

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

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

**AFFIDAVIT OF PETER A. BENGELSDORF, SPECIAL DEPUTY  
LIQUIDATOR, IN SUPPORT OF MOTION FOR APPROVAL OF  
SETTLEMENT AGREEMENT WITH GENERAL CABLE**

I, Peter A. Bengelsdorf, hereby depose and say:

1. I was appointed Special Deputy Liquidator of the Home Insurance Company (“Home”), by the Insurance Commissioner for the State of New Hampshire, as Liquidator (“Liquidator”) of Home. I submit this affidavit in support of the Liquidator’s Motion for Approval of Settlement Agreement with General Cable. The facts and information set forth are either within my own knowledge gained through my involvement with this matter, in which case I confirm that they are true, or are based on information provided to me by others, in which case they are true to the best of my knowledge, information, and belief.

2. The motion seeks approval for the Settlement Agreement and Mutual Release (“Settlement Agreement”) between General Cable Corporation (“Cable”) and the Liquidator. The Settlement Agreement was negotiated under my supervision. A copy of the Settlement Agreement is attached as Exhibit A to the Liquidator’s motion.

3. Home issued eight insurance policies to Cable for various policy periods between July 1, 1963 and December 31, 1978. Settlement Agreement, first Whereas clause. Upon Home’s placement in liquidation, Cable filed eight proofs of claim in the Home liquidation for environmental and other non-asbestos claims. Settlement Agreement, third Whereas clause.

(Cable also filed asbestos claims. An assignee of Cable settled those claims in a separate settlement agreement approved on January 25, 2012. Settlement Agreement, fourth Whereas clause.)

4. The Liquidator and Cable have negotiated the Settlement Agreement reflecting a resolution of the proofs of claim and – together with the prior asbestos settlement – resolution of all matters between them under the policies. The Settlement Agreement is subject to approval by the Court. Settlement Agreement, sixth Whereas clause, ¶ 1.

5. The Settlement Agreement provides that the Liquidator will recommend allowance of the proofs of claim in the aggregate amount of \$2,954,439 as a Class II priority claim of Cable under RSA 402-C:44. Settlement Agreement ¶ 2(A). Allowance of the recommended amount as a Class II claim will fully and finally resolve the proofs of claim and all claims Cable has under the policies. Id. ¶ 2(B). Distributions based on that allowance will be made at the same intervals and at the same percentages as distributions to other Class II creditors of Home. Id. ¶ 2(C).

6. The Settlement Agreement is intended to resolve the proofs of claim and all claims that Cable has under the policies. See Settlement Agreement ¶ 2(B). To that end, the Settlement Agreement provides for mutual releases of all claims among the Liquidator, Home and Cable arising from or related to the proofs of claim or the policies. Id. ¶¶ 3, 4. The Liquidator also releases claims respecting the underlying matters covered by the proofs of claim against other insurers of Cable that agree to release such claims against Home. Id. ¶ 5.

7. The Liquidator is not aware of any third party claimants asserting claims under the policies. However, in resolving all of Cable's claims relating to the proofs of claim and the policies, the Settlement Agreement contemplates denial of any third party claimants' claims

under the policies in the Home liquidation without prejudice to their claims against Cable. See Settlement Agreement, ¶ 6(A). Cable agrees to address, at its sole cost, the claims of claimants asserting claims against Cable as if Cable had no insurance coverage from Home under the policies. Id. Cable also agrees to indemnify and hold the Liquidator and Home harmless from all claims arising from or relating to the policies, including asserted rights of third party claimants, up to the amount ultimately distributed or distributable to Cable. Id. ¶ 6(B).

8. The denial of any third party claimants' claim without prejudice to their claims against Cable will not harm the third party claimants, who will continue to have their claims against Cable. As noted above, Cable has agreed to address these claims as if it had no insurance coverage from Home under the policies, Settlement Agreement ¶ 6(A). Third party claimants' proofs of claim against the insolvent Home, if not denied with the agreement, would release Cable from those claims up to the limits of the policies but only entitle the third party claimants (assuming their claims were allowed) to the 15% interim distribution and any later distribution at a presently undetermined percentage at the future date when distribution is made. It is not expected that the allowed claims of any third party claimants (or other Class II creditors) of Home will be paid in full. Under the Settlement Agreement, Cable will continue to be responsible for any third party claimants' claims against it. See Settlement Agreement ¶ 6.

9. Another claimed successor to the original policyholder's rights under the policies has also filed a proof of claim. Its claims will be addressed in the Home liquidation without regard to the Settlement Agreement. If the claims of the other insured are subject to the same limits of liability under the policies as the claims of Cable resolved by the Settlement Agreement, and the total allowed amounts subject to those limits for both insureds were to exceed the limits,

then the allowed amounts for both insureds will be subject to adjustment under RSA 402-C:40, IV, so the policy limits are not exceeded.

10. The Settlement Agreement reflects a compromise of the claims asserted in the proofs of claim. It is the result of negotiations involving the Claims Department, under my supervision, which has extensive experience in assessing the exposure presented by claims under Home's insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under Home's policies respecting the underlying liabilities of Cable. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$2,954,439 settlement amount as a Class II claim of Cable in accordance with RSA 402-C:45 and RSA 402-C:44.

11. I believe that the Settlement Agreement is fair and reasonable and in the best interests of the policyholders and creditors of Home.

Signed under the penalties of perjury this 25 day of June, 2015.

Peter A. Bengelsdorf  
Peter A. Bengelsdorf  
Special Deputy Liquidator of The Home Insurance  
Company

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF VENTURA

On June 25, 2015 before me, CLAUDIA A. KING, personally appeared Peter A. Bengelsdorf, Special Deputy Liquidator of The Home Insurance Company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Claudia A. King  
Signature of Notary Public

