments regarding the XS Layer, our position was restated in a letter to Reinsurance Solutions Limited, dated 30<sup>th</sup> May 2008.

Yours sincerely  
For and on behalf of  
Travelers Special Services Limited



Dave Gallivan

N Tyndall.  
Ace INA Services U.K. Ltd,  
9 - 13 Fenchurch Buildings,  
London, EC3M 5HR.

18<sup>th</sup> November 2008

Dear Nick,

**Re: Unionamerica Insurance Company Limited and Continental Insurance  
Company of New York Casualty XS Loss Reinsurance  
US \$50,000 xs US\$25,000 and US \$75,000 xs US \$75,000  
Dana Corp 1<sup>st</sup> June 1975**

We refer to your letter of the 21<sup>st</sup> October 2008 and in particular your opening comment regarding our failure to respond to your letter of 5<sup>th</sup> March 2008.

We have reviewed our file and find that whilst we did respond on the 2<sup>nd</sup> June 2008 ( see copy attached ) the letter was incorrectly headed as "Kaiser Cement 1<sup>st</sup> January 1977" rather than "Dana Corp 1<sup>st</sup> June 1975".

We apologise for this error, but would ask you to now review this letter and await your comments accordingly.

Yours sincerely  
For and on behalf of  
Travelers Special Services Limited



Dave Gallivan

N Tyndall.  
Ace INA Services U.K. Ltd,  
9 - 13 Fenchurch Buildings,  
London, EC3M 5HR.

2<sup>nd</sup> June 2008

Dear Nick,

**Re: Unionamerica Insurance Company Limited and Continental Insurance  
Company of New York Casualty XS Loss Reinsurance  
US \$50,000 xs US\$25,000 and US \$75,000 xs US \$75,000  
Kaiser Cement 1<sup>st</sup> January 1977**

We refer to your letter dated 5 March 2008 in response to our presentation for collection of the above captioned loss.

As you have stated the original insurers have a duty to defend. By reference to the Attachment A previously provided it is clear that indemnity payments have been made on the lower layer involvement. Our recovery is an aggregate presentation under the Aggregate Extension Clause. The date of loss being set by the inception date of the lowest layer, as is market practise.

Defense Expenses, distinct from Service Fees, are covered under our treaty by the wording of the UNL clause, which states:

“The term “Ultimate Nett Loss” shall mean the sum actually paid by the Reinsured in settlement of losses or **liability** after making deductions for all recoveries, all salvages and all claims upon other reinsurances, whether collected or not, and shall include all adjustment expenses arising from the settlement of claims...” [Emphasis added]

It is clear those liabilities, i.e. defense costs, are covered under our treaty and the date of loss for our recovery has been set by the lowest layer inception date which has incurred indemnity paid exposure.

We look forward to your confirmation that this claim will now be forwarded to the Home's Liquidators for determination.

Yours sincerely  
For and on behalf of  
Travelers Special Services Limited

  
Dave Gallivan