

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-11
Proof of Claim Number: INTL700617
Claimant Name: Century Indemnity Company

REFEREE'S RULING

The claim in dispute relates to Century Indemnity Company's assumption of Home's obligation for exposures in the M.E. Ruddy Pool, specifically that pool business underwritten by Nationwide Mutual Insurance Company.

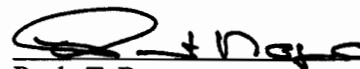
Before the Referee is Century Indemnity Company's request for Evidentiary Hearing Regarding Claims Relating to Nationwide Awards. Counsel for the Claimant and the Liquidator addressed the request within the context of a structuring conference held on March 10, 2006. Counsel for the Claimant argued that an evidentiary hearing is necessary for two reasons: the claim is complicated and the Liquidator's rationale for his unfavorable determination must be plumbed. To the contrary, counsel for the Liquidator argued that there is no complexity as the dispute is document driven, with but a few documents fueling it.

During the hearing it became clear to the Referee that this dispute is largely a dispute about whether Century Indemnity Company may exercise setoff relating to awards in the arbitration between Nationwide Mutual Insurance Company and Home Insurance Company in the absence of an allowed Nationwide claim in the liquidation. This dispute is less about amounts of setoff, and more about timing, though disputes as to amounts are not to be precluded. From arguments advanced by counsel on the pending request, the Referee anticipates the general thrust of the fuller arguments to be advanced as this matter moves forward; however, the Referee strains to see any reason that an evidentiary hearing would be of assistance.

Perceiving no benefit to an evidentiary hearing, the Referee DENIES the pending request and directs counsel to confer on coordinating dates for filing of written submissions and scheduling of oral argument under Section 15 of the Restated and Revised Order Establishing Procedures Regarding Claims Filed with The Home Insurance Company in Liquidation. Counsel shall advise the Liquidation Clerk of same as soon as possible. Finally at hearing, counsel for Century Indemnity Company raised the issue of a reply brief. The Referee will consider that request once counsel for Century Indemnity Company has the Liquidator's written submission in hand, trusting that there is a probability that further reply will likely be unnecessary.

So ruled:

Dated: March 16 06



Paula T. Rogers
Referee