

EXHIBIT
WILLIAMS 12
June 3, 05 CH

The agent is not an insurance agent
2) Home / Life insurance agent
does not pay Home
Life insurance policyholders, does not
Home become insured in whole case
The agent must pay Home directly.
The last paragraph states that it was
if because this Homeowner will come
to depend on the "life" insurance.
3) Agent would be in breach of the
insurance agreement.

REDACTED

REDACTED

last names 7804 5633
07110 309751

English Law draft = binding up documents

Seems as to end dealing with

not EA & companies

own company for them etc

+ to transfer as a UK company

↳ not possible

What procedure is needed

Admin & legal

not possible due to

costs

↳ same

about would Gandy do to exit R.

↳

liquidation would be caught.

↳ may need to get approval from
US liquidator.

US courts go for US

branch more to solvent

This branch a solvent

It is preferable to continue
with the US

↳ second priority

order that

branch a share on a separate
note.

REDACTED

o Marie claim is by Alford Claim
Reasons:

defence is procedural
at date

problem condition

reconnect our legislation in the
states.

3 most important factors:

St. Alford Claim

1) Raising of CR Claims

more
lower

↳ procedure is -

all things we have more claims
the effect is to sum

2) Set off

Plain set off

p-r-p

not even as more involved by.

Contingent

- Plus take a present

if is contingent / out of it

-> set during

We will give CR claim to more.

per claim is + valuable

3

if has own a separate legislation

world wide CR, value null

-> more costs

Quads Attached.

	Tammy Lewis	St Paul / Union Ave	7618 6153	Tammy Lewis + Louise
110M	Richard Leatham	Adelle Street / Cordoba		Richard Leatham + Tracy Dornan
	Carol Warrick	Aspen	099 69 6103 233	Carol Call
	Lorna Henderson	Kivarshee	0173 71222	Maree Hamilton
120M	Steve Goodland	Kings		Mike Tagg
	Teresa Lawleys	Hartford / GPO		-
	J. Lauer	Nationwide		-
	Trini Tyson	KMS		- MIA next Debtor
	Brian Brown	LEE	0173 450 4572	Michael Tolhurst
	Robert Gordon	LeCap	7100 6070	Maree Stephen
	+			
	Paul Evans	PLC	0107 800 8573	Paul Evans

Robert Fleming
 Linda Wilkin
 Cery Heath
 Simon Abbott

Dereck Heath - Dominion.

9.30 -> 10.00.

George Warrick. -> our best for CES
 to have a hand
 holding

Roger Serigay - SDR liquidator Communist
house NH

Peter Bengelhof - SDR

Jean-Marc Lacom - CAD

Daniel Letic - Pharmacist

Peter Roth - NH common - Abbas

Henry Siff / Simon Jones

Introducing ally - to the recipient of the information
removal of action involving before Siff / Simon

Rule: to protect assets for all w/ wide
asset will not be remitted until seizure
we-as will not be disadvantaged.

Clifford Stone:

- business arrangement - best endeavor to the
try business - no
Lumpsum
545 F3rd Est
may have passed to
de Pui.

See decision - done as order?

draw water or similar
authorities on FTA to write
documents apply

US v UK - post in demand
→ no material difference

conclusion - diff to say us admin
is disadvantageous
→ para to see discussion

What does the user to residents?
This seems just setting.

Not proving to be financial burden
no ex outcome relevant.

What is expected?

→ 2 reasons

UK admin is UK US is US
but ex rules are relevant to both.

ACIS/UK - one \$10m Res. Rev.
as holding
- Hilday

REDACTED

Home Case Citea mly

- Page 5/19/94 - Approach = not product
- before all ces standards
 - "Innovative solutions"
 - "Good solution on English side"
 - have open mind + with collaboration
- Solutions for all

- Process - to give information to CES
- interactive
 - to ensure or communicate results

"UK demand companies" as not disadvantaged.

Canadian banks → arrangement agreement
submitting very business solutions

Other reports come as Nike Web site

721 r/c recoverables.

