

**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 ARCHDIOCESE OF SAINT PAUL AND MINNEAPOLIS**

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 the Archdiocese of Saint Paul and Minneapolis, on its own behalf and as successor to the Diocese of Saint Paul (collectively, the "Archdiocese") 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 Archdiocese of Saint Paul and Minneapolis ("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 ¶ 2(A) Bengelsdorf Aff. ¶ 5.

2. Home issued two insurance policies to the Diocese of Saint Paul under which the Archdiocese is insured for various policy periods between August 1, 1961 and August 1, 1967, which, together with all other insurance policies Home may have issued to the Archdiocese are referred to collectively as the "Policies". Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, the Archdiocese filed a proof of claim with respect to

insurance coverage for alleged bodily injury liabilities in the Home liquidation, which, together with any other proofs of claim hereinbefore or hereinafter filed by the Archdiocese in the Home liquidation are referred to collectively as the “Proofs of Claim”. Id., third Whereas clause. Bengelsdorf Aff. ¶ 3.

3. The Archdiocese is the subject of a bankruptcy proceeding pending before the United States Bankruptcy Court for the District of Minnesota (“Bankruptcy Court”), In re Archdiocese of Saint Paul and Minneapolis, No. 15-bk-30125-RJK (Bankr. D. Minn.). Settlement Agreement, fourth Whereas clause. This Settlement Agreement is subject to approval by the Bankruptcy Court. Because of the pending bankruptcy proceeding for the Archdiocese and the anticipated plan of reorganization for the Archdiocese, the Settlement Agreement contains certain provisions that vary from other settlement agreements between the Liquidator and policyholder claimants. Bengelsdorf Aff. ¶ 4.

4. The Liquidator and the Archdiocese have negotiated the Settlement Agreement reflecting a resolution of the Proofs of Claim and all matters between them under the Policies. Settlement Agreement, fifth Whereas clause. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 2(A). It is also subject to approval by the Bankruptcy Court. Id. ¶ 2(B)(1). It is also conditioned upon entry by the Bankruptcy Court of an order approving a buyback of the Policies under the Bankruptcy Code, and the Bankruptcy Court’s approval of a plan of reorganization (“Plan”) for the Archdiocese that includes channeling injunctions to protect Home and the Liquidator by channeling all claims relating to the Policies to a trust to be established as part of the Plan. Id. ¶¶ 2(B)(2) and (3). The Archdiocese has recently filed such a Plan, including channeling injunctions and the creation of a trust, with the

Bankruptcy Court. (The Liquidator reviewed the Plan as provided for in paragraph 3 of the Settlement Agreement before it was filed.) Bengelsdorf Aff. ¶ 5.

5. The Settlement Agreement will become effective when all of the conditions noted in paragraph 4 above are satisfied. Settlement Agreement ¶ 2. Bengelsdorf Aff. ¶ 6.

6. The Settlement Agreement provides that the Liquidator will recommend allowance of the Proofs of Claim in the amount of \$14,200,000 (the “Recommended Amount”) as a Class II priority claim under RSA 402-C:44. Settlement Agreement ¶ 4(A). Bengelsdorf Aff. ¶ 7.

7. Allowance of the Recommended Amount as a Class II claim will fully and finally resolve the Proofs of Claim and all claims the Archdiocese has against Home under the Policies. Settlement Agreement ¶ 4(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. ¶ 4(C). Bengelsdorf Aff. ¶ 8.

8. The Settlement Agreement is intended to resolve the Proofs of Claim and all claims that the Archdiocese has under the Policies. See Settlement Agreement ¶ 4(B). To that end, the Settlement Agreement provides for mutual releases of claims arising from or related to the Proofs of Claim or the Policies between the Archdiocese and Home and the Liquidator. Id. ¶¶ 5, 6. Bengelsdorf Aff. ¶ 9.

