

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**

**LIQUIDATOR'S MOTION FOR APPROVAL OF SECOND AMENDMENT TO  
ZURICH INFORMATION TECHNOLOGY SERVICES AGREEMENT**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby moves that the Court enter an order approving the October 5, 2010 Second Amendment (the "Second Amendment") to the Information Technology Services Agreement (the "Agreement"), between Zurich American Insurance Company ("Zurich") and Home (in Liquidation). A copy of the Second Amendment is attached as Exhibit A. It is subject to approval by the Court. Second Amendment, ¶ 7. As reasons therefor, the Liquidator states as follows:

1. The Liquidator negotiated the initial Agreement in 2003 so that Zurich would continue to maintain and operate Home's computer systems, which are essential to the orderly functioning of the liquidation. The Court approved the Agreement on March 19, 2004. The initial term of the Agreement was to expire in 2008. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Second Amendment to Zurich Information Technology Services Agreement ("Bengelsdorf Aff.") ¶ 3.

2. In 2006, Home and Zurich entered into a first amendment to the Agreement. The first amendment was approved by the Court on December 1, 2006.

Among other things, the first amendment extended the term of the Agreement another five years to expire in 2013. Bengelsdorf Aff. ¶ 4.

3. The Liquidator has negotiated the Second Amendment to the Agreement to further extend the term another five years to expire on December 17, 2018. This extension serves to provide certainty as to the provider of the information technology services which are essential to the liquidation. It is desirable to obtain the extension now in light of the long lead time that would be required for the Liquidator to transition to another service provider. The extension enables the Liquidator to avoid the large cost and significant disruption that would be incurred in any such transition. Bengelsdorf Aff. ¶ 5.

4. The Second Amendment otherwise continues the arrangements now in place, although it contemplates that there may be changes to the exhibits to the Agreement in light of Zurich's plan to outsource its information technology services. Under the existing terms of the Agreement as amended by the first amendment, the Liquidator has the ability to control the total cost of the services as the cost depends upon the services used. Further, the Liquidator may if necessary terminate the Agreement without cause on sixty days' notice. The extension thus gives the liquidation the security of certainty with regard to the continuation of essential services without disruption while maintaining the flexibility to pursue alternatives were this to prove necessary. Bengelsdorf Aff. ¶ 6.

5. The Liquidator submits that the Second Amendment is fair and reasonable and that it is in the best interests of the liquidation and of the policyholders and other creditors of Home. See Bengelsdorf Aff. ¶ 7.

WHEREFORE, the Liquidator requests that the Court enter an order in the form submitted herewith approving the Second Amendment and grant such other and further relief as may be just.

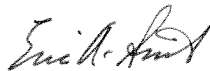
Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE COMMISSIONER  
OF THE STATE OF NEW HAMPSHIRE  
SOLELY AS LIQUIDATOR OF THE HOME  
INSURANCE COMPANY,

By his attorneys,

MICHAEL A. DELANEY  
ATTORNEY GENERAL

Christopher J. Marshall  
NH Bar ID No. 1619  
Civil Bureau  
New Hampshire Department of Justice  
33 Capitol Street  
Concord, NH 03301-6397  
(603) 271-3650



---

J. David Leslie  
NH Bar ID No. 16859  
Eric A. Smith  
NH Bar ID No. 16952  
Rackemann, Sawyer & Brewster P.C.  
160 Federal Street  
Boston, MA 02110  
(617) 542-2300

November 12, 2010

Exhibit A – Second Amendment

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Second Amendment to Zurich Information Technology Services Agreement, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 12<sup>th</sup> day of November, 2010, by first class mail, postage prepaid to all persons on the attached service list.



