

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

**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 EVERSOURCE**

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 Eversource. 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 Eversource Energy, formerly known as Northeast Utilities, as successor in interest to Northeast Utilities, The Connecticut Light and Power Company, and Public Service Company of New Hampshire, (“Eversource”), 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 four insurance policies for various periods from November 1, 1972 to January 1, 1978 under which Northeast Utilities, The Connecticut Light and Power Company,

and Public Service Company of New Hampshire were name insureds. Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, Eversource filed a proof of claim in the Home liquidation concerning environmental claims. Id., third Whereas clause.

4. The Liquidator and Eversource have negotiated the Settlement Agreement reflecting a resolution of the proof of claim and all matters between them under the policies. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 1.

5. The Settlement Agreement provides that the Liquidator will recommend allowance of the proof of claim in the amount of \$3,000,000 as a Class II priority claim of Eversource 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 proof of claim and all claims Eversource 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, except that Eversource will not receive the initial distribution. This is because Eversource's proof of claim is an unexcused late filing under RSA 402-C:37, III. Id. ¶ 2(C).

6. The Settlement Agreement is intended to resolve the proof of claim and all claims that Eversource 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 Eversource arising from or related to the proof of claim or the policies. Id. ¶¶ 3, 4. The Liquidator also releases claims respecting the underlying matters covered by the proof of claim against other insurers of Eversource that agree to release such claims against Home. Id. ¶ 6.

7. The Liquidator is not aware of any third party claimants asserting claims under the policies. However, in resolving all of Eversource's claims relating to the proof 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 Eversource. See Settlement Agreement, ¶ 5. Eversource agrees to address, at its sole cost, the claims of claimants asserting claims against Eversource as if Eversource had no insurance coverage from Home under the policies. Id. Eversource 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 Eversource. Id.

8. The denial of any third party claimants' claims without prejudice to their claims against Eversource will not harm the third party claimants, who will continue to have their claims against Eversource. As noted above, Eversource has agreed to address these claims as if it had no insurance coverage from Home under the policies, Settlement Agreement ¶ 5. Third party claimants' proof of claim against the insolvent Home, if not denied with the agreement, would release Eversource 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, Eversource will continue to be responsible for any third party claimants' claims against it. See Settlement Agreement ¶ 5.

9. The Settlement Agreement reflects a compromise of the claims asserted in the proof 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 Eversource. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$3,000,000 settlement amount as a Class II claim of Eversource in accordance with RSA 402-C:45, RSA 402-C:44, and RSA 402-C:37, III.

10. 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 5TH day of November, 2015.



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

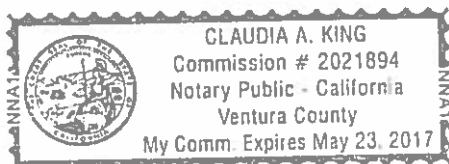
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA
COUNTY OF VENTURA

On November 5, 2015 before me, CLAUDIA A. KING - NOTARY PUBLIC, 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