692 in deferring

90% direct police

US de - parallel system

1.5bn debt → 50% from more

Mar
Hanna

Ben
Carns

John
Cliff

Jan
Rosen

Peter
Berg

Roger
Seymour

Gene
Hight

Sarah
Lili

David
Cantor

Peter
Ralt
Attorney for NH

Home

USRE

max r/i

Home's demand → form of USRE

Treated as a separate jurisdiction

David Leslie

Claim - proof of claim form is not the
only way to submit claim
but acceptable by court order

Need list
support

Identify
as an

Requires all CRT to be treated
in the same way

Some 13 filing deadline. Will examine
allowance

by circumstances one of the
CRO court

unaware it had a claim

claim
man
invest
group

How long after? ... at liquidator's discretion

liquidator has power to accept, reject
claim. If not to enhance
liability

at the
court's
discretion
the
court
may
order

Taxes not to overburden the court
small claim cost (c. 45,000 per)

object to liquidation demand

Who? → refuse

means? → refer refer to court
claim's right of appeal

through to Supreme Court

post-ols? 10th

- Pleadings on filed - on web.

claim value can be ^{fixed} framed up by return percentages

"Estimation" - NS - Integrity can
- only Rhode Island

"can open a claim amount"

Priority of claim for E-commerce

See claim filed first before anyone else can
submit

Assess from record in 2-90% of pending
claims

Contingent claim can be set off

And may want to offset set off rights

Can compromise a claim

INA can have the right to participate in the
adjustment of the claim

Organic to evidence to its rights

Canada - business meeting

- Travel fund set up

with involvement of Canada

- Reservations?

- Gov's affairs etc.

Acting Secretary -> Cigna Co? ?

Claims settled by Wt in law
demand off Bepco.

David Stanley 2 x 8.51 transfer

by Amy Henderson with Hana

- No data exchanged regarding why

- D.T.I. became involved - mainly 700

DS - can we enforce with the other companies
now

↳ conversation held in 1987 but not
documentation can be used to make them
take the business?

• Statute of Limitations

• New York Law

Hana took advice from La Roche in 2001

+ her advice was NO - Hana's

express policy 2001

When to take them were taking
agreements which extend to period.

Assuming no private contractual right to purchase
the transfer then the Regulator under ESMA
to purchase such a transfer

On a strict reading it would be
technically possible to effect the
PT. to the Reg

but

in practice it is almost impossible
the market will not

The legislation in regard to a "imposition"

Section 105 ESMA is a buy program

"the ESMA will purchase securities
to assist people to do things"

"separate requirements"

if imposing a claim

① if the fund is satisfied with requirements
there will be no research. Have further

② For certain it needs to
protect consumers or potential
consumers.

Types of powers: 5.43

→ take or refuse for taking action

Provision of 17c's

Direct to creditors of Home

US met Paul Taylor yesterday

if handbook open a dam:

↳ Acc like same right to 'interpose' in
Rest-agreements.

if they get de dami dami they
can promote them de benefit

Acc agreed - continuing leadership to run off Acc Gov
understanding 'de Public Road System' (2)
Acc have reserved rights via to Public Road

Talking to them about commonwealth problems

SAFTA ramping up - this is a transition per Acc
All accounts Acc use in House's books

Acc. forward report on Acc. Sept 2002
- calculated by Miller/Andrew

Acc beginning (3)

Acc write out true based down

* Does Time stop? Probably - but needs to be decided.

"disadvantage to English Colonies"

difference & primary
treatment (4)

differs in set off

intercept down - determine

Blifford Choma + Dave Lester -> prudence
a compare + contrast matrix
if ever reversed

the insured creditor? Direct insurance
or insured transaction?

to this as insurance branch?
or reinsurance

the review in the "ambulatory team"

with statistics in medical history

"the car is not polychromatic" is model

the case law continues on this

How this data deliberately

Brand using up power?

Robin Kowalski PA for Helen |> GH will not
S.C. from

Regulation de une banque - Enfant la ve
not allene. Reiv.

Henry de distribution
- Key for FSA.

Need to see evidence from the Dept of Justice

effect distributions Need to understand
population of distribution

No causality for volume in NH.

Are int collected?
handling + agency claims?

Who is doing 3rd party removals? ③.

Get down to avoid bread of agreement with Act 100.
+ keep away from another agency
Reputation, break - do long term obligations
Removal of from ... also assess

- Time stopped ①
- S. 45 CC's name & FIA
- Advice of counsel to EA decision
- Humorous deny p. 5. on Act
- Maria
- Handling of all systems → David Lurie's opinion.

