

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

2004 SEP 15 10 30 AM
SUPERIOR COURT

Docket No. 04-E-0208

VENISE THERESA GONYA, as representative of the Estate of Joseph E. Gonya,
deceased, individually and on behalf of all others similarly situated
and
ROXANE S. SCAIFE, as representative of the Estate of Arnold L. Stone, deceased,
individually and on behalf of all others similarly situated

v.

ROGER A. SEVIGNY, Commissioner of the State of New Hampshire Insurance
Department, in his official capacity as Insurance Commissioner and liquidator of
The Home Insurance Company

STIPULATION OF FACTS

NOW COME Venise Theresa Gonya and Roxane S. Scaife, Plaintiffs in the
above-entitled matter, by and through their attorneys, Baron & Budd, P.C. and
Watson & Lemire, P.A. and Defendant Roger A. Sevigny, Commissioner of the State
of New Hampshire Insurance Department, in his official capacity as Insurance
Commissioner and Liquidator of The Home Insurance Company ("Commissioner"),
and submit this joint statement of facts pursuant to this Court's July 27, 2004 Order.
Inclusion of a fact in this stipulation does not mean that the parties agree that the fact
is material. The parties reserve the right to assert additional facts and introduce
additional relevant evidence. The parties hereby agree and stipulate to the following
facts:

1. The Home Insurance Company ("Home") is a New Hampshire domiciled insurance company. Home wrote workers compensation, liability and other types of insurance throughout the United States.
2. Plaintiff Venise Theresa Gonya represents the Estate of Joseph E. Gonya in an action asserting tort claims. (*Venise Theresa Gonya Individually and as Personal Representative of the Heirs and Estate of Joseph A. Gonya, Deceased v. Crown Cork and Seal Company, Inc., et al.*, No. 17092*RM01 (Brazoria County District Court, State of Texas, filed August 28, 2001). Among the defendants in this tort case are Cleaver Brooks, a division of Aqua Chem, Inc., and Union Carbide. Aqua Chem, Inc., was an additional named insured on certain excess liability policies issued by Home for a number of years. Union Carbide Corp. was issued excess liability policies by Home for a number of years. While other defendants in the tort case may be Home insureds, plaintiff Gonya cannot identify those other companies at this time.
3. Plaintiff Roxane S. Scaife represents the Estate of Arnold L. Stone in an action asserting tort claims. (*Roxane S. Scaife, Individually and as Personal Representative of the Heirs and Estate of Arnold L. Stone, Deceased v. Pittsburgh Corning Corporation, et al.*, No. 99-013161-D (Dallas County District Court, State of Texas, filed Feb. 26, 1999). Among the defendants in the tort case is Cleaver Brooks, a division of Aqua Chem, Inc. Aqua Chem, Inc., was an additional named insured on certain excess liability policies issued by Home for a number of years.

While other defendants in the tort case may be Home insureds, plaintiff Scaife cannot identify those other companies at this time.

4. On June 13, 2003, an Order of Liquidation was entered by the Superior Court for Merrimack County, New Hampshire (the "Court"), placing Home in liquidation and appointing the Commissioner of Insurance of the State of New Hampshire and her successors in office as Liquidator of Home. (*In the Matter of the Liquidation of The Home Insurance Company*, Docket No. 03-E-0106.) The liquidation proceedings for Home are being conducted pursuant to the New Hampshire Insurers Rehabilitation and Liquidation Act, RSA 402-C (the "Act"). A true and correct copy of the Order of Liquidation is attached as Exhibit 1.
5. The Court issued directions concerning notice of the liquidation and claim filing deadline and the form of proof of claim in an Order Approving Notice entered on June 11, 2003. Among other things, that order approved the form of notice concerning the liquidation order and the form of proof of claim (and instructions) pursuant to RSA 402-C:26 and RSA 402-C:38. The order also gave directions for the provision of notice to potential claimants pursuant to RSA 402-C:26. A true and correct copy of the Order Approving Notice is attached as Exhibit 2.
6. Copies of the notice of liquidation, proof of claim form and instructions that were mailed are attached as Exhibits 3-5. True and correct copies of the form of publication notice and a list of the publications in which the publication notice appeared are attached as Exhibits 6 and 7.

7. In accordance with RSA 402-C:40, I, and RSA 402-C:38, I(a)(7), the proof of claim form included the following provision:

14. If you are completing this Proof of Claim as a Third Party Claimant against an insured of The Home, you must conditionally release your claim against the insured by signing the following, as required by N.H. Rev. Stat. Ann. § 402-C:40 I:

I, _____ (insert claimant's name), in consideration of the right to bring a claim against The Home, on behalf of myself, my officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives hereby release and discharge _____ (insert name of defendant(s) insured by The Home), and his/her/its officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives, from liability on the cause(es) of action that forms the basis for my claim against The Home in the amount of the limit of the applicable policy provided by The Home; provided, however, that this release shall be void if the insurance coverage provided by The Home is avoided by the Liquidator.

Claimant's signature

Date

8. The law firm of Baron & Budd, P.C., which represents Plaintiffs in the tort cases, was among the claimants' firms that were mailed notices of the liquidation and proof of claim forms. Copies of the notice of the liquidation order and claim filing deadline and the proof of claim form were mailed to Baron & Budd, P.C., on or about June 18, 2003, December 29, 2003, and March 10, 2004. No individual notice was directed to the named Plaintiffs.

9. Pursuant to the Order of Liquidation, RSA 402-C:26, II, and RSA 402-C:37, I, persons asserting claims against Home, including third party claimants, were required to file proofs of claim with the Liquidator on or before June 13, 2004. Late filed claims are subject to the provisions of RSA 402-C:37, II and III.

10. Proofs of claim submitted in the liquidation will be determined in accordance with the RSA 402-C:41 and RSA 402-C:45 and the Order

Establishing Procedures Regarding Claims Filed With The Home Insurance Company In Liquidation entered by the Court on December 19, 2003 and as amended June 9, 2004 (the "Claims Procedures Order"). A true and correct copy of the Claims Procedures Order is attached as Exhibit 8.

11. RSA 402-C:40, I, provides a right to file a claim directly with the insurer that a third party claimant would not have otherwise. Claims under policies of insurance issued by an insurer, including claims by third party claimants, have second priority under RSA 402-C:44, II.
12. Claimants filing proofs of claim in the liquidation of an insolvent insurer have no guarantee they will have any recovery from the liquidated estate. The distributions to claimants in the second priority class who file proofs of claim against an insolvent insurer in liquidation under RSA 402-C depend on the total assets of the insurer ultimately marshaled by the liquidator after payment of administration costs and the total amount of allowed claims in the second priority under RSA 402-C:44.
13. The claim filing deadline under RSA 402-C:26, II, must be no more than one year after entry of a liquidation order. Prior to the June 13, 2004 claims filing deadline, the Liquidator had not provided potential claimants information to determine what portion of a claim, if any, might be recovered by submitting a proof of claim with the Liquidator.
14. Neither of the named Plaintiffs has submitted a proof of claim in the Home liquidation.

Dated: 9/15/04

Venice Theresa Gonya and
Roxanne S. Scaife, Plaintiffs
By their attorneys
BARON & BUDD, P.C.

By: 
Alan B. Rich, Esq.

Dated: 9/15/04

Roger A. Sevigny, Commissioner
State of NH Insurance Dept., Defendant
By its attorneys
NH Attorney General's Office


By: 
Suzanne M. Gorman, Esq.

Exhibit 1

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

In the Matter of the Rehabilitation of
The Home Insurance Company

ORDER OF LIQUIDATION

This proceeding was commenced on March 4, 2003, upon the Verified Petition for Rehabilitation of Paula T. Rogers, Commissioner of Insurance for the State of New Hampshire (the "Commissioner"). The Commissioner filed the Verified Petition for Rehabilitation pursuant to RSA 402-C:15, seeking appointment as receiver of The Home Insurance Company ("The Home") for the purpose of rehabilitating and conserving the assets of The Home. On March 5, 2003, this Court entered an Order Appointing Rehabilitator, in which the Commissioner was appointed Rehabilitator of The Home. The Commissioner, as Rehabilitator, has now determined pursuant to RSA 402-C:19 that further attempts to rehabilitate The Home would be futile, that The Home is insolvent within the meaning of RSA 402-C:3 and RSA 402-C:20, II, and that it should be liquidated. On May 8, 2003, the Commissioner, as Rehabilitator, filed a Verified Petition for Order of Liquidation pursuant to RSA 402-C:5, RSA 402-C:19 and RSA 402-C:20 (the "Petition"), in which she has sought an order of liquidation for The Home, her appointment as Liquidator, and the requested permanent injunctions. After having heard and considered the facts set forth in the Petition, the Court finds that the law and facts are

as the Commissioner has alleged in the Petition and that there exists a present necessity for the entry of this order.