---

Eric A. Smith  
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of  
The Home Insurance Company  
Docket No. 03-E-0106

SERVICE LIST

Lisa Snow Wade, Esq.  
Orr & Reno  
One Eagle Square  
P.O. Box 3550  
Concord, New Hampshire 03302-3550

Gary S. Lee, Esq.  
James J. DeCristofaro, Esq.  
Kathleen E. Schaaf, Esq.  
Morrison & Foerster  
1290 Avenue of the Americas  
New York, New York 10104-0050

Pieter Van Tol, Esq.  
Lovells  
590 Madison Avenue  
New York, New York 10022

Peter G. Callaghan, Esq.  
Preti, Flaherty, Beliveau, Pachos  
& Haley, PLLP  
57 North Main Street  
P.O. Box 1318  
Concord, New Hampshire 03302-1318

George T. Campbell, III, Esq.  
Robert A. Stein, Esq.  
Robert A. Stein & Associates, PLLC  
One Barberry Lane  
P.O. Box 2159  
Concord, New Hampshire 03302-2159

David M. Spector, Esq.  
Dennis G. LaGory, Esq.  
Schiff Hardin LLP  
6600 Sears Tower  
Chicago, Illinois 60606

Michael Cohen, Esq.  
Cohen & Buckley, LLP  
1301 York Road  
Baltimore, Maryland 21093

David H. Simmons, Esq.  
Mary Ann Etzler, Esq.  
de Beaubien, Knight, Simmons,  
Mantzaris & Neal, LLP  
332 North Magnolia Avenue  
P.O. Box 87  
Orlando, Florida 32801

Martin P. Honigberg, Esq.  
Sulloway & Hollis, P.L.L.C.  
9 Capitol Street  
P.O. Box 1256  
Concord, New Hampshire 03302-1256

Richard Mancino, Esq.  
Willkie Farr & Gallagher, LLP  
787 Seventh Avenue  
New York, New York 10019

Joseph G. Davis, Esq.  
Willkie Farr & Gallagher, LLP  
1875 K Street, N.W.  
Washington, DC 20006

Albert P. Bedecarre, Esq.  
Quinn Emanuel Urguhart Oliver & Hedges, LLP  
50 California Street, 22<sup>nd</sup> Floor  
San Francisco, California 94111

Jeffrey W. Moss, Esq.  
Morgan Lewis & Bockius, LLP  
225 Franklin Street  
16<sup>th</sup> Floor  
Boston, Massachusetts 02110

Gerald J. Petros, Esq.  
Hinckley, Allen & Snyder LLP  
50 Kennedy Plaza, Suite 1500  
Providence, Rhode Island 02903

Christopher H.M. Carter, Esq.  
Hinckley, Allen & Snyder LLP  
11 South Main Street, Suite 400  
Concord, New Hampshire 03301

Robert M. Horkoviceh  
Robert Y. Chung  
Anderson Kill & Olick, P.C.  
1251 Avenue of the Americans  
New York, New York 10020

Andrew B. Livernois  
Ransmeier & Spellman, P.C.  
One Capitol Street  
P.O. Box 600  
Concord, New Hampshire 03302-0600

John A. Hubbard  
615 7<sup>th</sup> Avenue South  
Great Falls, Montana 59405

Adebowale O. Osijo  
2015 East Pontiac Way, Suite 209  
Fresno, California 93726

Jim Darnell, Esq.  
Jim Darnell, P.C.  
310 N. Mesa Street, Suite 212  
El Paso, Texas 79901

Edmond J. Ford, Esq.  
Ford & Weaver, P.A.  
10 Pleasant Street, Suite 400  
Portsmouth, New Hampshire 03801

Paul W. Kalish, Esq.  
Ellen M. Farrell, Esq.  
Timothy E. Curley, Esq.  
Crowell & Moring  
1001 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2595

Harry L. Bowles  
306 Big Hollow Lane  
Houston, Texas 77042

Michael S. Olsan, Esq.  
Christine G. Russell, Esq.  
Brendan D. McQuiggan, Esq.  
White and Williams, LLP  
One Liberty Place, Suite 1800  
Philadelphia, Pennsylvania 19103-7395



**Second Amendment to Information Technology Services Agreement**

This Second Amendment to Information Technology Services Agreement (this "Amendment") is dated as of the 5<sup>th</sup> day of October, 2010, and is by and between Zurich American Insurance Company ("Vendor") having an address at 1400 American Lane, Schaumburg, Illinois 60196, and The Home Insurance Company in Liquidation ("Customer" or "Home") having its principal address at 61 Broadway, New York, New York 10006.

