

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: 2005-HICIL-16

Proof of Claim Number: RAHM700632

Claimant Name: Century International Reinsurance Company

REFEREE'S RULING ON NATIONWIDE'S MOTION TO PARTICIPATE

Nationwide General Insurance Company and Nationwide Mutual Insurance Company ("Nationwide") have filed a motion seeking to participate in this matter, pursuant to Sec. 9 b. of the procedures governing disputed claims proceedings. Both the Liquidator and the Claimant have filed timely objections to Nationwide's motion.

Sec. 9 b. allows persons or entities "directly affected" by a disputed claim proceeding to file timely motions seeking intervention in that proceeding. Despite its circuitous course, Nationwide's motion has been timely filed and the referee turns to consideration of whether Nationwide's interest is sufficiently direct to accommodate intervention under Sec. 9 b.

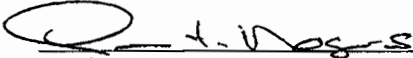
Sec. 9 b. itself provides some context for this determination, expressly referencing two examples of entities whose interests are likely to be directly affected by a particular dispute and who may be expected to successfully move to intervene: guaranty funds and reinsurers. With either, the direct effect is palpable, as a disputed claim proceeding may affect either entity's ultimate liability. Nationwide cannot demonstrate such direct effect.

Instead, Nationwide points out that this proceeding has the potential of significantly diminishing the amount that the Liquidator may collect from ACE by way of reinsurances, in turn diminishing the amounts available to Nationwide in its capacity as perhaps the fourth largest creditor. While it is true that the outcome of this proceeding may affect the value of distributions to creditors, such effect is not the direct effect contemplated by Sec. 9 b. Carried to its logical extension, Nationwide's argument for intervention would displace the Liquidator in his capacity as representative of all creditors, and allow for participation of any creditor who believed that the outcome of a disputed claim proceeding could adversely affect distributions to which the creditor may be entitled.

Motion DENIED.

So ruled:

Dated: February 27, 2006

  
\_\_\_\_\_  
Paula T. Rogers  
Referee