

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 SETTLEMENT AGREEMENTS
WITH OHIO AND WEST VIRGINIA INSURANCE GUARANTY ASSOCIATIONS**

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 Settlement Agreement and Mutual Releases ("Settlement Agreements") between the Liquidator and the claimants Ohio Insurance Guaranty Association ("Ohio Association") and West Virginia Insurance Guaranty Association ("West Virginia Association") (collectively, the "Associations"). As reasons therefor, the Liquidator states as follows:

1. The Settlement Agreements were negotiated under the supervision of the Special Deputy Liquidator. Copies of the Settlement Agreements are attached hereto as Exhibits A and B. The Settlement Agreements are subject to approval by the Court. Settlement Agreements ¶ 1. Affidavit of Peter A. Bengelsdorf in Support of Motion for Approval of Settlement Agreements with Ohio and West Virginia Insurance Guaranty Associations ("Bengelsdorf Aff.") ¶ 2.

2. The Settlement Agreements concern claims submitted in the Home liquidation by the Ohio Association under proofs of claim numbers GOVT 700117-05 and GOVT 700117-15 and by the West Virginia Association under proof of claim numbers GOVT 700115-05 and GOVT 700115-13. Settlement Agreements, Second Whereas Clause. Those claims concerned

certain amounts for dues paid by the Associations to the National Conference of Insurance Guaranty Funds (“NCIGF”). *Id.*, Third Whereas Clause. Bengelsdorf Aff. ¶ 3.

3. The Liquidator assigned NCIGF dues to Class V priority under RSA 402-C:44. Settlement Agreements, Fourth Whereas Clauses. The Associations submitted requests for review. Settlement Agreements, Fifth Whereas Clauses. Bengelsdorf Aff. ¶ 4.

4. Earlier, the Arizona Property and Casualty Insurance Guaranty Fund (“Arizona Fund”) had objected to the Liquidator’s determinations of certain of its claims, including the assignment of NCIGF dues to Class V. That matter was heard by the Referee, and the Arizona Fund filed a motion to recommit the Referee’s decision with this Court. On October 31, 2013, the Court issued an order denying the Arizona Fund’s motion to recommit. In pertinent part, the order assigned NCIGF dues to priority Class V. See October 31, 2013 Order at 5-7. The Arizona Fund appealed from the order to the New Hampshire Supreme Court. While that appeal was pending, the Liquidator and the Arizona Fund settled. As to the NCIGF dues, the Arizona Fund settlement provided that the dues would be assigned to Class V but that the priority of the NCIGF dues would be adjusted in accordance with any subsequent settlement agreement between the Liquidator and the guaranty funds or associations generally that provides that a portion of allowed NCIGF dues be treated as a Class I priority claim. The Arizona Fund settlement was approved by the Court on February 24, 2014. Bengelsdorf Aff. ¶ 5.

5. The Ohio and West Virginia Associations now seek to resolve their pending requests for review of the priority of NCIGF dues on the same basis as the Arizona Fund. The Ohio and West Virginia Associations’ requests for review are the last pending requests for review with respect to the priority of NCIGF dues. Bengelsdorf Aff. ¶ 6.

6. Like the Arizona Fund settlement, the Settlement Agreements provide that the NCIGF dues amounts at issue (\$103,781.52 for the Ohio Association and \$13,197.84 for the

West Virginia Association) shall be allowed as Class V priority claims. Settlement Agreements ¶ 2(A). The priority of the NCIGF dues amounts to be allowed at Class V under the settlement shall be adjusted in accordance with any subsequent settlement agreement between the Liquidator and the guaranty funds or associations generally that provides that a portion of allowed NCIGF dues be treated as a Class I priority claim. *Id.* In the event that the Liquidator enters such a settlement, the Liquidator shall recommend that the percentage of allowed NCIGF dues to be treated as Class I under that general agreement shall also apply to the \$103,781.52 and \$13,197.84 amounts. *Id.* This provision will permit the Ohio and West Virginia Associations to be treated like the Arizona Fund and other guaranty associations in the event a subsequent general settlement is reached concerning the priority issue. Any such settlement would be subject to approval by the Court. *Bengelsdorf Aff.* ¶ 7.

