

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

**In the Matter of the Liquidation of
The Home Insurance Company**

**LIQUIDATOR'S MOTION FOR APPROVAL OF FOURTH INTERIM
DISTRIBUTION TO CLAIMANTS WITH ALLOWED CLASS II CLAIMS**

David J. Bettencourt, Acting Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby moves for approval of a fourth interim distribution to claimants with allowed Class II claims. As reasons therefor, the Liquidator states:

Introduction

1. The Liquidator's principal goals in this liquidation are to determine claims and collect assets for the ultimate purpose of distributing assets to the creditors of Home. While there are more claims to determine and assets to collect, the Liquidator believes that it is presently reasonable to make a fourth interim distribution of ten (10) percent on Class II claims that have been allowed by the Court. This fourth interim distribution would bring the total interim distribution percentage to forty (40) percent. Such a distribution would permit creditors with allowed policy-related priority claims to receive a percentage payment of their claims while reasonably reserving assets to provide for future, equivalent distributions to claimants whose claims have not yet been addressed. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Fourth Interim Distribution to Claimants with Allowed Class II Claims ("Bengelsdorf Aff.") ¶ 2.

2. The Liquidator has previously made three interim distributions totaling 30% to Class II creditors. The third interim distribution was approved by order dated October 18, 2018. Since that time, the Liquidator has continued to determine claims and collect remaining assets. Most significantly, in 2019, the Liquidator moved for approval of a claim amendment deadline to require the final submission of claims in the liquidation and to cut-off post-deadline claims and potential claims. After delays related to the pandemic, litigation and appeal, the Claims Amendment Deadline was finally established as January 26, 2023. Now that the Claim Amendment Deadline has passed, no further claims can be submitted. Bengelsdorf Aff. ¶ 3.

3. Since the deadline, the liquidation team has preliminarily reviewed recent submissions, finally determined the claims of many insurance guaranty associations, and continued to resolve policyholder claims. In light of the Claim Amendment Deadline, the resolution of claims, and the available assets, the Liquidator now believes it reasonable and prudent to make a fourth interim distribution of 10% to creditors with allowed Class II claims. The Liquidator accordingly moves for approval of the proposed fourth interim distribution pursuant to RSA 402-C:46, I. Bengelsdorf Aff. ¶ 4.

Background Regarding Home and the Liquidation

4. Home is a New Hampshire domiciled insurance company incorporated in 1973, although its predecessor corporations were established as long ago as 1853. Home and its subsidiaries (most of which were merged into Home in 1995) wrote insurance and reinsurance in all states and some territories of the United States, as well as in Canada, the United Kingdom, Bermuda and Hong Kong. Home and its subsidiaries generally stopped writing personal lines business in the early 1990's, and they stopped writing all business, including commercial lines

(subject to certain personal lines mandatory renewal requirements), in 1995. Bengelsdorf Aff. ¶ 5.

5. By Order of Liquidation entered June 13, 2003, the Court declared Home insolvent and appointed the Insurance Commissioner as Liquidator to liquidate the company pursuant to the Insurers Rehabilitation and Liquidation Act, RSA 402-C (“Act”). Bengelsdorf Aff. ¶ 6.

6. The Liquidator is charged with (a) marshaling and liquidating the assets of Home; (b) investigating and evaluating claims to determine the liabilities of Home and make recommendations for allowance to the Court; and (c) with Court approval, distributing assets to the policyholders, insureds, third party claimants and other creditors of the Home estate (collectively, “claimants”), all in accordance with the provisions of the Act. *See* RSA 402-C:25, :38, :41, :45, :46. Bengelsdorf Aff. ¶ 7.