9. In resolving all of the Archdiocese’s 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 the Archdiocese ever had, now has, or hereafter may have under the Policies or the Proofs of Claim, including any asserted rights of third-party claimants against the Archdiocese under the Policies. See Settlement Agreement ¶ 7. The Archdiocese agrees to address any such

claims of third-party claimants against the Archdiocese as if there had been no liquidation proceeding for Home and as if the Archdiocese had no insurance coverage from Home by virtue of the Policies. *Id.* Such claims by third parties against the Archdiocese will be determined in accordance with the Plan as ultimately approved by the Bankruptcy Court and the Bankruptcy Code. *Bengelsdorf Aff.* ¶ 10.

10. The Liquidator is not aware of any third party claimants against the Archdiocese asserting claims under the Policies. However, the denial of any third party claimants' claims without prejudice to their claims against the Archdiocese will not harm third party claimants, who will continue to have their claims against the Archdiocese subject to the provisions of the Plan as ultimately approved by the Bankruptcy Court (including channeling injunctions which will channel such third party claims to the trust) and the Bankruptcy Code. As noted above, the Archdiocese has agreed to address these claims as if it had no insurance coverage from Home under the Policies. Settlement Agreement ¶ 7. Third party claimants' proofs of claim against the insolvent Home, if not denied with the agreement, would release the Archdiocese 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 Archdiocese is responsible for any third party claimants' claims against it, and they will be resolved in accordance with the Plan

and applicable bankruptcy law and the procedures. See Settlement Agreement ¶ 7. Bengelsdorf Aff. ¶ 11.

11. The Liquidator is not aware of any other proof of claim asserting claims under the Policies. While the Church of the Nativity of Our Lord in St. Paul, Minnesota has asserted a right to coverage under the Policies in a settlement demand made to the Liquidator, it has not submitted a proof of claim. The Archdiocese represents that it has authority to release a claim by the Church of the Nativity of Our Lord as part of the Settlement Agreement. Settlement Agreement ¶ 7. A copy of this motion is being sent to counsel for the Church of the Nativity of Our Lord. Bengelsdorf Aff. ¶ 12.

12. In any event, if a claim of a 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 claimants will be subject to adjustment under RSA 402-C:40, IV, so that the policy limit will not be exceeded. See Settlement Agreement ¶ 9. Bengelsdorf Aff. ¶ 13.

13. The Settlement Agreement contains provisions to minimize or avoid contribution or related claims between insurers of the Archdiocese. See Settlement Agreement ¶¶ 2(B)(2) and (3), 4(D), and 8. Bengelsdorf Aff. ¶ 14.

14. 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 Archdiocese. The Liquidator accordingly recommends approval

of the Settlement Agreement and allowance of the \$14,200,000 settlement amount as a Class II claim of the Archdiocese in accordance with RSA 402-C:45 and RSA 402-C:44. Bengelsdorf Aff. ¶ 15.

15. 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.

16. 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 Archdiocese.

17. 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. ¶ 16.

WHEREFORE, the Liquidator respectfully requests that this Court:

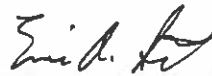
- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Settlement Agreement; approving the Liquidator's claim recommendation; and allowing the Archdiocese's claims as a Class II claim in accordance with RSA 402-C:45 and RSA 402-C:44 in the amount of \$14,200,000; and
- 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  
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June 6, 2016

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with Archdiocese of Saint Paul and Minneapolis, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent this 6<sup>th</sup> day of June, 2016, by first class mail, postage prepaid to all persons on the attached service list.



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Eric A. Smith  
NH Bar ID No. 16952



THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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The Home Insurance Company  
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 by and between the Archdiocese of Saint Paul and Minneapolis, on its own behalf and as successor to the Diocese of Saint Paul (collectively “Claimant” or “the Archdiocese”), 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 issued the following insurance policies to the Diocese of Saint Paul, under which Claimant is insured:

<u>Policy Number</u>	<u>Policy Period</u>
CGL 54010	8/1/61 to 8/1/64
CGL 63810	8/1/64 to 8/1/67

which together with all other insurance policies that Home may have issued to Claimant 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, Claimant submitted a claim in the Home liquidation estate with respect to insurance coverage for bodily injury liabilities that has been assigned the following proof of claim number:

INSU713669

which, together with any other proofs of claim hereinbefore or hereinafter filed by Claimant in the Home liquidation are defined collectively as the “Proofs of Claim”;

WHEREAS, Claimant has filed a petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota (“the

Bankruptcy Court”), and its petition remains pending under the caption *In re Archdiocese of Saint Paul and Minneapolis*, No. 15-bk-30125-RJK (Bankr. D. Minn.);

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

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. All definitions contained in the recitals above are incorporated in this Agreement as if fully set forth herein.

