

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**

**LIQUIDATOR'S MOTION FOR APPROVAL OF
COMMUTATION AGREEMENTS WITH ENSTAR CLIENT COMPANIES**

Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), moves that the Court enter an order in the form submitted herewith approving four agreements entitled "Reinsurance Commutation Agreement, Settlement and Release" (the "Commutation Agreements") between the Liquidator and companies or groups of companies owned or managed by Enstar Group Limited ("Enstar"): (1) Unionamerica Insurance Company Limited ("Unionamerica"); (2) River Thames Insurance Company Limited and the Regis Pool Members (collectively, "River Thames"); (3) Knapton Insurance Limited ("Knapton"); and (4) Marlon Insurance Company Limited ("Marlon"). Unionamerica, River Thames, Knapton, and Marlon are collectively referred to as the "Enstar Client Companies." Copies of the Commutation Agreements are attached as Exhibits A – D. As reasons therefor, the Liquidator states as follows:

1. Home, through its United Kingdom Branch, participated in the American Foreign Insurance Association ("AFIA"). As an AFIA participant, Home entered into certain reinsurance agreements (the "Reinsurance Agreements") with the Enstar Client Companies (or their predecessors). In the Reinsurance Agreements, the Enstar Client Companies ceded to Home, and Home accepted specified shares, of the Enstar Client Companies' liabilities under other

reinsurance agreements. Upon Home's placement in liquidation, the Enstar Client Companies (or their predecessors) filed proofs of claim in the Home liquidation regarding claims under the Reinsurance Agreements. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Commutation Agreements with Enstar Client Companies ("Bengelsdorf Aff.") ¶ 3.

2. Century Indemnity Company ("CIC") handles AFIA claim-related matters in accordance with the Claims Protocol between CIC and the Liquidator approved by the Court on November 12, 2004. The commutation values reflected in the Commutation Agreements were initially negotiated between Enstar, acting for the Enstar Client Companies, and ACE INA Services UK Limited, acting for CIC. Bengelsdorf Aff. ¶ 4.

3. The commutation values represent the total agreed value of the Enstar Client Companies' claims into the Home estate with respect to the Reinsurance Agreements, present and future, but do not include notices of determination for the Enstar Client Companies approved by the Court on or prior to August 31, 2014. In support of the commutation values, Enstar provided the Home Reinsurance Department with a comprehensive and confidential analysis of its pricing. The Reinsurance Department posed questions and requested additional information from Enstar, and the Reinsurance Department together with Home's actuarial team ultimately made a recommendation in support of the commutation values. After considering this recommendation, the Liquidator concluded that the proposed pricing was fair and reasonable. Bengelsdorf Aff. ¶ 5.

4. The Liquidator then obtained confirmation from CIC that CIC approved the terms of the Commutation Agreements and that CIC recommended that the Liquidator agree to the

Recommended Amounts in the Commutation Agreements as a final resolution of the Enstar Client Companies' AFIA-related claims against Home. Bengelsdorf Aff. ¶ 6.

5. The Liquidator also consulted with the Scheme Administrator and the Creditors' Committee appointed pursuant to the Scheme of Arrangement with respect to the Home U.K. Branch's AFIA liabilities. The Scheme Administrator and Liquidator provided certain materials to members of the Creditors' Committee. The Scheme Administrator, the Special Deputy Liquidator and other representatives and counsel then held a conference call with members of the Committee and responded to their questions. A representative of the Liquidator also reached out to a Committee member that did not attend the call. Bengelsdorf Aff. ¶ 7.

6. The Commutation Agreements are settlements of the Enstar Client Companies AFIA-related reinsurance claims against Home. They are analogous to the Liquidator's settlement agreements with policyholders, not to the Liquidator's other commutation agreements, which generally resolve claims by Home against a reinsurer of Home. Bengelsdorf Aff. ¶ 8.

7. The Commutation Agreements each reflect a resolution of the respective Enstar Client Companies' proofs of claim and all matters under the Reinsurance Agreements for an agreed allowance (the "Recommended Allowance" set forth in the whereas clauses of the respective Commutation Agreements). As to Unionamerica, the Recommended Allowance is \$11,295,964 (which is in addition to previously allowed Unionamerica claims in the amount of \$16,763,485). As to River Thames, the Recommended Allowance is \$2,989,668 (which is in addition to previously allowed River Thames claims in the amount of \$8,136,430). As to Knapton, the Recommended Allowance is \$27,766. As to Marlon, the Recommended Allowance is \$55. The Commutation Agreements are subject to approval by the Court. Commutation Agreements ¶ 1. Bengelsdorf Aff. ¶ 9.

8. Pursuant to the Commutation Agreements, the Liquidator recommends allowance of the Recommended Allowances as Class V priority claims under RSA 402-C:44. Allowance of the Recommended Allowances as a Class V claim will fully and finally resolve the proofs of claim and all claims the Enstar Client Companies have under the Reinsurance Agreements. Distributions based on that allowance will be made at the same intervals and at the same percentages as distributions to other Class V creditors of Home. Commutation Agreements ¶ 2. Bengelsdorf Aff. ¶ 10.