7. The Settlement Agreements further provide for mutual releases between the Ohio Association and the Liquidator and the West Virginia Association and the Liquidator of all claims arising from the proofs of claim or the requests for review. Settlement Agreements ¶¶ 3, 4. *Bengelsdorf Aff.* ¶ 8.

8. The Settlement Agreements are the result of negotiations under the supervision of the Special Deputy Liquidator. The Settlement Agreements reflect a compromise to avoid further litigation. They provide for the allowance of the amounts of NCIGF dues determined by the Liquidator at the Class V priority for NCIGF dues upheld in the Court's October 31, 2013 order. They contain additional provisions to permit the Ohio and West Virginia Associations to be treated similarly to other guaranty associations in the event of a general settlement concerning priority of NCIGF dues. Such a provision is a reasonable resolution to avoid litigation given the amounts involved. The Liquidator accordingly recommends approval of the Settlement Agreements and allowance of \$103,781.52 for the Ohio Association and \$13,197.84 for the West

Virginia Association as Class V priority claims in accordance with RSA 402-C:45 and RSA 402-C:44. Bengelsdorf Aff. ¶ 9.

9. The Liquidator's negotiation and the Court's approval of the Settlement Agreements is 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.

10. The Liquidator submits that the Settlement Agreements are fair and reasonable and in the best interests of the policyholders and creditors of Home. See Bengelsdorf Aff. ¶ 10.

WHEREFORE, the Liquidator respectfully requests that this Court:

- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Settlement Agreements, approving the Liquidator's claim recommendations, and allowing the Ohio Association's claims for NCIGF dues of \$103,781.52 as a Class V priority claim and the West Virginia Association's claims for NCIGF dues of \$13,197.84 as a Class V claim under RSA 402-C:44; 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, AS LIQUIDATOR
OF THE HOME INSURANCE
COMPANY,

By his attorneys,

JOSEPH A. FOSTER
ATTORNEY GENERAL

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Civil Bureau
New Hampshire Department of Justice
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Concord, NH 03301-6397
(603) 271-3650



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160 Federal Street
Boston, MA 02110
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March 27, 2015

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreements with Ohio and West Virginia Insurance Guaranty Associations, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 27th day of March, 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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SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Settlement Agreement") is made as of this 24th day of March 2015 by and between the Ohio Insurance Guaranty Association ("Claimant"), on the one hand, and Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, solely in his capacity as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), on the other hand (the Claimant and the Liquidator are hereinafter referred to collectively as the "Parties").

WHEREAS, Home is being liquidated pursuant to the June 13, 2003 Order of the Merrimack County Superior Court (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, Claimant has submitted claims in the Home liquidation estate that have been assigned the following proof of claim numbers, GOVT 700117-05 for the period June 13, 2003 through December 31, 2005 and GOVT 700117-15 for the period from January 1, 2009 through September 30, 2013 which are hereinafter defined collectively as the "Proofs of Claims";

WHEREAS, the Proofs of Claims assert that Claimant incurred and paid to the National Conference of Insurance Guaranty Funds ("NCIGF") dues that were allocated to the Home insolvency;

WHEREAS, the Liquidator classified the NCIGF dues as a Class V residual claim, rather than a first-priority Class I claim for administrative expenses pursuant to N.H. RSA 402-C:44 and 404-B:11;

WHEREAS, the Claimant objected to and requested review of the Liquidator's classification of the NCIGF dues as a Class V claim (the "Requests for Review");

WHEREAS, the Parties are desirous of resolving all claims that were asserted, or could have been or could be asserted, between them concerning the Proofs of Claim;

WHEREAS, the Parties agree that this Settlement Agreement is subject to and conditioned upon its approval by the Liquidation Court and allowance of the Recommended Amount (as defined below) in the Home liquidation and in the event that the Liquidation Court does not approve the Settlement Agreement and allow the Recommended Amount, this Settlement Agreement shall be null and void and without any force or effect:

NOW, THEREFORE, in consideration of all the respective transactions contemplated by this Settlement Agreement, and the mutual covenants and representations herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effectiveness. This Settlement Agreement is conditioned upon and shall only become effective (the "Effective Date") upon the entry of a final non-appealable order by the Liquidation Court approving this Settlement Agreement and allowing the Recommended Amount (the "Final Order"). The Liquidator shall move at his expense for approval of this Settlement Agreement promptly following execution by both Parties.

