

STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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

Docket No. 03-E-106

In the Matter of the Liquidation of  
US International Reinsurance Company.

Docket No. 03-E-112

**NOTICE OF PROPOSED ORDER**

Roger A. Sevigny, Commissioner of the State of New Hampshire Department of Insurance in his capacity as Liquidator of The Home Insurance Company and US International Reinsurance Company (together the "Insurers"), (the "Liquidator"), has filed a motion for an order appointing a referee to hear matters involving disputed claims determinations, the Court finds and orders as follows:

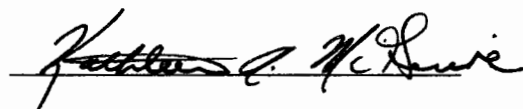
1. Pursuant to RSA 402-C:41(II), RSA 519:9 and N.H. Super. Ct. R 81, the Court may appoint a referee to hear matters involving disputed claims determinations.
2. On December 19, 2003, the Court entered Orders Establishing Procedures Regarding Claims Filed With The Home Insurance Company in Liquidation and USI Re (the "Procedures Orders"). The Procedures Orders provide that the Court will appoint a referee to adjudicate disputed claims. *See* Procedures Orders at ¶ 10. The Procedures Orders also contemplate that the Court will determine the referee's compensation. Id.

3. In the interest of judicial economy and to further the efficient liquidation of the Insurers for the benefit of policyholders, creditors and shareholders, it is desirable for the management of the case files and the claims procedures that a referee be appointed as quickly as possible.
4. With the consent of the Liquidator, the Court intends to appoint Attorney Paula Rogers, former Commissioner of the State of New Hampshire Department of Insurance, as referee to hear disputed claims matters, manage the Court's file and docket, supervise the Liquidation Clerk and perform such other and further functions as may be necessary and appropriate to fulfill the referee's responsibilities or as may be directed by the Court.
5. The referee shall serve at the pleasure of the Court and shall have judicial immunity.
6. The referee shall be compensated at the rate of \$200.00 per hour, plus reimbursement for reasonable and ordinary expenses associated with the referee's duties. The referee shall submit monthly statements and requests for compensation to the Court and the Court shall order the Liquidator to pay said compensation. All requests for compensation shall be reviewed by the Court to determine their reasonableness.
7. The referee shall take possession of the Court's files and dockets in these matters to control, organize, and manage these files, under the control and direction of this Court and in accord with applicable law. The referee shall keep a record of the case, which shall be kept with and constitute a

part of the records of the Court, all of which shall be approved by the Court before any order approving a report on a disputed claims matter is issued, as well as other records and files in keeping with the referee's responsibilities as set forth herein. All filings in these matters, except those expressly dealt with by the Procedures Orders, shall be made at the Court in accordance with Superior Court Rules.

8. The referee shall recruit a Liquidation Clerk whose duties shall be determined after consultation with the Liquidator and the Court and shall be set forth in a proposed order to be submitted by the referee to the Court within 30 days of appointment, such duties to be consistent with the provisions of the Procedures Orders, this Order, and any other directives of this Court.
9. The Court, after consulting with the Liquidator, shall employ the Liquidation Clerk recruited by the referee. The compensation of the Liquidation Clerk shall be determined by the referee in consultation with the Liquidator and the Court.
10. The Court shall allow a period of 20 days from the date of this order for comment to its choice of referee. Conflicts with the referee in any particular case, shall be addressed in the context of that case. Barring good cause presented during the comment period, Attorney Rogers shall be appointed referee at the end of the 20 day period.

So Ordered.

  
Presiding Justice

Dated this 22<sup>nd</sup> day of January, 2004.