9. The Commutation Agreements are intended to resolve the proofs of claim and all the Enstar Client Companies' remaining claims under the Reinsurance Agreements. See Commutation Agreements ¶ 2. To that end, the Commutation Agreements provide for mutual releases of all claims between the Liquidator and the Enstar Client Companies arising from or related to the proofs of claim or the Reinsurance Agreements. Id. ¶¶ 3, 4, 6. Bengelsdorf Aff. ¶ 11.

10. The Commutation Agreements reflect a compromise of the claims asserted in the proofs of claim. They have been reviewed by the Reinsurance Department, under the supervision of the Special Deputy Liquidator, which has extensive experience in evaluating claim values under reinsurance agreements. Based on that review, the Liquidator recommends approval of the Commutation Agreements and the Recommended Allowances of the Unionamerica claim in the amount of \$11,295,964, the River Thames claim in the amount of \$2,989,668, the Knapton claim in the amount of \$27,766, and the Marlon claim in the amount of \$55 as Class V claims in accordance with RSA 402-C:45 and RSA 402-C:44.¹ Bengelsdorf Aff.

¹ Because the Commutation Agreements are determinations of "inwards" reinsurance claims against Home by a claim allowance, and not resolutions of "outwards" claims by Home against a reinsurer, they are not asset collection matters, and the Liquidator has not consulted with the National Conference of Insurance Guaranty Funds as he does concerning significant "outwards" commutations.

¶ 12.

11. The Liquidator's agreement to a negotiated resolution with the Enstar Client Companies and the Court's approval of such agreements are authorized by the broad authority of the Liquidator to "compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the court." RSA 402-C:45, I, and the authority of the Court to "approve, disapprove or modify any report on claims by the liquidator." RSA 402-C:45, II. It is also an appropriate exercise of the Liquidator's authority ("[s]ubject to the court's control") to "do such other acts . . . as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation." RSA 402-C:25, XXII.

12. In his Motion for Approval of Settlement with Northwestern National Insurance Company and Settlement Agreement and Assignment of Distribution with AK Steel Corporation ¶¶ 19-23 (February 16, 2006), the Liquidator provided his analysis of New Hampshire law, including RSA 402-C:40 III, as it applies to comprehensive policy coverage compromise and settlement in an insurer liquidation context. Although the compromise in this case involves a settlement of reinsurance claims, rather than insurance claims, that analysis is also applicable to the proposed Commutation Agreements with the Enstar Client Companies.

13. The Liquidator believes that the Commutation Agreements are fair and reasonable and that they are in the best interests of the policyholders and other creditors of Home. Bengelsdorf Aff. ¶13.

WHEREFORE, the Liquidator respectfully requests that this Court:

A. Grant this Motion;

B. Enter an Order in the form submitted herewith approving the Commutation Agreements, approving the Liquidator's claim recommendations, and allowing Unionamerica's

claim as a Class V claim in the amount of \$11,295,964, River Thames' claim as a Class V claim in the amount of \$2,989,668; Knapton's claim as a Class V claim in the amount of \$27,766; and Marlon's claim as a Class V claim in the amount of \$55; and

C. Grant such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE
COMMISSIONER OF THE STATE OF
NEW HAMPSHIRE SOLELY AS
LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,

JOSEPH A. FOSTER
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May 27, 2015

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Commutation Agreements with Enstar Client Companies, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 27th day of May, 2015, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of
The Home Insurance Company
Docket No. 03-E-0106

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**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

**THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT
AND RELEASE (the "Agreement") is made and entered into by and between:**

1. **Unionamerica Insurance Company Limited ("UA"), and**
2. **Roger A. Sevigny, the New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home").**

UA, the Liquidator and Home are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity it entered into certain reinsurance agreements with UA, pursuant to which UA ceded to Home, and Home accepted from UA, a certain share of UA's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement (the "UA-AFIA Reinsurance Agreements");

WHEREAS, Home was placed into liquidation by the June 13, 2003 Order of the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, UA is the legal successor to certain business of St Paul Reinsurance Company Limited and of St Paul Travelers Insurance Company Limited (formerly known as St Katherine Insurance Company Limited);

WHEREAS UA is the legal successor to the business of Guildhall Insurance Company Limited;

WHEREAS, UA seeks payment from Home under the UA-AFIA Reinsurance Agreements, in relation to which UA (and/or its predecessors) have submitted proofs of claim in the Home estate, which have been assigned the following Proof of Claim Nos.:

