

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**

LIQUIDATOR'S MOTION FOR APPROVAL OF CLAIMS REPORT

Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home") and US International Reinsurance Company ("USI Re"), hereby moves for entry of an order approving the Liquidator's Report of Claims and Recommendations dated November 17, 2004 (the "Claims Report") pursuant to RSA 402-C:45, I. As reasons therefore, the Liquidator states as follows:

1. Background. The New Hampshire Insurers Rehabilitation and Liquidation Act ("Act") provides that the Liquidator is to review all claims duly filed in the liquidation, negotiate the amount for which claims will be recommended to the Court, and issue notices of determination regarding claims. RSA 402-C:45, I; RSA 402-C:41, I. The Court expanded upon these provisions in the Order Establishing Procedures Regarding Claims Filed with The Home Insurance Company In Liquidation dated December 19, 2003, as amended by the Order Amending Claims Procedures, dated June 9, 2004 (the "Claims Procedures Order").

2. The Liquidator is to make a determination with respect to each claim and mail notice of the determination to the claimant. See RSA 402-C:41, I; Claims

Procedures Order § 6(b), (c). The claimant then has sixty days from the mailing of the notice to file an objection to the determination with the Court. RSA 402-C:41, II; Claims Procedures Order § 8.¹ The notice of determination sent to the claimant so advises the claimant. If no objection is timely filed, the claimant “may not further object to the determination.” RSA 402-C:41, I; Claims Procedures Order § 8. If an objection is timely filed, the claim becomes a disputed claim to be resolved through a disputed claim proceeding under RSA 402-C:41, II, and the Claims Procedures Order §§ 7-13. Ultimately, the Court will enter a judgment regarding each disputed claim. Claims Procedures Order § 20(c).

3. Procedure for reporting on claims. The Act provides that the Liquidator is to submit periodic claim reports to the Court with respect to undisputed claim determinations. RSA 402-C:45, I. The reports are to “include the name and address of each claimant, the particulars of the claim and the amount of the claim finally recommended, if any.” RSA 402-C:45, I. The Court then takes final action on the claims by acting on the report. The Court “may approve, disapprove or modify any report on claims by the liquidator, except that the liquidator’s agreements with other parties shall be final and binding on the court on claims settled for \$500 or less.” RSA 402-C:45, II. The reports need not include disputed claims because those claims will be resolved by the Court or the Court appointed Referee. See RSA 402-C:41, II; Claims Procedures Order § 20.

4. In light of these provisions, it is the Liquidator’s intention to file periodically with the Court reports on claims and recommendations which will attach

¹ The claimant may also choose to submit a request for reconsideration to the Liquidator within 30 days, in which case the Liquidator will review the claim and issue a notice of re-determination, again subject to objection by the claimant. Claims Procedures Order §§ 7, 8.

schedules setting forth the name and address of the claimant, the particulars of the claim, the amount of the claim finally recommended, if any, and the priority applicable to the claim. The Liquidator has filed the first such report herewith. The Liquidator's Report of Claims and Recommendations Dated November 17, 2004 ("Claims Report") is the first of many reports to be filed as the Liquidator continues the claim review and determination process.

5. The Act provides that the Court is to take action directly on the report. RSA 402-C:45, II. This is appropriate because the claimants can no longer object to the undisputed determinations that are recommended to the Court, see RSA 402-C:41, I, and Claims Procedures Order § 8, so that action on the report is an exercise of the Court's supervisory authority over this *in rem* liquidation. In accordance with the statute, and to reduce the number of separate filings, the Liquidator proposes to forego submitting a motion for approval with future reports.

6. Request for approval of report on claims and recommendations. As set forth in the Claims Report, the Liquidator has issued notices of determination concerning the claims described on the schedules attached to the Claims Report in the amounts and priorities set forth on the schedules. Either the claimant has acknowledged acceptance of the determination or more than sixty days have passed from the mailing of the notice of determination without any objection being filed with the Court. The claimants accordingly may not object further to the determinations with respect to these claims.

7. In the Claims Report, the Liquidator reports on the claims identified on the schedules and recommends that the claims be allowed in the amounts and in the priority classes set forth on the schedules. The Liquidator has reviewed the claims and submits

that the amounts recommended are fair and reasonable and that the priority classes recommended are proper under RSA 402-C:44.

WHEREFORE, the Liquidator respectfully requests that this Court:

A. Grant this Liquidator's Motion for Approval of Claims Report;

B. Enter an order in the form submitted herewith approving the Liquidator's Report of Claims and Recommendations dated November 17, 2004 and allowing the claims identified in the schedules in the amounts and at the priorities set forth on the schedules, and approving the proposed procedure for future reporting of claims and recommendations without motions; and

C. Grant such other and further relief as justice may require.

Respectfully submitted,

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

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November 17, 2004

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Claims Report, Liquidator's Report of Claims and Recommendations Dated November 17, 2004, and proposed form of order were sent, this day, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith

THE STATE OF NEW HAMPSHIRE

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