7. As described in the Liquidator’s reports, the Liquidator has been investigating, negotiating and determining claims and filing reports of claims and recommendations with the Court. As of June 1, 2023, the Liquidator has presented and the Court has approved claim recommendations, including settlements, for Class II proofs of claim with a total allowed amount of \$2.989 billion, an increase of \$379 million over the Class II determinations of \$2.61 billion as of June 30, 2018 referred to in the motion for approval of the third interim distribution. The number of remaining open Class II proofs of claim for insureds and claimants and guaranty associations decreased by 756 between June 1, 2018 and June 1, 2023, net of 253 new filed proofs of claim during the same period. (The Court-approved claim determinations for all priority classes as of March 31, 2023 totaled 20,282 claim determinations with a total allowed amount of approximately \$3.4 billion.). Bengelsdorf Aff. ¶ 8.

8. The Liquidator has also been collecting assets, in particular reinsurance. As a result of these efforts, the Liquidator has approximately \$799 million in unrestricted liquid assets (net of liabilities for interim distributions not paid in cash) under his control as of March 31, 2023. Bengelsdorf Aff. ¶ 9.

9. With Court approval, the Liquidator has made eleven Class II early access distributions to insurance guaranty associations totaling approximately \$256 million as of March 31, 2023.¹ As described in the motions for approval of the eleven early access distributions, these distributions are subject to “claw back” agreements required by RSA 402-C:29, III, under which the guaranty associations will return early access distributions if necessary to pay claims of claimants with claims in the same or a higher priority class. Certain states took control of special deposits made by Home as a condition of doing business in order to secure its obligations to certain creditors in those states. Those deposits with interest after draw down now total approximately \$22 million, which the Liquidator is setting off against claims of guaranty associations in those states. Bengelsdorf Aff. ¶ 10.

10. With Court approval, the Liquidator has also made three interim distributions totaling 30% on allowed Class II claims. On February 13, 2012, the Liquidator moved for approval of an initial interim distribution of 15%. The Court approved the initial interim distribution in an Order issued March 13, 2012, as amended July 2, 2012 (“First Distribution Order”). On September 28, 2015, the Liquidator moved for approval of a second interim distribution of 10%. The Court approved the second interim distribution in an Order issued November 16, 2015, as amended on March 7, 2016 (“Second Distribution Order”). On

¹ This total is the amount distributed by the Liquidator after application of the deductions and caps provided for in the orders approving the early access distributions.

September 28, 2018, the Liquidator moved for approval of a third interim distribution of 5%. The Court approved the third interim distribution in an Order issued October 18, 2018 (“Third Distribution Order”). The Distribution Orders provide that the Liquidator is to make these distributions to subsequently allowed Class II claims after each December 31 and June 30. Bengelsdorf Aff. ¶ 11.

11. Both the First and Second Distribution Orders provide that the distributions are subject to receipt of a waiver of federal priority claims from the United States, and the Liquidator promptly requested such waivers from the United States Department of Justice (“US DOJ”). As described in the Liquidator’s reports, the United States provided a waiver with respect to the first interim distribution on November 5, 2014 and a waiver with respect to the second interim distribution on July 18, 2016. Bengelsdorf Aff. ¶ 12.

12. The third interim distribution was also subject to receipt of a waiver of federal priority claims from the US DOJ. The Liquidator subsequently entered a Release Agreement with the United States in conjunction with a Settlement Agreement between the Federal Claimants and the Liquidator. Those two agreements were approved by the Court by Order dated March 26, 2019, and other conditions were satisfied on April 10, 2019, thereby making the Settlement Agreement and the Release Agreement effective. The Release Agreement provided the necessary waiver of federal priority claims allowing the third interim distribution and subsequent distributions to proceed. Bengelsdorf Aff. ¶ 13.

13. In light of the Release Agreement, the Liquidator does not need to seek a waiver of federal priority claims respecting the fourth interim distribution. Bengelsdorf Aff. ¶ 14.