2. Recommendation, Allowance, and Classification of Claims.

A. Subject to all the terms of this Settlement Agreement, and with the agreement of Claimant, which by Claimant's execution hereof is hereby granted, the Liquidator shall recommend that of the NCIGF dues that are the subject of the Proofs of Claim the total amount of \$103,781.52 shall be allowed (the "Recommended Amount") as a Class V priority claim under N.H. RSA 402-C:44. The Liquidator agrees that the priority of this Recommended Amount of NCIGF dues paid by Claimant in the periods from June 13, 2003 through December 31, 2005 and from January 1, 2009

through September 30, 2013 shall be adjusted in accordance with any subsequent agreement between the Liquidator and the guaranty funds or associations generally that provides that a portion of allowed NCIGF dues be treated as a Class I priority claim. The Liquidator shall recommend in seeking approval of any such agreement that the percentage of allowed NCIGF dues to be treated as Class I under the agreement shall also apply to this Recommended Amount. The Liquidator shall seek allowance of the Recommended Amount as a Class V priority claim by the Liquidation Court in the liquidator's motion for approval of this Settlement Agreement.

- B. In the event that a Final Order does not enter, this Settlement Agreement shall be null and void and shall have no force and effect and the Parties will be returned to *status quo ante*, as if no such agreement was ever reached, with this Settlement Agreement thereafter being inadmissible for any purpose in any dispute between the Parties.

3 Release by Claimant. Subject to the terms of this Settlement Agreement and the entry of a Final Order, Claimant for itself and on behalf of each of its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, irrevocably and unconditionally releases and discharges the Liquidator and Home and each of their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns (including any trustee or other statutory successor), 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 Proofs of Claim or the Requests for Review, in law, admiralty, or equity, which Claimant, or its subsidiaries, affiliates, predecessors, successors, and assigns, ever had, now have, or hereafter may have against the Liquidator or Home or their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, including any claims for reimbursement of costs and attorneys' fees arising from or related to the Proofs of Claim or the Requests for Review.

4. Release by Liquidator. Subject to the terms of this Settlement Agreement and the entry of a Final Order, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, irrevocably and unconditionally releases and discharges Claimant and each of its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns (including any trustee or other statutory successor), 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 Proofs of Claim or the Requests for Review, in law, admiralty, or equity, which the Liquidator, Home, or their subsidiaries, affiliates, predecessors, successors, and assigns, ever had, now have, or hereafter may have against Claimant or its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, including any claims for

reimbursement of costs and attorneys' fees arising from or related to the Proofs of Claim or the Requests for Review.

5. No Assignments. Claimant warrants and represents that it has not assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in any way to the Proofs of Claim or the Requests for Review, or the claims, losses and expenses released herein, to any person or entity. Claimant shall not assign or otherwise transfer this Settlement Agreement or any rights or obligations thereunder without the written consent of the Liquidator, which consent shall not be unreasonably withheld.

6. Further Assurances. The Parties shall take all further actions as may be necessary to carry out the intent and purpose of this Settlement Agreement and to consummate the transactions contemplated herein. Each of the Parties shall be responsible for their own attorneys' fees and costs.

7. Governing Law and Venue. This Settlement 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 exclusive venue for any dispute between the Parties arising out of the Proofs of Claim, the Requests for Review or this Settlement Agreement shall be the Liquidation Court.

8. Due Diligence. The Parties acknowledge and agree that, in negotiating and executing this Settlement Agreement, they have relied upon their own judgment and upon the recommendations of their own legal counsel, that they have read this Settlement Agreement and have had the opportunity to consider its terms and effects, and that they have executed this Settlement Agreement voluntarily and with full understanding of its terms and effects. This Settlement Agreement is the product of negotiations between the Parties. No Party shall be

charged with having promulgated this Settlement Agreement, and the general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement.

9. No Third Party Rights. This Settlement Agreement is entered into solely for the benefit of the Liquidator, Home, and Claimant and is not intended to, and does not give or create any rights to or in any person or entity other than the Parties.

