

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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

In re Liquidator Number: 2005-HICIL-14
Proof of Claim Number: AMBC 465096
AMBC 464386
INTL 277878
AMBC 465074
Claimant Name: Century Indemnity Company
Policyholder account: Vernay

**STIPULATION AND PROPOSED ORDER
REGARDING ISSUE FOR THE VERNAY HEARING**

In the January 3, 2008 Referee's Ruling on Century Indemnity Company's Request for Evidentiary Hearing ("Ruling") and in the March 5, 2008 Order Regarding Procedures for the Vernay Hearing ("Order"), the Referee directed that there be an evidentiary hearing on the timing of off-site contamination at Vernay's Yellow Springs site. On May 5, 2008, CIC provided the Liquidator with a written statement by its expert, Charles Anderson ("Anderson Statement"). Pursuant to paragraph 7 of the Order, the Liquidator and CIC have discussed issues concerning the Ruling, Order and the Anderson Statement. Following those discussions, the Liquidator and CIC now request that the Referee approve the following stipulation and amend the Order as set forth below.

1. Subject to the Referee's approval, and for the purposes of this disputed claim proceeding only, the parties stipulate and agree that the policies at issue in this matter are triggered by the contamination of groundwater under Vernay's Yellow Springs site so that the potential coverage block extends from the date of first groundwater contamination to the inception of the 1972 policies containing a pollution exclusion.

2. Accordingly, subject to the Referee's approval, the parties stipulate that the issue to be heard and determined at the Vernay hearing is the timing of groundwater contamination at Vernay's Yellow Springs site.

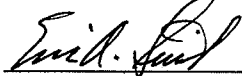
3. The parties request that the Order be amended to conform with this stipulation by substituting the phrase "regarding the timing of groundwater contamination at Vernay's Yellow Springs site" for the phrase "regarding the timing of off-site contamination at Vernay's Yellow Springs site" in paragraphs 1 and 3 of the Order. The Order would otherwise remain in effect.

Dated: May 19, 2008

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

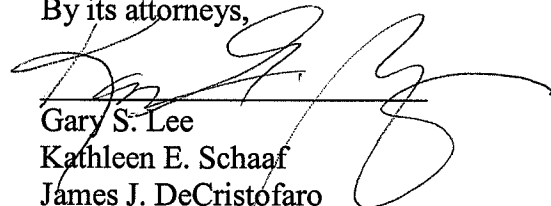
CENTURY INDEMNITY COMPANY

By his attorneys,



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SO ORDERED:

Dated: _____

Paula T. Rogers
Referee