2. Effectiveness. This Settlement Agreement is conditioned and shall become effective only upon the occurrence of all of the following events

A. A final order (that is, an order from which no appeal lies, or which has been affirmed on all available appeals) (“Final Order”) from the Liquidation Court approving the Settlement Agreement and a Class II priority allowance in the full Recommended Amount (“Final Liquidation Court Approval Order”). The Liquidator shall move at his expense to obtain a Final Liquidation Court Approval Order.

B. Final Orders in the Archdiocese’s bankruptcy proceeding (collectively “Final Bankruptcy Court Orders”) approving each of:

(1) The Settlement Agreement. Claimant shall move at its expense for approval of this Settlement Agreement by the Bankruptcy Court.

- (2) A buyback of the Policies pursuant to Section 363 of the Bankruptcy Code in return for a Class II priority allowance in the amount of the Allowed Amount; and
- (3) A Plan of Reorganization ("Plan"), providing a channeling injunction, similar in substance to such provisions approved in other diocesan Plans, with such variations as may be required or appropriate in light of local rules or standards of practice, in favor of the Liquidator and Home, such that any and all claims relating to the Policies are channeled to a trust established pursuant to the Plan. The channeling injunctions shall channel claims by third-party claimants and by other insurers alleging they are entitled to contribution, indemnification, or subrogation with respect to the Policies, as well as claims by persons or entities alleging that they are insured under the Policies.

The "Effective Date" of this Settlement Agreement is the date upon which both a Final Liquidation Court Approval Order and all Final Bankruptcy Court Orders are entered. In the event that a Final Liquidation Court Approval Order or any Final Bankruptcy Court Orders are not entered, this Settlement Agreement shall be null and void and without any force or effect, and the Parties shall return to their positions status quo ante this Settlement Agreement as if no such agreement ever was reached, with this Settlement Agreement thereafter being inadmissible for any purpose in any dispute between the Parties.

3. Review of Plan by Liquidator. The Archdiocese will provide the Liquidator with the draft of the initial Plan in the form it exists as of that point in time no later than ten days prior to filing. Liquidator shall review those portions of the Plan which he deems pertinent to this Settlement Agreement prior to the date on which Claimant intends to file the Plan. The Liquidator may withdraw from this Agreement within five days of receipt of the initial Plan by the Liquidator if the Liquidator determines that the Plan does not adequately protect the interests of the Liquidator and Home.

4. 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 pursuant to N.H. RSA 402-C:45 that the Proofs of Claim be allowed in the amount of \$14,200,000 (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.

B. Upon the Effective Date, allowance of the Recommended Amount as a Class II claim by the Liquidation Court ("Allowed Amount") shall fully and finally resolve the Proofs of Claim and any and all other claims of whatever nature that Claimant has against Home under the Policies.

C. Upon the Effective Date, Claimant will become a Class II creditor in the Home liquidation estate pursuant to N.H. RSA 402-C:44, and Claimant 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 creditors of Home.