WHEREFORE, it is hereby ordered, adjudged and decreed that:

- (a) The proceeding for the rehabilitation of The Home is hereby terminated pursuant to RSA 402-C:19;
- (b) The Home is declared to be insolvent;
- (c) Sufficient cause exists for an order to liquidate The Home;
- (d) Paula T. Rogers, Commissioner of Insurance for the State of New Hampshire, and her successors in office, is hereby appointed Liquidator of The Home;
- (e) The Liquidator shall cancel all in-force contracts of insurance and bonds effective as of 30 days after the date of this Order;
- (f) The Liquidator is directed forthwith to take possession of the assets of The Home wherever located and administer them under the orders of the Court. The Liquidator is vested with title to all of the property, contracts and rights of action and all of the books and records of The Home, wherever located, and in whomever's possession they may be found;
- (g) The Liquidator is directed to secure all of the assets, property, books, records, accounts and other documents of The Home (including, without limitation, all data processing information and records comprised of all types of electronically stored information, master tapes, source codes, passwords, or any other recorded information relating to The Home);
- (h) The Liquidator is authorized to transfer, invest, re-invest and otherwise deal with the assets and property of The Home so as to effectuate its liquidation;

(i) The Liquidator is authorized to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable without prior permission of the Court in the ordinary course of business;

(j) The Home and its directors, officers, employees, agents, and representatives are prohibited from proceeding with the business of The Home, except upon the express written authorization of the Liquidator;

(k) The Home and its directors, officers, employees, agents, and representatives, and any persons acting in concert with The Home, are prohibited from disposing, using, transferring or removing any property of The Home, without the express written authorization of the Liquidator, or in any way (i) interfering with the conduct of the Liquidator or (ii) interfering with the Liquidator's possession and rights to the assets and property of The Home;

(l) Any bank, savings and loan association or other financial institution or other legal entity is prohibited from disposing of or allowing to be withdrawn in any manner property or assets of The Home, except under the express written authorization of the Liquidator or by further order of this Court.

(m) All actions and all proceedings against The Home whether in this state or elsewhere shall be abated in accordance with RSA 402-C:28 and RSA 402-C:5, except to the extent the Liquidator sees fit and obtains leave to intervene;

(n) To the full extent of the jurisdiction of the Court and the comity to which the orders of the Court are entitled, all persons are hereby permanently enjoined and restrained from any of the following actions:

(1) commencing or continuing any judicial, administrative, or other action or proceeding against The Home or the Liquidator;

(2) commencing or continuing any judicial, administrative, or other action or proceeding against The Home's, the Rehabilitator's or the Liquidator's present or former directors, officers, employees, agents, representatives, or consultants, including, without limitation, Risk Enterprise Management Limited and each of its officers, directors and employees, arising from their actions on behalf of The Home, the Rehabilitator or the Liquidator;

(3) enforcing any judgment against The Home or its property;

(4) any act to obtain possession of property of The Home or to exercise control over property of The Home;

(5) any act to create, perfect, or enforce any lien against property of The Home;

(6) any act to collect, assess, or recover a claim against The Home, other than the filing of a proof of claim with the Liquidator; and

(7) the setoff of any debt owing to The Home; provided, however, that notwithstanding anything in this Order to the contrary, nothing herein is intended nor shall it be deemed to stay any right of setoff of mutual debts or mutual credits by reinsurers as provided in and in accordance with RSA 402-C:34;

(o) The Court hereby seeks and requests the aid and recognition of any Court or administrative body in any State or Territory of the United States and any Federal Court or administrative body of the United States, any Court or administrative body in any Province or Territory of Canada and any Canadian Federal Court or

administrative body, and any Court or administrative body in the United Kingdom or elsewhere to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

(p) All persons doing business with The Home on the date of the Liquidation Order are permanently enjoined and restrained from terminating or attempting to terminate such relationship for cause under contractual provisions on the basis of the filing of the petition to rehabilitate The Home, The Home's assent to the entry of the Rehabilitation Order, the entry of the Rehabilitation Order, the filing of this Petition, the entry of the Liquidation Order, the rehabilitation or liquidation proceedings for The Home, or The Home's financial condition during the rehabilitation or liquidation proceedings;

(q) All persons in custody or possession of any property of The Home are hereby directed and ordered to turn over any such property to the Liquidator;

(r) The Liquidator is authorized, in her discretion, to pay expenses incurred in the course of liquidating The Home, including the actual, reasonable, and necessary costs of preserving or recovering the assets of The Home, wherever located, and the costs of goods and services provided to The Home estate in this and other jurisdictions. Such costs shall include, but not be limited to: (1) reasonable professional fees for accountants, actuaries, attorneys and consultants with other expertise retained by the Department, the Commissioner or the Liquidator to perform services relating to the liquidation of The Home or the feasibility, preparation, implementation, or operation of a liquidation plan; (2) compensation and other costs related to representatives, employees or agents of The Home or its affiliates who perform services for The Home in liquidation;

and (3) the costs and expenses of and a reasonable allocation of costs and expenses associated with time spent by New Hampshire Insurance Department personnel and New Hampshire Department of Justice personnel in connection with the rehabilitation and the liquidation of The Home;

(s) The Liquidator is authorized to employ or continue to employ, to delegate authority to and fix the compensation of such appropriate personnel, including actuaries, accountants, consultants, special counsel, and counsel in this and other jurisdictions, as she deems necessary to carry out the liquidation of The Home and its worldwide operations, subject to compliance with the provisions of RSA 402-C, the supervision of the Liquidator, and of this Court. The Liquidator is authorized to continue at her sole discretion to retain the services of Risk Enterprise Management Limited, subject to court approval;

(t) The Liquidator is authorized to appoint, and determine the compensation and terms of engagement of, a special deputy to act for her pursuant to RSA 402-C:25, I.

(u) The actual, reasonable and necessary costs of preserving, recovering, distributing or otherwise dealing with the assets of The Home, wherever located, and the costs of goods or services provided to The Home estate under paragraph (i) of the Rehabilitation Order, during the Rehabilitation proceeding, and under paragraphs (r)-(t) and (v) of the Liquidation Order, during the Liquidation proceeding, shall be treated as "costs and expenses of administration," pursuant to RSA 402-C:44, I;

(v) The Liquidator is authorized and directed to work with any joint provisional liquidator or other person of comparable position appointed by a foreign

tribunal with respect to all or any portion of the estate of The Home located outside the United States (the "foreign estates") for the purpose of preserving, recovering and incorporating into the domiciliary estate all assets of The Home located outside the United States. The Liquidator is authorized to fund from the domiciliary estate the costs and expenses of administering the foreign estates;

(w) The Liquidator is directed to administer and make payments on all claims against The Home estate filed with the Liquidator in the domiciliary proceeding, including the claims of claimants residing in foreign countries (provided the assets of such foreign estate are transferred to the Liquidator), in accordance with New Hampshire's priority statute, RSA 402-C:44;

(x) The amounts recoverable by the Liquidator from any reinsurer of The Home shall not be reduced as a result of the prior rehabilitation proceeding or this liquidation proceeding or by reason of any partial payment or distribution on a reinsured policy, contract or claim, and each reinsurer of The Home is, without first obtaining leave of this Court, hereby enjoined and restrained from terminating, canceling, failing to extend or renew, or reducing or changing coverage under any reinsurance policy or contract with The Home. The Liquidator may, in her discretion, commute any contract with a reinsurer or reinsurers;

(y) To the full extent of the jurisdiction of the Court and the comity to which the orders of the Court are entitled, all actions or proceedings against an insured of The Home in which The Home has an obligation to defend the insured are hereby stayed for a period of six months from the date of the Order and such additional time as the Court may determine pursuant to RSA 404-B:18;

(z) Within one year of the entry of this Order, and then annually thereafter, the Liquidator shall file with the Court a financial report, as of the preceding December 31, in accordance with RSA 402-C:21, V, which shall include, at a minimum, the assets and liabilities of The Home and all funds received or disbursed by the Liquidator during the period;

(aa) The Liquidator shall have full powers and authority given the Liquidator under RSA 402-C of Title XXXVII, and under provisions of all other applicable laws, as are reasonable and necessary to fulfill the duties and responsibilities of the Liquidator under RSA 402-C of Title XXXVII, and under the Order, specifically including, but not limited to, each and every power and authority bestowed upon the Liquidator under RSA 402-C:25, I-XXII, the provisions of which are incorporated by reference in their entirety into this Order, and the common law of New Hampshire; and

(bb) The deadline for the filing of claims pursuant to RSA 402-C:26, II, RSA 402-C:37, I, and RSA 402-C:40, II, shall be one year from the date of this Order.

Date: 6/13/03
Time: _____

By: *Kathleen M. Quire*
Presiding Justice

Exhibit 2

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

**In the Matter of the Rehabilitation of
The Home Insurance Company**

Docket No. 03-E-0112

**In the Matter of the Rehabilitation of
US International Reinsurance Company**

ORDER APPROVING NOTICE

After having heard and considered the motion for order approving notice of liquidation orders and claim filing deadline filed by the Commissioner of Insurance ("Commissioner"), as Rehabilitator ("Rehabilitator") of The Home Insurance Company ("The Home") and US International Reinsurance Company ("USI Re"), the Court hereby finds and orders as follows:

Findings of Fact and Conclusions of Law

1. The notices of the liquidation orders and forms of proof of claim (including instructions) proposed by the Rehabilitator are reasonable and provide appropriate information concerning the liquidations of The Home and USI Re, including the proper means of asserting claims by filing a proof of claim and the claim filing deadline.

2. The notice of cancellation proposed by the Rehabilitator is reasonable and proper and provides appropriate information concerning the cancellation of in-force policies and bonds.

