

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

**STIPULATION REGARDING CALIFORNIA SUBPOENAS
AND LIQUIDATOR'S MOTION FOR PROTECTIVE ORDER**

Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, as Liquidator ("Liquidator") of the Home Insurance Company ("Home"), and the Plaintiffs ("Plaintiffs") and Defendants Zurich-American Insurance Company, Zurich American Insurance Company of Illinois, and Steadfast Insurance Company ("Zurich Defendants") in the cases captioned Fuller-Austin Asbestos Settlement Trust et al. v. Zurich-American Insurance Company, et al., San Francisco Superior Court Case No. CGC-04-431719, Western Asbestos Settlement Trust et. al. v. Zurich-American Insurance Company, et al., San Francisco Superior Court Case No. CGC-04-436181, and PepsiAmericas, Inc. v. Zurich-American Insurance Company et al., San Francisco Superior Court Case No. CGC-05-442140 (the "California Actions"), hereby stipulate and agree as follows:

1. The Plaintiffs and Zurich Defendants have issued three subpoenas to The Home Insurance Company In Liquidation, Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, in the California Actions (the "Subpoenas"). Attached to each of the Subpoenas is an Exhibit A setting forth categories of documents that are requested in the subpoena.

2. The Liquidator filed the Liquidator's Motion for Protective Order ("Motion") concerning the Subpoenas with this Court on May 2, 2006.

3. The Plaintiffs, Zurich Defendants, and the Liquidator have sought to resolve their differences concerning the Subpoenas so as to avoid the need for resolution by this Court, and they have accordingly entered stipulations extending the time to respond to the Motion. These parties now agree as set forth in this Stipulation.

4. The Liquidator will search for and produce paper documents in the categories set forth on the attachment to this Stipulation, subject to any applicable contractual confidentiality, privilege, work product, or statutory confidentiality. Those documents withheld on grounds of contractual confidentiality, privilege, work product, or statutory confidentiality will be identified on a privilege log, including the subject, date, author, recipient(s), and the basis for withholding the document or category of documents as appropriate. The requests in the Subpoenas for documents concerning policy and claim materials regarding the Plaintiffs are deferred.

5. The Plaintiffs and the Zurich Defendants will promptly pay all reasonable costs of copying and shipping documents produced by the Liquidator in the categories set forth on the attachment.

6. The Plaintiffs and Zurich Defendants reserve the right to seek additional documents after review of the Liquidator's production.

7. The Liquidator reserves the right to oppose any request for additional documents and reserves all rights regarding expenses with respect to the Subpoenas.

8. In light of the agreement reflected in this Stipulation, the Plaintiffs, Zurich Defendants, and Liquidator agree that proceedings on the Motion will be stayed, with the rights of the parties reserved to seek to lift the stay and reopen such proceedings should future differences arise concerning matters with respect to the Subpoenas.

9. The documents produced by the Liquidator are to be used solely for the purposes of conducting the prosecution and defense of the California Actions, and they shall be subject to the terms of a confidentiality order to be presented to the Court by the parties jointly or on motion if agreement cannot be reached.

10. The Liquidator agrees to maintain and will not dispose of documents responsive to the categories identified within the Subpoenas, including but not limited to those categories of documents identified within correspondence dated June 20, 2005 from Rackemann, Sawyer & Brewster to Morgan, Lewis & Bockius.

11. The plaintiffs in the matter captioned Pneumo Abex LLC et al. v. Zurich-American Insurance Company, et al., San Francisco Superior Court Case No. CGC-05-442745, join in this Stipulation and agree to be bound by its terms as Plaintiffs.

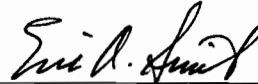
Respectfully submitted,

ROGER A. SEVIGNY, COMMISSIONER OF
INSURANCE OF THE STATE OF NEW
HAMPSHIRE, SOLELY AS LIQUIDATOR OF
THE HOME INSURANCE COMPANY

By his Attorneys,

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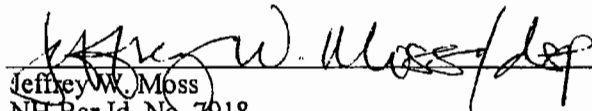


J. David Leslie
Eric A. Smith
Rackemann, Sawyer & Brewster
One Financial Center
Boston, MA 0211
(617) 542-2300

Dated: June 16, 2006

PLAINTIFFS IN THE MATTERS CAPTIONED
*FULLER-AUSTIN ASBESTOS SETTLEMENT
TRUST ET AL. V. ZURICH-AMERICAN
INSURANCE COMPANY, ET AL.* (SAN
FRANCISCO SUPERIOR COURT CASE NO.
CGC-04-431719), *WESTERN ASBESTOS
SETTLEMENT TRUST ET. AL. V. ZURICH-
AMERICAN INSURANCE COMPANY, ET AL.*
(SAN FRANCISCO SUPERIOR COURT CASE
NO. CGC-04-436181), AND *PEPSIAMERICAS,
INC. V. ZURICH-AMERICAN INSURANCE
COMPANY ET AL.* (SAN FRANCISCO
SUPERIOR COURT CASE NO. CGC-05-442140)

By their Attorneys,

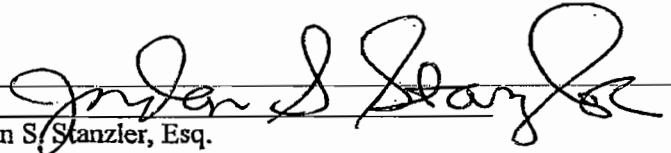


Jeffrey W. Moss
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225 Franklin Street
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Tel: 617.451.9700