14. As of June 1, 2023, the Liquidator has made a total of \$681 million in interim distributions to non-guaranty association claimants with allowed Class II claims and one

guaranty association with allowed Class II claims in excess of those on which early access was calculated. In accordance with the Distribution Orders, the Liquidator has also deemed a portion of the early access distributions to guaranty associations to be distributions on allowed Class II claims that are no longer subject to “claw back.” Bengelsdorf Aff. ¶ 15.

15. As noted above, a Claim Amendment Deadline of January 26, 2023 has been established. In 2019, the Liquidator concluded that to move this proceeding toward closure and protect the interests of the creditors with allowed Class II claims it was necessary to establish a deadline by which claimants with open proofs of claim must finally amend their claims. The Liquidator accordingly filed a Motion for Approval of Claim Amendment Deadline on August 1, 2019 seeking to establish a deadline for the amendment of claims. Claims filed after the claim amendment deadline and potential claims (claims that cannot be specifically identified by the deadline) would be barred. The Court issued orders approving a Claim Amendment Deadline dated January 28, 2021 (“CAD Orders”). An objector, Zurich Insurance Company, German Branch, ultimately pursued an interlocutory appeal. Bengelsdorf Aff. ¶ 16.

16. On August 12, 2022, the New Hampshire Supreme Court issued its Opinion affirming the Superior Court’s CAD Orders. The Court issued its mandate on August 29, 2022, and the January 28, 2021 Order Approving Claim Amendment Deadline became effective that day. The Order Approving Claim Amendment Deadline established the Claim Amendment Deadline as the date 150 days from the date of the Order, or January 26, 2023. Bengelsdorf Aff. ¶ 17.

17. Since the Claim Amendment Deadline has passed, the Liquidator is not accepting new claims. Bengelsdorf Aff. ¶ 18.

The Statutory Framework for Distributions

18. The Act provides that:

Under the direction of the court, the liquidator shall pay dividends in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims.

RSA 402-C:46, I. Any distribution thus must satisfy two basic conditions. First, the distribution must assure “the proper recognition of priorities.” Second, it must assure a “reasonable balance” between paying money to known creditors (the “expeditious completion of the liquidation”) and protecting the interests of claimants whose claims have not been resolved (the “unliquidated and undetermined claims”).

19. To assure “proper recognition of priorities,” a distribution must comply with the priority provision of the Act, RSA 402-C:44. That statute provides in pertinent part that:

Subject to the \$50 deductible provision, every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

RSA 402-C:44.² Any distribution must thus assure that (1) all claims in each successive class will be paid in full (or adequate funds retained) before any payment is made to the next succeeding class, and (2) all claims within a class will be treated equally.

20. To assure a “reasonable balance” between completion of the liquidation and protection of undetermined claims, any distribution must both pay funds to those with allowed claims and protect those with claims that have not yet progressed through the claim determination and allowance process of RSA 402-C:41 and 45. That “protection” can only be

² The \$50 deductible does not apply to claims of guaranty associations. RSA 402-C:44.

achieved by reserving funds for unresolved claims so that they may be treated equally with others in the same priority class once they are allowed.

The Proposed Fourth Interim Distribution

21. The Liquidator believes that in light of the Claim Amendment Deadline barring new claims, sufficient assets have been collected and sufficient claims determined to warrant making a fourth interim distribution of 10% on allowed and subsequently allowed Class II claims. Together with the previously approved interim distributions totaling 30%, this would result in a total proposed interim distribution of 40%. As with the previous interim distributions, the Liquidator bases his request on the assets and amounts that may be credited against claims, the projected Class I expenses of liquidation, and the estimated unpaid Class II liabilities. Each of these elements is addressed below. Bengelsdorf Aff. ¶ 19.