Are there indications to give a diagram of the relationship
+ transition from
Act → advice in Lurie's

Are going to render the community

How are trying to figure out who's duties
are right

1. Acc / State down
2. Law - 2 guarantees
3. Just will be case.

3 types of structure

- first name
- try names
- number of all else

Like to understand someone's situation
before name

Apparent ID or PB. to bring out
individual circumstances

do. are law passed as evidence of
the class laws

Good to do structural reform

SE the class structure

↓
∴ get a return based
on community will

Guay. Am de altes Am
have connections to the club

• Compare letter.

Blossing case.

Real ofc amon.

to private agent → duben amon.

REDACTED

2/03 DS/PH RF/R | DK GW/ev

1 Claims as proposed by cedants:

- DK/0. We have an interest in the realisation of assets
- We have to better claim's experience
- pluricontract. Plus de flux avec cada responsabilité DS.
- coverage will be revised on

Amendment Agreement

We have 'proposed' role
intrinsica powers to be involved
You do not want to sidestep Ace what would
give Ace an opportunity to stop renewal of
contract.

Cedant/Ace interface - coverage etc
will be maintained.

Home assets - will not be cedant.

NH courts will admit evidence from foreign
jurisdiction.

2. Commission - highly unlikely that they will
accept a veto
- they will consult
- means of underwriting

* get a memorandum of understanding

* if court approval is required

3. Valuing Assets.

- valuing assets.

- distribution

'ordinary course' distributions

interim dividends

↳ 'running account' set off

best on the Rev. net balances

between the Co's.

with ability for subsequent adj.

later.

withhold bond on arising due

claim received from the



follows from.



part.

REDACTED

para by J.R. Coy & Co.

- common form - unanimous - preferred.

- trying to get letters involved.

- date certain have agreed argued form

↳ of letters read days - see opposite page

Return will not occur.

- may need to secure further approval.

Other issues:

1 "Approval" of 1cc prior to remittance with fee

2 1.6.2 The form of the counterbalancing settlement are not known

3 1.7.1 by Feb 28th termination of contract if for letters must be made by final date.

4 1.9 The location of the advance

1.9.1 "The classic English reserve advance"

not of set off claims

as agreed in the 1st liquidation procedure

offer reserve set aside to cover

payments to all debtors

"in the 1st court proceedings"

State of call advance has been assigned to claim.

Have offer to Ace

But Home under NH with the ^{court} ~~statute~~ vs Ace

Home will not be out of state with Ace
but the referee may accept

Clause 6 - Offer Ace will withdraw

If would be answer for offer -> not to permit
New claims

But need to comply with the arbitration
procedures (in accordance with ... of the
venue de court ailleurs) They will
seek to refer to court to do it

not have an English referee

Letter Roffe for withdrawal Ace may feel
forced.

ii Does Ace need to be a company officer
- can be cash

What is deduced from the provisions
for distribution

1.9.5 -> out.

1.9.7 - out.

Clause paragraph - cannot contract out of the
NH statute

Phone up agent Home
- advise amount of cost.

Re insurance

Amount to if no defn
Home is obligated to pay Acc cost

- advise order of costs the first

→ But was given a scenario as presented.

without the prospect of advice

Acc can raise defense that Home
don't pay for
Home pays Acc cost

With respect
into action

Summary

Top level of insurance

- Insurance - better program
- critical intervention
- Be certain to be covered on Agency
 - Not to be independent agent
 - Can then be a recipient of the program

Eric Rupp / Rev Rupp



Not pass.

Letter was to aspirant

What ultimately appears will depend on decision
with the law.

If man be that he will be solution

Ministry on approach to the cause of
Society.

REDACTED

A 0846

1) The asset is not a UK asset.

2) Home/Cigna assumption agreement

Claims ?????????? Home

Cigna can pay policy holder direct where Home becomes insolvent in which case the Cigna must pay home directly.

.'. The cut through option wont work

- i) because New Hampshire will contest the definition of the 'UK' asset; and
- ii) Cigna would be in breach of the assumption agreement.

