

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

REFEREE RULING ON AWARD OF COSTS

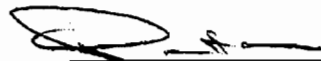
The Referee has reviewed recent letters submitted by the Claimant and CIC as well as those sections of the Protocol governing award of costs in disputed claim proceedings. The Protocol states in pertinent part that "[t]he Referee shall make an award of costs in every Disputed Claim proceeding in which CIC participates involving a contract governed by English Law." Nonetheless, Winterthur argues that costs should not be awarded to CIC in this matter because there has been no actual ruling upon what portion of the representative fees at issue may be recoverable as "adjustment expenses". CIC, of course, takes issue with Winterthur's position on this matter and requests entry of an award of costs in its favor, asserting that "the issues at question in the dispute have been decided and the previous ruling by the Referee is final."

The Referee finds no merit to Winterthur's argument that costs should not be awarded because there has been no definitive ruling on whether any submitted fees were recoverable. The report and recommendation of Colin Edelman QC clearly favored the position taken by CIC with regard to these claims, and the Referee accepted Mr. Edelman's report as dispositive of the point of English law at issue. Notwithstanding those points, at Winterthur's request, the Referee provided a thirty (30) day, post-report period for Winterthur's review of previously filed submissions to allow Winterthur to determine whether any of subset of those submissions might qualify for recovery under the narrowly defined opportunity afforded by the Edelman report. Before expiration of the thirty (30) day period, Winterthur advised the Office of the Liquidation Clerk that it was "unable to perform such a review" and that it accepted the ruling of the Referee.

CIC has clearly prevailed in this matter and all that remains in these dispute proceedings is an award of costs. Therefore, within the next thirty (30) days CIC shall file its accounting for the Referee's review and consideration.

So ruled:

Dated: March 1 2007



Paula T. Rogers  
Referee