3. The mailings proposed by the Rehabilitator are reasonable and adequate and based on appropriate review of the books and records of The Home and USI Re.

4. The mailings and publication notice proposed by the Rehabilitator provide reasonable and appropriate notice of the liquidation orders and claim filing deadline and are reasonably calculated to advise potential claimants of the liquidation orders and claim filing deadline and constitute adequate notice as a matter of law pursuant to RSA 402-C:26.

5. The mailings and publication proposed by the Rehabilitator are in the best interests of the estates, the policyholders and creditors.

Orders

1. The Motion for Order Approving Notice of Liquidation Orders and Claim Filing Deadline is granted.

2. The forms of notices of the liquidation orders and the claim filing deadline pursuant to RSA 402-C:26 attached as Exhibits 1-2, the forms of proof of claim (and instructions) pursuant to RSA 402-C:38 attached as Exhibits 3-4, and the form notice of cancellation pursuant to RSA 402-C:22 attached as Exhibit 5, are each approved.

3. The Commissioner, as Liquidator of The Home and USI Re, shall provide notice of the liquidation orders for The Home and USI Re pursuant to RSA 402-C:26, I to the chief insurance regulatory officials of the states and territories of the United States by sending copies of the liquidation orders by e-mail through the National Association of Insurance Commissioners and to the chief insurance regulatory officials of Canada, the United Kingdom, Bermuda and Hong Kong by sending copies of the liquidation orders by e-mail or facsimile within 24 hours of the entry of the liquidation orders.

4. The Commissioner, as Liquidator of The Home and USI Re, shall provide notice of the liquidation orders for The Home and USI Re pursuant to RSA 404-B:10 to the New Hampshire Insurance Guaranty Association and the insurance guaranty funds of the other states and territories of the United States by e-mail or facsimile to the National Conference of Insurance Guaranty Funds and the National Organization of Life and Health Guaranty Associations and the executive director of each such fund within 24 hours of the entry of the liquidation orders.

5. The Commissioner, as Liquidator of The Home and USI Re, need not provide notice of the liquidation orders to independent agents of The Home or USI Re directing the agents to give notice in light of the notice to be provided to in-force policyholders and bondholders by the Liquidator in accordance with paragraph 7, below, although the applicable notice of liquidation order and claim filing deadline and proof of claim form shall be mailed by first class mail to producers at the names and addresses on the computer systems.

6. The Commissioner, as Liquidator of The Home and USI Re, shall provide notice of the applicable liquidation order and claim filing deadline to potential claimants pursuant to RSA 402-C:26 by mailing the applicable notice of liquidation order and claim filing deadline for The Home or USI Re, together with the applicable proof of claim for The Home or USI Re, by first class mail to the following:

- a. policyholders whose policies are the subject of open claims
- b. claimants or, in the case of asbestos or other mass tort claims, the claimants' attorneys at the names and addresses listed on the computer system;
- b. present and historic policyholders of The Home at the names and addresses available on the computer systems;

- c. reinsureds ceding to The Home or USI Re and brokers through whom reinsurance was ceded to The Home or USI Re as listed on The Home's computer systems;
- d. reinsurers to whom The Home or USI Re ceded and brokers through whom The Home or USI Re ceded reinsurance as listed on The Home's computer systems;
- e. AFIA reinsureds and brokers based on the names and addresses provided by ACE/INA;
- f. City brokers and reinsureds based on the names and addresses provided by CMGL;
- g. former employees of The Home receiving medical or insurance benefits pursuant to plans funded by The Home;
- h. Vendors and service providers, including third-party administrators and defense counsel for insureds retained by The Home, at the names and addresses on 1099 lists for the past two years (2001 and 2002); and
- g. Governments, including (i) the United States Government (the Department of Justice, The Internal Revenue Service, the Department of Labor, and the Pension Benefit Guaranty Corporation), and (ii) State governments (state departments of revenue and other state agencies as appropriate).

7. The Commissioner, as Liquidator of The Home and USI Re, shall also provide in-force policyholders and bondholders of The Home with notice of the cancellation of their policies or bonds by mailing, by first class mail, a notice of cancellation to those policyholders or bondholders at the names and addresses on the computer systems.

8. In light of the contemplated Canadian transaction, the Commissioner, as Liquidator of The Home and USI Re, need not mail notice of the liquidation orders or claim filing deadlines or proof of claim forms to Canadian policyholders or potential claimants.

9. The Commissioner, as Liquidator of The Home and USI Re, shall cause notice of the liquidation orders and claim filing deadline and how to obtain proof of claim forms to be published:

- a. in a newspaper in the capital and, if different, the largest city of each state and territory of the United States in which The Home or USI Re was authorized to do business;
- b. in a newspaper of nationwide circulation in the United States (the Wall Street Journal);
- c. in a leading insurance trade publication (Business Insurance); and
- d. in a newspaper of general circulation in the United Kingdom, Bermuda and Hong Kong.

10. Notice provided in accordance with this Order shall be deemed to satisfy the requirements of RSA 402-C:26.

11. The Commissioner, as Liquidator of The Home and USI Re, shall report to the Court on the notice provided pursuant to this Order when notice has been given in accordance with this Order or within twenty-one days of the entry of the liquidation orders, which ever is earlier.

Date: 6/11/03
Time: _____

By: Kathleen A. McQuinn
Presiding Justice

Exhibit 3

[New Hampshire Insurance Department Letterhead]

June __, 2003

IMPORTANT NOTICE REGARDING THE HOME INSURANCE COMPANY IN LIQUIDATION

Dear Policyholders, Producers, Reinsurers, Attorneys, Employees, Vendors and Other Potential Claimants of The Home Insurance Company:

This letter contains important information about The Home Insurance Company ("The Home"). On June __, 2003, an Order of Liquidation was entered by the Superior Court for Merrimack County, New Hampshire, placing The Home in liquidation.

The liquidation of The Home includes the liquidation of other companies that were previously merged into The Home: The Home Indemnity Company, The Home Insurance Company of Indiana, City Insurance Company, Home Lloyds Insurance Company of Texas, The Home Insurance Company of Illinois, and The Home Insurance Company of Wisconsin. If your insurance was with one of these companies, the liquidation of The Home will also affect you.

Equally, if you are a cedant or policyholder whose reinsurance or insurance was written out of The Home's UK Branch or if you are otherwise a creditor of The Home as a result of transactions or other dealings with its UK Branch ("UK Creditor"), the liquidation of The Home will affect you and you should read this notice carefully.

THE CLAIM FILING DEADLINE FOR CLAIMS AGAINST THE HOME IS JUNE __, 2004.

Policyholders with open claims and Third Party Claimants asserting claims against policyholders

If you have an open workers' compensation claim with The Home, your claim is currently being transferred to the guaranty association in the state where the workers' compensation claimant resided at the time of the event that gave rise to the claim. If you have another type of open claim, your claim is being transferred to the guaranty association in the state where the policyholder resided, or, in the case of corporations, had its principal place of business, at the time of the event that gave rise to the claim. A **guaranty association** is a fund created by law to cover certain claims in the event that an insurance company becomes insolvent. Each state has a guaranty association for the benefit of residents of that state. If the guaranty association determines that your claim is a covered claim it will continue to process, and if applicable, to pay and defend, the claim. Generally, a **covered claim** is a claim under a workers' compensation, general liability, homeowner's, or automobile policy issued by a licensed insurer. The maximum amount paid by a guaranty association varies by state but is usually limited to \$300,000 (\$1,000,000 in New York) or the policy limits, whichever is less, subject to a deductible in some states. Workers' compensation claims are generally not subject to these limits. Please wait a few weeks before contacting the guaranty association, unless the inquiry is extremely time-sensitive.

To protect your rights as a policyholder or as third party claimant, you should file a Proof of Claim, whether or not you believe a guaranty association will pay your claim.

If you are a policyholder who was being defended by The Home in a lawsuit against you, and the guaranty association informs you that your claim is not a covered claim, you should contact an attorney immediately because The Home will not defend or pay for the defense of the claim. **You should file a Proof of Claim.**

Surplus Lines Policyholders

If your policy was a policy written (1) by The Home Insurance Company of Illinois and you resided in any state except New York or Illinois when the policy was issued, or (2) by The Home Insurance Company of Wisconsin and you resided in New York or Illinois when the policy was issued, then the policy is a surplus lines policy and a claim under your policy is not likely to be covered by a guaranty association. (If you lived in New Jersey, your claim may be covered by the New Jersey Surplus Lines Insurance Guaranty Fund.) **You will need to file a Proof of Claim in any event.** If you are currently being defended by The Home in a lawsuit against you, you should contact an attorney because The Home will not defend or pay for the defense of the claim. **You should also submit a Proof of Claim.**

Plaintiff's Attorneys

If you represent plaintiffs in asbestos or other mass tort litigation, you are hereby notified that individual notices of The Home liquidation are not being sent to each plaintiff in the litigation. **You must submit a Proof of Claim on behalf of each client claimant in the litigation.**

Producers, Brokers, Reinsurers, Vendors, and other General Creditors

Producers, brokers, reinsurers, vendors, and other general creditors must file a Proof of Claim in order to preserve their claim. These claims would include, for example, earned commissions, unearned reinsurance premium, reinsurance recoverable on paid losses, and goods and services provided by vendors and trade creditors. Payment of these claims may be made in the future, but only in the event that sufficient assets are available to pay all higher priority claimants, including policyholders, in accordance with law.