10. Counterparts. This Settlement 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.

11. Power and Authority to Execute. Subject to the approval of the Liquidation Court required by paragraph 1, each Party hereto represents and warrants that it has the full power and authority to execute, deliver, and perform this Settlement Agreement; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Settlement Agreement; that there are no other agreements or transactions to which it is a party that would render this Settlement Agreement or any part thereof, void, voidable or unenforceable; that each individual signing on behalf of a Party has been duly authorized by that Party to execute this Settlement Agreement on its behalf; and that no claims being released under the terms of this Settlement Agreement have been assigned, sold, or otherwise transferred to any other entity.

12. Successor-in-Interest Bound. This Settlement Agreement shall be binding upon, and shall inure to the benefit of the Parties and their respective officers, directors, employees, agents, attorneys, liquidators, receivers, administrators, representatives, successors, and assigns.

13. Entire Agreement. This Settlement Agreement constitutes the entire agreement

and understanding between the Parties with respect to the subject matter thereof. This Settlement Agreement supersedes all prior agreements and understandings, whether written or oral, concerning such matters.

14. Survival of Warranties and Representations. The warranties and representations made herein shall survive the execution of this Settlement Agreement.

15. Validity of Settlement Agreement. Subject to approval of this Settlement Agreement by the Liquidation Court as required by paragraph 1, each Party represents and warrants that this Settlement Agreement is a legal, valid, and binding obligation, enforceable in accordance with its terms.

16. No Waiver. No waiver of any right under this Settlement Agreement shall be deemed effective unless contained in a writing signed by the Party or an authorized representative of the Party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other provision of this Settlement Agreement. This Settlement Agreement may not be amended except in a document signed by the Party or an officer or other authorized official of the Party to be charged.

17. Notice. All notices to be given under this Settlement Agreement shall be given by facsimile and first class U.S. mail directed to:

If to Claimant, to:

Steve Durish, President
Ohio Insurance Guaranty Association
1840 Mackenzie Drive, Suite 100
Columbus, OH 43220
Fax: _____

and

If to the Liquidator, to:

Thomas W. Kober, Chief Claims Officer
The Home Insurance Company in Liquidation
61 Broadway 6th Floor
New York, New York 10006
Fax: 212-299-3824

and

J. Christopher Marshall
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, New Hampshire 03301-6397
Fax: 603-271-2110

and

J. David Leslie, Esq.
Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, MA 02110-1700
Fax: 617-542-7437

18. Severability. If any provision of this Settlement Agreement is invalid, unenforceable, or illegal under the law of any applicable jurisdiction, the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby and the remaining provisions of this Settlement Agreement shall remain valid and enforceable. However, in the event of such invalidity, unenforceability, or illegality, the Parties shall negotiate in good faith to amend this Settlement Agreement through the insertion of additional provisions which are valid, enforceable, and legal and which reflect, to the extent possible, the purposes contained in the invalid, unenforceable, or illegal provision.

WHEREFORE, the Parties have caused this Settlement Agreement to be executed on their respective behalves by their duly authorized representatives.

**OHIO INSURANCE GUARANTY
ASSOCIATION**

By: 

Name: STEVE DORISH

Title: PRESIDENT

Date: 03/25/2015

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

By: 

Name: Peter Benzelsdorf

Title: Special Deputy Liquidator

Date: 3-24-15

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Settlement Agreement") is made as of this ~~21~~²⁴ day of March 2015 by and between the West Virginia Insurance Guaranty Association ("Claimant"), on the one hand, and Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, solely in his capacity as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), on the other hand (the Claimant and the Liquidator are hereinafter referred to collectively as the "Parties").

WHEREAS, Home is being liquidated pursuant to the June 13, 2003 Order of the Merrimack County Superior Court (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, Claimant has submitted claims in the Home liquidation estate that have been assigned the following proof of claim numbers, GOVT 700115-05 for the period June 13, 2003 through December 31, 2005 and GOVT 700115-13 for the period from January 1, 2009 through September 30, 2013, which are hereinafter defined collectively as the "Proofs of Claims";

WHEREAS, the Proofs of Claims assert that Claimant incurred and paid to the National Conference of Insurance Guaranty Funds ("NCIGF") dues that were allocated to the Home insolvency;

WHEREAS, the Liquidator classified the NCIGF dues as a Class V residual claim, rather than a first-priority Class I claim for administrative expenses pursuant to N.H. RSA 402-C:44 and 404-B:11;

WHEREAS, the Claimant objected to and requested review of the Liquidator's classification of the NCIGF dues as a Class V claim (the "Requests for Review");

