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December 20, 2003

BY FACSIMILE

Jonathan Rosen, Esquire
Chief Operating Officer
Home Insurance Company - in Liquidation
59 Maiden Lane
New York, New York 10038
(212) 548-0727

Re: Home Liquidation - Proposed Settlement

Dear Jonathan:

As you know, we act for Nationwide in respect of the Home liquidation.

We learned from Agrippina that the US liquidator and the UK provisional liquidator are considering entering into an arrangement to settle the claims of AFIA cedants. We have received no information about any of the proposals being discussed other than the fact that this arrangement would involve a UK scheme of arrangement. I have spoken generally with Gernot Warmuth and you about the fact that there are discussions between the liquidators and the AFIA cedants but do not have any further substantive information. Gernot has supplied the form of confidentiality agreement which he indicates will allow Agrippina to provide Nationwide information.

I have also spoken with Garreth Hughes informally who advised me that the New Hampshire liquidator was considering settling the claims of AFIA cedants at an amount in excess of the amount that these creditors would normally receive if applicable statutory preferences were applied in order to have these creditors make claims in the liquidation in full amount of Home's indebtedness to them rather than to claim only the amount that each creditor may offset against Home.

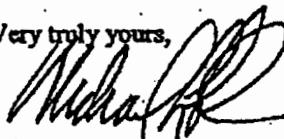
Nationwide is an AFIA creditor primarily as a result of an agreement with Home in respect of Nationwide's Ruddy pool business. That contract was entered into between Nationwide and Home of New York. It is a US contract. Currently Nationwide intends only to be part of the liquidation proceeding in New Hampshire. For that reason, Nationwide declined to

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join the informal creditors committee formed in connection with the provisional liquidation in the United Kingdom. Nevertheless, Nationwide must receive satisfaction of Home's debt equivalent to the satisfaction received by similarly circumstanced creditors.

Nationwide wishes, therefore, to receive information about any contemplated satisfaction of Home's liabilities to AFIA cedants in order to be sure that any contemplated arrangement treats all similarly circumstanced creditors equally. Nationwide is unwilling, however, to enter into any agreement of confidentiality or otherwise on the basis of which a party to any Home liquidation proceedings may maintain that Nationwide has consented to becoming a party to any ancillary liquidation proceeding outside the New Hampshire proceeding. Please advise how Nationwide can proceed to obtain this information.

Very truly yours,



Michael L. Cohen

MLC/tbk
Cc: Mr. Jeff Bauer