

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

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

**LIQUIDATOR'S MOTION FOR APPROVAL OF
SETTLEMENT AGREEMENT WITH ASBESTOS CORPORATION LIMITED AND
SAL/DUFOUR MOTTET IN TRUST AS ASSIGNEE**

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 a Settlement Agreement and Mutual Release ("Settlement Agreement") between Asbestos Corporation Limited and SAL/Dufour Mottet In Trust as Assignee ("Claimants") and the Liquidator. As reasons therefor, the Liquidator states as follows:

1. The Settlement Agreement was negotiated under the supervision of the Special Deputy Liquidator. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Settlement Agreement with Asbestos Corporation Limited and SAL/Dufour Mottet In Trust as Assignee ("Bengelsdorf Aff.") ¶ 2. A copy of the Settlement Agreement is attached hereto as Exhibit A. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 1. Bengelsdorf Aff. ¶ 6.

2. Home issued eleven excess liability insurance policies to General Dynamics under which Asbestos Corporation Limited ("ACL") was an insured for various periods between July 1, 1970 and July 1, 1979, which, together with all other insurance policies Home may have issued to the Claimants, are referred to collectively as the "Policies". Settlement Agreement,

first Whereas clause. Upon Home's placement in liquidation, ACL filed eight proofs of claim for asbestos bodily injury claims in the Home liquidation which, together with any other proofs of claim hereinbefore or hereinafter filed by ACL in the Home liquidation with respect to the Policies are referred to collectively as the "Proofs of Claim". Id., third Whereas clause.

Bengelsdorf Aff. ¶ 3.

3. Determinations for eight partial allowances have also been approved by the Court for amounts totaling \$8,208,663.45 which represent ACL's billings for the period January 1, 2003 through March 31, 2012 (the "Partial Allowances"). Settlement Agreement, fourth Whereas clause. Bengelsdorf Aff. ¶ 4.

4. On November 18, 2009, ACL, as Assignor, and SAL/Dufour Mottet In Trust, as Assignee, executed the Home Assignment Agreement ("Assignment") which provided for the assignment of all rights concerning its claims and associated Proofs of Claim in the Home Liquidation ("Assigned Claims"), including any payments issued with regard to any past, present, and future notices of determination, from Assignor to Assignee. Settlement Agreement, fifth Whereas clause. Bengelsdorf Aff. ¶ 5.

5. The Liquidator and Claimants have negotiated the Settlement Agreement reflecting a resolution of the Proofs of Claim and all matters between them under the Policies. The Settlement Agreement is subject to approval by the Court. Settlement Agreement, sixth & seventh Whereas clauses, ¶ 1. Bengelsdorf Aff. ¶ 6.

6. The Settlement Agreement provides that the Liquidator will recommend allowance of the Proofs of Claim in the amount of \$6,500,000 ("Recommended Amount") as a Class II priority claim under RSA 402-C:44. Settlement Agreement ¶ 2(A). The Recommended Amount is in addition to the Partial Allowances. Id. ¶ 2(A). Allowance of the Recommended Amount as a Class II claim will fully and finally resolve the Proofs of Claim and all claims

Claimants have under the Policies. Id. ¶ 2(B). Distributions based on that allowance will be made at the same intervals and at the same percentages as distributions to other Class II creditors of Home. Id. ¶ 2(C). All distributions on the Partial Allowances and the Recommended Amount will be made to the Assignee or as otherwise assigned pursuant to the terms of paragraph 7 of the Settlement Agreement. Id. ¶¶ 2(C), 7. Bengelsdorf Aff. ¶ 7.

7. The Settlement Agreement is intended to resolve the Proofs of Claim, which includes the Assigned Claims, and all claims that Claimants have under the Policies, with the exception of the distribution of the Partial Allowances. See Settlement Agreement ¶ 2(B). Bengelsdorf Aff. ¶ 8. To that end, the Settlement Agreement provides for mutual releases of all claims among the Liquidator, Home, and the Claimants arising from or related to the Proofs of Claim or the Policies, with the exception of the distributions on the Partial Allowances. Settlement Agreement ¶¶ 3, 4.

8. In resolving all of the Claimants' claims relating to the Proofs of Claim and the Policies, the Settlement Agreement is intended to resolve all matters arising out of or relating to any rights Claimants ever had, now have, or hereafter may have in the Policies and the Proofs of Claim, including any asserted rights of third-party claimants against Claimants under the Policies. See Settlement Agreement ¶ 5. Claimants agree to address, at their sole cost, any such claims of third-party claimants against the Claimants as if there had been no liquidation proceeding for Home and as if Claimants had no insurance coverage from Home by virtue of the Policies. Id. Claimants also agree to indemnify and hold the Liquidator and Home harmless from all claims arising from or relating to the Proofs of Claim or the Policies, including asserted rights of third-party claimants, up to the amount ultimately distributable to the Claimants and enforceable by setoff. Id. (The limitation concerning setoff is intended to preserve certain protections for ACL under Quebec law.) Bengelsdorf Aff. ¶ 9.

