

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT
2004 JUL 19 P 3:52

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 TENTH REPORT

I, Roger A. Sevigny, Insurance Commissioner ("Commissioner"), as Liquidator ("Liquidator") of The Home Insurance Company ("The Home") and US International Reinsurance Company ("USI Re") (collectively, the "Companies"), hereby submit this tenth report on the liquidations of the Companies, as of July 19, 2004, in accordance with RSA 402-C:25.

1. AFIA compromise. The appeal to the New Hampshire Supreme Court from the Court's April 29, 2004 order has been briefed and was argued on July 15, 2004. In light of the order, as well as the order dated June 1, 2004, denying the ACE Companies' motion for stay, and the Supreme Court's order dated June 11, 2004, denying the ACE Companies' motion for stay in that Court, the Joint Provisional Liquidators on June 25, 2004, filed an application with the English Court for direction to convene a meeting of AFIA Cedents to approve the Scheme. The English Court granted the direction in an order entered after hearing on July 5, 2004. The AFIA Creditor meeting is scheduled for September 8, 2004.

2. Representatives of the Liquidator met with representatives of ACE Group to discuss a potential protocol concerning ACE's role in the determination of AFIA Cedents'

claims after the conference with the Court on June 4, 2004. ACE provided the Liquidator with comments on a draft proposed protocol on June 21, 2004, and the Liquidator provided ACE with a revised draft on July 6, 2004.

3. Reinsurance commutations. In accordance with paragraph 2 of the Order Amending July 23, 2003 Order Relative To Reinsurance Commutation Agreements entered March 23, 2004, and further to the discussion of London market commutation agreements in the Liquidator's Ninth Report, the Liquidator reports that nine commutation agreements have been entered into with London market reinsurers, subject to approval by the Court. The Liquidator is in the process of finalizing additional commutation agreements with London market reinsurers. These agreements will be the subject of an omnibus motion for approval to be filed once the present set of negotiations is completed. The Liquidator has also entered a partial commutation of certain facultative reinsurance certificates. That partial commutation agreement will be the subject of a motion for approval to be filed shortly.

4. Asset dispositions and assumptions of obligations. In accordance with paragraph 5 of the Order Establishing Procedures for Review of Certain Agreements to Assume Obligations or Dispose of Assets entered April 29, 2004, the Liquidator submits a confidential schedule of asset dispositions (including compromises) and assumptions of obligations as an appendix to this report filed under seal.

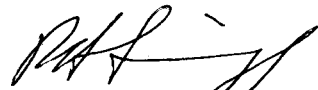
5. Proofs of claim. The claim filing deadline in both liquidations was June 13, 2004. The Liquidator received approximately 190 boxes of proof of claim submissions in early June 2004. Liquidation staff is still logging the proofs of claim into the liquidations' POC System. Liquidation staff logged in a total of 4,279 proofs of claim submitted in The Home liquidation as of July 11, 2004. Liquidation staff logged in a total of 119 proofs of claim submitted in the USI

Re liquidation as of July 11, 2004. It should be noted that a single proof of claim can involve large numbers of claimants, and that most proofs of claim do not quantify the amount claimed. The Liquidator will report further on the proofs of claim in the next report.

6. Claim determination process. Teams of liquidation staff have been formed to address and make recommendations concerning particular types of claims presented by the proofs of claim. An Executive Committee has been established to review and act on recommendations from the various teams. The Liquidator expects to begin determining claims in accordance with the December 19, 2003 Orders Establishing Procedures Regarding Claims in the next several weeks.

7. 2003 audited financial statements. The December 31, 2003 financial statements for The Home and USI Re audited by Ernst & Young LLP are attached as Exhibits A and B to this report.

Respectfully submitted,



Roger A. Sevigny, Liquidator

July 19, 2004

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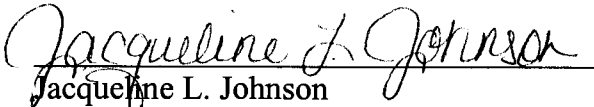
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CERTIFICATE OF SERVICE

I, Jacqueline L. Johnson, do hereby certify that on July 19, 2004, I served a true copy of the following documents upon the parties named on the attached Service List, by first class mail, postage prepaid:

1. *Liquidator's Tenth Report*
 - a. *Exhibit A: The Home Insurance Company in Liquidation Financial Statements*
 - b. *Exhibit B: US International Reinsurance Company in Liquidation Financial Statements*

Dated: July 19, 2004


Jacqueline L. Johnson

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