WHEREAS, Vendor and Customer entered into that certain agreement known as the "Information Technology Services Agreement" (the "Services Agreement") as of December 17, 2003 (the "Effective Date");

WHEREAS, pursuant to the Services Agreement, Vendor provides to Customer certain information technology services the continuation of which are important to its operational efficiency, including electronic data processing, facilities management, systems integration, systems development, telecommunications and related services;

WHEREAS, pursuant to the Amendment to Information Technology Services Agreement dated as of October 19, 2006, the parties agreed to extend the Initial Term (as defined in the Services Agreement) and amended the Services Agreement to provide that the Initial Term would run for a period of ten (10) years from the Effective Date, namely, until December 17, 2013;

WHEREAS, the Customer continues to desire certainty with respect to the service provider which will perform the functions required under the Services Agreement, as amended, for Customer; and

WHEREAS, the parties hereto agree to further extend the Initial Term (as defined in the Services Agreement) and to amend the Services Agreement to provide that the Initial Term will run for a period of fifteen (15) years from the Effective Date, namely, until December 17, 2018.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

1. All terms contained in this Amendment and not otherwise defined herein shall, for the purposes hereof, have the same meanings ascribed to them in the Services Agreement.
2. Paragraph 2.2 of the Services Agreement hereby is amended to delete subparagraph (a) in its entirety and replace it with the following :

"a. This Agreement shall begin on the Effective Date and, unless terminated earlier under Article 10 hereof, shall continue for a period of fifteen (15) years from the Effective Date (the "Initial Term"), namely, until December 17, 2018."

3. The parties hereto acknowledge that Vendor has entered into certain arrangements with respect to the outsourcing of its IT systems and services which outsourcing is anticipated

to affect the provision of Services under the Agreement. As a consequence, it also is anticipated that one or more of the Exhibits to the Agreement will require appropriate amendments to reflect any changes necessitated thereunder. The parties agree that any such changes shall be mutually agreed to by the parties and shall be finalized in a timely manner upon completion of the transition phase of the outsourcing process.

- 4 Except as amended hereby, all terms and conditions of the Services Agreement shall remain in full force and effect.
- 5 This Amendment may be executed in counterparts by one or more of the parties named herein (including via facsimile), and all such counterparts when so executed shall together constitute the final agreement as if one document had been signed by all parties hereto; and each counterpart, upon execution and delivery, shall be deemed a complete original, binding the party or parties subscribed thereto upon the execution by all parties to this Amendment.
- 6 Each of the undersigned persons represents and warrants that such person is authorized to sign this Amendment on behalf of the party for which such person is signing, and that such person has the full power and authority to bind such party to each and every provision of this Amendment, subject to the approval referenced in Paragraph 7 herein. This Amendment shall be binding upon and inure to the benefit of the undersigned parties and their respective representatives, successors and assigns.
- 7 This Amendment is subject to and effective upon the approval by the New Hampshire Superior Court for Merrimack County (the "Court"), being the court before which liquidation of the Customer presently is pending. The Customer agrees that it will make reasonable efforts to obtain the Court's approval of this Amendment as soon as possible after execution of this Amendment by the parties.

IN WITNESS WHEREOF, Vendor and Customer have executed this Amendment as of the day and year first above written.

Zurich American Insurance Company:

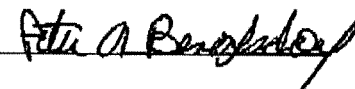
By: 

Name: THOMAS E. ZAERL

Title: CIO

Date: 10/11/2010

The Home Insurance Company  
in Liquidation:

By: 

Name: Peter A. Bengelsdorf

Title: Special Deputy Liquidator

Date: October 6, 2010

LAW DEPARTMENT

Date: 10/7/10

Approved By: 