

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 329 OF 2008

BETWEEN:

CIGNA WORLDWIDE INSURANCE COMPANY
(BY AND THROUGH ITS COURT APPOINTED
RECEIVER, JOSIE SENESIE, AND IN
RESPECT OF THE ASSETS, UNDERTAKINGS
AND AFFAIRS OF ITS LICENSED LIBERIAN
BRANCH AND BUSINESS)



PLAINTIFF

ACE LIMITED

DEFENDANT



WRIT OF SUMMONS



TO: ACE Limited
c/o Maples & Calder
PO Box 309 GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 496G, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 9th day of July, 2008.

NOTE – This Writ may not be served later than 4 calendar months (or, if leave is required to

effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgement of Service are given with the accompanying form

GENERAL INDORSEMENT

Upon the Petition of the Minister of Justice of Liberia, and by order made on 24 April 2007 by the Civil Law Court for the Sixth Judicial Circuit, Montserrado County, Republic of Liberia (the "Liberian Court"), Mr Josie Senesie, Commissioner of Insurance of Liberia, was appointed *inter alia* Receiver (the "Receiver") over all the assets, undertakings and affairs of the licensed and registered Liberian branch and business of the Plaintiff.

The said appointment was made and the Receivership instituted because the Plaintiff had in various respects failed to comply with the requirements of the Insurance Law of Liberia under which it had been licensed to carry on insurance business in Liberia.

By an "Acquisition Agreement" made on 11 January 1999 between, *inter alios*, CIGNA Corporation and CIGNA Holdings Inc (collectively the "Sellers") and the Defendant (the "Purchaser") the Sellers agreed to sell and the Defendant agreed to buy the property and casualty insurance business of the Sellers (the "P & C Business").

Under the terms of the "Acquisition Agreement" the Defendant agreed to pay US\$3.450 billion by way of the cash portion of the purchase price for the P & C Business, and further agreed *inter alia* to indemnify the Sellers and the "Seller Indemnitees" against any losses or liabilities resulting from the "Assumed Liabilities" (as defined therein), a term that expressly included all liabilities and obligations pertaining to the Plaintiff's run-off business in Liberia (the "Liberian Liabilities").

By a further agreement styled "Bill of Sale, Assignment and Assumption" made on 2 July 1999 between the Sellers and the Defendant the "Assumed Liabilities" were assigned to and/or accepted and/or assumed by the Defendant.

The Plaintiff is a "Seller Indemnitee" under the terms of the "Acquisition Agreement", being an "affiliate" of the Sellers and/or is a party to and/or is entitled to enforce the indemnification provisions under Article IX of the "Acquisition Agreement" and/or the "Bill of Sale, Assignment and Assumption".

By an Order of the Liberian Court fixing liabilities dated 22 August 2007 the Liberian Liabilities of the Plaintiff were fixed at an aggregate value of US\$126,139,284.91 plus interest thereon from 2 August 2007 at the rate of 6% per annum. As at 9 July 2008 the outstanding sum, inclusive of interest, is US\$133,308,231.63, with interest continuing to run thereafter at the rate of 6% per annum.

By letter dated 18 June 2008 the Receiver gave Notice to the Defendant (pursuant to section 9.6 of the "Acquisition Agreement") of the Plaintiff's claim as a "Seller Indemnitee" to be indemnified in respect of the said sum of US\$126,139,284.91 plus interest at the rate of 6% running from 2 August 2007. The Defendant has not responded to the said Notice.

The Defendant is currently planning to be de-registered in the Cayman Islands pursuant to section 226 of the Companies Law (2007 revision) and to change its domicile to Switzerland. However, the Defendant will not be able to satisfy the Registrar that all the conditions prescribed by sub-section (2) of section 226 are satisfied (see for example paragraphs (e), (j) and (o) of that sub-section); and no voluntary declaration or affidavit of a director of the Defendant can currently be furnished pursuant to sub-section (3) of section 226.

By Order made on or about 28 August 2007 the Liberian Court requested judicial assistance for the Receiver from this Honourable Court in relation to, *inter alia*, an action in the name of the Plaintiff against the Defendant. The present action falls within the terms of the said request.

The Plaintiff's claim is for:

1. Recognition by this Honourable Court of the status of the Receiver and of his standing to bring this action in the name of the Plaintiff.
2. Payment of the sum of US\$133,308,231.63, plus interest from 10 July 2008 at the rate of 6% per annum.

3. Further or alternatively a declaration that the Defendant is liable to indemnify the Claimant in respect of the "Assumed Liabilities" and/or in respect of the sum of US\$133,308,231.63 plus interest from 10 July 2008 at the rate of 6% per annum.
4. Further or alternatively for damages for breach by the Defendant of the terms of the "Acquisition Agreement" and/or "the Bill of Sale, Assignment and Assumption".
5. Further or alternatively interest pursuant to section 34 of the Judicature Law (2004 revision) at such rate and for such period as the Court shall think fit.
6. Further or alternatively a declaration that the Defendant cannot proceed with its proposal to de-register from the Cayman Islands and transfer its domicile to Switzerland until all the conditions in section 226(2) of the Companies Law (2007 revision) are satisfied and this action has been fully resolved and all sums found or agreed to be owing by the Defendant have been satisfied.
7. Such other relief as the Court thinks appropriate.
8. Costs.

Walkers

WALKERS
Attorneys at Law for the Plaintiff

THIS WRIT was issued by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, for the Plaintiff whose address for service is care of said Attorneys at Law.

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CIGNA WORLDWIDE INSURANCE COMPANY
(BY AND THROUGH ITS COURT APPOINTED
RECEIVER, JOSIE SENESIE, AND IN
RESPECT OF THE ASSETS, UNDERTAKINGS
AND AFFAIRS OF ITS LICENSED LIBERIAN
BRANCH AND BUSINESS)

PLAINTIFF

AND:

ACE LIMITED

DEFENDANT

**ACKNOWLEDGEMENT OF SERVICE
OF WRIT OF SUMMONS**

If you intend to instruct an Attorney to act for you, give him this form **IMMEDIATELY**.

Important. Read the accompanying Delay may result in judgment being entered
directions and notes for guidance carefully against a Defendant whereby he may have to
before completing this form. If any information pay the costs of applying to set it aside.
required is omitted or given wrongly, THIS
FORM MAY HAVE TO BE RETURNED.

1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

2. State whether the Defendant intends to contest the proceedings (*tick appropriate box*)

yes

no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (*tick box*)

yes

no

Service of the Writ is acknowledged accordingly

(Signed) _____

[Attorney] for

[Defendant in person]

Address for service:

Please complete overleaf

Notes on address for Service

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

Indorsement by plaintiff's Attorney (or by plaintiff if suing in person) of his name, address and reference, if any, in the box below.

Walkers
Attorneys at Law
Walker House
87 Mary Street
George Town
Grand Cayman KY1-9001

Ref:

Indorsement by defendant's Attorney (or by defendant if suing in person) of his name, address and reference, if any, in the box below.

[Empty box for defendant's attorney indorsement]

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE OF WRIT OF SUMMONS

1. The accompanying form of *Acknowledgment of Service* should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Courts Office, PO Box 495GT, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings *must also serve a defence* on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A *Stay of Execution* against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, *issue a Summons* for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Court's office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (*the name stated on the Writ of Summons*)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian *ad litem*.
8. A Defendant acting in person may obtain help in completing the form at the Court's office.