9. The Liquidator is not aware of any third party claimants asserting claims under the Policies. Bengelsdorf Aff. ¶ 10. However, the denial of any third party claimants' claims without prejudice to their claims against the Claimants will not harm the third party claimants, who will continue to have their claims against the Claimants. As noted above, the Claimants have agreed to address these claims as if they had no insurance coverage from Home under the policies, Settlement Agreement ¶ 5. Third party claimants' proofs of claim against the insolvent Home, if not denied with the agreement, would release the Claimants from those claims up to the limits of the policies but only entitle the third party claimants (assuming their claims were allowed) to the initial interim distributions and any later distribution at a presently undetermined distribution percentage from Home at the future date when distribution is made. See RSA 402-C:40, I; Gonya v. Commissioner, New Hampshire Insurance Dept., 153 N.H. 521, 535 (2006) (noting the "inherent uncertainty of any creditor's recovery in a liquidation"). It is not expected that the allowed claims of any third party claimants (or other Class II creditors) of Home will be paid in full. Under the Settlement Agreement, the Claimants will continue to be responsible for any third party claimants' claims against them. See Settlement Agreement ¶ 5. Bengelsdorf Aff. ¶ 10.

10. The Liquidator is not aware of any proofs of claim asserting a claim to the same policy limits as the Proofs of Claim which are resolved by the Settlement Agreement. Bengelsdorf Aff. ¶ 11. However, if a claim of another claimant is subject to the same limit of liability as the claims resolved by the Settlement Agreement, and if the total allowed amounts for all claimants exceed the limit, then the allowed amounts for all claimants will be subject to adjustment under RSA 402-C:40, IV, so that the policy limit will not be exceeded. See Settlement Agreement ¶ 6. Bengelsdorf Aff. ¶ 11.

11. The Settlement Agreement reflects a compromise of the claims asserted in the Proofs of Claim. It is the result of negotiations involving the Claims Department, under the supervision of the Special Deputy Liquidator, which has extensive experience in assessing the exposure presented by claims under Home's insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under the Policies respecting the underlying liabilities of the Claimants. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$6,500,000 settlement amount as a Class II claim of the Claimants in accordance with RSA 402-C:45 and RSA 402-C:44. Bengelsdorf Aff. ¶ 12.

12. The Court has previously approved similar settlement agreements. See, e.g., Order Approving Settlement Agreement with Washington Gas (July 15, 2013); Order Approving Settlement Agreement with Wisconsin Energy (March 18, 2010); Order Approving Settlement Agreement with Straits Steel (May 3, 2009); Order Approving Commutation Agreement with Northwestern National Insurance Company and Settlement Agreement and Assignment of Distribution with AK Steel Corporation (March 10, 2006). The Liquidator's negotiation 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.

13. In his Motion for Approval of Commutation 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 this type of comprehensive policy coverage compromise and settlement in an insurer liquidation context. That analysis also applies to the proposed Settlement Agreement with the Claimants.

14. The Liquidator submits that the Settlement Agreement is fair and reasonable and in the best interests of the policyholders and creditors of Home. See 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 Settlement Agreement, approving the Liquidator's claim recommendation, and allowing the Claimants' claims as a Class II claim in accordance with RSA 402-C:45 and RSA 402-C:44 in the amount of \$6,500,000; 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

J. Christopher Marshall
NH Bar ID No. 1619
Civil Bureau
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33 Capitol Street
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J. David Leslie
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Rackemann, Sawyer & Brewster P.C.
160 Federal Street
Boston, MA 02110
(617) 542-2300

March 23, 2016

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with Asbestos Corporation Limited and SAL/Dufour Mottet In Trust as Assignee, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent this 23rd day of March, 2016, 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

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Docket No. 217-2003-EQ-00106

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SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Settlement Agreement") is made this ___ day of January 2016, by and between Asbestos Corporation Limited and SAL/Dufour Mottet In Trust as Assignee ("Claimants") on the one hand, and Roger A. Seigny, 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 Claimants and the Liquidator are hereinafter referred to collectively as the "Parties").

