

STATE OF NEW HAMPSHIRE

MERIMACK, SS.

SUPERIOR COURT

BEFORE THE COURT-APPOINTED REFEREE
IN THE LIQUIDATION OF THE HOME INSURANCE COMPANY
DISPUTED CLAIMS DOCKET

Claimant	Century Indemnity Company ("CIC")
Proof of Claim Nos.	AMBC 465096 AMBC 464386 INTL 277878 AMBC 465074
Proceeding:	2005-HICIL-14
Account:	Kentile Floors, Inc. ("Kentile")

JOINT STATUS REPORT OF THE LIQUIDATOR AND CIC

In accordance with the Referee's November 15, 2011 Ruling on CIC's Motion to Stay for 90 Days, Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company, and Century Indemnity Company ("CIC"), submit this Joint Report.

Status of New York Proceedings Involving Kentile

1. CIC moved for a ninety (90) day stay of the Kentile disputed proceeding because of developments in related coverage litigation pending in New York state court, regarding the New York Liquidation Bureau's ("NYLB's") possible reimbursement from New York's Property/Casualty Insurance Security Fund of certain indemnity payments that CIC has made on Home's behalf.

2. Specifically, when CIC requested a ninety (90) day stay of the Kentile disputed proceeding, CIC advised that the NYLB had represented that it would be agreeable to

reimbursing Kentile's insurers, including CIC, for indemnity paid on Home's behalf on claims involving alleged exposures in New York ("New York Claims"). Justice Ramos, who is presiding over the New York coverage action, had scheduled a hearing for November 29, 2011 to discuss progress with respect to the NYLB's reimbursement of those indemnity payments. That hearing has now been rescheduled for February 28, 2012.

3. While the NYLB has not yet reimbursed CIC for indemnity paid on Home's behalf on New York Claims, CIC states that it understands that the NYLB is still agreeable to reimbursing Kentile's insurers, including CIC, for those claims. The Liquidator states that it does not know where the NYLB stands with respect to this issue.

Resumption of This Disputed Proceeding

4. Given that the February 28 hearing is only two weeks after the end of the Kentile stay in the Liquidation proceedings, CIC and the Liquidator have agreed not to resume fact discovery in this disputed proceeding until after that hearing, on March 7, 2012. With the resumption of fact discovery, the schedule set forth below follows the schedule that was in place before the stay went into effect:

- **3/7/12** – Fact discovery resumes
- **4/2/12** – Close of fact discovery
- **4/9/12** - Each party to advise whether they will use an expert witness(es)
 - If a party advises that it will use an expert witness, that party will propose a modification to the schedule along with its notification
 - If neither party advises that it will use an expert witness, the briefing schedule will be as follows:
- **5/7/12** - Deadline for CIC to file its brief
- **6/11/12** - Deadline for the Liquidator to file its brief
- **7/9/12** - Deadline for CIC to file its reply brief

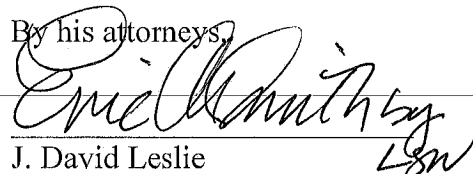
- 7/9/12 - Deadline for parties to file motions for evidentiary hearings and/or oral argument

5. Upon the close of fact discovery, the Liquidator and CIC will update the Referee as to whether either party has advised that it will use an expert witness, and if so, propose how the schedule will be modified accordingly.

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

CENTURY INDEMNITY COMPANY


By his attorneys,



J. David Leslie
NH Bar ID No. 16859
Eric A. Smith
NH Bar ID No. 16952
Rackemann, Sawyer & Brewster
One Financial Center
Boston, MA 02111
(617) 542-2300

J. Christopher Marshall
NH Bar ID No. 1619
Assistant Attorney General
N.H. Department of Justice
33 Capitol Street
Concord, N.H. 03301
(603) 271-1210

By its attorneys

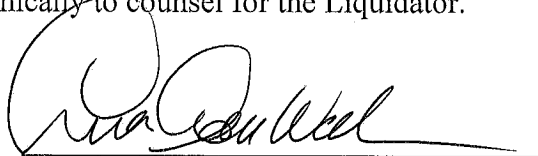


Lisa Snow Wade
NH Bar ID No. 5595
Orr & Reno, PA
One Eagle Square
Box 3550
Concord, NH 03302-3550
(603) 224-2381

Paul W. Kalish
Ellen M. Farrell
Crowell & Moring LLP
1001 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2595

Certificate of Service

I, Lisa Snow Wade, Esq., hereby certify that on this 1st day of February 2012, I have provided a copy of the foregoing document electronically to counsel for the Liquidator.

A handwritten signature in black ink, appearing to read "Lisa Snow Wade", written over a horizontal line.

Lisa Snow Wade