<u>Company</u>	<u>Proof of Claim No.</u>
Unionamerica Insurance Company Limited	INTL 700695
St. Katherine Insurance Company Limited	INTL 700699
Guildhall Insurance Company Limited	RAHM 700620

and which together with any other proof of claim that UA may have otherwise filed or could subsequently seek to file in the Home estate with respect to UA-AFIA Reinsurance Agreements are hereby defined as the "UA-AFIA Proofs of Claim";

WHEREAS, the Joint Provisional Liquidators appointed in the United Kingdom and insurance companies and syndicates ceding liabilities into AFIA (the "AFIA Cedents"), with the approval of the Liquidator, entered into an agreement leading to a Scheme of Arrangement with respect to Home U.K.'s AFIA liabilities (the "Scheme"), sanctioned by The High Court of England and Wales. The agreement was also approved by the New Hampshire Supreme Court. The Scheme entitled the AFIA Cedents, including UA, to share in Scheme proceeds under the terms of the Scheme based on the allowance of their claims into the Home estate;

WHEREAS, the Liquidator has previously issued Notices of Determination with respect to UA-AFIA Proofs of Claim that have been approved by the Liquidation Court in the total allowed amount of \$16,793,485 (the "NODs");

WHEREAS, UA agrees that an amount of \$7,285,108 is owed to Home, which will be offset against the NODs, producing a net NODs figure of \$9,508,376 ("the Net NODs");

WHEREAS, Century Indemnity Company has approved this commutation, and after review by Home and the Liquidator, the Parties have agreed that subject to the terms of this Agreement, and in addition to and separately from the Net NODs, the value of

UA's claims in the Home estate under the UA-AFIA Reinsurance Agreements shall be fully and finally established in the amount of U.S. Dollars \$11,295,964 (the "Recommended Allowance");

WHEREAS, the Parties agree that this Agreement is subject to and conditioned upon approval by the Liquidation Court. In the event that the Liquidation Court does not so approve this Agreement, it shall be null and void ab initio and without any force or effect; and

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the UA-AFIA Reinsurance Agreements with immediate effect in order to resolve any and all pending outstanding issues between the Parties and eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the UA-AFIA Reinsurance Agreements and, in consequence thereof, to enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. This Agreement shall only become effective (the "Effective Date"), upon approval by the Liquidation Court. In the event that the Liquidation Court does not approve this Agreement then it shall be (a) null and void, shall be and remain of no force and effect and the Parties shall be returned to *status quo ante*, as if no such agreement was ever reached; and (b) inadmissible for any purpose in any litigation, arbitration or other dispute resolution forum between the Parties.

2. Approval of this Agreement by the Liquidation Court shall constitute approval of the Recommended Allowance into the Home estate as a Class V priority claim under N.H. RSA 402-C:44 in favor of UA (the "Allowance"), thereby entitling UA

to receive distributions on the Allowance at the same intervals and at the same percentages as other Class V creditors. The Parties agree that the Allowance shall constitute a full and final settlement of any and all past, present and future liabilities due or potentially due under the UA-AFIA Reinsurance Agreements and that the Allowance fully and finally extinguishes the UA-AFIA Proofs of Claim, which shall be deemed resolved with prejudice and UA hereby agrees that it shall be forever barred and precluded from filing any subsequent UA-AFIA Proof of Claim in the Home estate. This Agreement does nothing to impair any rights that UA has under the Scheme.

3. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement, UA, for itself, and on behalf of its respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any trustee or other statutory successor), irrevocably and unconditionally release and discharge the Liquidator and Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the UA-AFIA Proofs of Claim and/or the UA-AFIA Reinsurance Agreements, in law, admiralty or equity, which UA and/or its predecessors, successors and assigns, ever had, now have or hereafter may have against the Liquidator and/or Home or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the UA-AFIA Proofs of Claim and/or the UA-AFIA Reinsurance Agreements.

4. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement and in consideration of the release of Home and the Liquidator pursuant to Paragraph 3 above, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any liquidator or statutory

successor), irrevocably and unconditionally releases and discharges UA and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the UA-AFIA Proofs of Claim and/or the UA-AFIA Reinsurance Agreements, in law, admiralty or equity, which the Liquidator, Home, and/or their predecessors, successors and assigns, ever had, now has or hereafter may have against UA or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the UA-AFIA Proofs of Claim and/or the UA-AFIA Reinsurance Agreements.

5. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the UA-AFIA Reinsurance Agreements commuted and released hereunder.

6. The Parties hereby agree that this Agreement, upon approval by the Liquidation Court, shall take precedence over and supersede the UA-AFIA Reinsurance Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the UA-AFIA Reinsurance Agreements. In addition, the Parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the UA-AFIA Reinsurance Agreements.

7. This instrument embodies the final, complete and entire agreement between the Parties and is the product of their own independent legal advice and analysis. No

other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

8. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

9. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

10. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the UA-AFIA Reinsurance Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the UA-AFIA Reinsurance Agreements, other than with respect to the terms and conditions herein contained.

