

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-24
Proof of Claim Number: INTL 700601
Claimant Name: Century Indemnity Company

**LIQUIDATOR'S RESPONSE TO CIC'S
LIMITED OBJECTION RE: ROWBOTHAM POOL CLAIM**

Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, as Liquidator ("Liquidator") of the Home Insurance Company ("Home"), hereby responds to the Limited Objection to Notice of Redetermination of Claim Regarding Rowbotham Pool (the "Limited Objection") filed by Century Indemnity Company ("CIC"). For the reasons set forth below, there is no dispute over the claim presently at issue, and the claim should be allowed in accordance with the Notice of Redetermination subject to CIC's and the Liquidator's reservation of rights with respect to further Rowbotham Pool claims.

1. The Limited Objection addresses the Liquidator's June 20, 2006 Notice of Redetermination concerning Proof of Claim No. 700601, which had been filed by ACE INA Services U.K. Limited ("AISUK") on behalf of the Rowbotham Pool. In the Notice of Determination, the Liquidator determined to allow the claim in the aggregate amount of \$210,223.75. (The copy of the Notice of Redetermination was not included with CIC's Limited Objection and is attached as Exhibit A hereto.)

2. In the Limited Objection, CIC states that it "will not dispute the allowance of the Claim against the HICIL estate." Limited Objection ¶ 4. However, CIC adds that its decision

not to dispute the claim “does not constitute [its] agreement that future claims . . . on behalf of former Rowbotham Pool members may be asserted on a collective basis.” Id. ¶ 5. CIC concludes that it “agrees” the claim with a full reservation of rights to object to future claims. Id. ¶ 5 [second].

3. The Liquidator acknowledges CIC’s reservation of rights to dispute any future claim determinations regarding the Rowbotham Pool. The Liquidator notes his disagreement with the positions taken in the Limited Objection and accordingly also reserves all rights with respect to any other claim determinations regarding the Rowbotham Pool.

4. As CIC does not dispute allowance of the claim as set forth on the Notice of Redetermination but only seeks to preserve its rights to dispute future determinations regarding Rowbotham Pool claims, there is no actual controversy to be resolved in this disputed claim proceeding. Accordingly, the Referee should issue a ruling allowing the claim in the amount of \$210,223.75 in accordance with the Notice of Redetermination, while noting CIC’s and the Liquidator’s reservation of rights with respect to further Rowbotham Pool claims.

CONCLUSION

For the reasons stated, the Referee should allow the claim in the amount of \$210,223.75 while recognizing that both CIC and the Liquidator have reserved their rights with respect to any further Rowbotham Pool claims.

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,

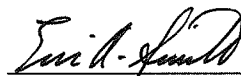


J. David Leslie
Eric A. Smith
Rackemann, Sawyer & Brewster
One Financial Center
Boston, MA 02111
(617) 542-2300

September 5, 2006

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Response to Century's Limited Objection re Rowbotham Pool Claim was sent, this 5th day of September, 2006, by email to all persons on the attached service list.



Eric A. Smith

SERVICE LIST

Gary S. Lee, Esq.
Matthew P. Morris, Esq.
Lovells
6th Floor
900 Third Avenue
New York, New York 10022

Lisa Snow Wade, Esq.
Orr & Reno
One Eagle Square
P.O. Box 3550
Concord, New Hampshire 03302-3550

Exhibit A**THE HOME
INSURANCE
COMPANY**
In Liquidation59 Maiden Lane
New York, NY 10038Jonathan Rosen
Chief Operating Officer
Tel: (212) 530-7336
Fax: (212) 548-0727
jonathan.rosen@homeinsco.com

June 20, 2006

VIA TELECOPY AND REGULAR MAILGary Lee, Esq.
Lovells
590 Madison Avenue
New York, NY 10022**Re: NOTICE OF REDETERMINATION****Claimant: ACE INA Services U.K. Limited ("AISUK") o.b.o. Rowbotham Pool**
POC Number: INTL 700601-01**Redetermination Summary:****Gross Amount of Claim: Unstated**
Partial Amount Allowed by Liquidation: \$210,223.75
Creditor Class: Class V

Dear Gary:

This letter responds to the Request for Review submitted by you on behalf of Century Indemnity Company ("CIC") pursuant to your June 16, 2006 communication and is being directed to your attention in accordance with the request contained in the Acknowledgement of Receipt executed by Michael Durkin of AISUK that was attached to your communication. The purpose of this letter is to provide CIC with a Redetermination of claims presented to The Home Insurance Company in Liquidation ("The Home") under the Proof of Claim ("POC") specified above. The Home expects to present notice of this Redetermination to the Superior Court for Merrimack County, New Hampshire (the "Court") for approval in accordance with New Hampshire Revised Statute, RSA 402-C:45. The Home has considered CIC's Request for Review and has made a Redetermination as set forth above in accordance with The Home Claim Procedures (the "Procedures")* approved by the Court.

Despite the reasons advanced in the Request for Review, we do not believe that any legitimate rationale has been proffered to justify the request that the Partial Notice of Determination issued herein (the "NOD") should be modified. In that regard, while you have asserted that the Rowbotham Pool no longer exists and the subject claims cannot, therefore, be "filed and reviewed on a collective basis", we remind you that not only did AISUK collectively file the POC on behalf of the Pool, but the amounts at issue were agreed by AISUK and entered on Home's ledger on that basis prior to Home entering liquidation and despite our request, AISUK has failed, neglected and/or refused to provide us with "each individual component" of the agreed balance. It is, accordingly, highly improper for AISUK to shield itself from its own actions in an attempt to relieve CIC from its valid and binding obligations under the Assumption Agreement. As such, we hereby reaffirm the determination set forth in the NOD.

* A copy of the January 19, 2005 Restated and Revised Order Establishing Procedures Regarding Claims Filed With The Home Insurance Company in Liquidation may be obtained from the website of the Office of the Liquidation Clerk for The Home Insurance Company in Liquidation, www.hicilclerk.org.

Gary Lee, Esq.
June 20, 2006
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If CIC wishes to dispute the Redetermination, it may file an Objection with the Court at

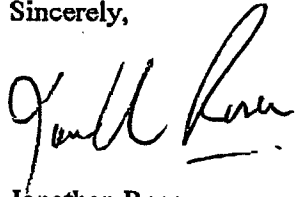
Office of the Clerk, Merrimack County Superior Court,
163 N. Main Street, P.O. Box 2880
Concord, New Hampshire 03301
Attention: The Home Docket No.03-E-0106

within sixty (60) days from the mailing of this Notice of Redetermination.

IF AISUK/CIC DOES NOT FILE AN OBJECTION WITH THE COURT WITHIN SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE OF REDETERMINATION, AISUK/CIC MAY NOT FURTHER OBJECT TO THE REDETERMINATION.

A timely filed Objection will be treated as a Disputed Claim and will be referred to the Liquidation Clerk's Office for adjudication in accordance with the Procedures. Please also sign and return the Acknowledgment of Receipt form and mail a copy of the Objection to the Liquidator.

Sincerely,



Jonathan Rosen
For Roger A. Sevigny, Liquidator
of The Home Insurance Company in Liquidation

cc: Pete Bengelsdorf
David Leslie, Esq.

THE HOME INSURANCE COMPANY IN LIQUIDATION

P.O. Box 1720
Manchester, New Hampshire 03105-1720
Tel: (800) 347-0014

POC INTL 700601-01

Partial Amount Allowed: \$210,223.75

ACE INA Services UK Limited/Century Indemnity Company
c/o Gary Lee, Esq.
Lovells
590 Madison Avenue
New York, NY 10022

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of the Notice of Redetermination as a Class V Creditor claim and confirm that I understand the content thereof. I further acknowledge and confirm that I understand the Instructions regarding the Notice of Redetermination of my Claim against The Home Insurance Company in Liquidation and in that regard advise as follows:

(Check off all applicable items.)

I agree to the Redetermination.

I reject the Redetermination and intend to file a separate Objection with the Court,

I request that The Home mail further correspondence to:

same name as above.
new name _____

same address as above
new address _____

This Acknowledgment of Receipt must be completed, signed and returned to The Home in order to be eligible for distributions from The Home estate as directed by the Court.

Signature: _____

Printed Name: _____

Title: _____

Date: _____