D. Neither the Liquidator nor Home shall seek reimbursement of the Allowed Amount or any part thereof, directly or indirectly, from any person or entity, whether by way of a claim for contribution, indemnification, subrogation, retrospective premium, deductible, or otherwise; provided that nothing in this Paragraph 4D shall preclude the Liquidator from seeking reimbursement of such amounts from Home's reinsurers, solely in their capacities as such, nor shall anything in this Paragraph 4D preclude the Liquidator from raising the Settlement Agreement and the Allowed Amount as a defense

to any claim for contribution, indemnification, subrogation, retrospective premium, deductible, or otherwise made by another insured under the Policies. Further, in the event any insurer (a "Plaintiff Insurer") first asserts against the Liquidator or Home a claim for contribution, indemnification, or subrogation in connection with the Policies, the Liquidator may assert such claim against that Plaintiff Insurer. In the event that the Claimant reduces the judgment against such Plaintiff Insurer in accordance with paragraph 9, or otherwise obtains waiver or a release from the Plaintiff Insurer for its claim against Home or the Liquidator, the Liquidator and Home shall dismiss its claim against Plaintiff Insurer so long as Plaintiff Insurer also releases, dismisses or waives its claim against the Liquidator and Home. In the event that the Liquidator or Home successfully prosecutes a claim for contribution, indemnification, or subrogation against any Plaintiff Insurer, and the Liquidator or Home's recovery exceeds the recovery of the Plaintiff Insurer, the Liquidator shall transfer to Claimant the difference between the Liquidator or Home's recovery from the Plaintiff Insurer and the Plaintiff Insurer's recovery from the Liquidator or Home, less any litigation expenses incurred by the Liquidator or Home.

5. Release by Claimant. Subject to the terms of this Settlement Agreement, upon the Effective Date, Claimant for itself and on behalf of its Archbishop and auxiliary bishops, trustees, officers, directors, employees, personnel, agents, attorneys, subsidiaries, affiliates, predecessors, successors and assigns, and any other insureds under the Policies, solely in their capacities as such, 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), solely in their capacities as such (collectively, the "Liquidator Released Parties"), 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, 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 to the Policies, which the Claimant or its subsidiaries, affiliates, predecessors, successors, and assigns, solely in their capacities as such, ever had, now have, or hereafter may have against the Liquidator Released Parties, arising from or related to the Proofs of Claim or to the Policies. For the avoidance of doubt (and without admitting that parishes are subsidiaries, affiliates, predecessors or successors of the Archdiocese), this release does not apply to any parishes insured under insurance policies other than the Policies.

6. Release by Liquidator. Subject to the terms of this Settlement Agreement, upon the Effective Date, 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, solely in their capacities as such, irrevocably and unconditionally releases and discharges Claimant, its Archbishop and auxiliary bishops, and each of Claimant's trustees, officers, directors, employees, personnel, agents, attorneys, subsidiaries, affiliates, predecessors, successors, assigns and any other insureds under the Policies, solely in their capacities as such (collectively, the "Claimant Released Parties"), 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 demands, 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 to the Policies, which the Liquidator, Home, or their subsidiaries, affiliates, predecessors, successors, and assigns, solely in their capacities as such, ever had, now have, or hereafter may have against Claimant Released Parties arising from or related to the Proofs of Claim or to the Policies. (For the avoidance of doubt, the Claimant Released Parties includes parishes only to the extent they are insureds under the Policies.)

7. Resolution of Matters. The Parties acknowledge that this Settlement Agreement is intended to resolve all matters as between them arising out of or relating to any rights or obligations the Parties ever had, now have, or hereafter may have under the Policies or the Proofs of Claim. Claimant agrees that it will not look to Home for any further payment relating to any claims of third-party claimants against Claimant. Claims against Claimant will be addressed by Claimant or its assignee as if there had been no liquidation proceeding against Home and as if Claimant had no insurance coverage from Home by virtue of the Policies, except that Claimant can take into account the fact of this Settlement Agreement, the Allowed Amount, and the parties' evaluations of the third party claims encompassed by the Proofs of Claim in establishing exhaustion of all of Claimant's applicable primary layers of insurance and analyzing the assets available to Claimant for payment of third-party claims. The Liquidator is aware of a proof of claim submitted by the Church of the Nativity of Our Lord in St. Paul, Minnesota, in which the claimant asserts an entitlement to coverage under the Policies. The Archdiocese represents that it has the authority to release the claim of this claimant as set forth in Paragraph 5 of this Agreement.

