

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

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

**AFFIDAVIT OF PETER A. BENGELSDORF, SPECIAL DEPUTY  
LIQUIDATOR, IN SUPPORT OF MOTION FOR APPROVAL OF  
SETTLEMENT AGREEMENT WITH SAFETY-KLEEN SYSTEMS, INC.**

I, Peter A. Bengelsdorf, hereby depose and say:

1. I was appointed Special Deputy Liquidator of the Home Insurance Company (“Home”) by the Insurance Commissioner for the State of New Hampshire, as Liquidator (“Liquidator”) of Home. I submit this affidavit in support of the Liquidator’s Motion for Approval of Settlement Agreement with Safety-Kleen Systems, Inc. The facts and information set forth are either within my own knowledge gained through my involvement with this matter, in which case I confirm that they are true, or are based on information provided to me by others, in which case they are true to the best of my knowledge, information, and belief.
2. The motion seeks approval for the Settlement Agreement and Mutual Release (“Settlement Agreement”) between Safety-Kleen Systems, Inc. as successor in interest to insurance policies issued by Home to SCA Services, Inc., RLC Corp., and Rollins Environmental Services, Inc. (together, “Claimants”) and the Liquidator. The Settlement Agreement was negotiated under my supervision. A copy of the Settlement Agreement is attached as Exhibit A to the Liquidator’s motion.
3. Home issued ten insurance policies to The Solvents Recovery Services of New Jersey, Inc., SCA Services, Inc., RLC Corp., and Rollins Environmental Services, Inc. under

which Claimants are insureds for various periods between November 14, 1974 and August 30, 1985, which, together with all other insurance policies Home may have issued to Claimants or The Solvents Recovery Services of New Jersey, Inc., SCA Services, Inc., RLC Corp., and Rollins Environmental Services, Inc. are referred to collectively as the “Policies”. Settlement Agreement, first Whereas clause. Upon Home’s placement in liquidation, the Claimants filed nine proofs of claim in the Home liquidation regarding various claims which, together with any other proofs of claim hereinbefore or hereinafter filed by the Claimants in the Home liquidation, are referred to collectively as the “Proofs of Claim”. Id., third Whereas clause.

4. The Liquidator and the 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 ¶ 1.

5. The Settlement Agreement provides that the Liquidator will recommend allowance of the Proofs of Claim in the aggregate amount of \$350,000 (“Recommended Amount”) as a Class II priority claim under RSA 402-C:44. Settlement Agreement ¶ 2(A). Allowance of the Recommended Amount as a Class II claim will fully and finally resolve the Proofs of Claim and all claims the 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).

6. The Settlement Agreement is intended to resolve the Proofs of Claim and all claims that the Claimants have under the Policies. See Settlement Agreement ¶ 2(B). To that end, the Settlement Agreement provides for mutual releases of all claims among the Liquidator, Home, and the Claimants arising from or related to the Proofs of Claim or the Policies. Id. ¶¶ 3, 4. The Liquidator also agrees not to pursue claims for contribution or other reimbursement against Claimants’ other insurers, both those who have already reached

settlements with Claimants and those who reach settlements in the future, provided such insurers similarly release their claims against Home and the Liquidator. Id. ¶ 5.

7. 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 the Claimants ever had, now has, or hereafter may have in the Policies and the Proofs of Claim, including any asserted rights of third-party claimants against the Claimants under the Policies. See Settlement Agreement ¶ 6. The 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 the Claimants had no insurance coverage from Home by virtue of the Policies. Settlement Agreement ¶ 6(A). The 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 and claims against Home or the Liquidator by insurers of Claimants, by any individuals or entities asserting "direct action" claims, or by any Insurance Guaranty Association (except for any presently incurred amounts), up to the amount ultimately distributed or distributable to the Claimants. Settlement Agreement ¶ 6(A-B).

8. The Liquidator is not aware of any third party claimants asserting claims under the Policies. However, the denial of any third party claimants' claims without prejudice to their claims against the Claimants would not harm the third party claimants, who would 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 ¶ 6(A). 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

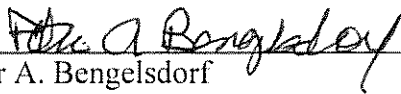
initial interim distributions and any later distribution at a presently undetermined distribution percentage from Home at the future date when distribution is made. It is not expected that the allowed claims of any third party claimants (or other Class II creditors) of Home will be paid in full. Under the Settlement Agreement, the Claimants are responsible for any third party claimants' claims against them. Id. ¶ 6(A).

9. The Liquidator is not aware of any proofs of claim asserting a claim to the same policy limits as the Proofs of Claim resolved by the Settlement Agreement. 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. Settlement Agreement ¶ 6(C).

10. 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 my supervision, which has extensive experience in assessing the exposure presented by claims under Home's insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under the Policies respecting the underlying liabilities of the Claimants. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$350,000 settlement amount as a Class II claim of the Claimants in accordance with RSA 402-C:45 and RSA 402-C:44.

11. I believe that the Settlement Agreement is fair and reasonable and in the best interests of the policyholders and creditors of Home.

Signed under the penalties of perjury this 14 day of June, 2017.

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

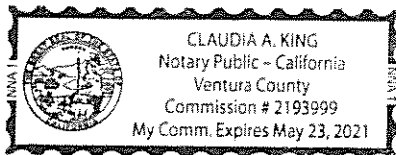
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF VENTURA

On June 14, 2017 before me, Claudia A. King - Notary Public, personally appeared Peter A. Bengelsdorf, Special Deputy Liquidator of The Home Insurance Company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Claudia A. King  
Signature of Notary Public