

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-8
Proof of Claim Number: EMPL16733
Claimant Name: Donald J. Vano**

REFEREE'S RULING

The Claimant, Donald J. Vano has disputed the Liquidator's re-determination of Proof of Claim EMPL16733. Mr. Vano seeks recovery of "lost value" in a 401k program in which he participated while an employee of The Home Insurance Company. At a pre-hearing conference on December 16, 2005, and upon request of the Liquidator, the Referee agreed to bifurcate the proceeding and first address the issue of the classification of Mr. Vano's claim under RSA 402-C:44.

In his December 23, 2005 follow-up filing the Liquidator requests that, should it be determined that Mr. Vano's claim is properly classified as a Class V claim, any determination on the claim's merit and value should be stayed "until such time as it appears reasonably probable that there will be a distribution to all Class V claimants." Mr. Vano has not objected to this later request.

The referee has reviewed the Liquidator's rationale for classification of Mr. Vano's claim as a Class V claim. In his review of claims the Liquidator is obligated to carefully consider and properly assign a classification to each claim. Classification is of significant importance as claims in any higher classification must be paid in full before claimants in a lower classification are entitled to any distribution. RSA 402-C:44 provides ten classifications. Mr. Vano's claim relates to his prior employment with The Home Insurance Company. The Referee agrees with the Liquidator that this claim is properly classified as a residual claim, or Class V claim, as it fits into none of the preceding classifications.

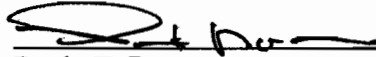
As previously noted, the Liquidator has requested that the Referee stay determination on the "merits andvalue" of Mr. Vano's claim until such time as there is an indication that a distribution will be made to all Class V claimants. Because both the initial determination and the re-determination of this matter assigned a zero value to the claim based upon the Liquidator's position that it was not properly a claim against The Home Insurance Company at all, the Referee is somewhat puzzled by this request. Rather than

stay further consideration of this disputed claim, the Referee directs the Liquidator to address the issue of the value, if any, of Mr. Vano's claim. The Liquidator may choose to rely on the disclosures as submitted, or submit further information on this matter within ten (10) days of this ruling. If further submissions are made, the Claimant shall have ten (10) days from the date of Liquidator's further submissions in which to reply.

Following the receipt of the aforementioned written submissions, a ruling on the issue of the value of this claim will be provided pursuant to Section 19 of the Restated and Revised Order Establishing Procedures Regarding Claims Filed with the Home Insurance Company in Liquidation.

So ruled:

Dated: January 27 '06



Paula T. Rogers
Referee