22. Assets. The Liquidator believes it is reasonable and prudent to base an interim distribution on assets held by the Liquidator and amounts that may be credited against claims. As of March 31, 2023, these consist of \$799 million of unrestricted liquid assets (net of liabilities for interim distributions not paid in cash at that date) held by the Liquidator, the \$681 million previously distributed to non-guaranty association claimants as the previous interim distributions, the \$256 million in early access distributions previously paid to guaranty associations, and the \$22 million in special deposits under the control of certain states. A total of \$1.758 billion is thus available to the Liquidator for potential distribution to claimants or, in the case of prior distributions and deposits, to be applied by the Liquidator against the claims of claimants. Bengelsdorf Aff. ¶ 20.

23. While the Liquidator will collect reinsurance in the future, the Liquidator believes it is not reasonable or prudent at this point to base a distribution on potential collections because

of the significant uncertainties over future recoveries. Those uncertainties include, but are not limited to: (a) the timing of any collection, which depends on the timing of the determination of the underlying loss and case reserves and the billing and payment of reinsurance; (b) the present value discount involved; (c) the offsets available to reinsurers; (d) potential defenses to reinsurance coverage for particular claims or types of claims; (e) potential changes in the law; and (f) the possibility that reinsurers may themselves become insolvent or subject to restrictions on payments. Bengelsdorf Aff. ¶ 21.

24. The Liquidator similarly believes it would not be reasonable or prudent at this point to base a distribution on future investment returns. Future income on investments is subject to significant uncertainties, including, but not limited to, the timing and magnitude of interest rate changes by the United States Federal Reserve and the amount and timing of distributions and liquidation expenses. Bengelsdorf Aff. ¶ 22.

25. Liquidation Expenses. Any potential distribution must reflect a reserve for the Liquidator's projected Class I administration costs and the Class I claims of guaranty associations. The priority statute requires that adequate funds be retained to pay all Class I costs before any distribution may be made to succeeding priority classes. RSA 402-C:44; see In the Matter of the Liquidation of The Home Ins. Co., 154 N.H. 472, 482 (2006). The Liquidator's expenses are designated as Class I administration costs in RSA 402-C:44, I, while the guaranty associations' expenses in handling claims are accorded the same priority by RSA 404-B:11, II. The Liquidator conservatively estimates that the Class I costs, including both the expenses of the Home liquidation and the guaranty associations' Class I claim expenses, will total approximately \$100 million over the remaining life of the Home estate (\$60 million for the liquidation and \$40 million for the guaranty associations). Bengelsdorf Aff. ¶ 23.

26. Unpaid Class II Liabilities of Home. In order to assure equal treatment for all Class II claimants, including those with unresolved claims, any potential distribution must provide for all Class II obligations of Home even though some have not yet been determined. *See* RSA 402-C:46, I. The evaluation of Home's potential Class II liabilities is a complex and challenging task requiring significant expertise. The Liquidator had previously engaged the internationally-known Milliman actuarial consulting firm to estimate the unpaid direct obligations of Home, that is, the total unpaid obligations of Home with respect to its insurance policies, in connection with the first and second interim distributions. As described in the motions for approval of the second and third interim distributions, Milliman provided the Liquidator with its June 18, 2015 Roll-Forward Analysis of Unpaid Loss and ALAE as of June 13, 2003 and December 31, 2014 (the "Milliman Report"). The Milliman Report estimated Home's unpaid loss and allocated loss adjustment expense ("ALAE") and mapped those projected liabilities to the applicable priority classes. *Bengelsdorf Aff.* ¶ 24.

27. The Milliman Report's Executive Summary set forth Milliman's "actuarial Central Estimate" of Home's unpaid Class II liabilities as of December 31, 2014. The actuarial Central Estimate is an estimate of the expected value over a range of reasonably possible outcomes and is most properly viewed as the average of a wide range of possible outcomes. Milliman's actuarial Central Estimate of Class II unpaid loss and ALAE was \$4.034 billion. *Bengelsdorf Aff.* ¶ 25.

