



American International Group®  
70 Pine Street, 4th Floor  
New York, New York 10270  
212/770-9814

**PLAINTIFF'S  
EXHIBIT  
142**

May 25, 2001

Mr. Martin Hole  
CAPCO Reinsurance Company Ltd.  
C/o MIMS International Ltd.  
Building No. 2, Collymore Rock  
St. Michaels, Barbados  
West Indies

Re: National Union Fire Ins. Co. of Pittsburgh  
Aggregate Loss Ratio Agreement

Dear Mr. Hole:

Enclosed you will find our accounting for the captioned agreement for the period ended December 31, 2000 outlining a balance due us of \$73,184,000.

As a reminder, per the treaty, payments are due within 45 days of receipt of the report.

Should you need anything further, please feel free to contact me.

Very truly yours,

Bruce Osterman  
Assistant Controller

CC: L. Arnold  
R. Beier  
A. Spier  
A. Thompson

*Copy to Jolo  
BL*

**AMERICAN HOME ASSURANCE COMPANY**  
**Warranty Group - Auto**  
**Inception to Date as at 12/31/2000**  
**(000)**

	<u>Net Earned</u>	<u>Paid Losses</u>	<u>Paid LAE</u>	<u>Total Losses &amp; LAE</u>
TOTAL AUTO BOOK - 1Q00	20,447	36,711	1,917	38,628
TOTAL AUTO BOOK - 2Q00	16,782	24,730	6,349	31,079
TOTAL AUTO BOOK - 3Q00	19,577	38,881	7,702	46,583
TOTAL AUTO BOOK - 4Q00	16,378	37,079	4,018	41,097
<b>Inception to Date as at 12/31/2000</b>	<b><u>73,184</u></b>	<b><u>137,401</u></b>	<b><u>19,986</u></b>	<b><u>157,387</u></b>
<b>Outstanding Losses &amp; LAE as at 12/31/00</b>		<b>5,878</b>	<b>0</b>	<b>5,878</b>
<b>Incurred Losses &amp; LAE as at 12/31/00</b>		<b><u>143,279</u></b>	<b><u>19,986</u></b>	<b><u>163,265</u></b>
<b>Aggregate Loss Ratio</b>				<b>223.09%</b>
<b>Less Retention</b>				<b>100.00%</b>
<b>Excess Loss Ratio (ELR)</b>				<b>123.09%</b>
<b>Excess Loss Incurred (ELR X Net Earned)</b>				<b>90,081</b>
<b>Excess Loss Recoverable on Paid (Total Paid - Net Earned)</b>				<b>84,203</b>
<b>Excess Loss Incurred (Cap @ NPE)</b>				<b>73,184</b>
<b>Excess Loss Recoverable on Paid (Cap @ NPE) Due National Union</b>				<b>73,184</b>

AMERICAN HOME ASSURANCE COMPANY  
Warranty Group - Auto  
Inception to Date as at 12/31/2000  
(000)

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Excess Loss Recoverable on Paid (Total Paid - Net Earned)				84,203