

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

2004 MAR -1 A-02

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Docket No. 03-E-0106

In the Matter of the Liquidation of
The Home Insurance Company

NH SUPERIOR COURT
MERRIMACK COUNTY
COMPTON, NH

Docket No. 03-E-0112

In the Matter of the Liquidation of
US International Reinsurance Company

LIQUIDATOR'S SIXTH REPORT

I, Roger A. Sevigny, Insurance Commissioner ("Commissioner"), as Liquidator ("Liquidator") of The Home Insurance Company ("The Home") and US International Reinsurance Company ("USI Re") (collectively, the "Companies"), hereby submit this sixth report on the liquidations of the Companies, as of February 11, 2004, in accordance with RSA 402-C:25.

1. Motion procedures. The Court modified the procedures for motions at the conference on December 19, 2003. To confirm the modifications and clarify certain other aspects of motion procedures, the Liquidator filed a motion to amend the orders previously entered concerning review of commutation agreements and agreements to assume obligations or dispose of assets on January 21, 2004.

2. Reinsurance commutations. The Liquidator has entered a commutation agreement with syndicates at Lloyds, London, subject to approval of the Court. The Liquidator's motion for approval of the reinsurance commutation agreement was served on January 27, 2004, and the motion was filed with the Court on February 10, 2004.

3. Completion of approved transactions. The Court entered an order approving the assumption reinsurance agreement concerning The Home's Canadian insurance business on December 19, 2003. The assumption reinsurance agreement was approved by the Canadian Minister of Finance about January 30, 2004, and the transaction will close shortly. The Liquidator will now seek repatriation of excess assets held in Canada funds from the Canadian Liquidator. On December 19, 2003, the Court also approved a settlement of a legal malpractice action brought by The Home. The settlement documentation has been agreed and the settlement amount paid to The Home.

4. AFIA compromise. After extensive negotiations, the Joint Provisional Liquidators of The Home's UK Branch have reached an agreement, endorsed by the Liquidator, with members of the Informal Creditors' Committee established in connection with the English proceedings for the Home UK Branch. The agreement concerns complex issues arising from the Home UK Branch's participation as a member of the American Foreign Insurance Association ("AFIA"). The Liquidator's motion for approval of the AFIA agreement was served on February 11, 2004, and it will be filed with the Court when the opposition period has passed.

5. Coordination activities. The Liquidator will attend a meeting of the National Conference of Insurance Guaranty Funds ("NCIGF") in New York on February 19, 2004, to discuss issues concerning coordination with the insurance guaranty funds that are handling claims under policies issued by The Home. (Approximately 9,250 claim files have been transferred to the guaranty funds.) On February 23, 2004, the Liquidator will attend a meeting of the UK Informal Creditors' Committee in London to discuss issues affecting the global liquidation of The Home. The Liquidator and the Joint

Provisional Liquidators will also meet with the UK insurance regulator, the Financial Services Authority, on February 24, 2004.

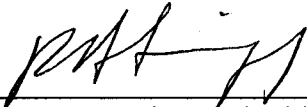
6. Additional notice. The deadline for the filing of claims against The Home and USI Re is June 13, 2004. As described in earlier reports, the Liquidator provided broad mail and publication notice of the liquidations and the claim filing deadline last Summer in accordance with the Order Approving Notice entered June 11, 2003. In the last month an additional mailing of proof of claim forms and instructions was made to 1,653 persons who submitted new or reopened claims through November 2003 and to the 2,491 property/casualty insurance companies that provide information to AM Best & Co. (as those companies might have subrogation claims against The Home). A further mailing to persons who submitted new or reopened claims from November 2003 through January 2004 will be made. The Liquidator also intends to publish a second notice of the liquidations and claim filing deadline in the form attached as Exhibit A at least 60 days before the claim filing deadline.

7. Operations. The Liquidator has finalized an Information Technology Services Agreement with Zurich American Insurance Company ("Zurich") to replace the agreement between Risk Enterprise Management ("REM") and Zurich through which the Companies were provided with certain information technology services. A motion for approval of this agreement will be served and then filed shortly. Some final work may be needed from REM under the transition services agreement approved by the Court on

August 6, 2003, and the term of the agreement has been extended for an additional 30 day period to March 18, 2004.

8. Offset litigation. The Liquidator has filed an action against Employers Insurance of Wausau ("EIW") seeking a declaration regarding that reinsurer's ability to effect non-mutual triangular offsets to reduce amounts due to The Home. EIW removed the action to federal court, and the Liquidator has moved to remand the action to this Court.

Respectfully submitted,



Roger A. Sevigny, Liquidator

February 17, 2004

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CERTIFICATE OF SERVICE

I, Jacqueline L. Johnson, do hereby certify that on March 1, 2004, I served a true copy of *Liquidator's Sixth Report*, upon the attached Service List, by first class mail, postage prepaid.

Dated: March 1, 2004


Jacqueline L. Johnson

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