

# CAPCO Reinsurance Company Ltd.

Chelston Park, Building No. 2,  
Collymore Rock, St. Michael,  
Barbados, West Indies

Telephone No: (246) 426-6467  
Telecopy No: (246) 429-8517

June 29, 2000

Mr. John L. Marion  
President & Managing Director  
Western General Insurance Ltd.  
2nd Floor, Swan Building  
26 Victoria Street  
Hamilton HM 12  
Bermuda

By Federal Express

Dear John:

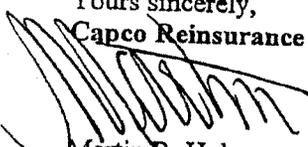
**Re: Transfer of Reinsurance Capco Re (Barbados) to Westgen (Bermuda)  
Effective April 28, 2000 – Policy Nos. 1376-97 and 98  
Aggregate Loss Ratio and Aggregate Agreement**

Reference captioned, please find enclosed for your files one [1] original copy of the Certificate of Assumption for the above captioned transfer of reinsurance.

By copy of this letter to Mr. Arnold Spier of AIG New York, we are also forwarding to him a fully executed original of the Certificate of Assumption for his files.

Best regards.

Yours sincerely,  
Capco Reinsurance Company Limited

  
Martin R. Hole  
General Manager

cc: Arnold R. Spier – AIG, New York

## CERTIFICATE OF ASSUMPTION

**Reinsurance and Assumption Agreement** entered into this 28<sup>th</sup> day of April 2000 by and between Capco Reinsurance Company Ltd., a Barbados company (hereinafter referred to as "Capco"), Western General Insurance Ltd., a Bermuda company (hereinafter referred to as "Reinsurer"), National Union Fire Insurance Company of Pittsburgh, PA, American Home Assurance Company, AIU Insurance Company, The Insurance Company of the State of Pennsylvania, Commerce & Industry Insurance Company, Birmingham Fire Insurance Company and New Hampshire Insurance Company (hereinafter referred to as "Company").

**WHEREAS** Capco entered into a 10% participation share of a policy agreement (Capco policy ref. 1376-97, copy of Aggregate Loss Ratio and Excess Agreement attached hereto), referred to as "Transferred Policy" effective January 1<sup>st</sup>, 1997 with the Company, and;

**WHEREAS** the parties agree that the Reinsurer shall assume from Capco 100.0% of any and all benefits and / or liabilities;

**NOW, THEREFORE**, the parties agree as follows:

- A. Capco does hereby cede and transfer to the Reinsurer, and the Reinsurer does reinsure as its own obligation, 100% of the Liabilities under the "Transferred Policy" (being 100% of the original 10% participation share).

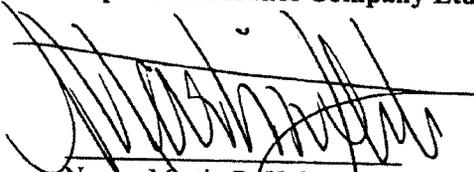
It is the intention of this Agreement that the Reinsurer assumes 100% of Capco's obligations arising out of the Transferred Policy and substitutes itself in the place and stead of Capco for this 100% share as if named in the place of Capco as a party thereto and treat the Reinsurer as if it has been originally obligated hereunder.

- B. As consideration for the undertaking of this Agreement, Capco agrees to the full transfer to the Reinsurer of Capco Re's 10% of 100% share of all cash and / or marketable securities held as collateral in DBG 1997 Aggregate Loss Ratio Trust at Citibank, N.A. and the Company agrees to the acceptance of such a transfer and the collateral thereon.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorised representatives.

Signed in Bridgetown, Barbados this 29<sup>th</sup> day of June, 2000.

**Capco Reinsurance Company Ltd.**



Name: Martin R. Hole  
Title: General Manager

Signed in Hamilton, Bermuda this 20<sup>th</sup> day of June, 2000.

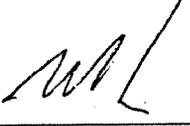
**Western General Insurance Ltd.**



Name: John L. Marion  
Title: President & Managing Director

Signed in New York, N.Y. this 6 day of June, 2000.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

BY:  TITLE: VP

**AMERICAN HOME ASSURANCE COMPANY**

BY:  TITLE: VP

**AIU INSURANCE COMPANY**

BY:  TITLE: VP

**THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA**

BY:  TITLE: VP

**COMMERCE & INDUSTRY INSURANCE COMPANY**

BY:  TITLE: VP

**BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA**

BY:  TITLE: VP

**NEW HAMPSHIRE INSURANCE COMPANY**

BY:  TITLE: VP