

Home Insurance Company
 US International Reinsurance Company
 Budget 2004

Exhibit C

G&A Expense	Budget
Total FT/PT/OT Salaries	9,721,467
Temporary Help	320,500
Severance	-
Total Salaries	10,041,967
Health and Welfare Benefits	825,000
Payroll Taxes	1,565,821
Relocation of Employees	30,000
Professional Memberships/Dues	7,510
Non-recurring benefit expenses	1,055,000
Food & Catering	15,800
Awards to Employees	40,000
All Other Benefits	-
Other Benefits	1,148,310
Training Seminars	39,200
Tuition Payment	-
Total Training	39,200
Total Benefits	3,578,331
Total Salary and Benefits	13,620,298
Expense Accounts incl Entertainment	472,150
Conference/Seminar Fees	17,250
Private Car Service	3,000
Travel - Training	1,000
Miscellaneous Travel Expenses	8,750
Total Travel	502,150
NYHO Rent & Real Estate Taxes	1,433,893
Manchester rent	211,240
Offsite Storage	507,428
Gen Office Maint	35,000
Office Moves	-
Total Rent	2,187,561
Maint & Repair-Mainframe	900,000
Maint & Repair-PC	600,000
Maint & Repair-AS400	3,000
Mainframe Software	200,000
LAN & PC Software	350,000
Furniture & Equipment - All Other	-
PC Leases/Non-Capital PC Purch	-
Equipment Rental (Photocopier, Fax)	320,000
Depreciation - F&F	-
Depreciation - Office Equipment	-
Depreciation - PCs & Peripherals	120,000
Depreciation - LAN & PC Software	-
Depreciation - Electronic Equipment	312,000
Total Equipment	2,805,000
Office Supplies	100,000
Photocopier & Fax Supplies	2,470

Home Insurance Company
US International Reinsurance Company
Budget 2004

G&A Expense	Budget
Books, Subscriptions & Periodicals	9,595
Printing Costs- POCs	50,000
DP & PC Supplies	11,780
Printing & Stationery	54,830
Total Printing and Stationery	228,675

**Home Insurance Company
US International Reinsurance Company
Budget 2004**

G&A Expense	Budget
Postage & Express Mail/UPS	163,415
Mailing of POCs	100,000
Messenger Service	3,135
Total Postage	266,550
Telephone-Local & Long Distance	261,620
Telephone - 800 Numbers	50,000
Credit Cards, Cellular Phone & Pagers	40,000
Telephone Moves and Cables	25,000
Telephone Maint & Lease	214,000
Telephone - Data Transmission	450,000
Total Telephone	1,040,620
Disaster Recovery	100,000
Systems outside services	1,500,000
Human Resources outside services	5,783
Finance outside services (tax services)	150,000
Special Deputy services (includes expenses)	725,000
New Hampshire outside services	650,000
Other outside services	50,000
Total Outside Services	3,080,783
Licensing Fees	6,250
Legal Fees (1)	2,450,000
Audit fees	400,000
Total Legal and Auditing	2,850,000
Bank Fees	200,000
D&O Insurance	-
Workers Comp Ins	60,000
G/L, Property and Umbrella	110,000
Total Corporate Insurance	170,000
Miscellaneous Expenses	250,000
Total U.S. Expenses Incurred	27,307,887
UK Liquidation expenses	2,038,361
Total expenses incurred-UK and US	29,346,248
Total U.S. Expenses, excluding depreciation (2)	26,875,887
Total U.S. and UK Expenses, excluding depreciation	28,914,248

(1) Includes reinsurance and other disputes, and general liquidation matters.

(2) The comparable budget for 2003, pre-liquidation, was \$35.0 million. The actual 2002 expenses were \$35.4 million. The projected expenses for 2003, including both pre and post liquidation expenses, and excluding a \$7.5 million non-recurring transaction for technology assets, are \$30 million.