WHEREAS, the Parties are desirous of resolving all claims that were asserted, or could have been or could be asserted. between them concerning the Proofs of Claim;

WHEREAS, the Parties agree that this Settlement Agreement is subject to and conditioned upon its approval by the Liquidation Court and allowance of the Recommended Amount (as defined below) in the Home liquidation and in the event that the Liquidation Court does not approve the Settlement Agreement and allow the Recommended Amount, this Settlement Agreement shall be null and void and without any force or effect;

NOW, THEREFORE, in consideration of all the respective transactions contemplated by this Settlement Agreement, and the mutual covenants and representations herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effectiveness. This Settlement Agreement is conditioned upon and shall only become effective (the "Effective Date") upon the entry of a final non-appealable order by the Liquidation Court approving this Settlement Agreement and allowing the Recommended Amount (the "Final Order"). The Liquidator shall move at his expense for approval of this Settlement Agreement promptly following execution by both Parties.

2. Recommendation, Allowance, and Classification of Claims.

A. Subject to all the terms of this Settlement Agreement, and with the agreement of Claimant, which by Claimant's execution hereof is hereby granted, the Liquidator shall recommend that of the NCIGF dues that are the subject of the Proofs of Claim the total amount of \$13,197.84 shall be allowed (the "Recommended Amount") as a Class V priority claim under N.H. RSA 402-C:44. The Liquidator agrees that the priority of this Recommended Amount of NCIGF dues paid by Claimant in the periods from June 13, 2003 through December 31, 2005 and from January 1, 2009

through September 30, 2013 shall be adjusted in accordance with any subsequent agreement between the Liquidator and the guaranty funds or associations generally that provides that a portion of allowed NCIGF dues be treated as a Class I priority claim. The Liquidator shall recommend in seeking approval of any such agreement that the percentage of allowed NCIGF dues to be treated as Class I under the agreement shall also apply to this Recommended Amount. The Liquidator shall seek allowance of the Recommended Amount as a Class V priority claim by the Liquidation Court in the liquidator's motion for approval of this Settlement Agreement.

- B. In the event that a Final Order does not enter, this Settlement Agreement shall be null and void and shall have no force and effect and the Parties will be returned to *status quo ante*, as if no such agreement was ever reached, with this Settlement Agreement thereafter being inadmissible for any purpose in any dispute between the Parties.

3 Release by Claimant. Subject to the terms of this Settlement Agreement and the entry of a Final Order, Claimant for itself and on behalf of each of its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, irrevocably and unconditionally releases and discharges the Liquidator and Home and each of their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns (including any trustee or other statutory successor), 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 Proofs of Claim or the Requests for Review, in law, admiralty, or equity, which Claimant, or its subsidiaries, affiliates, predecessors, successors, and assigns, ever had, now have, or hereafter may have against the Liquidator or Home or their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, including any claims for reimbursement of costs and attorneys' fees arising from or related to the Proofs of Claim or the Requests for Review.

4. Release by Liquidator. Subject to the terms of this Settlement Agreement and the entry of a Final Order, the Liquidator, in his capacity as such, and on behalf of Home and each of their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, irrevocably and unconditionally releases and discharges Claimant and each of its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns (including any trustee or other statutory successor), 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 Proofs of Claim or the Requests for Review, in law, admiralty, or equity, which the Liquidator, Home, or their subsidiaries, affiliates, predecessors, successors, and assigns, ever had, now have, or hereafter may have against Claimant or its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, successors, and assigns, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, including any claims for

reimbursement of costs and attorneys' fees arising from or related to the Proofs of Claim or the Requests for Review.

5. No Assignments. Claimant warrants and represents that it has not assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in any way to the Proofs of Claim or the Requests for Review, or the claims, losses and expenses released herein, to any person or entity. Claimant shall not assign or otherwise transfer this Settlement Agreement or any rights or obligations thereunder without the written consent of the Liquidator, which consent shall not be unreasonably withheld.

6. Further Assurances. The Parties shall take all further actions as may be necessary to carry out the intent and purpose of this Settlement Agreement and to consummate the transactions contemplated herein. Each of the Parties shall be responsible for their own attorneys' fees and costs.