11. (A) UA represents that it is duly authorized to enter into this Agreement and the transactions contemplated herein, and that the representative signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is being

executed freely and voluntarily with an intent for it to be bound by its terms; and (B) subject to approval by the Liquidation Court as set forth in paragraph 1 above, the Liquidator represents and warrants that he is duly authorized to enter into this Agreement and the transactions contemplated herein on behalf of Home; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement on behalf of the Liquidator is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home and the Liquidator to be bound by its terms.

12. This Agreement shall inure to the benefit of and bind the Parties and their respective predecessors, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.


13. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.

14. This Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions thereof. The Parties agree that the Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of the UA-AFIA Reinsurance Agreements, the UA-AFIA Proofs of Claim or this Agreement.

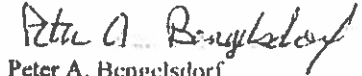
IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives.

Unionamerica Insurance Company Limited

By: 
Name: L. Little-Mills
Title: Director

Date: 26-5-15

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
solely in his capacity as Liquidator of The Home Insurance Company**

By: 
Name: Peter A. Bengelsdorf
Title: Special Deputy Liquidator

Date: 5-26-15

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

**THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT
AND RELEASE (the "Agreement") is made and entered into by and between:**

- 1. River Thames Insurance Company Limited ("River Thames"),**
- 2. The Regis Pool Members (as defined below), and**
- 3. Roger A. Sevigny, the New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home").**

Parties numbered 1-2 are part of and/or managed by the Enstar Group of companies and are referred to collectively herein as "the Enstar Companies".

The Enstar Companies, the Liquidator and Home are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity it entered into certain reinsurance agreements with the Enstar Companies, pursuant to which the Enstar Companies ceded to Home, and Home accepted from the Enstar Companies, a certain share of the Enstar Company's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement (the "Enstar-AFIA Reinsurance Agreements");

WHEREAS, Home was placed into liquidation by the June 13, 2003 Order of the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, River Thames wrote business in its own name and is also the legal successor in interest to (*inter alia*):

- Cavell Insurance Company Limited (formerly NW Reinsurance Corporation Limited, Norwich Winterthur Reinsurance Corporation Limited and The Reinsurance Corporation Limited) (itself statutory transferee of Cirrus Reinsurance Company Limited AS, formerly Vesta Reinsurance Company Limited AS and Norsk Glassforsikring); and
- Unione Italiana (UK) Reinsurance Company Limited;

WHEREAS, the definition of "Regis Pool Members" in the Agreement shall mean the member companies of the Regis Agencies Limited Pool (formerly the River Thames Agencies Pool), acting by their duly authorised manager Regis Agencies Limited, comprising the following companies:

- River Thames Insurance Company Limited;
- Gothaer Ruckversicherung AG;
- Mercantile Indemnity Company Limited (formerly Mercantile Mutual Insurance Company (UK) Limited);
- New Zealand Insurance Plc (formerly New Zealand South British Plc and South British Insurance Company Limited);
- New India Assurance Company Limited;
- Sumitomo Marine & Fire Insurance Company (Europe) Limited; and
- Compagnie Europeenne d'Assurances Industrielles

WHEREAS, the Regis Pool Members (as defined above) (including River Thames) are entering into this Agreement in respect of each of their respective participations in the Enstar-AFIA Reinsurance Agreements as written and accepted on their behalf as members of the Regis Agencies Limited Pool. River Thames is entering

into this Agreement in respect of both its participation in the Enstar-AFIA Reinsurance Agreements written and accepted by it or on its own behalf and as a member of the Regis Agencies Limited Pool.

WHEREAS, the Enstar Companies seek payment from Home under the Enstar-AFIA Reinsurance Agreements, in relation to which the Enstar Companies (and/or their predecessors) have submitted proofs of claim in the Home estate, which have been assigned the following Proof of Claim Nos.:

<u>Company</u>	<u>Proof of Claim No.</u>
Unione Italiana (UK) Reinsurance Company Limited	INTL 278090
River Thames Insurance Company Limited (Regis)	INTL 278019
River Thames Insurance Company Limited	INTL 714218
Cavell Insurance Company Limited	INTL 709437

and which together with any other proof of claim that the Enstar Companies may have otherwise filed or could subsequently seek to file in the Home estate with respect to Enstar-AFIA Reinsurance Agreements are hereby defined as the “Enstar-AFIA Proofs of Claim”;

WHEREAS, the Joint Provisional Liquidators appointed in the United Kingdom and insurance companies and syndicates ceding liabilities into AFIA (the “AFIA Cedents”), with the approval of the Liquidator, entered into an agreement leading to a Scheme of Arrangement with respect to Home U.K.’s AFIA liabilities (the “Scheme”), sanctioned by The High Court of England and Wales. The agreement was also approved by the New Hampshire Supreme Court. The Scheme entitled the AFIA Cedents, including the Enstar Companies, to share in Scheme proceeds under the terms of the Scheme based on the allowance of their claims into the Home estate;

