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THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

2010 MAR 25 P 3:12

**In the Matter of the Liquidation of
The Home Insurance Company**

COURT
PROPERTY

**CENTURY INDEMNITY COMPANY'S RESPONSE TO THE LIQUIDATOR'S
SETTLEMENT AGREEMENT WITH FANSTEEL**

Century Indemnity Company (on its own behalf and on behalf of the Insurance Company of North America, "CIC"), by its attorneys Orr & Reno, respectfully submits this Response to the Liquidator's Settlement Agreement with Fansteel Inc., for itself and its wholly-owned subsidiary, Wellman Dynamics Corporation (the "Settlement").

Like the Home Insurance Company ("Home"), CIC also issued policies to Fansteel Inc. ("Fansteel") and to Wellman Dynamics Corporation ("Wellman Dynamics"). To the extent that CIC has and/or in the future will make payments to Fansteel and/or Wellman Dynamics, it is CIC's position that nothing in the Liquidator's Settlement affects, alters or in any way negates any current and/or future contribution or subrogation claim against the Home estate in connection with those payments. The Liquidator recognized as much in connection with his motion for the approval of a separate settlement, with Wisconsin Energy Corporation and its subsidiaries ("Wisconsin Energy"). There, in reference to an insurer's contribution claim in connection with the Wisconsin Energy policies, the Liquidator stated: "Unlike third party claimants' claims, a contribution claim is independent of the insured's claims (although derived from the same underlying circumstances), and it will remain to be determined on its own merits in the liquidation proceeding." Liquidator's Motion for Approval of Settlement Agreement with Wisconsin Energy at ¶5 n.1. Similarly, any

CIC claim for contribution in connection with payments made to Fansteel and/or Wellman Dynamics will remain to be determined on its own merits in the Liquidation.

As was the case with the Court's recent approvals of the Liquidator's settlements with Union Carbide and Amchem, and with Wisconsin Energy, we do not understand that the Court's March 19, 2010 Order approving the Settlement affects, alters or in any way negates any contribution or subrogation claim against the Home estate in connection with Fansteel or Wellman Dynamics. Finally, CIC reserves all of its rights including any rights against all parties; nothing in this statement shall be deemed an admission by CIC or a waiver by CIC of any rights or remedies including, without limitation, claims or defenses.

Respectfully submitted,

CENTURY INDEMNITY COMPANY

By its attorneys,

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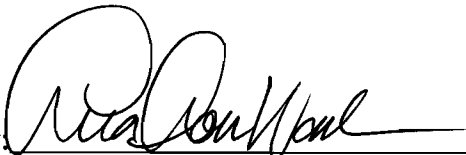
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Dated: March 25, 2010

By 
Lisa Snow Wade, NH Bar #5595

CERTIFICATE OF SERVICE

I, Lisa Snow Wade, hereby certify that a copy of the foregoing was sent this 25th day of March, 2010, by first class mail, postage prepaid to all persons on the attached service list.

A handwritten signature in black ink, appearing to read "Lisa Snow Wade", written over a horizontal line.

Lisa Snow Wade NH Bar No. 5595

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