28. In addition to the actuarial Central Estimate, the Executive Summary included a confidence level table with estimates of the unpaid Class II loss and ALAE at higher confidence levels. This reflected the possibility that Home's Class II liabilities may exceed the actuarial Central Estimate, which is a point in a range of reasonably possible outcomes. The estimate at

each higher confidence level is intended to encompass approximately that percentage of the possible outcomes, although there is a range of remaining possible outcomes above each estimate. Bengelsdorf Aff. ¶ 26.

29. As noted above, the priority statute requires that all claimants in a priority class receive equal treatment, RSA 402-C:44, while the distribution statute requires that any distribution protect the interests of claimants with unresolved claims. RSA 402-C:46, I. To provide for unresolved claims, the Liquidator used estimates of Home's Class II liabilities at the 95% confidence level in setting the first and second interim distributions and the 90% confidence level for the third interim distribution. In light of the passage of time, the shrinking body of unresolved claims, and the Claim Amendment Deadline cutting off additional claims and potential claims, the actuarial analysis of the Milliman Report is increasingly inapplicable. In the circumstances, the Liquidator believes that the most reasonable way to evaluate the potential liabilities of the estate is to consider the amount of Class II claims allowed to date, the Liquidator's reserves for guaranty association and non-guaranty association Class II claims, and to add a substantial contingency reserve. The Liquidator conservatively estimates the total of these factors as \$4.145 billion. (This is reasonably comparable to the Milliman central estimate of \$4.034 billion – which did not reflect the impact of the Claim Amendment Deadline.)

Bengelsdorf Aff. ¶ 27.

30. Allowed Class II Claims. As of June 1, 2023, the Court had allowed Class II claims, including settlements, totaling approximately \$2.989 billion. Of that total, approximately \$700 million are allowances for claims of the guaranty associations and \$2.29 billion are allowances for claims of policyholders, insureds, and third party claimants or their assignees.

Bengelsdorf Aff. ¶ 28.

31. The Distribution Percentage. Based on the foregoing, and after careful review and consideration of the circumstances, the Liquidator seeks approval to make a fourth interim distribution of 10% for a total interim distribution of 40%. The assets (\$1.758 billion) less the projected Class I expenses (\$100 million) all divided by the estimated Class II liabilities (\$4.145 billion) produces a potential distribution percentage of 40%, which after subtracting the previous interim distributions totaling 30% results in a potential fourth interim distribution of 10%. The calculation of the fourth interim distribution percentage is set forth on Exhibit 1. Bengelsdorf Aff. ¶ 29.

32. The Liquidator believes the proposed fourth interim distribution percentage is consistent with the mandate of RSA 402-C:46, I, to protect claimants with undetermined claims. As discussed above, it uses a substantial contingency to address the risk that the ultimate Class II liabilities may exceed estimates.³ The Liquidator will hold approximately \$557 million after the fourth interim distribution is paid on the allowed Class II claims as of May 31, 2023. (Additional fourth interim distribution amounts will be paid out on subsequently allowed claims.). Bengelsdorf Aff. ¶ 30.

33. There is also the possibility, with respect to a Home policy with aggregate limits, that the individual claims allowed respecting that policy could over time exceed those limits. In such a case, claim allowances related to that policy would then need to be reduced, as required by RSA 402-C:40, IV, on a pro rata basis to adjust the total of such allowances to the aggregate policy limits. This presents a potential risk, for such policies, that the allowed amounts on which a distribution is based might later be reduced. This further supports taking a conservative

³ Because of the reduced number of pending claims that remain to be negotiated or otherwise resolved, the Liquidator does not believe it appropriate to further disclose reserve and contingency amounts.

approach. However, the Liquidator is tracking claims against policies, and there presently are only a small number of policies that the Liquidator believes might be affected. Further, the allowances involving policies with aggregate limits to date are almost all settlement agreements with policyholders that include indemnities against third party claims. At the proposed interim distribution percentage, these agreements present little credit risk (as to the indemnities) because the Liquidator may set off against future distribution amounts to such a policyholder any unsatisfied indemnity obligation. Bengelsdorf Aff. ¶ 31.