Vendors who provided products or services after the entry of the rehabilitation order on March 5, 2003, will be paid in the ordinary course of business and need not file a proof of claim.

Uncertain or Potential Claims

If you believe you might have a claim against The Home, or the amount of your claim is presently uncertain, you should file a Proof of Claim.

UK Creditors

On 8 May 2003 - the date on which a petition was filed with the Superior Court for Merrimack County, New Hampshire to place The Home into liquidation - Gareth Hughes and Maggie

Mills, partners in Ernst & Young LLP, were appointed joint provisional liquidators of The Home - UK Branch ("Provisional Liquidators").

The business of The Home's UK Branch principally consists of two portfolios both of which are in run-off:

(a) assumed reinsurance business underwritten through the American Foreign Insurance Association ("AFIA"). UK Creditors should note that The Home only retains legal responsibility for the assumed reinsurance treaty business written on its behalf through AFIA prior to 1983. The direct and marine and aviation business written on behalf of The Home through AFIA was transferred by way of statutory portfolio transfer to an ACE INA subsidiary company in 1986; and

(b) business underwritten by City Insurance Company - UK Branch ("City") through the agency of H. S. Weavers (Underwriting) Agencies Limited ("Weavers") between 1970 and 1977 on the Weavers stamp and also through the agency of C.R.Driver & Company prior to the merger of City with Home in 1995.

City International Insurance Company limited, an English-incorporated subsidiary of Home and an authorized UK insurer, is not affected by these proceedings and will continue to operate as a general insurance and reinsurance business in the UK.

It would be in the interests of all The Home's creditors if it were possible for all the assets of The Home worldwide, including those assets situated in England ("UK Assets"), to be administered and distributed under a single legal system. Given that The Home is a New Hampshire incorporated and domiciled insurance company subject to primary insolvency proceedings in New Hampshire, the administration and distribution of the estate under a single legal system will necessarily entail the application of New Hampshire insurer insolvency law and practice.

Accordingly, the Provisional Liquidators and I are in the process of conducting a review of the comparative advantages and disadvantages of, on the one hand, a single administration of The Home's assets worldwide in accordance with New Hampshire insurer insolvency law and practice and, on the other hand, a dual New Hampshire and English based administration under which the UK Assets would be dealt with under an English based scheme of arrangement or an English liquidation. The purpose of this review is to ascertain whether or not creditors as a whole are likely to suffer any material substantive disadvantage by reason of the UK Assets being remitted to New Hampshire and being administered under New Hampshire insurer insolvency law and practice, after taking into account any cost savings made from administering The Home's estate on a unified basis.

Once this review has been completed, the Provisional Liquidators and I will write to UK Creditors again in order to inform you of our findings.

However, whether or not the UK Assets are remitted ultimately to New Hampshire to be administered and distributed under New Hampshire insurer insolvency law and practice, UK Creditors will be entitled to submit a Proof of Claim in the New Hampshire liquidation and should, therefore, do so. For the avoidance of doubt, UK Creditors should not file any Proof of Claim with the Provisional Liquidators in England unless the Provisional Liquidators or I subsequently write to UK Creditors to advise you differently.

**Paula T. Rogers, New Hampshire Commissioner of Insurance,
as Liquidator of The Home Insurance Company**

Exhibit 4

PROOF OF CLAIM

The Home Insurance Company,

Merrimack County Superior Court, State of New Hampshire 03-E-0106

Read Carefully Before Completing This Form

Please print or type

FOR LIQUIDATOR'S USE ONLY

DATE PROOF OF CLAIM RECEIVED

The Deadline for Filing this Form is June , 2004.

You should file this Proof of Claim form if you have an actual or potential claim against The Home Insurance Company of any of its former subsidiaries* ("The Home") even if the amount of the claim is presently uncertain. To have your claim considered by the Liquidator, this Proof of Claim must be postmarked no later than June , 2004. Failure to timely return this completed form will likely result in the DENIAL OF YOUR CLAIM. You are advised to retain a copy of this completed form for your records.

1. Claimant's Name: _____

2. Claimant's Address: _____

3. Claimant's Telephone Number: (____) _____

Fax Number: (____) _____

Email address: _____

4. Claimant's Social Security Number, Tax ID Number or Employer ID Number: _____

5. Claim is submitted by (check one):

- a) Policyholder or former policyholder
- b) Third Party Claimant making a claim against a person insured by The Home
- c) Employee or former employee
- d) Broker or Agent
- e) General Creditor, Reinsurer, or Reinsured
- f) State or Local Government Entity
- g) Other; describe: _____

If your name, address, e-mail address, or telephone number set forth above are incorrect, or if they change, you must notify the Liquidator so she can advise you of new information.

Describe in detail the nature of your claim. You may attach a separate page if desired. Attach relevant documentation in support of your claim, such as copies of outstanding invoices, contracts, or other supporting documentation.

6. Indicate the total dollar amount of your claim. If the amount of your claim is unknown, write the word "unknown", BUT be sure to attach sufficient documentation to allow for determination of the claim amount.

\$ _____ (if amount is unknown, write the word "unknown").

7. If you have any security backing up your claim, describe the nature and amount of such security. Attach relevant documentation.

* The Home Indemnity Company, The Home Insurance Company of Indiana, City Insurance Company, Home Lloyds Insurance Company of Texas, The Home Insurance Company of Illinois, and The Home Insurance Company of Wisconsin.

8. If The Home has made any payments towards the amount of the claim, describe the amount of such payments and the dates paid: _____

9. Is there any setoff, counterclaim, or other defense which should be deducted by The Home from your claim? _____

10. Do you claim a priority for your claim? If so, why: _____

11. Print the name, address and telephone number of the person who has completed this form.

Name: _____

Address: _____

Phone Number () _____

Email address _____

12. If represented by legal counsel, please supply the following information:

a. Name of attorney: _____

b. Name of law firm: _____

c. Address of law firm: _____

d. Attorney's telephone: _____

e. Attorney's fax number: _____

f. Attorney's email address: _____

13. If using a judgment against The Home as the basis for this claim:

a. Amount of judgment _____

b. Date of judgment _____

c. Name of case _____

d. Name and location of court _____

e. Court docket or index number (if any) _____

14. If you are completing this Proof of Claim as a Third Party Claimant against an insured of The Home, you must conditionally release your claim against the insured by signing the following, as required by N.H. Rev. Stat. Ann. § 402-C:40 I:

I, _____ (insert claimant's name), in consideration of the right to bring a claim against The Home, on behalf of myself, my officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives hereby release and discharge _____ (insert name of defendant(s) insured by The Home), and his/her/its officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives, from liability on the cause(es) of action that forms the basis for my claim against The Home in the amount of the limit of the applicable policy provided by The Home; provided, however, that this release shall be void if the insurance coverage provided by The Home is avoided by the Liquidator.

Claimant's signature

Date

15. All claimants must complete the following:

I, _____ (insert individual claimant's name or name of person completing this form for a legal entity) subscribe and affirm as true, under the penalty of perjury as follows: that I have read the foregoing proof of claim and know the contents thereof, that this claim in the amount of _____ dollars (\$ _____) against The Home is justly owed, except as stated in item 9 above, and that the matters set forth in this Proof of Claim are true to the best of my knowledge and belief. I also certify that no part of this claim has been sold or assigned to a third party.

Claimant's signature

Date

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

16. Send this completed Proof of Claim Form, postmarked by June , 2004, to:

The Home Insurance Company in Liquidation
P.O. Box 1720
Manchester, New Hampshire 03105-1720

**You should complete and send this form if you believe you have an
actual or potential claim against The Home
even if the amount of the claim is presently uncertain.**

Exhibit 5

INSTRUCTIONS FOR FILING A PROOF OF CLAIM FORM

If you have a claim against The Home Insurance Company or any of its former subsidiaries* ("The Home"), or believe that you might have a claim against The Home now or in the future, or if you have a claim but the amount is presently uncertain, **you must complete and submit the attached Proof of Claim form**. Filing a Proof of Claim is the only way you can preserve your right to payment.

Claims must be submitted by the date established by the Court (the "claim filing deadline"). After the claim filing deadline, the Liquidator will review and determine the priority of each timely filed Proof of Claim. If additional information is needed to determine the amount and priority of your claim, the Liquidator will contact the claimant. The Liquidator will then determine the extent to which the claims can be paid from the assets of The Home. Under New Hampshire law, all claims in a higher priority status must be paid in full before any claims in a lower priority status may be paid. Late filed claims may be paid, but they will receive a lower priority. ***It is very important to submit your claim before the claim filing deadline. If you do not file your Proof of Claim before the claim filing deadline, your claim will likely not be paid.***

THE CLAIM FILING DEADLINE FOR CLAIMS AGAINST THE HOME IS JUNE __, 2004.

Please complete the Proof of Claim Form in its entirety based on all available information. The enclosed Proof of Claim form can be photocopied or downloaded from the New Hampshire Insurance Department website: www.state.nh.us/insurance. If information is not available, such as the exact amount of the claim, please indicate that on the form. Claims involving multiple transactions or occurrences or policies should be submitted on a single Proof of Claim Form, and all required supporting documentation for each transaction or occurrence should be attached. Although you should submit your Proof of Claim for the full amount, please note that New Hampshire law generally requires that the first \$50 of the amount allowed on each Proof of Claim must be deducted from the claim. The Liquidator will apply this deductible when she approves a Proof of Claim.

