

New Hampshire Insurance Department
56 Old Suncook Road, Concord, NH 03301
603-271-2261, Consumer Hotline 800-852-3416
FAX 603-271-0248

CONTACT: Deborah O'Loughlin

INSURANCE DEPARTMENT PRESS RELEASE

For Immediate Release
May 8, 2003

The New Hampshire Insurance Department announced today that Commissioner Paula T. Rogers has filed a Petition with the Superior Court of Merrimack County for her appointment as Liquidator of The Home Insurance Company. The Court will hold a hearing on the Petition on June 9, 2003.

The Home has not written any new business since 1995 and has been operating under the control of the Commissioner, as Rehabilitator, since the Court entered an Order of Rehabilitation on March 5, 2003. Commissioner Rogers previously sought the Order of Rehabilitation in response to adverse effects on The Home from development of losses from commercial casualty coverage written years ago, particularly asbestos and workers compensation exposures.

Commissioner Rogers engaged an international actuarial consulting firm to assist her in evaluating The Home's loss reserves. After reviewing their most recent analysis, which included updated payment activity on asbestos and pollution losses, and after considering significant uncertainties relating to asbestos and workers compensation reserves and the collectibility of reinsurance recoverables, the Commissioner determined that The Home's liabilities exceed its assets and that The Home is therefore insolvent. Commissioner Rogers accordingly filed the Petition to place The Home in liquidation.

Workers compensation and automobile personal injury protection claims, as well as Canadian policyholder claims will continue to be paid, but the payment of all other Home claims has been suspended.

The period between the filing of the petition and the Court hearing will allow the Commissioner to arrange a smooth transition of claims administration to guaranty funds.

Contemporaneously with the filing for The Home, the Commissioner also filed a Petition for her appointment as Liquidator of US International Reinsurance Company, a wholly owned reinsurance subsidiary of The Home. The primary assets of US International are receivables due from The Home and reinsurance ceded to The Home.

On May 8th, the Commissioner also presented a petition in London, England in order to wind up the business of The Home's operations there. An application seeking the appointment of joint provisional liquidators has also been filed. The Commissioner's goal is worldwide equivalent treatment for claimants of The Home.