WHEREAS, Home issued the following excess liability insurance policies to General Dynamics under which Asbestos Corporation Limited ("ACL") was an insured beginning April 1, 1973:

<u>Policy Number</u>	<u>Policy Period</u>
HEC9792748	4/1/73-7/1/73
HEC4429913	7/1/73-7/1/76
HEC9346617	7/1/76-7/1/77
HEC9534662	7/1/77-7/1/78
HEC9797142	7/1/78-7/1/79
HEC9791966	7/1/70-7/1/73
HEC4356973	7/1/73-7/1/76
HEC4356974	7/1/73-7/1/76
HEC9531497	7/1/77-7/1/78
HEC9631844	7/1/78-7/1/79
HEC9631852	7/1/78-7/1/79

which together with all other insurance policies that Home may have issued to Claimants are defined collectively as the "Policies";

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, ACL has submitted proofs of claim for asbestos bodily injury claims in the Home liquidation that have been assigned the following Proof of Claim numbers:

INSU700089
INSU700528
INSU700529
INSU700530

INSU700531
INSU700533
INSU700534
INSU700535

which together with any other proofs of claim, hereinbefore or hereinafter filed by ACL in the Home liquidation with respect to the Policies, are defined collectively as the "Proofs of Claim";

WHEREAS, determinations for eight partial allowances have been rendered and approved by the Liquidation Court for amounts totaling \$8,208,663.45, representing ACL's billings for the periods 1/1/03 through 3/31/12 (hereinafter the "Partial Allowances");

WHEREAS, on November 18, 2009 ACL as Assignor and SAL/Dufour Mottet In Trust ("Assignee"), executed the Home Assignment Agreement ("Assignment") which provided for the assignment of all rights concerning its claims and associated Proofs of Claim in the Home Liquidation ("Assigned Claims"), including any payments issued with regard to any past, present and future notices of determination from the Assignor to Assignee;

WHEREAS, the Parties are desirous of resolving all claims that were asserted, or could have been or could be asserted, between them and resolving all matters concerning the Proofs of Claim and all rights and obligations with respect to the Policies; and

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) into 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 and shall only become effective (the "Effective Date") upon approval by the Liquidation Court. The Liquidator shall move for approval of this Settlement Agreement promptly following execution by all Parties.

2. Recommendation, Allowance, and Classification of Claims

A. Subject to all the terms of this Settlement Agreement, and with the agreement of Claimants, which by Claimants' execution hereof is hereby granted, the Liquidator shall recommend pursuant to N.H. RSA 402-C:45 that the Proofs of Claim be allowed in the amount of \$6,500,000 (the "Recommended Amount") as a Class II priority claim under N.H. RSA 402-C:44. The Liquidator shall seek allowance of the Recommended Amount as a Class II priority claim by the Liquidation Court in the Liquidator's motion for approval of this Settlement Agreement. The Recommended Amount is in addition to the Partial Allowances.

B. Allowance of the Recommended Amount as a Class II claim by the Liquidation Court shall fully and finally resolve the Assigned Claims, the Proofs of Claim, and any and all claims of whatever nature that Claimants may have under the Policies, with the exception of the distribution of the Partial Allowances. In the event that the Liquidation Court does not allow the Recommended Amount as a Class II priority claim, 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.

C. If and when the Liquidation Court allows the Recommended Amount as a Class II

priority claim, Assignee will become a Class II priority creditor in the Home liquidation estate pursuant to N.H. RSA 402-C:44, and shall, subject to this Settlement Agreement, receive distributions on the allowed amount at the same intervals and at the same percentages as other Class II priority creditors of Home. All distributions on Partial Allowances and the Recommended Amount will be made to the Assignee or as otherwise assigned pursuant to the terms of paragraph 7.

3. Release by Claimants Subject to the terms of this Settlement Agreement and the Liquidation Court's approval of the Recommended Amount as a Class II claim and the Partial Allowances, Claimants for themselves and on behalf of each of their respective officers, directors, employees, agents, attorneys, current subsidiaries, current affiliates, predecessors, and their successors and assigns, irrevocably and unconditionally release and discharge 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 to the Policies, in law, admiralty, or equity, which Claimants, their current subsidiaries, current 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, arising from or related to the Proofs of Claim or the Policies, with the

exception of the distributions on the Partial Allowances.

4. Release by Liquidator Subject to the terms of this Settlement Agreement and the Liquidation Court's approval of the Recommended Amount as a Class II claim and the Partial Allowances, 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, and their successors and assigns, irrevocably and unconditionally releases and discharges Claimants and each of their respective officers, directors, employees, agents, attorneys, current subsidiaries, current affiliates, 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 Proofs of Claim or to the Policies, 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 Claimants or their respective officers, directors, employees, agents, attorneys, current subsidiaries, current affiliates, 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 Proofs of Claim or the Policies.

