

**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 REPORT ON STATUS OF REQUESTS TO THE  
UNITED STATES FOR WAIVERS OF FEDERAL PRIORITY CLAIMS**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of The Home Insurance Company (“Home”) and of US International Reinsurance Company (“USI Re”), provides the following report to inform the Court and interested claimants regarding the status of his requests for waivers of federal priority claims from the United States in these proceedings.

**A. The Home Insurance Company**

1. On March 13, 2012, the Court issued the Order Approving Interim Distribution to Claimants with Allowed Class II Claims (the “Interim Distribution Order”).<sup>1</sup> Paragraph 8 of the Interim Distribution Order provided that the interim distribution “is subject to receipt of a waiver of federal priority claims under 31 U.S.C. § 3713 from the United States in a form acceptable to the Liquidator.”

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<sup>1</sup> Paragraph 3 of the Interim Distribution Order was amended by the Order Amending Order Approving Interim Distribution to Claimants with Allowed Class II Claims issued July 2, 2012.

2. The Liquidator submitted a request for a waiver of federal priority claims to permit the 15% interim distribution, with supporting materials, to the United States Department of Justice (“DOJ”) on April 12, 2012. DOJ acknowledged receipt of the request that day.

3. The Liquidator followed up on the request with DOJ on June 5, 2012. On June 21, 2012, DOJ advised that it had not completed its review of Environmental Protection Agency (“EPA”) claims against Home. On July 3, 2012, counsel for the Liquidator spoke with counsel at DOJ, who requested certain additional information. The Liquidator provided the information on July 12, 2012.

4. The Liquidator followed up with DOJ on October 12, 2012. On October 16, 2012, DOJ advised that it is working with the EPA to resolve issues surrounding the environmental claims, that no decision has been made, and that it will keep the Liquidator informed of its progress.

5. The request for the waiver of federal priority claims has been made, the Liquidator has responded to a DOJ request for additional information, and DOJ advises that it is working on the matter. The Liquidator believes that there is an open, constructive dialogue with DOJ regarding the request but cannot predict when DOJ will act on the request.

**B. US International Reinsurance Company**

6. In light of potential claims of the United States and the federal priority statute, 31 U.S.C. § 3713, the Liquidator requested a waiver of federal priority claims from DOJ on January 27, 2012. On February 21, 2012, DOJ requested additional information, which the Liquidator provided on February 29, 2012.

7. The Liquidator followed up on the request with DOJ on June 5, 2012, and on June 21, 2012. On August 2, 2012, the Liquidator submitted a further statement to the DOJ, which DOJ acknowledged on August 14, 2012.

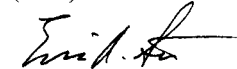
8. The Liquidator followed up with DOJ on October 12, 2012. On October 16, 2012, DOJ responded that it is awaiting input from one federal agency concerning the application of its requirements to reinsurers. That same day, in an effort to resolve the matter, the Liquidator responded that he does not request a release of those requirements as to USI Re.

9. The Liquidator believes that there is an open, constructive dialogue with DOJ regarding the request but cannot predict when DOJ will act on the request.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE  
COMMISSIONER OF THE STATE OF NEW  
HAMPSHIRE, SOLELY AS LIQUIDATOR OF  
THE HOME INSURANCE COMPANY AND US  
INTERNATIONAL REINSURANCE COMPANY,  
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October 18, 2012

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Report on Status of Requests to the United States for Waivers of Federal Priority Claims was sent, this 18th day of October, 2012, by first class mail, postage prepaid to all persons on the attached service list.



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Eric A. Smith

THE STATE OF NEW HAMPSHIRE

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