7. Governing Law and Venue. This Settlement 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 exclusive venue for any dispute between the Parties arising out of the Proofs of Claim, the Requests for Review or this Settlement Agreement shall be the Liquidation Court.

8. Due Diligence. The Parties acknowledge and agree that, in negotiating and executing this Settlement Agreement, they have relied upon their own judgment and upon the recommendations of their own legal counsel, that they have read this Settlement Agreement and have had the opportunity to consider its terms and effects, and that they have executed this Settlement Agreement voluntarily and with full understanding of its terms and effects. This Settlement Agreement is the product of negotiations between the Parties. No Party shall be

charged with having promulgated this Settlement Agreement, and the general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement.

9. No Third Party Rights. This Settlement Agreement is entered into solely for the benefit of the Liquidator, Home, and Claimant and is not intended to, and does not give or create any rights to or in any person or entity other than the Parties.

10. Counterparts. This Settlement 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.

11. Power and Authority to Execute. Subject to the approval of the Liquidation Court required by paragraph 1, each Party hereto represents and warrants that it has the full power and authority to execute, deliver, and perform this Settlement Agreement; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Settlement Agreement; that there are no other agreements or transactions to which it is a party that would render this Settlement Agreement or any part thereof, void, voidable or unenforceable; that each individual signing on behalf of a Party has been duly authorized by that Party to execute this Settlement Agreement on its behalf; and that no claims being released under the terms of this Settlement Agreement have been assigned, sold, or otherwise transferred to any other entity.

12. Successor-in-Interest Bound. This Settlement Agreement shall be binding upon, and shall inure to the benefit of the Parties and their respective officers, directors, employees, agents, attorneys, liquidators, receivers, administrators, representatives, successors, and assigns.

13. Entire Agreement. This Settlement Agreement constitutes the entire agreement

and understanding between the Parties with respect to the subject matter thereof. This Settlement Agreement supersedes all prior agreements and understandings, whether written or oral, concerning such matters.

14. Survival of Warranties and Representations. The warranties and representations made herein shall survive the execution of this Settlement Agreement.

15. Validity of Settlement Agreement. Subject to approval of this Settlement Agreement by the Liquidation Court as required by paragraph 1, each Party represents and warrants that this Settlement Agreement is a legal, valid, and binding obligation, enforceable in accordance with its terms.

16. No Waiver. No waiver of any right under this Settlement Agreement shall be deemed effective unless contained in a writing signed by the Party or an authorized representative of the Party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other provision of this Settlement Agreement. This Settlement Agreement may not be amended except in a document signed by the Party or an officer or other authorized official of the Party to be charged.

17. Notice. All notices to be given under this Settlement Agreement shall be given by facsimile and first class U.S. mail directed to:

If to Claimant, to:

Steve Durish, President
West Virginia Insurance Guaranty Association
1840 Mackenzie Drive, Suite 100
Columbus, OH 43220
Fax: _____
and

If to the Liquidator, to:

Thomas W. Kober, Chief Claims Officer
The Home Insurance Company in Liquidation
61 Broadway 6th Floor
New York, New York 10006
Fax: 212-299-3824

and

J. Christopher Marshall
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, New Hampshire 03301-6397
Fax: 603-271-2110


and

J. David Leslie, Esq.
Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, MA 02110-1700
Fax: 617-542-7437

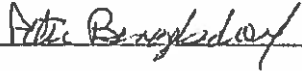
18. Severability. If any provision of this Settlement Agreement is invalid, unenforceable, or illegal under the law of any applicable jurisdiction, the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby and the remaining provisions of this Settlement Agreement shall remain valid and enforceable. However, in the event of such invalidity, unenforceability, or illegality, the Parties shall negotiate in good faith to amend this Settlement Agreement through the insertion of additional provisions which are valid, enforceable, and legal and which reflect, to the extent possible, the purposes contained in the invalid, unenforceable, or illegal provision.

WHEREFORE, the Parties have caused this Settlement Agreement to be executed on their respective behalves by their duly authorized representatives.

**WEST VIRGINIA INSURANCE
GUARANTY ASSOCIATION**

By: 
Name: STEVE DURIST
Title: PRESIDENT
Date: 03/23/2015

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

By: 
Name: Peter Benzelsdorf
Title: Special Deputy Liquidator
Date: 3-24-15