Mail your complete Proof of Claim form, together with the required documentation, to:

The Home Insurance Company In Liquidation
P.O. Box 1720
Manchester, New Hampshire 03105-1720

Do not send the Proof of Claim to the Court.

If you have any questions about this process or about how to fill out the Proof of Claim Form, please call 1-800-347-0014 during regular business hours (Monday-Friday, 8-5).

* The Home Indemnity Company, The Home Insurance Company of Indiana, City Insurance Company, Home Lloyds Insurance Company of Texas, The Home Insurance Company of Illinois, and The Home Insurance Company of Wisconsin.

Exhibit 6

NOTICE OF LIQUIDATION**THE HOME INSURANCE COMPANY
US INTERNATIONAL REINSURANCE COMPANY****CLAIM FILING DEADLINE: JUNE 13, 2004**

Orders of Liquidation placing The Home Insurance Company ("The Home") and US International Reinsurance Company ("USI Re") in liquidation and appointing the New Hampshire Commissioner of Insurance as Liquidator were entered by the Superior Court for Merrimack County, New Hampshire, on June 11 and 13, 2003. The liquidation of The Home includes the liquidation of other companies that were previously merged into The Home: The Home Indemnity Company, The Home Insurance Company of Indiana, City Insurance Company, Home Lloyds Insurance Company of Texas, The Home Insurance Company of Illinois, and The Home Insurance Company of Wisconsin.

All persons having claims now or in the future against The Home or USI Re, whether or not the amount of the claim is presently known, **MUST** file a Proof of Claim form with the Liquidator on or before the claim filing deadline of June 13, 2004. *Proofs of Claim filed after the claim filing deadline will likely not be paid.*

Proof of Claim forms may be obtained by downloading the form from the New Hampshire Insurance Department website: www.state.nh.us/insurance, or by calling 1-800-347-0014 during regular business hours (Monday-Friday, 8-5 EDT), or by writing to:

The Home Insurance Company In Liquidation

P.O. Box 1720

Manchester, New Hampshire 03105-1720

or

US International Reinsurance Company

In Liquidation

P.O. Box 1150

Manchester, New Hampshire 03105-1150

Exhibit 7

Publication of Notice of Liquidation
 The Home Insurance Company In Liquidation and
 US International Reinsurance Company

Capital City AND Largest City in each state (if different)

<i>State</i>	<i>Capital City Newspaper</i>	<i>Largest City Newspaper</i>
Alabama	Montgomery Advertiser	Birmingham News & Post Herald
Alaska	Juneau Empire Phoenix	Anchorage Daily News
Arizona	Phoenix Republic Gazette	
Arkansas	Little Rock Arkansas Democrat	
California	Sacramento Bee	Los Angeles Times San Francisco Chronicle San Diego Union Tribune
Colorado	Denver Newspaper Agency	
Connecticut	Hartford Courant	Bridgeport Post
Delaware	Delaware State News (Dover)	Wilmington News Journal
District of Columbia	Washington Post	
Florida	Tallahassee Democrat	Miami Herald
Georgia	Atlanta Journal Constitution	
Hawaii	Honolulu Star Bulletin	
Idaho	Boise Idaho Statesman	
Illinois	Springfield State Journal Register	Chicago Tribune
Indiana	Indianapolis Star News	
Iowa	Des Moines Register	
Kansas	Topeka Capital Journal	Wichita Eagle
Kentucky	Frankfort State Journal	Louisville Courier Journal
Louisiana	Baton Rouge Advocate	New Orleans Times Picayune
Maine	Kennebec Journal (Augusta)	Portland Press Telegram
Maryland	Annapolis Evening Capitol	Baltimore Sun
Massachusetts	Boston Globe	
Michigan	Lansing State Journal	Detroit Free Press
Minnesota	St. Paul Pioneer Press	Minneapolis Star Tribune
Mississippi	Jackson Clarion Ledger	
Missouri	Jefferson City News Tribune	St Louis Post Dispatch
Montana	Helena Independent Record	Billings Gazette

<i>State</i>	<i>Capital City Newspaper</i>	<i>Largest City Newspaper</i>
Nebraska	Lincoln Journal & Star	Omaha World Herald
Nevada	Nevada Appeal (Carson City)	Las Vegas Review Journal
New Hampshire	Concord Monitor	Manchester Union Leader
New Jersey	Trenton Times	Newark Star Ledger
New Mexico	Santa Fe New Mexican	Albuquerque Daily Journal/Tribune
New York	Albany Times Union	New York Times - National Edition
North Carolina	Raleigh News & Observer	Charlotte Observer
North Dakota	Bismarck Tribune	Fargo Forum
Ohio	Columbus Dispatch	Cleveland Plain Dealer
Oklahoma	Oklahoma City Oklahoman	
Oregon	Salem Statesman Journal	Portland Oregonian
Pennsylvania	Harrisburg Patriot News	Philadelphia Inquirer Pittsburgh Press
Puerto Rico	San Juan Star	
Rhode Island	Providence Bulletin Journal	
South Carolina	Columbia State Record	
South Dakota	Pierre Capitol Journal	Sioux Falls Argus Leader
Tennessee	Nashville Tennessean	Memphis Commercial Appeal
Texas	Austin American Statesman	Houston Chronicle Dallas Morning News
Utah	Salt Lake Tribune	
Vermont	Barre Times Argus (Montpelier)	Burlington Free Press
Virginia	Richmond Times-Dispatch	Norfolk/Virginia Beach/Newport News area Virginian Pilot
Washington	Olympia Olympian	Seattle Times/Post Intelligencer
West Virginia	Charleston Gazette	
Wisconsin	Madison State Journal	Milwaukee Journal Sentinel
Wyoming	Cheyenne Tribune Eagle	

Wall Street Journal - Global

Hong Kong - South China Morning Post

United Kingdom - Times of London

Business Insurance - Monday issue date

Exhibit 8

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of Liquidation
of the Home Insurance Company

No. 03-E-106

ORDER ESTABLISHING PROCEDURES REGARDING CLAIMS FILED WITH
THE HOME INSURANCE COMPANY IN LIQUIDATION

111.

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**PROCEDURES
REGARDING CLAIMS FILED WITH
THE HOME INSURANCE COMPANY IN LIQUIDATION**

1 Applicability

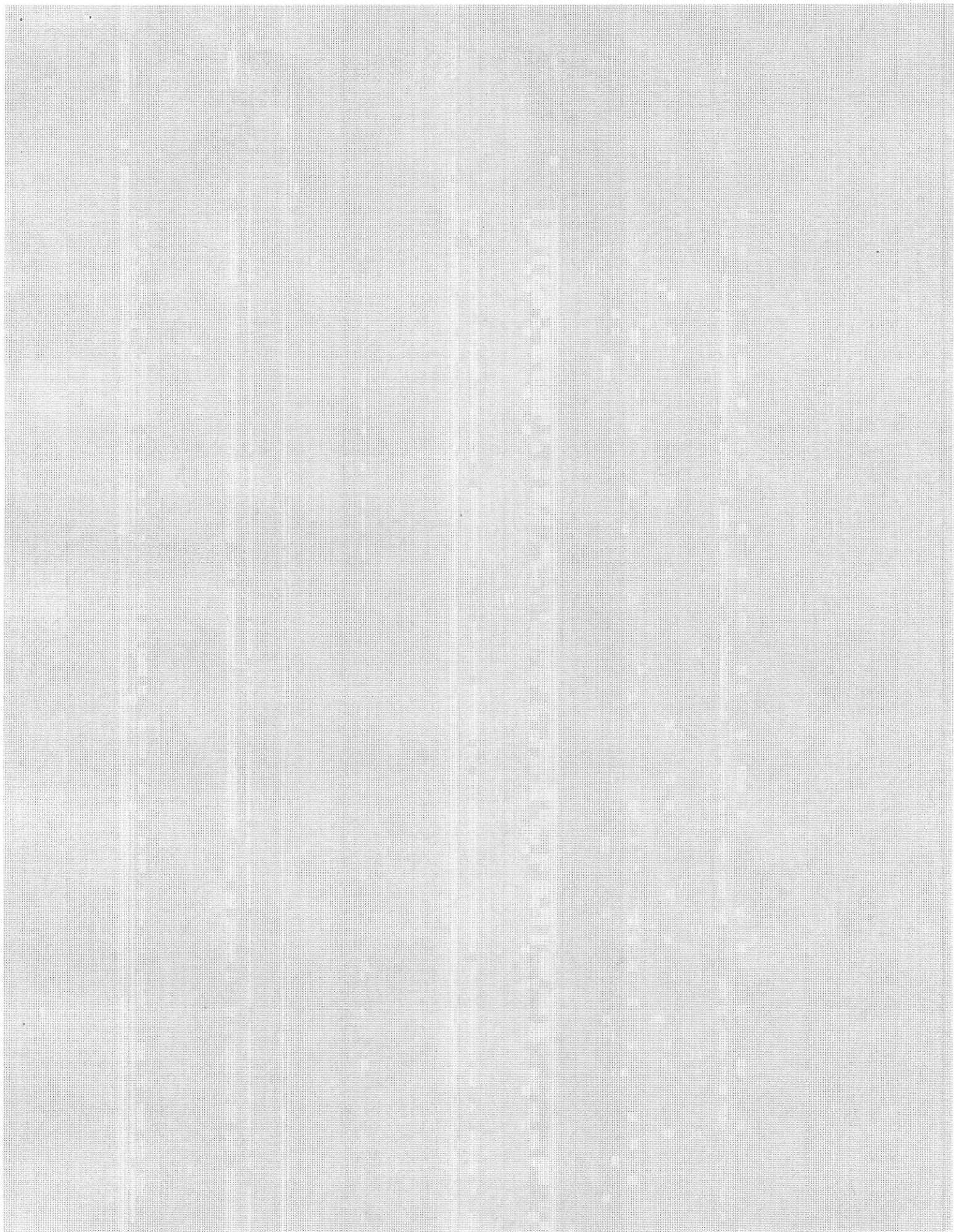
The provisions of these Procedures shall apply to the resolution of claims against The Home Insurance Company in Liquidation ("The Home"), a New Hampshire property and casualty insurance company which was placed into liquidation effective June 11, 2003, by order of the Superior Court for Merrimack County, New Hampshire (the "Liquidation Court"), in The Matter of the Rehabilitation of The Home Insurance Company, No. 03-E-0106 (the "Liquidation Proceedings"). These Procedures shall apply to claim proceedings before the Liquidator, any court-appointed Referee and the Liquidation Court. These Procedures are adopted pursuant to RSA 402-C:41.

