

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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

In Re Liquidator Number: 2006-HICIL-17
Proof of Claim Number: INSU52071
Claimant Name: Thomas M. Piccone

REFEREE'S RULING

This dispute arises out of a proof of claim filed by Attorney Thomas M. Piccone relating to a professional liability policy he purchased from The Home Insurance Company of Indiana ("Home") for the period June 1, 1994 through May 31, 1995. At the expiration of the policy term, Mr. Piccone chose not to renew, opting instead to purchase extended reporting period coverage for three (3) years under the terms and conditions of the policy. Attorney Piccone then renewed the extended reporting period coverage, or "tail" coverage, each year after that initial extension through 2002, paying the annual premium as required. However, when he attempted to renew in 2003, he was informed that because the Home was in liquidation, or going into liquidation, coverage was no longer available.

Apparently unable to purchase replacement coverage, Attorney Piccone filed a claim seeking a determination that would hold Home liable for providing him continuing coverage, comparable replacement coverage, or on-going claims protection as would have been provided under the terminated coverage. The Liquidator denied the claim and Attorney Piccone disputes that determination.

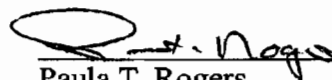
The Claimant basically argues that Home made a "contractual promise" when it sold him professional liability coverage with an extended reporting period endorsement, and that Home has failed to keep that promise. Even if Claimant's argument that he was entitled to "guaranteed issue" of extended reporting period coverage were to be given sway, any extension of coverage based on such an argument would quickly run into other obstacles. Under the June 11, 2003 Order of Liquidation and RSA 402:C:22, Continuance of Coverage, it appears that Attorney Piccone's coverage would then have been properly terminated on July 11, 2003. While Attorney Piccone might have gained several weeks of additional coverage under his argument, the Referee is unable to find anything within the policy or the endorsements that suggests that the insured had any guarantee of future extensions of "tail" coverage. Therefore, the Referee finds nothing improper with the termination of Attorney Piccone's coverage on May 31, 2003, and agrees with the Liquidator's determination that Attorney Piccone's claim has no present merit.

Even though no claim was brought against Attorney Piccone during the initial 1994-1995 policy term, nor has any been brought during any of the eleven (11) years of extended reporting period coverage, the Referee is not dismissive of the Claimant's lingering concern. In part, that

lingering concern may be allayed by the Liquidator's representation in pleadings and at the structuring conference that should a claim against Attorney Piccone arise in the future, the Liquidator will not object to a late filing of a related proof of claim.

So ruled:

Dated: August 29 06



Paula T. Rogers
Referee