

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR

COURT

BEFORE THE COURT-APPOINTED REFEREE  
IN RE THE LIQUIDATION IN THE HOME INSURANCE COMPANY  
DISPUTED CLAIMS DOCKET

In Re Liquidator Number: 2006-HICIL-18, 2006-HICIL-21  
Proof of Claim Number: INTL278096, INTL278096-02  
Claimant Name: Winterthur Swiss Insurance Company

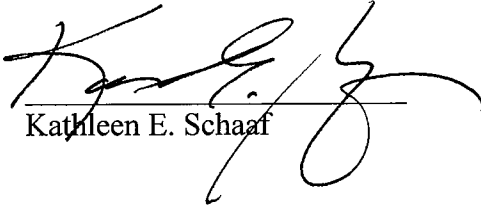
**AFFIDAVIT OF KATHLEEN E. SCHAAF IN SUPPORT OF CENTURY  
INDEMNITY COMPANY'S ACCOUNTING OF COSTS**

Kathleen E. Schaaf, having been duly sworn, deposes and says:

1. I am Senior Of Counsel at Morrison & Foerster, LLP, attorneys for Century Indemnity Company ("CIC"). I am fully familiar with the facts set forth herein and submit this affidavit in connection with the accounting for CIC's costs in the above disputed claim proceeding.
2. On January 16, 2007, the Referee ruled that London Representative Fees were not recoverable by Winterthur Swiss Reinsurance Company ("Winterthur") unless such fees "were integral to the adjustment of claims." The Referee granted Winterthur a 30-day opportunity provide to CIC "a detailed accounting" of its "*previously filed* submissions...that arguably qualify for recovery."
3. On February 15, 2007, Winterthur advised that it "accepts a ruling that the submitted claims in issue are not recoverable under the applicable reinsurance based on the documents previously submitted." Winterthur, however, also "urged the Referee not to award costs against it" in connection with this disputed claims proceeding.
4. The Referee, on March 1, 2007, rejected Winterthur's request and directed CIC to "file its accounting [for costs] for the Referee's review and consideration."

5. Submitted *in camera* with this affidavit is CIC's accounting for the costs it incurred in connection with this disputed claim proceeding. CIC hereby requests that the Referee award costs in the amount set forth in detail in CIC's accounting.

Dated: March 30, 2007

  
Kathleen E. Schaaf

STATE OF NEW YORK    )  
                                  )    ss:  
COUNTY OF NEW YORK )

On this 30th day of March, 2007, Kathleen E. Schaaf personally appeared before me and made an oath that the facts recited in the foregoing affidavit are true to the best of her knowledge and belief.

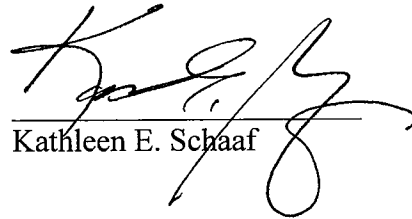
Sworn before me on this  
30th day of March, 2007

  
Notary Public

**MARYANN CEPEDA FIORILLO**  
Notary Public, State of New York  
No. 01CE4828109  
Qualified in Dutchess County  
Certificate Filed in New York County  
Commission Expires 10/31/09

**Certificate of Service**

I hereby certify that on March 30, 2007, a copy of the Affidavit of Kathleen E. Schaaf in Support of Century Indemnity Company's Accounting of Costs was served by e-mail upon the following persons.



Kathleen E. Schaaf

**Service List**

J. David Leslie, Esq. ([dleslie@rackemann.com](mailto:dleslie@rackemann.com))  
Eric A. Smith, Esq. ([esmith@rackemann.com](mailto:esmith@rackemann.com))  
Brian J. Green, Esq. ([bgreen@capdlaw.com](mailto:bgreen@capdlaw.com))