2 Definitions

a. "Proof of Claim" shall mean, unless otherwise ordered by the Liquidation Court, any Official Claim Form or any other writing received within the Liquidation the content of which asserts that monies may be owed by The Home to a Claimant.

b. "Claimant" shall mean any policyholder, reinsured, reinsurer, general creditor, third-party, or guaranty association that has filed a Proof of Claim. In these Procedures, "Claimant" refers to the Claimant whose right to payment is at issue.

c. "Determination" shall mean a decision by the Liquidator (including the Special Deputy Liquidator or a designated Staff Assistant)



regarding a claim, which determines whether a claim is to be allowed in whole or in part, whether a claim is to be disallowed and, if allowed, how the claim is to be classified under RSA 402-C:44. If a claim becomes a Disputed Claim, "Determination" shall also mean the determination or order of the Referee or the Liquidation Court determining whether a claim is to be allowed in whole or in part and, if allowed, how the claim is to be classified as to priority.

d. "Disputed Claim" shall mean a claim which has been disallowed in whole or in part or classified as to priority by the Liquidator's Notice of Determination and for which the Claimant has timely filed an Objection.

e. "Disputed Claims Docket" shall mean the separate file and numbering system set up and maintained by the Liquidation Clerk for the handling of Disputed Claim proceedings.

f. "Guaranty Fund" shall mean an association or other legal entity existing under the laws of any state, the District of Columbia or Puerto Rico and lawfully authorized to pay covered claims under policies issued by an insolvent insurance company.

g. "The Home Docket" shall mean the docket maintained by the Merrimack County Superior Court Clerk ("Clerk") in the Liquidation Proceedings.

h. "Liquidation" or "Liquidation Proceeding" shall mean the court-supervised Liquidation Proceeding of The Home, which proceeding was ordered and established by the Liquidation Court effective June 11, 2003.

i. "Liquidation Clerk" shall be the person responsible for the orderly clerical processing of Proofs of Claim once those claims are disputed. The current address for the Liquidation Clerk is The Home Insurance Company in Liquidation, Office of Disputed Claims, P.O. Box 1720, Manchester, New Hampshire, 03105-1720.

j. "Liquidation Court" or "Court" shall mean the Superior Court for Merrimack County, New Hampshire. The current address for the Liquidation Court is Office of the Clerk, Merrimack County Superior Court, 4 Court Street, Concord, New Hampshire 03301, Attention: Home Docket, No. 03-E-0106. A copy of any filing with the Liquidation Court should be mailed to the Liquidator at the address given below, and the Office of the Attorney General, Department of Justice, 33 Capitol Street, Concord, New Hampshire 03301, Attention: Home Insurance.

k. "Liquidator" shall mean the Insurance Commissioner of the State of New Hampshire in his or her capacity as Liquidator of The Home and, for purposes of these Procedures, includes the Special Deputy Liquidator appointed by the Liquidator pursuant to RSA 402-C:25(l) and any Staff Assistants designated by the Liquidator or Special Deputy Liquidator. The current address of the Liquidator, for purposes of these Procedures, is The Home Insurance Company in Liquidation, Claims Determination Unit, P.O. Box 1720, Manchester, New Hampshire, 03105-1720.

l. "Motion to Recommit" shall mean a request by the Liquidator or the Claimant that the Court consider and review the Referee's Report of a Disputed Claim.

m. "Official Claim Form" shall mean the proof of claim form approved by the Court or other specific claim forms approved by the Liquidator.

n. "Participant" shall mean the Claimant, the Liquidator and any other person or entity who is granted leave to participate in proceedings under these Procedures.

o. "Referee" shall mean an attorney appointed by the Liquidation Court pursuant to RSA 402-C:41(II), RSA 519:9, and N.H. Super. Ct. R. 81 to hear and decide Disputed Claims.

p. "Request for Review" shall mean a request by a Claimant that the Liquidator reconsider a Notice of Determination issued to that Claimant.

3 Scope and Purpose

a. These Procedures shall govern the practice and procedures in all proceedings before the Liquidator, any Referee, and the Liquidation Court with respect to claims against The Home, pursuant to the New Hampshire "Insurers Rehabilitation and Liquidation Act," RSA 402-C:1 - 402-C:61.

b. The purpose of these Procedures is to achieve uniformity and to provide procedures for the presentation, processing, determination and classification of claims and to assist all Claimants worldwide in the orderly presentation of their claims against The Home.

c. In adopting these Procedures, the Court intends to formulate a uniform procedure that will assure that the Liquidation, Claimants (wherever resident), Guaranty Funds and other interested persons or entities are treated fairly and ratably.

4 Filing of Claims [RSA 402-C:37]

Except for preferred ownership and proprietary claims and subject to the provisions of RSA 402-C:37 and C:40 and further order of the Liquidation Court, proof of all claims must be filed with the Liquidator in the form outlined in Rule 5 of these Procedures on or before June 13, 2004.

5 Proof of Claim [RSA 402-C:38]

a. Claim Form. The Official Claim Form is the preferred form for use in making a claim. The failure of a Claimant to use the Official Claim Form will not necessarily be fatal to a claim if the filing fulfills the criteria of a claim as defined in Section 5(b) below.

b. Contents of Proof of Claim. Unless otherwise ordered by the Liquidation Court, Proof of Claim shall consist of a verified statement that includes all of the following that are applicable:

- i. The particulars of the claim, including the consideration given for it.
- ii. The identity and amount of the security on the claim.
- iii. The payments made on the debt, if any.
- iv. That the sum claimed is justly owing and that there is no setoff, counterclaim or defense to the claim.

v. Any right of priority of payment or other specific right asserted by the Claimant.

vi. A copy of any written instrument which is the foundation of the claim.

vii. In the case of any third party claim based on a liability policy issued by The Home, a release of the insured pursuant and subject to RSA 402-C:40(I).

viii. The name and address of the Claimant and the attorney who represents the Claimant, if any.

c. No claim need be considered or allowed if it does not contain all the information under Section 5(b) above which may be applicable. The Liquidator may require that a prescribed form be used and may require that other information and documents be included.

d. Supplementary Information. At any time the Liquidator may request the Claimant to present information or evidence supplementary to that required under Section 5(b) above, and may take testimony under oath, require production of affidavits or depositions or otherwise obtain additional information or evidence.

6 Process of Determining Claims by the Liquidator

a. POC Claim Files; Case Files. The Liquidator shall maintain a file that shall include: any supporting data provided by the Claimant, any relevant documentation found in the Liquidation's records or developed by Liquidation personnel, including without limitation, any available claims file (which may be

incorporated by reference); and, in the case of a coverage issue, any relevant and available policy or contract records, outside litigation documents, consultants' reports, or learned treatises and studies. The Liquidator may request that the Claimant submit additional information or documentation to support the claim. All pertinent information considered by the Liquidator shall be retained in this "POC Claim File", which shall contain a copy of the claim and Liquidator's Determination. When a claim becomes a Disputed Claim by the Claimant's timely filing of an Objection a file will be created and known as the "Case File." The Case File shall contain all of the most pertinent non-privileged information considered by the Liquidator in rendering the Notice of Determination, including a copy of the policy or other contract upon which a claim is based, a copy of the Proof of Claim, copies of pertinent correspondence from Claimant's counsel and/or Claimant and the Liquidator's responses thereto and a copy of the Notice of Determination or Re-determination of the claim.

b. Determination. The Liquidator shall review all claims duly filed in the Liquidation and shall make such further investigation as he or she deems necessary. The Liquidator may compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the Court. The Liquidator shall enter a determination, which shall either (1) allow the claim in whole or in part and classify the amount of the allowed claim or (2) disallow the claim in whole.

c. Notice of Determination. The Liquidator shall transmit a copy of the Determination to the Claimant by first-class U.S. mail at the address shown on the original Proof of Claim or at such other address as is subsequently provided by the Claimant or his or her authorized representative (as determined by the Liquidator). This transmittal will be known as the "Notice of Determination."

