

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

Docket No. 03-E-0112

In the Matter of the Liquidation of
US International Reinsurance Company

**ORDER ESTABLISHING PROCEDURES FOR REVIEW OF CERTAIN
AGREEMENTS TO ASSUME OBLIGATIONS OR DISPOSE OF ASSETS**

On reconsideration the Court vacates the Order Establishing Procedures for Review of Certain Agreements to Assume Obligations or Dispose of Assets entered on December 19, 2003, and orders that the following procedures shall pertain instead to approval of agreements to assume obligations or dispose of assets:

1. The Liquidator shall by motion seek approval of any agreement under which the estate of The Home Insurance Company in Liquidation or US International Reinsurance Company in Liquidation either (a) assumes any obligation or liability that exceeds \$500,000, or (b) disposes of any asset with a value that exceeds \$ 500,000, including compromises of causes of action where the claimed amount foregone exceeds \$ 500,000.
2. The procedures set forth in the Order shall apply to such motions, except that motions for approval of reinsurance commutation agreements shall continue to be governed by the procedures set forth in the Order Establishing Procedures for Review of Reinsurance Commutation Agreements, entered July 23, 2003 and amended March 23, 2004. In accordance with the Order of Liquidation, entered June 13, 2003, the Liquidator

need not seek approval of investment transactions (either purchase or sale) in accordance with the Statement of Investment Policy attached as Exhibit A to the Liquidator's Second Report.

3. Motions concerning any agreement to assume obligations or dispose of assets filed by the Liquidator pursuant to Paragraph 1 shall attach the proposed agreement as an exhibit and be accompanied by an affidavit explaining the Liquidator's reasons for entering the proposed agreement. In the event that any terms of the proposed agreement are confidential, the terms shall be redacted from the exhibit and the affidavit shall be confidential and filed under seal, and shall not be served with the motion.

4. This Order further authorizes the Liquidator to enter into agreements below the thresholds set forth herein, including the abandonment of any assets that are burdensome or of inconsequential value to the estate.

5. The Liquidator shall provide pertinent details in the Liquidator's Reports to the Court of all asset dispositions and assumptions of obligations entered into in the respective preceding period that are in amounts below the thresholds set in Paragraph I above. If such reporting would reveal confidential information, it may be submitted as an appendix to the report and filed under seal.

6. The reversal or modification on appeal of any authorization granted pursuant to these procedures does not affect the validity of a sale or other disposition under such authorization to an entity that entered into the agreement in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or disposition were stayed pending appeal.

7. All sales and dispositions of assets pursuant to this authorization shall be free and clear of all liens, claims and encumbrances, unless otherwise specified in the Liquidator's moving papers.

So Ordered.

Dated: _____

4/29/04

Robert M. Lewis
Presiding Justice