8. Mutual Release of Settling Carriers. Claimant agrees to use reasonable commercial efforts to cause any settlement agreement it enters into after the effective date of this Settlement Agreement with any other insurance company (or liquidator thereof) regarding insurance coverage for bodily injury claims to include a waiver by that other insurance company (or liquidator) of any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, against Home regarding insurance coverage for bodily injury claims. Without need for further action, the Liquidator agrees to waive, relinquish, and release any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, regarding insurance coverage for bodily injury claims or sexual misconduct against any other insurance company which executes a settlement with Claimant that includes a provision that is materially the same as this Paragraph 8.

9. Multiple Claims. New Hampshire RSA 402 C:40 (IV) provides that in the event multiple claims against the same policy limit 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 may be subject to proration until all claims against the Policies 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.

10. Judgment Reduction. In the event that Claimant obtains a judgment against any insurer, Claimant shall reduce or return the amount of any judgment, including any associated interest or costs, to which Claimant would be entitled in connection with any cause of action against any such insurer to the extent necessary to extinguish any liability of the Liquidator and

Home for any claim by such insurer against the Liquidator or Home with respect to such judgment.

11. No Assignments. Solely to the extent of matters released under this Settlement Agreement: (a) Claimant warrants and represents that, as of the date on which it executed this Agreement, Claimant has not 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 the claims, losses, and expenses released herein, to any person or entity; and (b) 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, except that Claimant's rights and obligations under this Settlement Agreement may without further consent of the Liquidator be assigned to a trust created pursuant to a Plan for the benefit of Tort Abuse Claimants within the meaning of the Plan upon the fulfillment of all conditions set forth in paragraph 2, provided that, as a condition of the assignment, the trustee accepts the obligations of Claimant under Paragraph 12 of this Agreement.

12. 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. If Claimant becomes obligated under the Medicare Secondary Payer Act and the Medicare, Medicaid and SCHIP Extension Act of 2007 (the "Acts"), Claimant agrees to provide claims data to the Centers for Medicare and Medicaid Services. Claimant also agrees to provide claims data to the Liquidator, if and when requested, in the event that the Liquidator becomes obligated under the Acts in connection with any funds distributed pursuant to this Agreement. The Liquidator shall keep any information and

documents received from the Claimant pursuant to this Section 7 confidential and shall not use such information for any purpose other than meeting obligations under the Acts.

13. 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. However, any interpretation of the Policies shall be governed by the laws of Minnesota 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, except for matters over which the Bankruptcy Court has exclusive jurisdiction.

14. 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.

15. 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 right to or in any person or entity other than the Parties.

16. 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.

17. Power and Authority to Execute. Subject to the approvals of the Liquidation Court and the Bankruptcy Court as set forth in Paragraph 2, 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.

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

19. 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.

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

21. Validity of Settlement Agreement. Subject to approval of this Settlement Agreement by the Liquidation Court and Bankruptcy Court as required by Paragraph 2, each

Party represents and warrants that this Settlement Agreement is a legal, valid, and binding obligation, enforceable in accordance with its terms.

22. 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 authorized officials of both Parties.

23. 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:

Joseph F. Kueppers  
Chancellor for Civil Affairs  
Office of the Chancellor for Civil Affairs  
Archdiocese of Saint Paul and Minneapolis  
222 Summit Avenue  
Saint Paul, MN 55102  
Telephone No.: (651) 291-4400  
Facsimile No.: (651) 290-1629

and

Lauren E. Lonergan  
Charles B. Rogers  
Briggs and Morgan  
2200 IDS Center  
80 South Eighth Street  
Minneapolis, Minnesota 55402-2157  
Telephone No.: 612-977-8400  
Facsimile No.: 612-977-8650

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

24. 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.

**ARCHDIOCESE OF SAINT PAUL AND  
MINNEAPOLIS**

By: + Bernard A. Hebl  
Name: Archbishop Bernard A. Hebl  
Title: President  
Date: 5/24/16

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



ARCHDIOCESE OF SAINT PAUL AND  
MINNEAPOLIS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

By: Thomas W. Koen

Name: Thomas W. Koen

Title: Chief Claims Officer

Date: May 20, 2016