A 0847

Paul Evans

0207 804 5633

07710 359 751

English Law brought in winding up regulation

?????????? at the end dealing with Non EEA Companies any company from Non EEA to be treated as a UK company → new priorities

What procedures it applied admin & Liquidation

.'. new priority does not apply

A0848

→ Scheme

What would Gareth do to exit PL?

→ liquidation would be caught

→ may need to get approval from US liquidator

UK Courts go for UK

Branch may be solvent

This branch is solvent it is prejudicial to contest with the US

→ second priority

order that

Branch is scheme on a separate estate

A0849

• Matrix drawn up by Clifford Chance and Rackmans

Difference in procedures

000922

M'chester

Prelim Conclusion
Recommend one liquidation in the States

3 most important factors : Subject to
Clifford Chance Separate research

- 1) Ranking of Crs Claims
→ post April 20 - although US have more claims the effect is the same
- 2) Set off
→ Their set off p-to-p
not apply on more restricted basis
contingencies -
they will take a practical
eg In contingent/ out R/I
→ no ???????
we will give creditors claims to
????????? claim's in & updates
on
if there was a separate liquidation world wide
creditors would rank
→ more costs

A0850

Tammy Lewis Lawyer	St Paul/Union America	Tammy Lewis +
	0207 618 6133	
CIC\$10m Jerry	Richard Leedham Addleshaw Goddard	Richard Leedham +
		Dowlem (GRM)
Gernot Warmuth & Guido Albach	Agrippina 0496961003233	Con call
Lorna Hemsley Bannister	Riverstone 01273792212	Mark
EAIC \$13m Trevor Rawlings	KPMG	Mike Tagg
J Bauer	Hartford/Excess Nationwide	--
Jim Tyson	KMS	NB Net Debtor
Andrew Brannon	LCL 02076804587	Mike Tolhurst
Robert Barclay Shepard	Recap 02077806870	Marc
Paul Evans	PWC 02078045633	Paul Evans
Robert Fleming Rhydian Williams Guy Heath Simon Merrett	Derek Heath -Dominion	

9.30-10.00

000923

Gernot Warmuth → any benefit for creditors to have a separate insolvency

A0851

Robert Servigny - Liquidator Commissioner of Insurance NH
Peter Bengelsdorf - SDR
Jonathan Rosen - COO
David Leslie - Rakemanns
Peter Roth - NH Commissioner Attorney

Henry Sofa/ Simon Janes

Introductory Mtg - to be recipient of the information
Remission of assets unlikely before Spring/Summer 2004

Role to protect asset for all world wide Crs
Assets will not be remitted until satisfied
UK Crs will not be disadvantaged.

Clifford Chance :

- business assumption - best endeavours to tfr tty business - no limitations 545 FSMA FSA may have power to do this
- EU Directive - does this apply? Direct writer or reinsurer
authorised by FSA to write .'. EU Directives apply

A0852

US vs UK - post EU Directive
→ No material difference

.'. conclusion - diff to say US admin is disadvantageous
→ points to one liquidation

What does this mean to reinsureds?
This way get nothing

Not privvy to the financial information
.'. no est outcome statement

Alt to repatriate
→ 2 liquidations
UK asset in UK and US in US
But worldwide creditors ranking in both

000924

ACE/INA - Owe \$10m that they are holding
- Held up

A0853

Home Crs Ctt Mtg

Roger Sevigny - Approach is not parochial
- Benefit all crs worldwide
- "Business like solutions"
- "Good solutions on English side"
- Keep open mind and work
collaboratively
Solutions for all

Purpose - to give information to Crs
- Interactive
- to arrive at commercial resolutions

"UK domiciled companies" are not disadvantaged.

Canadian Branch → assumption agreement illustrating using
business solutions.

Qtly reports issue in NH web site

721 r/i recoverables
692m deficiency
90% direct policies
USI Re - parallel insolvency

1.5 bn liab → s/b 700m more

A0854

Matt Harrison

Ben Cairns

John ????????

