

**Retention Plan**

<b>Component</b>	<b>Plan Design</b>
Administration	Plan to be administered by the Liquidator who retains the authority to interpret the Plan, to establish or revise the Plan rules and policies, and to make any determinations necessary to administer the Plan including individual award determinations, funding, and distributions/payouts.
Term	Annual plan, renewable at the discretion of the Liquidator.
Effective Date	January 1, 2005 - December 31, 2005
Eligibility	All employees not covered under the CISP or AIP who were employed full time as of January 1, 2004. All participants will be informed of their participation at the beginning of the plan year in writing. In the case of new hires, they will be eligible once they have been employed for 90 days as a full-time employee. Participants must be employed full time in good standing on the date checks are issued to receive payments. Eligibility and/or participation in this plan is not intended as a commitment by The Home Insurance Company in Liquidation for continued employment for the duration of the plan year. Participation is not to be construed as a guarantee of employment or of any payments under the plan.
Payment Currency	All awards under this plan will be paid in cash via regular payroll, subject to all reporting and withholding.
General Design	The plan is designed to provide additional annual cash compensation to eligible participants to reward continued retention at The Home Insurance Company in Liquidation.
Payout Frequency	Three bonus checks will be issued to eligible participants annually; planned payouts for 2005 will be on or about June 1, September 1, and December 1.