7 Claimant's Request for Review and Liquidator's Re-determination

a. Request for Review. If the claim is disallowed in whole or in part, the Claimant may file a Request for Review with the Liquidator within thirty (30) days of the date on which the Notice of Determination was mailed to the Claimant. The Request for Review must set forth with specificity the reasons why the Determination is being challenged and how it should be modified.

b. Re-determination of Claim. After a Request for Review is filed, the Liquidator will review the claim. The Liquidator shall inform the Claimant of the results of such review by issuing a Notice of Redetermination in writing by first-class mail.

8 Objections to Denial of Claims [RSA 402-C:41(I)]

When a claim is denied in whole or in part in a Notice of Determination, the Claimant may file an Objection with the Court within sixty (60) days from the mailing of the notice. If a timely Request for Review is filed with the Liquidator under Section 7(a) above then the Claimant shall have sixty (60) days from the mailing of the Notice of Redetermination to file an Objection with the Court. The Claimant shall mail a copy of the Objection to the Liquidator. If

no timely Objection is filed, the Claimant may not further object to the Determination.

9 Service of Filings after Claim is Disputed

a. When a Claimant files a timely Objection, the Liquidation Clerk shall mail a Notice of Disputed Claim to the Claimant, with a copy to the Referee or Court, to initiate the Disputed Claim proceeding. The Liquidator and the Claimant are the only persons who shall be considered parties to the Disputed Claim proceeding.

b. Persons or entities who are directly affected by the Disputed Claim proceeding may seek leave to intervene therein by filing a "Motion to Participate" with the Referee no later than thirty (30) days after the date of mailing of the Notice of Disputed Claim proceeding. Guaranty Funds with an actual or potential interest shall recite that interest in the motion. Reinsurers that have a contractual right to interpose any defense or defenses that they deem available to The Home shall identify the contract in question and state that they have a contractual right to interpose defenses. Persons or entities granted leave to participate in the Disputed Claim proceeding shall not be considered parties to the Disputed Claim proceeding but may participate in the proceeding in all respects not specifically denied in these Procedures.

c. After the Liquidation Clerk has issued a Notice of Disputed Claim proceeding, any subsequent filings with respect to the claim, whether in the form of notices, motions, pleadings, orders, letters or other papers, shall be served by first class mail, by overnight courier service, or by hand on all

Participants in such proceeding. The original of any filing shall be filed with the Liquidation Clerk and a copy shall be sent to the Referee at his or her business address, unless the Liquidation Court determines, either sua sponte or on motion by the Liquidator or the Claimant, to adjudicate a disputed claim, in which event a copy shall be sent to the Court. Should a Disputed Claim be adjudicated by a Referee, no filings shall be made with the Superior Court for Merrimack County. If an attorney has entered an appearance on behalf of a Participant, all future communications to that Participant for so long as the attorney remains counsel of record shall be transmitted to the attorney rather than to the Participant. Service on an attorney of record shall be deemed to be service upon a Participant represented by such attorney.

d. Once the Liquidation Clerk has issued a Notice of Disputed Claim, no other pleadings or motions shall be filed except as expressly provided in these Procedures.

10 Referees

Unless the Liquidation Court determines, either sua sponte or on motion by the Liquidator or the Claimant, to adjudicate a Disputed Claim:

- a. Each Disputed Claim shall be adjudicated by a Referee appointed by the Court pursuant to RSA 519:9.
- b. All Disputed Claim proceedings shall be conducted by the Referee according to the rules of equity or law, as the case may be, pursuant to RSA 519:10, and shall be governed by the New

Hampshire Superior Court Rules and the New Hampshire Rules of Evidence.

- c. Referees shall have all the powers, duties and limitations specified in RSA 493-A:1 and shall enjoy the same immunity as the Court. All Referees shall be governed by all of the canons of the Code of Judicial Conduct. Notwithstanding any appointment, Referees shall serve at the pleasure of the Court.
- d. Referees shall be allowed reasonable compensation for their services and expenses at such rate as the Court shall determine from time to time. All bills for services and expenses shall be submitted to the Clerk and shall include reference to the days when the Referee sat and Disputed Claims heard. For deliberation times, research and decision writing, cases shall be listed by Claimants' name and claim number with the amount of time spent per claim. Expenses shall be itemized. The Clerk shall pay the Referee in the first instance and then submit a bill to the Liquidator for reimbursement.
- e. No Referee shall appear as counsel in connection with any matter connected to the Liquidation.

11

Requests for Evidentiary Hearing

Each Disputed Claim shall be adjudicated on the basis of written submissions and oral argument as set forth in Section 15 of these Procedures, unless either the Claimant or the Liquidator files a request for evidentiary

hearing to be conducted in accordance with the procedures set forth in Section 16 of these Procedures. Persons or entities granted leave to participate pursuant to Section 9(b) may not request an evidentiary hearing. If an evidentiary hearing is granted, the Court or the Referee, as the case may be, shall issue an order designating the time and place for the hearing.

12 Expedited Disputed Claims Proceedings for "Small Claims"

In the case of Disputed Claim that is a "Small Claim," the Liquidator is authorized to vary from these procedures so as not to burden the Claimant or the administration of the Liquidation. The Liquidator may, among other things, immediately set the case for pre-hearing conference with a Referee specially designated in advance by the Liquidation Court to handle such matters to attempt to resolve such Small Claims. Notice of such conference shall be mailed to the Claimant not less than ten (10) days before the conference. No pre-hearing brief is required but will be accepted if filed. The Referee has the authority to issue a final determination of a Small Claim at a pre-hearing conference. For the purposes of this Section, the term "Small Claim" shall include any claim with an asserted value of less than \$50,000.

13 Bifurcation

To the extent The Home's coverage is contested (including situations when a policyholder's liability to a third-party is contested), at any time up to the Structuring Conference pursuant to Section 14, any party may request that the issues of coverage and valuation of the claim be bifurcated. When the issues are bifurcated, discovery and any proceeding shall be limited to the

issue pending before the Referee at that time. The Request to Bifurcate shall be determined in the Structuring Conference Order.

14 Case Management

a. A Structuring Conference for each Disputed Claim shall be scheduled in accordance with N.H. Super. Ct. R. 62 following issuance of the Notice of Disputed Claim.

b. Within thirty (30) days from the date on which the Notice of Disputed Claim was mailed to the Claimant, the Liquidator shall provide the Claimant and the Liquidation Clerk (but not the Court or the Referee, as the case may be) with a copy of the "Case File" as referred to in Section 6(a) of these Procedures. Within thirty (30) days after the date on which the Liquidator mails the Case File to the Claimant and Liquidation Clerk, the Claimant shall provide the Liquidator and the Liquidation Clerk (but not the Court or the Referee, as the case may be) with a written submission stating the amount the Claimant asserts is due, the method of calculation of the amounts owed and the allocation methodology (if applicable), along with any additional documents or other evidentiary material that the Claimant contends support the amount claimed due. These document submissions will be considered "mandatory disclosures." Persons or entities granted leave to participate pursuant to Section 9(b) shall be provided a copy of the Case File, mandatory disclosures and any other information submitted by the Liquidator or Claimant, within thirty (30) days from the date on which they are permitted to participate in the proceedings, upon a written request to the Liquidation Clerk.

A party shall make its initial disclosures based on the information then reasonably available to it and is not excused from making its disclosures because it has not fully completed its investigation of the case or because it challenges the sufficiency of another party's disclosures or because another party has not made its disclosures. Unless otherwise directed by the Court or the Referee, as the case may be, all disclosures required hereby shall be made in writing, signed, served and promptly filed. A party who has made a disclosure or responded to a request for discovery with a disclosure or response is under a duty to supplement or correct the disclosure or response to include information thereafter acquired.

c. Discovery, including interrogatories, requests for documents, requests for admissions or evidence depositions, shall be governed by N.H. Super. Ct. R. 35-45-A.

d. Persons or entities who have filed a Motion to Participate in Disputed Claim proceedings are required to provide to both the Liquidator and the Claimant a copy of any documents supporting any defenses they may assert to the Disputed Claim.

e. If an evidentiary hearing is granted in a Disputed Claim proceeding it shall be held at such time and place in Manchester, New Hampshire, or elsewhere as ordered. The hearing may be adjourned as may reasonably be determined and the attendance of the Participants and all witnesses with all documents or other relevant evidence in their possession or under their control may be required. If after receipt of the order granting an evidentiary hearing, a

Participant shall fail to appear at the time and place for the hearing, the hearing may proceed and that Participant shall have waived its right to any further participation.

f. Upon motion by a Participant, and for good cause shown, the hearing may be continued to a later date, not to exceed thirty (30) days from the original hearing date.

g. Upon a motion by the Claimant or the Liquidator, and for good cause shown, the evidentiary hearing may be held at any other place as shall be determined appropriate. All requests for the hearing to be held in a location other than Manchester, New Hampshire shall be made in writing prior to the date of the Structuring Conference. A copy of the motion must be served on all other Participants.

