

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR JUSTICE PUMFREY

The 8th day of May 2003



IN THE MATTER OF THE HOME INSURANCE COMPANY

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

MINUTE OF ORDER

UPON the Application of The Home Insurance Company ("the Company") acting by its Rehabilitator Paula Taft Rogers, as appointed by the Superior Court of the State of New Hampshire on 5 March 2003 ("the Applicant")

AND UPON HEARING Counsel for the Applicant

AND UPON READING a copy of a Petition to wind-up the Company ("the Petition") and the witness statement of Paula Taft Rogers dated 7 May 2003



AND UPON the Applicant through its Counsel undertaking *as soon as practicable*

- (i) to present the Petition for the winding-up of the Company before the Court;
- (ii) to have filed the witness statement of Paula Taft Rogers; and
- (iii) to ~~forthwith~~ issue an Ordinary Application in the form of a draft Ordinary Application presented to the Court

IT IS ORDERED THAT Gareth Howard Hughes and Margaret Elizabeth Mills both Chartered Accountants and Licensed Insolvency Practitioners of Ernst & Young LLP of Becket House, 1 Lambeth Palace Road, London SE1 7EU be appointed joint provisional liquidators of the Company (the "Joint Provisional Liquidators") and that any act required or authorised to be done by a provisional liquidator be done by either or both of the above mentioned Joint Provisional Liquidators

AND IT IS FURTHER ORDERED THAT

1. the Joint Provisional Liquidators shall jointly and severally have power to carry out the following functions namely:
 - (1) to locate, protect, secure, take possession of, collect and get in the property and assets (of whatever nature) to which the Company is or appears to be entitled within England and Wales;
 - (2) to locate, protect, secure, take possession of, collect and get in the books, papers and records of the Company including the accounting and statutory records in England and Wales;
 - (3) to investigate the affairs of the Company so far as it is necessary to locate, protect, secure, take possession of, collect and get in the assets of the Company within England and Wales;
 - (4) to do all such things as may be necessary or expedient for the protection of the Company's property or assets within England and Wales.
2. Without prejudice to the generality of the powers set forth in paragraph 1 above, the Joint Provisional Liquidators do have the following powers:
 - (1) to carry on the business of the Company in England and Wales to the extent necessary to process and settle claims against the Company and effect reinsurance recoveries (including but not limited to paying reinstatement premiums);
 - (2) to enter into commutations with any creditors or debtors of the Company in respect of business carried on by the Company in England and Wales;
 - (3) to consider whether it would be desirable to implement a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 between the Company and its creditors or any of them and, if so, to develop proposals for such a scheme of arrangement;
 - (4) if they see fit, to nominate an informal creditors' committee from among the members of the general body of creditors of the Company, such informal creditors' committee to assist the Joint Provisional Liquidators in the discharge of their duties;
 - (5) if thought appropriate, to finalise the terms of a scheme of arrangement and explanatory statement to be issued to the Company's creditors, or any of them, if reasonably satisfied that such scheme has a reasonable prospect of being approved by the requisite majority of creditors and sanctioned by the Court and, subject to such approval and sanction, to implement such scheme;
 - (6) to investigate the affairs of the Company and obtain such information as is necessary to locate, protect, secure, take possession of, collect and get in the assets of the Company within England and Wales;