WHEREAS, the Liquidator has previously issued Notices of Determination with respect to Enstar-AFIA Proofs of Claim that have been approved by the Liquidation Court in the total allowed amount of \$8,136,430 (the “NODs”);

WHEREAS, Century Indemnity Company has approved this commutation, and after review by Home and the Liquidator, the Parties have agreed that subject to the terms of this Agreement, and in addition to and separately from the NODs, the value of the Enstar Companies' claims in the Home estate under the Enstar-AFIA Reinsurance Agreements shall be fully and finally established in the amount of U.S. Dollars \$2,989,668 (the "Recommended Allowance");

WHEREAS, the Parties agree that this Agreement is subject to and conditioned upon approval by the Liquidation Court. In the event that the Liquidation Court does not so approve this Agreement, it shall be null and void ab initio and without any force or effect; and

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Enstar-AFIA Reinsurance Agreements with immediate effect in order to resolve any and all pending outstanding issues between the Parties and eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Enstar-AFIA Reinsurance Agreements and, in consequence thereof, to enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. This Agreement shall only become effective (the "Effective Date"), upon approval by the Liquidation Court. In the event that the Liquidation Court does not approve this Agreement then it shall be (a) null and void, shall be and remain of no force and effect and the Parties shall be returned to *status quo ante*, as if no such agreement was ever reached; and (b) inadmissible for any purpose in any litigation, arbitration or other dispute resolution forum between the Parties.

2. Approval of this Agreement by the Liquidation Court shall constitute approval of the Recommended Allowance into the Home estate as a Class V priority claim under N.H. RSA 402-C:44 in favor of the Enstar Companies (the "Allowance"), thereby entitling the Enstar Companies to receive distributions on the Allowance at the same intervals and at the same percentages as other Class V creditors. The Parties agree that the Allowance shall constitute a full and final settlement of any and all past, present and future liabilities due or potentially due under the Enstar-AFIA Reinsurance Agreements and that the Allowance fully and finally extinguishes the Enstar-AFIA Proofs of Claim, which shall be deemed resolved with prejudice and the Enstar Companies hereby agree that they shall be forever barred and precluded from filing any subsequent Enstar-AFIA Proof of Claim in the Home estate. This Agreement does nothing to impair any rights that the Enstar Companies have under the Scheme.

3. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement, the Enstar Companies, for themselves, and on behalf of their respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any trustee or other statutory successor), irrevocably and unconditionally release and discharge the Liquidator and Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Enstar-AFIA Proofs of Claim and/or the Enstar-AFIA Reinsurance Agreements, in law, admiralty or equity, which the Enstar Companies and/or their predecessors, successors and assigns, ever had, now have or hereafter may have against the Liquidator and/or Home or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Enstar-AFIA Proofs of Claim and/or the Enstar-AFIA Reinsurance Agreements.

4. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement and in consideration of the release of Home and the Liquidator pursuant to Paragraph 3 above, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any liquidator or statutory successor), irrevocably and unconditionally releases and discharges the Enstar Companies and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Enstar-AFIA Proofs of Claim and/or the Enstar-AFIA Reinsurance Agreements, in law, admiralty or equity, which the Liquidator, Home, and/or their predecessors, successors and assigns, ever had, now has or hereafter may have against the Enstar Companies or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Enstar-AFIA Proofs of Claim and/or the Enstar-AFIA Reinsurance Agreements.

5. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the Enstar-AFIA Reinsurance Agreements commuted and released hereunder.

6. The Parties hereby agree that this Agreement, upon approval by the Liquidation Court, shall take precedence over and supersede the Enstar-AFIA Reinsurance Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the Enstar-AFIA Reinsurance Agreements. In addition, the Parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation

of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Enstar-AFIA Reinsurance Agreements.

7. This instrument embodies the final, complete and entire agreement between the Parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

8. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

9. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

10. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the Enstar-AFIA Reinsurance Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Enstar-AFIA Reinsurance Agreements, other than with respect to the terms and conditions herein contained.

11. (A) The Enstar Companies represent that they are duly authorized to enter into this Agreement and the transactions contemplated herein, and that the representative signing this Agreement is fully authorized to execute this Agreement on their behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that they have read this Agreement, that they understand its contents and that it is being executed freely and voluntarily with an intent for them to be bound by its terms; and (B) subject to approval by the Liquidation Court as set forth in paragraph 1 above, the Liquidator represents and warrants that he is duly authorized to enter into this Agreement and the transactions contemplated herein on behalf of Home; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement on behalf of the Liquidator is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home and the Liquidator to be bound by its terms.

12. This Agreement shall inure to the benefit of and bind the Parties and their respective predecessors, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

13. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.


14. This Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions

thereof. The Parties agree that the Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of the Enstar-AFIA Reinsurance Agreements, the Enstar-AFIA Proofs of Claim or this Agreement.


IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives.

River Thames Insurance Company Limited

By: 
Name: P. THOMAS
Title: Director


Date: 26-5-15

The Member Companies of the Regis Pool

By: 
Name: P. THOMAS
Title: Director, Regis Agencies Limited

Date: 26-5-15

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
solely in his capacity as Liquidator of The Home Insurance Company**

By: 
Name: Peter A. Bengelsdorf
Title: Special Deputy Liquidator

Date: 5-26-15

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

**THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT
AND RELEASE (the "Agreement") is made and entered into by and between:**

1. **Knapton Insurance Limited ("Knapton"), and**
2. **Roger A. Sevigny, the New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home").**

Knapton, the Liquidator and Home are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity it entered into certain reinsurance agreements with Knapton, pursuant to which Knapton ceded to Home, and Home accepted from Knapton, a certain share of Knapton's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement (the "Knapton-AFIA Reinsurance Agreements");

WHEREAS, Home was placed into liquidation by the June 13, 2003 Order of the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, Knapton (formerly known as British Engine Insurance Limited) is the legal successor in interest to certain RSA Group companies;

WHEREAS, Knapton seeks payment from Home under the Knapton-AFIA Reinsurance Agreements, in relation to which Knapton (and/or its predecessors) have submitted proofs of claim in the Home estate, which have been assigned the following Proof of Claim Nos.:

Company

Knapton Insurance Limited

Proof of Claim No.

INTL 714217

and which together with any other proof of claim that Knapton may have otherwise filed or could subsequently seek to file in the Home estate with respect to Knapton-AFIA Reinsurance Agreements are hereby defined as the "Knapton-AFIA Proofs of Claim";

WHEREAS, the Joint Provisional Liquidators appointed in the United Kingdom and insurance companies and syndicates ceding liabilities into AFIA (the "AFIA Cedents"), with the approval of the Liquidator, entered into an agreement leading to a Scheme of Arrangement with respect to Home U.K.'s AFIA liabilities (the "Scheme"), sanctioned by The High Court of England and Wales. The agreement was also approved by the New Hampshire Supreme Court. The Scheme entitled the AFIA Cedents, including Knapton, to share in Scheme proceeds under the terms of the Scheme based on the allowance of their claims into the Home estate;

WHEREAS, Century Indemnity Company has approved this commutation, and after review by Home and the Liquidator, the Parties have agreed that subject to the terms of this Agreement, the value of Knapton's claims in the Home estate under the Knapton-AFIA Reinsurance Agreements shall be fully and finally established in the amount of U.S. Dollars \$27,766 (the "Recommended Allowance");

WHEREAS, the Parties agree that this Agreement is subject to and conditioned upon approval by the Liquidation Court. In the event that the Liquidation Court does not so approve this Agreement, it shall be null and void ab initio and without any force or effect; and

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Knapton-AFIA Reinsurance Agreements with immediate effect in order to resolve any and all pending outstanding issues between the Parties and eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Knapton-AFIA

Reinsurance Agreements and, in consequence thereof, to enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. This Agreement shall only become effective (the "Effective Date"), upon approval by the Liquidation Court. In the event that the Liquidation Court does not approve this Agreement then it shall be (a) null and void, shall be and remain of no force and effect and the Parties shall be returned to *status quo ante*, as if no such agreement was ever reached; and (b) inadmissible for any purpose in any litigation, arbitration or other dispute resolution forum between the Parties.

2. Approval of this Agreement by the Liquidation Court shall constitute approval of the Recommended Allowance into the Home estate as a Class V priority claim under N.H. RSA 402-C:44 in favor of Knapton (the "Allowance"), thereby entitling Knapton to receive distributions on the Allowance at the same intervals and at the same percentages as other Class V creditors. The Parties agree that the Allowance shall constitute a full and final settlement of any and all past, present and future liabilities due or potentially due under the Knapton-AFIA Reinsurance Agreements and that the Allowance fully and finally extinguishes the Knapton-AFIA Proofs of Claim, which shall be deemed resolved with prejudice and Knapton hereby agrees that it shall be forever barred and precluded from filing any subsequent Knapton-AFIA Proof of Claim in the Home estate. This Agreement does nothing to impair any rights that Knapton has under the Scheme.

3. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement, Knapton, for itself, and on behalf of its respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any trustee or other statutory successor), irrevocably and unconditionally release and discharge the Liquidator and Home and each of their respective officers,

directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Knapton-AFIA Proofs of Claim and/or the Knapton-AFIA Reinsurance Agreements, in law, admiralty or equity, which Knapton and/or its predecessors, successors and assigns, ever had, now have or hereafter may have against the Liquidator and/or Home or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Knapton-AFIA Proofs of Claim and/or the Knapton-AFIA Reinsurance Agreements.

4. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement and in consideration of the release of Home and the Liquidator pursuant to Paragraph 3 above, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any liquidator or statutory successor), irrevocably and unconditionally releases and discharges Knapton and each of its respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Knapton-AFIA Proofs of Claim and/or the Knapton-AFIA Reinsurance Agreements, in law, admiralty or equity, which the Liquidator, Home, and/or their predecessors, successors and assigns, ever had, now has or hereafter may have against Knapton or its respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Knapton-AFIA Proofs of Claim and/or the Knapton-AFIA Reinsurance Agreements.

5. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the Knapton-AFIA Reinsurance Agreements commuted and released hereunder.

6. The Parties hereby agree that this Agreement, upon approval by the Liquidation Court, shall take precedence over and supersede the Knapton-AFIA Reinsurance Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the Knapton-AFIA Reinsurance Agreements. In addition, the Parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Knapton-AFIA Reinsurance Agreements.

7. This instrument embodies the final, complete and entire agreement between the Parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

8. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

9. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in

any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

10. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the Knapton-AFIA Reinsurance Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Knapton-AFIA Reinsurance Agreements, other than with respect to the terms and conditions herein contained.

11. (A) Knapton represent that it is duly authorized to enter into this Agreement and the transactions contemplated herein, and that the representative signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that they have read this Agreement, that it understands its contents and that it is being executed freely and voluntarily with an intent for it to be bound by its terms; and (B) subject to approval by the Liquidation Court as set forth in paragraph 1 above, the Liquidator represents and warrants that he is duly authorized to enter into this Agreement and the transactions contemplated herein on behalf of Home; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement on behalf of the Liquidator is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home and the Liquidator to be bound by its terms.

12. This Agreement shall inure to the benefit of and bind the Parties and their respective predecessors, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.


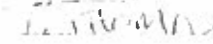
13. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.

14. This Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions thereof. The Parties agree that the Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of the Knapton-AFIA Reinsurance Agreements, the Knapton-AFIA Proofs of Claim or this Agreement.


IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives.

Knapton Insurance Limited

By: 
Name: 
Title: Director

Date: 

**Roger A. Sevigny, New Hampshire Commissioner of Insurance,
solely in his capacity as Liquidator of The Home Insurance Company**

By: 
Name: Peter A. Bengelstorf
Title: Special Deputy Liquidator

Date: 5-26-15

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

**THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT
AND RELEASE (the "Agreement") is made and entered into by and between:**

1. **Marlon Insurance Company Limited ("Marlon"),**
2. **Roger A. Sevigny, the New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home").**

Marlon, the Liquidator and Home are referred to collectively herein as the "Parties."

W I T N E S S E T H:

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity it entered into certain reinsurance agreements with Marlon, pursuant to which Marlon ceded to Home, and Home accepted from Marlon, a certain share of Marlon's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement (the "Marlon-AFIA Reinsurance Agreements");

WHEREAS, Home was placed into liquidation by the June 13, 2003 Order of the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, Marlon wrote business in its own name and is also the legal successor to (*inter alia*) the business of The Copenhagen Reinsurance Company Limited, Denmark ("Marlon's Cop Re Denmark Business");

WHEREAS, Marlon is participating in this Agreement solely in respect of Marlon's Cop Re Denmark Business and all references to Marlon shall be interpreted accordingly;

WHEREAS, Marlon seeks payment from Home under the Marlon-AFIA Reinsurance Agreements, in relation to which Marlon (and/or its predecessors) have submitted proofs of claim in the Home estate, which have been assigned the following Proof of Claim Nos.:

<u>Company</u>	<u>Proof of Claim No.</u>
The Copenhagen Reinsurance Company Limited	RAHM 331157

and which together with any other proof of claim that Marlon may have otherwise filed or could subsequently seek to file in the Home estate with respect to Marlon-AFIA Reinsurance Agreements are hereby defined as the "Marlon-AFIA Proofs of Claim";

WHEREAS, the Joint Provisional Liquidators appointed in the United Kingdom and insurance companies and syndicates ceding liabilities into AFIA (the "AFIA Cedents"), with the approval of the Liquidator, entered into an agreement leading to a Scheme of Arrangement with respect to Home U.K.'s AFIA liabilities (the "Scheme"), sanctioned by The High Court of England and Wales. The agreement was also approved by the New Hampshire Supreme Court. The Scheme entitled the AFIA Cedents, including Marlon, to share in Scheme proceeds under the terms of the Scheme based on the allowance of their claims into the Home estate;

WHEREAS, Century Indemnity Company has approved this commutation, and after review by Home and the Liquidator, the Parties have agreed that subject to the terms of this Agreement, the value of Marlon's claims in the Home estate under the Marlon-AFIA Reinsurance Agreements shall be fully and finally established in the amount of U.S. Dollars \$55.00 (the "Recommended Allowance");