5. Resolution of Matters and Indemnification. Claimants acknowledge that this Settlement Agreement is intended to resolve all matters arising out of or relating to any rights Claimants ever had, now has, or hereafter may have under the Policies, including any asserted rights of third-party claimants against Claimants under the Policies, and Claimants agree to address, at their sole cost and expense, any such claims of third-party claimants against

Claimants as if there had been no liquidation proceeding for Home and as if there had been no insurance coverage from Home by virtue of the Policies. In consideration of the Recommended Amount being allowed by the Liquidation Court as a Class II claim, Claimants agree to indemnify and hold the Liquidator and Home harmless from and against any and all claims, losses, liabilities, debts, damages, costs or expenses arising from or relating to the Proofs of Claim or to the Policies and such indemnification shall be capped at the total amount ultimately distributable in relation to the Recommended Amount as allowed by the Liquidation Court, and shall be enforced only by setoff against future distributions to be made. The future obligations of Claimants under this paragraph shall extend to and include (by way of example and not limitation) any claims for defense or indemnity for claims made under the Policies against the Liquidator or Home by vendors, or by other insurers of Claimants, or by any individuals or entities asserting "direct action" claims arising out of or related to the Policies. The Liquidator shall promptly notify Claimants of any such claim, and shall afford Claimants the opportunity to reasonably participate in the defense of such claims. The Liquidator shall assert all defenses to such claims reasonably available to the Liquidator, including defenses under the Order of Liquidation or the New Hampshire Insurers Rehabilitation and Liquidation Act.

6. Multiple Claims. New Hampshire RSA 402-C:40 (IV) provides that in the event multiple claims against the same policy limits are filed, and the aggregate allowed amount of all claims to which the same limit of liability in the policy is applicable exceeds that limit, then each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. The Liquidator will be unable to determine whether, or the extent to which the Recommended Amount and Partial Allowances may be subject to proration until all claims against the policy are identified and evaluated. If the aggregate allowed amount of claims

exceeds the applicable limit such that Claimant's claim is subject to proration, the Liquidator will inform Claimant accordingly.

7. No Assignments. Claimants warrant and represent that, other than the Assignment, neither of them has assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in any way to the Policies, or any proceeds thereof, or the Proofs of Claim or to the claims, losses and expenses released herein, to any person or entity. Claimants shall not assign or otherwise transfer this Settlement Agreement or any rights or obligations there under without the written consent of the Liquidator, which consent shall not be unreasonably withheld.

8. Mutual Release of Settling Carriers. Claimants agree to use reasonable commercial efforts to cause any settlement agreement relating to the underlying matters covered by the Proofs of Claim with any other insurance company to include a waiver by that other insurance company of any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, against Home regarding the underlying matters covered by the Proofs of Claim. The Liquidator agrees to waive, relinquish and release any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, as to the underlying matters covered by the Proofs of Claim against any other insurance company which executes a settlement with Claimants that includes a provision that is materially the same as this paragraph.

9. 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. Claimants acknowledge they are aware of the requirements of the Medicare Secondary Payer Act and the Medicare, Medicaid and SCHIP

Extension Act of 2007, including provisions concerning Medicare set-asides and/or notification to the Centers for Medicare and Medicaid Services ("CMS") regarding certain Medicare-eligible, or potentially eligible, claimants who enter into settlement agreements that may justify recovery for Medicare covered case-related services. Claimants acknowledge that they may be obligated, and otherwise agree, to provide data, if and when required or requested, for CMS or the Liquidator regarding claimants who will share in distributions from Claimants' assets that include a portion of the Recommended Amount

10. 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 Policies or this Settlement Agreement shall be the Liquidation Court.

11. 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.

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

13. 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.

14. 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, other than the Assignment, no claims being released under the terms of this Settlement Agreement have been assigned, sold, or otherwise transferred to any other entity. Claimants represent and warrant that the Assignment is legal, valid, binding, and enforceable in accordance with its terms.

15. 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, successors, and assigns.

16. 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.

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

18. 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.

19. 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.

20. 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 Claimants, to:

Richard Dufour
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2550, boul. Daniel-Johnson, bureau 400
Laval (Québec) H7T 2L1
Fax: 450-686-6964

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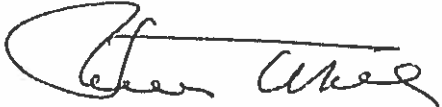
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21. **Severability.** If any provision of this Settlement Agreement is invalid, unenforceable, or illegal under the law of any applicable jurisdiction, the validity and enforceability of such provision in any other jurisdiction shall not be affected 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 as of the date below the signatures of their duly authorized


representatives.

ASBESTOS CORPORATION LIMITED

By: 
Name: JOHN LeBOUTILLIER
Title: PRESIDENT

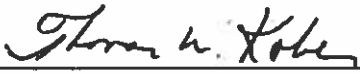
Date: January 14, 2016

SAL/DUFOUR MOTTET IN TRUST

By: 
Name: Richard Dufour
Title: partner / trustee

Date: January 16, 2016

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

By: 
Name: THOMAS W. KOBER
Title: EVP/Chief Claims Officer

Date: January 27, 2016