- (7) to employ any employees of the Company in England and Wales, to pay such employees of the Company or of any other company or entity providing the services of its employees to the Company or concerned in the business of the Company within England and Wales, and to dismiss any such employees of the Company;
- (8) to continue to operate the existing bank accounts of the Company within England and Wales and to open and operate new bank accounts within England and Wales as appropriate and to pay monies into such accounts and authorise payments from such accounts;
- (9) to discharge rent on behalf of the Company and other current expense of the Company within England and Wales;
- (10) to incur and pay out of the assets of the Company within England and Wales the normal administrative expenses of the Company and any other payment which they are empowered to make pursuant to this Order which are necessary or incidental to the performance of the Joint Provisional Liquidators' duties and functions;
- (11) to terminate, complete, or perfect, any contracts or transactions relating to the business of the Company within England and Wales;
- (12) to bring or defend any action or other legal proceedings in the name and on behalf of the Company within England and Wales;
- (13) to effect and maintain insurances in respect of the business and property and assets of the Company within England and Wales as they see fit;
- (14) to do all acts and to execute in the name and on behalf of the Company, all deeds, receipts or other documents (and for that purpose using, where necessary, the Company's seal) pursuant to the powers conferred herein;
- (15) to engage and retain and/or employ any solicitors, counsel, lawyers, accountants, investment advisors, actuaries, run-off and claims consultants, loss adjusters, surveyors, and/or other qualified persons to assist them in the performance of their duties and functions;
- (16) to grant or accept a surrender of a lease or tenancy of any of the property of the Company within England and Wales, and to take a lease or tenancy of any property required or convenient for the business of the Company within England and Wales;
- (17) to rank and claim in the bankruptcy, liquidation or insolvency of any person (including but not limited to any body corporate) indebted to the Company and to receive dividends, and to accede to trust deeds for the creditors of any such person;
- (18) to change the situation of the Company's registered office in England and Wales;
- (19) to pay premiums due or to become due under contracts of reinsurance entered into by the Company in England and Wales and to enter into new and/or replacement contracts of reinsurance for the protection of the Company in relation to liabilities of the

Company under current policies of insurance or reinsurance issued by the Company within England and Wales;

- (20) to enter into agreements with third parties for the provision of run-off and related services to the Company in relation to the Company's insurance and reinsurance business within England and Wales;
- (21) to sell or otherwise dispose of the property of the Company within England and Wales by public auction or private treaty;
- (22) to enter into a protocol, memorandum of understanding or other similar arrangement with the US Liquidator (as hereinafter defined) and/or insolvency officeholders appointed in other jurisdictions in respect of the Company for the purposes of coordinating the management and administration of the liquidation and affairs of the Company worldwide in the best interests of creditors; and
- (23) to do all other things incidental to the exercise of the foregoing powers.

AND IT IS FURTHER DIRECTED THAT

1. The Joint Provisional Liquidators:
 - (1) shall exercise their powers under paragraphs 1 and 2 above after consultation with the Rehabilitator of the Company, save where this Court shall otherwise direct and save where to do so would cause them to contravene English law, until such time as a liquidator of the Company is appointed by order of the Superior Court of the State of New Hampshire ("the US Liquidator"); and
 - (2) following the appointment of the US Liquidator shall exercise their powers under paragraphs 1 and 2 above as requested and approved by the US Liquidator, save where this Court shall otherwise direct and save where to do so would cause them to contravene English law.
2. No disposition of the Company's property by or with the authority of the Joint Provisional Liquidators in either case in the carrying out of their duties and functions and the exercise of their powers under this Order shall be avoided by virtue of the provision of Section 127 of the Insolvency Act 1986.
3. The costs of the Company in this application and in its petitioning to wind the Company up be paid as costs in the Petition.
4. There shall be liberty to apply to the Court for such further orders or directions whether in relation to the exercise of the above powers or otherwise as may appear to the Joint Provisional Liquidators to be necessary or appropriate.

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NOTICE TO OFFICERS OF THE COMPANY

You are required by Section 235 of the Insolvency Act 1986 to give the Joint Provisional Liquidators all of the information as they may reasonably require relating to the Company's property and affairs and to attend upon their instructions as they may reasonably require.

Dated: 8 May 2003

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

MR JUSTICE PUMFREY

The 8th day of May 2003

**IN THE MATTER OF THE HOME
INSURANCE COMPANY**

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**IN THE MATTER OF THE INSOLVENCY ACT
1986**

MINUTE OF ORDER

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