Clifford Chance

Jonathan Rosen

Peter Bengelsdorf

Roget Sevigny

Gareth Hughes

Sarah Ellis

David Leslie
Outside counsel

Peter Roth
Attorney for NH

A0855

Home ← USI Re
Major R/I
Homes demise → fall of USI Re

Treated as a separate liquidation
David Leslie:

Claims- proof of claims forms is not the only way to
submit claims but exception by court order
- requires all crs to be treated in same way
- June 13 filing deadline with exception allowed.
Eg Circumstances out of the Crs control unaware
it had a claim
How long after? At liquidators discretion Can
deny the claim if messed around
- Liquidator has power to accept, reject claims.
It is not to enhance litigation
- Trying not to overburden the court
- small town court (c 45000 pop)
- Object to liquidation denied
Who?? → referee Court has complete discretion
Appointed by the Superior Court
Qualifications?? → referee (will be a Lawyer)
report to Court claimant right to appeal
though to Supreme Court pds + o/s?

IBNR

- Pleadings are filed on web

Note - Need not be specific 1) identify who they are.

A0856

Claim values can be "firmed" up by estimate proceedings

Claim values can be firmed up by estimates proceedings.

"Estimation" - NJ Integrity case

000926

- Only Rhode Island

"can agree on claim amounts"

Priority of Claim per EC Directive

All claims fully paid before anyone else receives anything

Guarantee funds will be over 90% of policyholder claims.

Contingent Claims can be set off

Did not want to affect set off rights

Can compromise a claim

INA have the right to participate in the adjudication of the claims.

Organise to enforce(?) the r/I rights

A0857

Canadian - Insured's mainly
- Trust fund set up with investments in
Canada
- Reinsureds?
- Government appoints PL

Aetna Casualty → Cigna Co'y?

Claims settled by INA are then claimed off BAFCO

David Steinberg

2 x 5.51 transfers but Tty remained with Home

- Not done exhausted enquiry why?
- DTI became involved in the early 90's
- DS - can we enforce INA to take portfolio transfer now
 - contract entered(?) in 1983 but not discharged can we make them take the business?

Statute of Limitations

New York Law

Home took advice from Le Boeffs in 2001 + their advice was NO - would have expired early 2001

Why so late there were tolling agreements which extended the period

A0858

000927

Assuming no private contractual right to procure the transfer. Was the regulator under FSMA to procure such a transfer.

On a strict reading, I would be theoretically possible to effect the PT to ACE

but

in practice it is almost inconceivable they would use it

The legislation is geared in an "empowering" way.

S.45 FSMA is key provision

"Re-FSA's own ?????- powers.

To order people to do things

"impose requirements"

if empowering events

eg

- 1) If Ace fails to satisfy its requirements Home has no resources. Homes failure.
- 2) FSA considers it needs to protect consumers or potential consumers

Types of powers S.43

→ Take or refrain from taking action

- Promotes r/I's
- Denies the creditors of Home

A0859

US met Paul Taylor yesterday

If liquidators agrees a claim

→ ACE INA have right to "interpose" in that agreement

If they get the claim down they can pro-rata share the benefit

ACE agreed - continuing liability to run-off AFIA book including the Ruddy Pool business

Ace have reserved rights iro the Ruddy Pool.

Talking to then about commercial resolution

BAFCO reinsuring all Home liabilities per ACE

All accounted net net in Homes books

000928

ACE - Actuarial report on AFIA Sept 2002 - calculated by Millimans

ACE beginning

Ace write out time barred claim

*Does time stop? Probably - but needs to be checked

"disadvantage to English Creditors"

- difference in priority
- treatment
- difference in set-off
- Contingent claims treatment

A0860

Clifford Chance + Dave Leslie → provided
a compare and contrast MATRIX
17 areas reviewed

Insured creditor? Direct insurance debts?
Or Insured transaction?

Is this an insurance branch?
Or reinsurance?

The nexus is the "authorisation basis"

NH statute vs Model Act :

"R/I crs are not policyholders" in model not in NH

No case law in NH comments on this.

Was this done deliberately

Branch winding up process?

Robin Knowles Prof Ian Fletcher → GH will release s.t.
privilege

Ring fence the UK branch - English Law will not allow
this

Timing of distribution - key for FSA

Need to seek waivers from the Department of Justice

000929

A0861

effect distributions. Need to understand population of distribution

No casualty insolvent in NH

Ace INA conflicted?
Handling + agreeing claims?

Who is doing (?) 3rd party reinsurances?

GH wants to avoid breach of agreement with ACE INA + .'.
avoiding assumption agreement.