Dated: June 15, 2006

PLAINTIFFS IN THE MATTER CAPTIONED
*PNEUMO ABEX LLC ET AL. V. ZURICH-
AMERICAN INSURANCE COMPANY, ET AL.*
(SAN FRANCISCO SUPERIOR COURT CASE
NO. CGC-05-442745)

By their Attorneys,



Jordan S. Stanzler, Esq.
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Dated: June ²⁰__, 2006

DEFENDANTS ZURICH-AMERICAN
INSURANCE COMPANY, ZURICH AMERICAN
INSURANCE COMPANY OF ILLINOIS, and
STEADFAST INSURANCE COMPANY IN THE
MATTERS CAPTIONED *FULLER-AUSTIN
ASBESTOS SETTLEMENT TRUST ET AL. V.
ZURICH-AMERICAN INSURANCE COMPANY,
ET AL.* (SAN FRANCISCO SUPERIOR COURT
CASE NO. CGC-04-431719), *WESTERN
ASBESTOS SETTLEMENT TRUST ET. AL. V.
ZURICH-AMERICAN INSURANCE COMPANY,
ET AL.* (SAN FRANCISCO SUPERIOR COURT
CASE NO. CGC-04-436181), AND
*PEPSIAMERICAS, INC. V. ZURICH-AMERICAN
INSURANCE COMPANY ET AL.* (SAN
FRANCISCO SUPERIOR COURT CASE NO.
CGC-05-442140)

By their Attorneys,



Albert P. Bedecarre
Quinn Emanuel Urquhart Oliver & Hedges LLP
50 California Street
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San Francisco CA 94111
Tel: (415) 875-6600

Dated: June 16, 2006

ATTACHMENT

- 1) Annual budgets for Home and its subsidiaries dated 1994-February 2003;
- 2) Documents dated 1994–1996 concerning the transactions described in Zurich’s Form A application as amended, including documents of those Home employees on the distribution list for the transactions;
- 3) Formal internal operational and management reports produced by Home’s executive management (management reporting directly to Home’s CEO) dated 1994 to February 2003, excluding reports concerning arbitrations, litigations, or insured/reinsured/reinsurer specific information;
- 4) Documents dated 1994–February 2003 concerning the Renewal Rights Agreement dated June 12, 1995 and any amendments thereto, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in individual insureds’ underwriting, policy or claim files, or in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 5) Monthly and annual financial reports produced by Home’s executive management dated 1994-February 2003;
- 6) Home’s quarterly and annual statements for years 1985–2002 and Ambase or Home Holdings 10-Ks and 10-Qs for 1990-1998;
- 7) Documents dated 1994 to February 2003 concerning the Aggregate Excess of Loss Reinsurance Agreement dated June 12, 1995 (“AEOLA”) and any amendments thereto, including documents concerning payments made thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 8) Documents dated 1994 to February 2003 concerning the Facultative Reinsurance Facility Agreement dated December 24, 1994 and any amendments thereto, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in individual insureds’ underwriting, policy or claim files, or in individual reinsurance files, or in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 9) Documents dated 1994–February 2003 concerning Amendment No. 1 to the Facultative Reinsurance Facility Agreement dated February 9, 1995 (the “Fronting Amendment”) or any other amendment to the Facultative Reinsurance Facility Agreement, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include

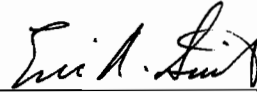
documents that might be found in individual insureds' underwriting, policy or claim files, or in individual reinsurance files, or in boxes of ledgers, cash journals, bank statements or cancelled checks;

- 10) Documents dated 1995–1998 concerning communications from Home to its policyholders regarding Home's recapitalization by Zurich and possible renewal of policies by Zurich. This does not include documents that might be found in individual insureds' underwriting, policy or claim files;
- 11) Documents dated 1990 to February 2003 concerning the Aggregate Excess of Loss Cover (or Stop Loss Reinsurance Treaty) dated February 13, 1991 and any amendments thereto, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 12) Documents dated 1994 to February 2003 concerning the Portfolio Value Swap Agreement dated June 12, 1995 and any amendments thereto, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 13) Documents dated 1994 to February 2003 concerning the Services Agreement dated June 12, 1995 and any amendments thereto, including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 14) Documents dated 1994–February 2003 concerning the Securityholders' Agreement dated June 12, 1995 and any amendments thereto;
- 15) Documents dated 1994 to 1996 concerning changes to Home's management and/or reporting structure and employees as a result of the recapitalization;
- 16) Documents dated 2000 to February 2003 concerning post-2000 agreements between Home and Zurich and any amendments thereto, including but not limited to: (a) the Modification Agreement (dated February 29, 2002), (b) the Amended and Restated Funding Commitment (dated February 29, 2000), (c) the Supplemental Portfolio Value Swap Agreement (dated February 29, 2000), (d) the Pledge Security Agreement (dated February 29, 2000), including documents concerning payments thereunder. Existing summaries of payments made thereunder from February 2003 to present will also be provided. This does not include documents that might be found in boxes of ledgers, cash journals, bank statements or cancelled checks;
- 17) Documents dated 1992 to 1996 concerning any change or proposed change to the ratings accorded to Home by any ratings agency (e.g., A.M. Best, Moody's);

- 18) Documents concerning the proposed Fund America transaction;
- 19) The Termination Agreement dated March 20, 2003, and existing summaries of payments thereunder to present.

Certificate of Service

I hereby certify that a copy of the foregoing Stipulation Regarding California Subpoenas and Liquidator's Motion for Protective Order was sent, this 20th day of June, 2006, by first class mail, postage prepaid to all persons on the attached service list and additional distribution list.



Eric A. Smith

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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The Home Insurance Company
Docket No. 03-E-0106

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