34. The 10% fourth interim distribution percentage will result in an additional distribution of approximately \$299 million. However, an actual cash distribution will only be made to the holders (the claimants or their assignees) of the \$2.289 billion of allowed Class II non-guaranty association claims and also to the guaranty associations that have allowed Class II claims in excess of those on which early access was calculated, who together will receive approximately \$242 million. The guaranty associations that have already received early access distributions at the 40% percentage on their claims will not receive any additional distributions at this time. Instead, a portion of the early access distributions paid to guaranty associations will be deemed permanent distributions no longer subject to claw back. Bengelsdorf Aff. ¶ 32.

35. Since the interim distribution percentage reflects a reserve for future Class II liabilities, the Liquidator also seeks approval to make a 10% fourth interim distribution on Class II claims that are allowed after the fourth interim distribution is approved. The Liquidator will make the fourth interim distribution to all claimants with allowed Class II claims as of the last day of the month in which the distribution is approved. The Liquidator will make the fourth interim distribution after that “record date.” The Liquidator will make the interim distribution on

subsequently allowed Class II claims after each December 31 and June 30 with respect to claims allowed during the preceding six months. Bengelsdorf Aff. ¶ 33.

36. In accordance with RSA 402-C:44, the first \$50 of the allowed amount on each claim will be deducted from the claim (except for guaranty association claims), and the distribution will be calculated by applying the fourth interim distribution percentage to the remaining amount. Bengelsdorf Aff. ¶ 34.

37. In order to avoid sending distribution checks to addresses that are out-of-date, the Liquidator will follow the procedure for confirming the name and address of the payee described in the Liquidator's Report Regarding Process for Interim Distribution dated November 12, 2014. In brief, unless the Liquidator has recently confirmed the name and address in connection with a prior interim distribution, the Liquidator will request confirmation by email or letter to the claimant or, where applicable, its assignee at the most recent address reflected in the Home liquidation's records. If the claimant or assignee does not respond in writing within 14 days, liquidation staff will follow up by telephone (if the liquidation's records include a telephone number) or conduct an internet search in an effort to identify a current address for a follow up letter. If the claimant or assignee responds in writing and confirms the payee and an address, the Liquidator will issue the check and mail it to the claimant or assignee at that address. If the Liquidator does not receive a written response, the Liquidator will not for the moment issue a check. Bengelsdorf Aff. ¶ 35.

38. Investment Policy. The Liquidator, with assistance of the investment management firm Conning, invests the assets of the estate in accordance with the Fourth Revised Statement of Investment Policy approved by the Court on September 10, 2012. Those guidelines provide maximum asset allocations for single issuers and for asset classes as a percentage of

Home's total portfolio. The fourth interim distribution is expected to be approximately \$242 million based on allowed Class II claims as of May 31, 2023. Additional amounts will be distributed on subsequently allowed Class II claims, and distributions will also be made on allowed Class I claims. Bengelsdorf Aff. ¶ 36.

39. Distributions of the size contemplated here may result in the remaining portfolio being temporarily out of compliance with certain of the investment policies. The Liquidator generally holds investments to maturity. Conning estimates that, as of July 11, 2023, assuming distributions of \$300 million, the remaining portfolio would likely exceed the 65% maximum allocation for corporate bonds, the 10% maximum allocation to securities rated BBB+ or below, the 1.25% single issue limit for certain issuers of securities rated A, and the 0.50% single issuer limit for certain issuers of securities rated BBB. Given maturities in the portfolio, Conning estimates that the portfolio will be back in compliance with the portfolio allocation limits for corporate bonds and BBB+ securities by the end of 2023. While several of the single issuer limits will also be back in compliance by year-end, others will not be. (All single issuer exposures are expected to be less than 2% for A rated securities and less than 0.75% for BBB.) As securities mature, the portfolio will eventually come into compliance with the single issuer limits as well. The actual percentage deviations, number of specific issuers and timeframe for curing non-compliance with investment guidelines will not be known until after the actual distribution occurs. Bengelsdorf Aff. ¶ 37.

