

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

STRUCTURING CONFERENCE ORDER

This matter, a consolidation of 2006-HICIL-18 and 2006-HICIL-21, came before the Referee for a structuring conference on Friday, June 9, 2006. All parties participated via telephone.

As a threshold issue, Century Indemnity Company (CIC) raised its objection to the Claimant's failure to formally file mandatory disclosures pursuant to Section 14(b) of the Restated and Revised Order Establishing Procedures Regarding Claims Filed with the Home Insurance Company in Liquidation ("Procedures"). Subsequent to the structuring conference, the Claimant provided formal notification to the Liquidation Clerk that it rests upon its initial objections and the Liquidator's claim files for the purpose of mandatory disclosure. In response, CIC requested dismissal of the consolidated disputes, asserting that further information was necessary from Winterthur to support amounts claimed due from Home. While the initial focus of this dispute may be upon the issue of whether the London representative fees are recoverable at all, Winterthur should be able at this time to more clearly indicate the amount(s) claimed due and how they are calculated. Therefore, within seven (7) days of the date of this order, the Claimant shall make such further Section 14(b) disclosures as are required to "support the amount claimed due".

The Referee next addresses CIC's concern that the matters in dispute may not be adequately developed within the context of oral argument and written submissions. Despite CIC's rights to interpose defenses, contractually and as outlined in the Claims Protocol with Century Indemnity ("Protocol") approved by the Merrimack County Superior Court on November 12, 2004, CIC's status as a Participant reinsurer carries some procedural limitations. While Section 9(b) allows CIC to participate "in all respects not specifically denied by these Procedures", Section 11 specifically denies a Section 9(b) Participant the right to request an evidentiary hearing. With that in mind, the Referee anticipates that this matter will go forward on the basis of written submissions and oral argument.

As a final and related procedural matter, CIC raises the issue of whether this dispute falls within the purview of Paragraph 2.14 et seq. of the Protocol. The Referee has reviewed those paragraphs within the context of this dispute and requests that the parties confer in preliminary fashion regarding what specific aspects and points of "the law of insurance or reinsurance in

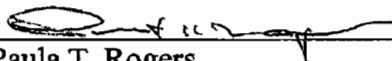
England as well as industry custom and practice” must be addressed to resolve this dispute. It would be the Referee’s purpose as this matter develops to assure that, as necessary, an appropriate English expert is appointed and that all required documents and information are transmitted to any such expert to facilitate the issuance of a Report and Recommendation as provided under Paragraph 2.15 of the Protocol.

The engagement of an expert in the application of English law, and the Protocol’s recognition that “further reasonable procedures and provisions” may need to be prescribed by the Referee to “assist in the adjudication of Disputed Claims”, suggest that a further structuring conference will likely be required in this dispute, along with further procedural rulings. To move matters along, the parties are encouraged to reach accord on procedural aspects, including whether this matter should be bifurcated. And, with the purpose of any necessary presentation of fully-developed arguments and positions of Winterthur and CIC to an English law expert, the Referee requests that the parties attend to reaching agreement on the selection of such an expert and the setting of dates for written submissions and oral argument.

A joint progress report, and any related stipulations shall be filed with the Liquidation Clerk by close of business on Friday, June 30, 2006. A further structuring conference is scheduled for 10:00 a.m. on July 14, 2006.

So ruled:

Dated: June 12, '06



Paula T. Rogers
Referee