

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 FILING REGARDING
RESPONSE TO CREDITOR QUESTIONS**

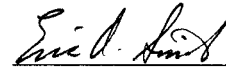
Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby files the attached series of questions and responses. A Class II claimant in the Home liquidation asked the questions with respect to the Milliman Executive Summary filed in connection with the Liquidator's Motion for Approval of Interim Distribution to Claimants with Allowed Class II Claims. In order to provide equal information to all creditors, the Liquidator files the questions and answers on the attached Exhibit A.

Respectfully submitted,

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

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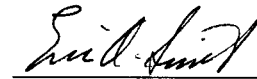


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April 6, 2012

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Response to Creditor Questions was sent, this 6th day of April, 2012, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith

Exhibit A

Q. Was the previous report (2003 updated 2005) for classes I, II and V combined?

A. The previous reports were based purely on pre-liquidation data and did not consider creditor priority classes. In that sense the data for the creditor classes was “combined”.

Q. Are the Miscellaneous (232M) and USI (67M) categories excluded from the 2010 estimates?

A. Yes, they are excluded.

Q. Looking at the overall estimate, excluding miscellaneous and USI from the previous report, is it correct that the overall estimate has increased 350.5M from 4.2038B to 4.553B?

A. Yes, aside from some immaterial technical differences in the scope of the two reviews.

Q. Similarly, on a like for like basis, is it correct that Workers Comp has deteriorated by 270M and asbestos direct by 122M (comparing the previous report with the current report’s combined classes I, II and V)?

A. Yes, aside from some immaterial technical differences in the scope of the two reviews.

Q. Do the estimates take account of information known after the 31 December 2010 ‘as at’ date? (for example, the Western Mac settlement)

A. Other material data and information through the date of the Milliman report was provided by the Liquidator and considered. For example, the Western MacArthur settlement was considered since it was a material allowed claim.

Q. Liabilities are estimated on an undiscounted (ultimate cost) basis; do the workers compensation claims include future inflation or is future inflation ignored, making the liabilities effectively discounted??

A. The “ultimate cost” estimates for workers compensation claims include an amount for future inflation.

Q. The confidence interval factors are applied to the central estimate (eg P90 = central estimate \$4.112B * 1.401 = \$5.761B). Does the methodology allow for the fact that a proportion of the \$4.112B (close to \$1B) would be fixed as Home had already agreed those as allowed claims? i.e. are confidence intervals actually calculated on unallowed claims with allowed claims added back in as a fixed amount?

A. Yes, the overall confidence levels do not attribute any uncertainty to the amount allowed by the Court for specific claims.

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