40. The Liquidator does not view these anticipated temporary deviations from the investment policy as material and is comfortable that the portfolio will continue to be invested reasonably and prudently. However, once a distribution occurs, any deviations are likely to continue beyond the 90-day period provided in the investment policy for bringing the portfolio

into compliance. The Liquidator accordingly requests authority for the temporary deviations in the motion and the proposed order. Bengelsdorf Aff. ¶ 38.

WHEREFORE, the Liquidator requests that the Court:

- A. Grant this Motion for Approval of Fourth Interim Distribution to Claimants with Allowed Class II Claims;
- B. Enter an order in the form submitted herewith approving the fourth interim distribution of 10% to creditors with allowed Class II claims and subsequently allowed Class II claims; and
- C. Grant such other and further relief as justice may require.

Respectfully submitted,

DAVID J. BETTENCOURT, ACTING
INSURANCE COMMISSIONER OF THE
STATE OF NEW HAMPSHIRE, SOLELY
AS LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,

JOHN M. FORMELLA
ATTORNEY GENERAL

Christopher G. Bond
Christopher.G.Bond@doj.nh.gov
NH Bar ID No. 20161
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301-6397
(603) 271-3650

/s/ Eric A. Smith _____

J. David Leslie
dleslie@verrill-law.com
NH Bar ID No. 16859
Eric A. Smith
eamsmith@verrill-law.com
NH Bar ID No. 16952
Verrill Dana LLP
One Federal Street, 20th Floor
Boston, MA 02110
(617) 309-2600

August 7, 2023

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Fourth Interim Distribution to Claimants with Allowed Class II Claims, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent this 7th day of August, 2023, by first class mail, postage prepaid to all persons on the attached service list.

/s/ Eric A. Smith _____

Eric A. Smith
NH Bar ID No. 16952

STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

**In the Matter of the Liquidation of
The Home Insurance Company
Docket No. 217-2003-EQ-00106**

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

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

Gary S. Lee, Esq.
James J. DeCristofaro, Esq.
Kathleen E. Schaaf, Esq.
Morrison & Foerster
250 West 55th Street
New York, NY 10019-9601

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

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

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

Thomas W. Ladd, Esq.
McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102

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

Harry Cohen, Esq.
Crowell & Moring
590 Madison Avenue
20th Floor
New York, New York 10022-2544

Robert M. Horkovich, Esq.
Robert Y. Chung, Esq.
Anderson Kill & Olick, P.C.
1251 Avenue of the Americas
New York, New York 10020

Stephanie V. Corrao, Esq.
Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004-2595

Jeffrey W. Moss, Esq.
Morgan Lewis & Bockius, LLP
One Federal Street
Boston, Massachusetts 02110

Joseph C. Tanski, Esq.
John S. Stadler, Esq.
Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110

Kyle A. Forsyth, Esq.
Commercial Litigation Branch/Civil Division
United States Department of Justice
P.O. Box 875
Washington, D.C. 20044-0875

Gregory T. LoCasale, Esq.
White and Williams, LLP
One Liberty Place, Suite 1800
Philadelphia, Pennsylvania 19103-7395

Michael J. Tierney, Esq.
Wadleigh, Starr & Peters, PLLC
95 Market Street
Manchester, New Hampshire 03101

John A. Hubbard
615 7th Avenue South
Great Falls, Montana 59405

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

Mark J. Andreini, Esq.
Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114-1190

Michael S. Lewis, Esq.
Rath Young Pignatelli
One Capital Plaza
Concord, New Hampshire 03302-1500