Repudiatory breach - no longer honour obligations.

Remission of assets..... What assets?

Time stopped

S.45 CC's report to FSA

Advice of counsel re EU Directive

Limitations deny (?) PT on ACE

Matrix

Wording of NH Statute → David Leslie's opinion

ACE have undertaken to give a diagram of the relationship
+ transaction process

ACE → advised by Lovells

A0862

ACE want to resolve this commercially

Home are trying to figure out whose numbers are right.

1. ACE/ Estate assets
2. Law - 2 jurisdiction
3. Deal with Crs
3 types of situation :
 - offset issue
 - Tty issues
 - Mixture of all else

Like to use business solutions based on legal advice.

Approach JR or PB to bring up individual circumstances

000930

No one has provided an indication of the claim levels

Fixed \$ or structured returns

St the claims submitted → .'. get a return based on commutation with Ace

A0863

1. Giving them the no's they have comments (?) to the deal

"Comfort" letter

Blocking Vote

Pool r/i assets to format agreement → dilute (?) assets

A0864

DS/PH RF/R/DK GA/RW

1) Claims are pursued by cedants :

- DK - We have an interest in the realisation of assets
- DK - We have the better claims experience
- DS - Inconceivable that the Home will cede responsibility
- Coverage will be issue

Assumption agreement

Ace have 'pivotal' role

Intrusive powers to be involved.

Home do not want to sideline Ace which would give Ace an opportunity to rescind the contract.

Cedants/Ace interface - coverage etc will be maintained

Home asset - will not be ceded

NH courts will admit evidence from foreign jurisdictions

2) Commutations - Highly unlikely that they will accept a Veto

- They will consult
- Memo of understanding

A0865

000931

- * get a memo of understanding
- * if court approval is required

- 3) Valuing offset
- o valuing offset
 - o distribution

'Ordinary course' distributions
interim dividends

→ "running account" set-off based on
the then net balance between the Co's
with ability for subsequent adj later

Withhold based on money a/c

Claims realised from Ace
→ filtration process
→ Pot

A0866

Joined by JR, E&Y + CC

- Common form - unanimous - preferred
- Trying to get Ruddy involved.
- Most Creditors have agreed original form
→ if Ruddy need longer - seen ?????? that Ruddy will
not wreck
- May need to seek further approval.

Main issues :

- 1) "Approval" of ICC prior to commute with ACE
- 2) 1.4.2 The terms of the confidentiality of undertaking
are not known
- 3) 1.7.1 by Feb 28th termination of contract "R" for
Ruddy needs to be made by that date
- 4) 1.9 - The features of the Scheme
1.9.1 "The classic English reserving scheme"
net of setoff claims
as agreed in the NH liquidation procedure after
reserves set aside to ensure payment to all others.

"in the NH court proceedings"

Share of 'cash' where Ace has accepted the claim

A0867

Home defer to Ace

000932

But Home under NH will be cedant vs Ace

Home will not be out of step with Ace but the referee may accept

Clause 6 - "Ace will indemnify"

It would be onerous for UK → US to pursue their claims

But need to comply with the adjudication procedures (in concord NH or other venue the court allows) They will seek the referee to come to the US May have an English referee.

Peter Roffe has indicated that this may find favour.

ii Does this need to be a reserving scheme - cash to cash

What is deducted from the proceeds or distribution?

1.9.5 Out

1.9.7 Out

Claim paragraph - cannot contract out of the NH Statute

A0868

- Prove up against Home = adverse awards of cost
- The economics - Clause 6 if Ace defend Home is obligated to pay Aces costs
- Adverse order of costs the flip

→ 50% was based on economics as presented without the prospect of adverse

Ace can raise defences that Home does not pay then Home pays Ace's Costs

UK referee

Inter-Creditor Symmetry

Top sliced off recoveries

Nationwide - Ruddy fragmented

000933

- Conflict intra Ruddy
- Do not want to be dependant on Agrippina
- Want to sign confidentiality agreement
- Can they be a recipient of the proposal

A0869

Eric Smith / Peter Roth

→ NH Paper

Letter with be aspirational

What ultimately appears will depend on discussions with
Ace INA

It may be that the workable solution
requires an approach to NH court to sanction

000934