15 Briefing and Oral Argument - Disputed Claim Without an Evidentiary Hearing

a. Unless a request for an evidentiary hearing in a Disputed Claim proceeding has been granted, the Disputed Claim proceeding will be conducted based on the written submissions and oral argument of the Participants. The Claimant shall have thirty (30) days after the Structuring Conference Order is entered to submit a written submission in support of the Proof of Claim, unless the Court or the Referee, as the case may be, directs otherwise. The Liquidator and other persons or entities that are participating will then have thirty (30) days from the filing of the Claimant's submission in which to respond. The Case File shall be filed if the Court or the Referee, as the case may be, so

directs. The Participants shall make no other submissions unless specifically requested by the Court or the Referee.

b. The written submissions shall include: (1) a statement of the contested issues of fact and law to be determined by the Court or Referee, as the case may be; (2) a list of exhibits relied upon, including affidavits submitted; and (3) a legal brief. The written submission may be no longer than thirty (30) pages, exclusive of the affidavits and exhibits. The written submission and all attachments shall be filed with the Liquidation Clerk and served on all Participants to the Disputed Claim proceeding. A copy shall also be served on the Court or the Referee, as the case may be.

c. Upon request of a party, the Court or the Referee, as the case may be, may order that oral argument be scheduled. The Liquidation Clerk shall mail notice of such hearing to the Participants not less than ten (10) nor more than thirty (30) days before the hearing. In accordance with N.H. Super. Ct. R. 58, the Referee may issue his or her report within ten days of the filing of the last written submission.

16 Briefing - Disputed Claim With an Evidentiary Hearing

a. When a request for evidentiary hearing pursuant to Section 11 of these Procedures is granted, all Participants to the Disputed Claim proceeding shall be required to submit a pre-hearing statement in accordance with N.H. Super. Ct. R. 62.

b. If disputed issues of law exist, the filing of pre-hearing briefs may be allowed concurrently with the pre-hearing statements.

17

Pre-Hearing Conference

No less than thirty (30) days prior to the evidentiary hearing in a Disputed Claim proceeding, if one is granted, the Participants shall be directed to appear either in person or by telephone conference call for a Trial Management Conference in accordance with N.H. Super. Ct. R. 62.

18

Evidentiary Hearing Procedures

a. When an evidentiary hearing in a Disputed Claim proceeding has been granted, the hearing shall be conducted in accordance with the New Hampshire Superior Court Rules and New Hampshire Court practice.

b. Electronic, magnetic or mechanical sound or video recording devices or a court reporter or a stenographer shall be used for the purpose of preserving the record. The costs of such recording shall be payable as an administrative expense by the Liquidator, provided, however, that if the testimony is transcribed and if the Claimant or any other Participant wants a copy of the transcript, that Participant shall be responsible for paying for the cost of the copy.

c. The parties may, in accordance with RSA 519:11, submit proposed findings of fact and rulings of law.

19

Report

The Disputed Claim shall be ruled on after the completion of the filing of the written submissions and oral argument or after the close of the evidentiary hearing and if adjudicated by a Referee, the Referee shall issue his or her report in accordance with RSA 519:10-12. The Liquidation Clerk shall mail

copies of all such reports to all Participants. A report by a Referee shall be filed with the Court in accordance with RSA 519:10.

20 Motions to Recommit

a. Within fifteen (15) days from the date the Referee's report is filed with the Court, the Claimant or the Liquidator shall have the right to file a Motion to Recommit with the Clerk for the Liquidation Court at the address set forth in Section 2(j) of these Procedures. Persons or entities who have been granted leave to participate in a Disputed Claim proceeding pursuant to Section 9(b) shall not have the right to file a Motion to Recommit independently but may join in a Motion filed by the Claimant or the Liquidator. The Motion shall request that the Court review the report of the Referee. A copy shall also be filed with the Liquidation Clerk at the address set forth in Section 2(i) of these Procedures and served on all Participants and also the Office of the Attorney General at the Address set forth in Section 2(j).

b. If a Motion to Recommit is filed, any other Participants (including persons or entities granted leave to participate pursuant to Section 9(b)) to the Disputed Claim proceeding shall have ten (10) days from service of the Motion within which to file a response to the motion.

c. If no Motion to Recommit is filed within 15 days of the filing of the Referee's report, the Court shall enter judgment thereon in accordance with RSA 519:12.

Liquidation Clerk

The Liquidation Clerk shall be an employee of the Liquidator, subject to the direction and supervision of the Court, who shall:

- a. Receive, log, assign and track all Disputed Claims forwarded to the Disputed Claims office;
- b. Keep a record of the date on which the Notice of Disputed Claim is sent to the Claimant, and any persons or entities granted leave to participate pursuant to Section 9(b);
- c. Receive all original documents filed in all pending Disputed Claims proceedings;
- d. Serve a copy of any interim orders on all Participants in a Disputed Claim proceeding;
- e. Coordinate hearings pursuant to the Structuring Conference Order;
- f. Serve copies of the Referee's report on the Participants in the Disputed Claim proceedings and file the report with the Court;
- g. Keep a record of the current status of all Disputed Claims proceedings; and
- h. Maintain current minute entries on each Disputed Claim file.

Captions of Pleadings and Orders In Disputed Claim Proceedings

Captions of pleadings and orders filed in Disputed Claim proceedings before a Referee should be captioned as follows:

**BEFORE THE COURT-APPOINTED REFEREE
IN RE THE LIQUIDATION OF THE HOME INSURANCE COMPANY
DISPUTED CLAIMS DOCKET**

In Re Liquidator Number:	_____
Proof of Claim Number:	_____
Claimant Name:	_____
Claimant Number:	_____ if any
Policy or Contract Number:	_____ if any
Insured or Reinsured Name:	_____ if any
Date of Loss:	_____ if any

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Costs

No filing fee or Court costs shall be chargeable with respect to proceedings related to a Disputed Claim proceeding except, however, the following costs and charges shall be paid by a Claimant:

- (1) The cost of the original of a deposition taken at the request of a Claimant in a Disputed Claim proceeding.
- (2) The cost of any deposition copy or transcript secured by a Claimant.
- (3) Charges for any copies made of documents for the Claimant.
- (4) Costs incurred by a Claimant, including but not limited to, witness fees.
- (5) Deposition costs and witness fees in a Disputed Claim proceeding may be charged against a Claimant if the Liquidator is the prevailing party.

Any other Court costs not mentioned heretofore, including the compensation and expenses of the Referee, shall be paid by the Court and assessed against

the Liquidation and said expense shall be an expense of administration. The Referee may impose costs against a party in accordance with RSA 519:14.

24 Severability

If any part of these Procedures shall be determined to be invalid, such portion is hereby declared to be severable, and the remaining portions of these Procedures shall be considered as remaining in full force and effect.

25 Effective Date

These Procedures shall be effective as of the date of approval by the Court and where applicable and appropriate shall be retroactive in application to the date when The Home was ordered into liquidation on June 11, 2003.

SO ORDERED:

//Kathleen A. McGuire//

Presiding Justice

Dated this _____ day of _____, 2003.

12/19/03

THE STATE OF NEW HAMPSHIRE
Merrimack County Superior Court
163 N. Main Street
P. O. Box 2880
Concord, NH 03301 2880
603 225-5501

NOTICE OF DECISION

ROGER A SEVIGNY COMMISSIONER OF INS
COMMISSIONER OF INSURANCE DEPT
56 OLD SUNCOOK ROAD
CONCORD NH 03301

03-E-0106 In the Matter of Rehabilitation of TheHome Insurance Company

Please be advised that on 6/09/2004 Judge McGuire made the following
order relative to:

Court Order ;
Order Amending Claims Procedures Orders

06/11/2004

William McGraw
Clerk of Court

cc: Peter Bengelsdorf
Peter C.L. Roth, Esq.
J. David Leslie, Esq.
Paula T. Rogers, Esq.
Ronald L. Snow, Esq.
Eric Jones, Esq.
Andre Bouffard, Esq.
Pieter Van Tol, Esq.
Gary S. Lee, Esq.
Adam Goodman, Esq.
Gail M. Goering, Esq.
Eric A. Haab, Esq.

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

In the Matter of the Liquidation of
The Home Insurance Company

Docket No. 03-E-0112

In the Matter of the Liquidation of
US International Reinsurance Company

ORDER AMENDING CLAIMS PROCEDURES ORDERS

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company and US International Reinsurance Company, has moved for an order amending the Order Establishing Procedures Regarding Claims Filed With The Home Insurance Company In Liquidation entered December 19, 2003 and the Order Establishing Procedures Regarding Claims Filed With US International Reinsurance Company entered December 19, 2003 (the "Claim Procedures Orders") with respect to discovery in disputed claims proceedings concerning claims arising under reinsurance agreements. On consideration of the Liquidator's motion, the Court amends the Claims Procedures Orders by adding the following section 26 to each Order:

26 **Discovery in Disputed Claim Proceedings Regarding Reinsurance Claims**


Where there is a Disputed Claim proceeding regarding a claim under a reinsurance agreement that provides for a dispute resolution procedure with more limited discovery than that permitted under this Claims Procedures Order, the extent of discovery in the Disputed Claim proceeding (including, without limitation, requests for documents,

interrogatories, requests for admissions, or evidence depositions) shall be limited to that which would otherwise have been available under the contractually provided procedure.

So Ordered.

Dated:

6/9/04


Kathleen A. McGuire
Presiding Justice