

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**

**AFFIDAVIT OF PETER A. BENGELSDORF, SPECIAL DEPUTY
LIQUIDATOR, IN SUPPORT OF
MOTION TO IMPOUND CONFIDENTIAL AFFIDAVIT
REGARDING TUREGUM AND EXCESS**

I, Peter A. Bengelsdorf, hereby depose and say:

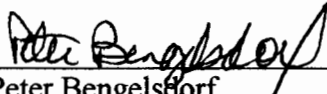
1. I was appointed as Special Deputy Liquidator of The Home Insurance Company ("The Home") by Paula T. Rogers, Commissioner of Insurance, as Liquidator of The Home, effective June 11, 2003. I submit this affidavit in support of the Liquidator's Motion to Impound Confidential Affidavit of Peter A. Bengelsdorf Regarding Turegum and Excess.

2. As part of my duties as Special Deputy Liquidator, I am charged with negotiating reinsurance commutation agreements. Two such agreements were negotiated under my direction and have been submitted to the Court for approval: (a) The Reinsurance Commutation Agreement, Settlement and Release with Turegum Insurance Company ("Turegum"), as amended by a Novation Agreement between The Home and Turegum executed June 20, 2003 (the "Turegum Agreement"), and (b) The Reinsurance Commutation Agreement, Settlement and Release with Excess Insurance Company Limited ("Excess") executed June 6, 2003 (the "Excess Agreement").

3. The Liquidator has moved for an order requiring confidential treatment for the substantive economic terms of the Turegum Agreement and the Excess Agreement and the affidavit describing her analysis of the benefit of those agreements to The Home. Release of that information would harm The Home's estate and be adverse to the interests of policyholders, claimants and other creditors in maximizing the assets to be collected. The Liquidator has been and likely will be negotiating commutation agreements with numbers of reinsurers. If the substantive terms of a particular commutation agreement or the supporting analysis are disclosed, other reinsurers will be able to use that information in determining their own negotiating positions. Disclosure of amounts that the Liquidator is willing to accept from one reinsurer and the analysis supporting that conclusion is likely to set a ceiling on the amounts the Liquidator is able to obtain from other reinsurers. Commutation agreements between insurers often contain confidentiality provisions for this reason, and the Liquidator should not be placed in a worse position than ongoing insurers. For these reasons, the Liquidator has submitted her motion for approval of the Turegum Agreement and the Excess Agreement with the substantive economic terms of those agreements redacted.

4. Certain creditors of the estates may be interested in reviewing the economic terms and analysis underlying the reinsurance commutation agreements. In a previous motion, the Liquidator proposed a procedure that would provide for disclosure of the reinsurance commutation agreements under certain conditions.

Signed under the penalties of perjury this 11TH day of July, 2003.

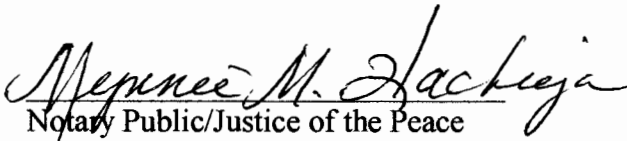


Peter Bengelstorf
Special Deputy Liquidator of The Home Insurance
Company

STATE OF CALIFORNIA
COUNTY OF VENTURA

Subscribed and sworn to, before me, this 11th day of July, 2003





Notary Public/Justice of the Peace