WHEREAS, the Parties agree that this Agreement is subject to and conditioned upon approval by the Liquidation Court. In the event that the Liquidation Court does not so approve this Agreement, it shall be null and void ab initio and without any force or effect; and

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and

liabilities (whether known or unknown) under the Marlon-AFIA Reinsurance Agreements with immediate effect in order to resolve any and all pending outstanding issues between the Parties and eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Marlon-AFIA Reinsurance Agreements and, in consequence thereof, to enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. This Agreement shall only become effective (the "Effective Date"), upon approval by the Liquidation Court. In the event that the Liquidation Court does not approve this Agreement then it shall be (a) null and void, shall be and remain of no force and effect and the Parties shall be returned to *status quo ante*, as if no such agreement was ever reached; and (b) inadmissible for any purpose in any litigation, arbitration or other dispute resolution forum between the Parties.

2. Approval of this Agreement by the Liquidation Court shall constitute approval of the Recommended Allowance into the Home estate as a Class V priority claim under N.H. RSA 402-C:44 in favor of Marlon (the "Allowance"), thereby entitling Marlon to receive distributions on the Allowance at the same intervals and at the same percentages as other Class V creditors. The Parties agree that the Allowance shall constitute a full and final settlement of any and all past, present and future liabilities due or potentially due under the Marlon-AFIA Reinsurance Agreements and that the Allowance fully and finally extinguishes the Marlon-AFIA Proofs of Claim, which shall be deemed resolved with prejudice and Marlon hereby agrees that it shall be forever barred and precluded from filing any subsequent Marlon-AFIA Proof of Claim in the Home estate. This Agreement does nothing to impair any rights that Marlon has under the Scheme.

3. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement, Marlon, for itself, and on behalf of its respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any trustee or other statutory successor), irrevocably and unconditionally release and discharge the Liquidator and Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Marlon-AFIA Proofs of Claim and/or the Marlon-AFIA Reinsurance Agreements, in law, admiralty or equity, which Marlon and/or its predecessors, successors and assigns, ever had, now have or hereafter may have against the Liquidator and/or Home or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Marlon-AFIA Proofs of Claim and/or the Marlon-AFIA Reinsurance Agreements.

4. Subject to the terms of and conditioned upon the Liquidation Court approving this Agreement and in consideration of the release of Home and the Liquidator pursuant to Paragraph 3 above, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, predecessors, and their successors and assigns (including any liquidator or statutory successor), irrevocably and unconditionally releases and discharges Marlon and each of their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, from any and all actions, causes of action, liabilities, adjustments, obligations, offsets, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, premiums, losses, salvage, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and/or demands arising from or related to the Marlon-AFIA Proofs of Claim and/or the Marlon-AFIA Reinsurance Agreements, in law, admiralty or equity, which the Liquidator, Home, and/or their predecessors, successors and assigns, ever had, now has or hereafter may

have against Marlon or their respective officers, directors, employees, agents, attorneys, predecessors, successors and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Marlon-AFIA Proofs of Claim and/or the Marlon-AFIA Reinsurance Agreements.

5. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the Marlon-AFIA Reinsurance Agreements commuted and released hereunder.

6. The Parties hereby agree that this Agreement, upon approval by the Liquidation Court, shall take precedence over and supersede the Marlon-AFIA Reinsurance Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the Marlon-AFIA Reinsurance Agreements. In addition, the Parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Marlon-AFIA Reinsurance Agreements.

7. This instrument embodies the final, complete and entire agreement between the Parties and is the product of their own independent legal advice and analysis. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

8. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable

and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

9. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

10. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the Marlon-AFIA Reinsurance Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Marlon-AFIA Reinsurance Agreements, other than with respect to the terms and conditions herein contained.

11. (A) Marlon represents that it is duly authorized to enter into this Agreement and the transactions contemplated herein, and that the representative signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is being executed freely and voluntarily with an intent for it to be bound by its terms; and (B) subject to approval by the Liquidation Court as set forth in paragraph 1 above, the Liquidator represents and warrants that he is duly authorized to enter into this Agreement and the transactions contemplated herein on behalf of Home; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement on behalf of the Liquidator is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home and the Liquidator to be bound by its terms.

12. This Agreement shall inure to the benefit of and bind the Parties and their respective predecessors, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law.

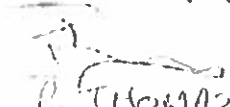
13. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.

14. This Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions thereof. The Parties agree that the Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of the Marlon-AFIA Reinsurance Agreements, the Marlon-AFIA Proofs of Claim or this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives.

Marlon Insurance Company Limited

By: 
Name: P. THORNTON
Title: Director

Date: 26-5-15

**Roger A. Sovigny, New Hampshire Commissioner of Insurance,
solely in his capacity as Liquidator of The Home Insurance Company**

By: Peter A. Bengelsdorf
Name: Peter A. Bengelsdorf
Title: Special Deputy Liquidator

Date: 5-26-15