Paul A. Zevnik, Esq.
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Keith Dotseth, Esq.
Larson King
2800 Wells Fargo Place
30 East Seventh Street, Suite 2800
Saint Paul, Minnesota 55101

Tred R. Eyerly, Esq.
Damon Key Leon Kupchak Hastert
1003 Bishop Street, Suite 1600
Honolulu, HI 96813

Michel Y. Horton, Esq.
Morgan, Lewis & Bockius LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, California 90071

David H. Simmons, Esq.
Mary Ann Etzler, Esq.
Daniel J. O'Malley, Esq.
deBeaubien, Knight, Simmons,
Mantzaris & Neal, LLP
332 North Magnolia Drive
P.O. Box 87
Orlando, FL 32801

Joseph C. Safar
Jessica L.G. Moran
K&L Gates LLP
210 Sixth Ave.
Pittsburgh, PA 15222

Doreen F. Connor, Esq.
Primmer Piper Eggleston & PC
P.O. Box 3600
Manchester, NH 03105

Mr. Edward Crosby
P.O. Box 155
Crowell, TX 79227

Ms. Patricia Erway
16604 Rialto Dr.
Winter Garden, FL 34787

Mark C. Rouvalis, Esq. Steven J. Dutton,
Esq. Viggo C. Fish, Esq. McLane
Middleton, P.A. 900 Elm Street, 10th
Floor Manchester, NH 03101

Mark R. Goodman, Esq.
Joseph T. McCullough IV, Esq.
Peter B. Steffen, Esq.
Freeborn & Peters LLP
311 South Wacker Dr., Suite 3000
Chicago, IL 60606

Derek D. Lick, Esq.
Sulloway & Hollis, P.L.L.C.
9 Capitol Street
Concord, NH 03301

Christopher J. Valente, Esq.
K&L Gates LLP
State Street Financial Center
One Lincoln Street
Boston, MA 02111

Mr. Howard Campbell
10011 Mosher Hollow Road
Cattaraugus, NY 14719

Linda Faye Peeples
P.O. Box 974
Fresno, TX 77545

Roland Jackson
Chief Executive Officer, Director
Catalina Services, UK Limited
1 Alie Street, 1st Floor
London, England E1 8DE

David Himelfarb, Esq.
McCarter & English, LLP
265 Franklin Street, 14th Fl.
Boston, MA 02110

EXHIBIT 1

Fourth Interim Distribution

(\$ in millions)

A. Assets (at 3/31/23)

Unrestricted liquid assets (net of liabilities for interim distributions not paid in cash at 3/31/23)	\$799
Prior Interim Distributions (30%)	681
Assets held by states	22
Early access to GAs	<u>256</u>
Total:	<u>\$1,758</u>

B. Class I Unpaid and Estimated Future Administration Costs

Estimated Liquidator administration costs	\$60
Estimated GA Class I costs	<u>40</u>
Total:	<u>\$100</u>

C. Class II Unpaid Policy Related Claims

Class II Determined (5/31/23):	\$2,989
GA and non-GA Reserves and Contingency	<u>1,156</u>
Total:	<u>\$4,145</u>

D. [(Assets (A) – Class I Expenses (B)) ÷ Class II Claims (C)] – 30% Prior Distributions = Fourth Distribution %

$$(1,758 - 100) \div 4,145 = 40\% - 30\% = 10\% \text{ Fourth Interim Distribution}$$

E. Allowed Class II Claims

At 5/31/23 \$2,989 (including \$700 GA claims)

F. Distribution Amounts and Remaining Assets after Initial Distribution

Amount of 4th Interim Distribution	2,989 x 10% = 299
Less GA Portion already in early access	573 x 10% = 57
Amount Paid Out	<u>\$242</u>

Unrestricted Liquid Assets	799
Less 4th Interim Distribution Paid Out	<u>242</u>
Remaining after 4th Distribution	<u>557</u>

(additional distribution will follow as additional claims are allowed)