

**THE STATE OF NEW HAMPSHIRE**

**MERRIMACK, SS.**

**SUPERIOR COURT**

**Docket No. 03-E-0106**

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

**ORDER APPROVING AGREEMENT  
AND COMPROMISE WITH AFIA CEDENTS**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of The Home Insurance Company (“Home”), has moved for an order approving the Liquidator’s endorsement of a compromise, reflected in a letter agreement (the “Agreement”) between the Joint Provisional Liquidators appointed in the English provisional liquidation proceeding for Home’s United Kingdom Branch (“Home UK Branch”) and members of the Informal Creditors’ Committee established in that proceeding, involving the implementation of a scheme of arrangement between Home and the cedents of Home under certain reinsurance treaties for the American Foreign Insurance Association (“AFIA”) underwritten by Home through the Home U.K. Branch (“AFIA Treaties”), as described in the Agreement (the “Scheme”). The Court finds and orders as follows:

1. The compromise reflected in the Agreement is reasonable and prudent;
2. The compromise reflected in the Agreement is in the best interests of the liquidation of Home;
3. The Agreement is entered into in good faith; and

4. Subject to the conditions set forth in paragraph 5, the Liquidator's Motion for Approval of Agreement and Compromise with AFIA Cedents is granted, and the Agreement and the compromise it reflects are approved.

5. This approval granted by this Order is conditioned upon the following:

a. the High Court of Justice in England ("English Court") entering an order sanctioning the Scheme;

b. The English Court entering an order approving the remission of Home's assets situated in England and Wales (other than "Net Recoveries" as defined in the Agreement) to the Liquidator for administration and distribution in this New Hampshire liquidation proceeding (the "Global Liquidation Order"); and

c. The United Kingdom Financial Services Authority giving its approval, or "non-objection," to the Scheme and the Global Liquidation Order.

So Ordered.

Dated: \_\_\_\_\_

\_\_\_\_\_

Presiding Justice