

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT  
2004 JAN 21 A-8-56

4pm KB

Docket No. 03-E-0106

NH SUPERIOR COURT  
MERRIMACK COUNTY  
CONCORD, NH

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

**LIQUIDATOR'S MOTION TO AMEND ORDERS  
ESTABLISHING COMMUTATION REVIEW PROCEDURES  
AND PROCEDURES FOR REVIEW OF CERTAIN AGREEMENTS TO  
ASSUME OBLIGATIONS OR DISPOSE OF ASSETS**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("The Home") and US International Reinsurance Company ("USI Re") (collectively, the "Companies"), by his attorneys, the Office of the Attorney General, hereby moves the Court to amend the Order Establishing Procedures for Review of Reinsurance Commutation Agreements, entered July 23, 2003 (the "Commutations Procedures Order") in three respects: (a) to provide a threshold below which the Liquidator need not seek approval of a commutation, (b) to expressly encompass commutations with respect to USI Re, and (c) to modify the means of notice and filing of motions to approve commutations. The Liquidator further moves the Court to amend the Order Establishing Procedures for Review of Certain Agreements to Assume Obligations or Dispose of Assets, entered December 19, 2003 (the "Obligations and Assets Order") to modify the means of notice

and filing of motions to approve assumptions of obligations and disposal of assets. As reasons therefor, the Liquidator states as follows:

1. In the Commutations Procedures Order, the Court established procedures for review of reinsurance commutation agreements. Those review procedures should be revised in three respects. *First*, the Liquidator requests that a threshold for judicial review be added to reduce the number of smaller commutations requiring motions. *Second*, the existing procedures do not expressly apply to commutations with USI Re, which should be added to the order. *Third*, the procedures should reflect directions for “package filing” of motions and oppositions.

2. A threshold for judicial review of reinsurance commutation agreements will reduce the number of motions while continuing the existing procedures with respect to potentially significant commutation agreements. The Liquidator has now determined that there are reinsurance agreements with approximately 585 reinsurers that will need to be commuted or otherwise collected upon during these liquidations. Approximately 100 of these potential commutations are expected to involve amounts in excess of \$1 million.

3. To reduce the number of potential motions, the Liquidator proposes to amend the Commutations Procedures Order to include a \$1 million threshold for judicial review. The Liquidator would not move for approval of any reinsurance commutation agreement where the present value of the commuted reinsurance to either The Home or USI Re, as the case may be, before application of any offset, is \$1 million or less. This is consistent with the \$1 million review threshold contained in paragraph 1 of the Obligations and Assets Order, and it will significantly reduce the number of approval motions to be filed with the Court while providing for review of potentially material commutation agreements.

4. The Liquidator proposes to amend both the Commutations Procedures Order and the Obligations and Assets Order to provide for package filing of motions and objections. The package filing procedures will require the Liquidator to serve the proposed motion upon the intervenors and other notice parties together with a notice stating that objections, if any, are to be served upon the Liquidator and his counsel within ten days. Upon receipt of the opposition and associated documents, if any, the Liquidator may then file the proposed motion with all oppositions, responses, or objections with the Court asking for a ruling or hearing. If no responses or objections are received within three business days after expiration of the time permitted for service of oppositions, the Liquidator will file his proposed motion together with certification of service and the absence of objection. *See generally* Mass. Super. Ct. R. 9A(b).

5. The Liquidator also proposes to expressly include commutation agreements between USI Re and reinsurers within the scope of the Commutation Procedures Order. A comparison version of the order showing changes from the order entered July 23, 2003 is attached as Exhibit A.

6. Finally, the Liquidator also seeks to revise the Obligations and Assets Order to incorporate directions concerning the package filing of motions. A comparison version of the order showing the changes from the order entered December 19, 2003 is attached as Exhibit B.

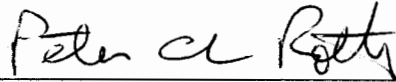
WHEREFORE, the Liquidator prays that this Court enter orders in the forms proposed and grant such other and further relief as may be just.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE  
COMMISSIONER OF THE STATE OF NEW  
HAMPSHIRE, SOLELY IN HIS CAPACITY AS  
LIQUIDATOR OF THE HOME INSURANCE  
COMPANY AND US INTERNATIONAL  
REINSURANCE COMPANY,

By his attorneys

PETER W. HEED, ATTORNEY GENERAL



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January 21, 2004

STATE OF NEW HAMPSHIRE

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**CERTIFICATE OF SERVICE**

I, Peter C.L. Roth, do hereby certify that on January 21, 2004 I served a true copy of the foregoing, upon the attached Service List, by first class mail, postage prepaid.

Dated: January 21, 2004

  
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Peter C.L. Roth

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