

In the Matter of the Arbitration
Between

AMERICAN HOME ASSURANCE COMPANY,

Before:

Petitioner,

Thomas M. Tobin
Janet J. Burak
Caleb L. Fowler

and

LONDON MARKET REINSURERS and ACE
Bermuda,

Respondents.

AWARD

The panel has considered the facts in evidence, including testimony of the witnesses at the hearing held from January 9 through January 19, 2006, and the hearing exhibits designated by the parties, as well as the arguments of counsel and, having deliberated with respect to the evidence and issues in this arbitration, has decided as follows:

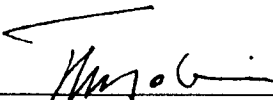
1. Respondents' request for rescission of the 1997 American Home Assurance Company Surety Excess of Loss Reinsurance Contracts (Treaties 1591, 1592, 1593, 1594 and 2245 (the "Treaties")) is denied, and the Treaties are declared in full force and effect;
2. Losses sustained by Petitioner in connection with the IVI/Petrobras P-19 and P-31 are covered losses under the Treaties, subject to all applicable terms and conditions of the Treaties.

3. Petitioner's request for attorneys' fees, costs and disbursements is denied.

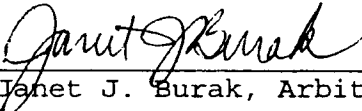
4. All relief requested by Respondents and all other relief requested by Petitioner is denied.

SO ORDERED

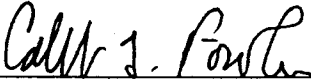
Date: January 25, 2006



Thomas M. Tobin, Umpire



Janet J. Burak, Arbitrator



Caleb L. Fowler, Arbitrator