

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 THOMAS W. LADD IN SUPPORT OF JOHNSON & JOHNSON'S
MOTION TO HOLD IN ABEYANCE THE LIQUIDATOR'S MOTION FOR
APPROVAL OF SETTLEMENT AGREEMENT WITH JOHNSON & JOHNSON**

I, Thomas W. Ladd, hereby depose and say:

1. I am an attorney-at-law of the State of New Jersey, and am a partner with the firm of McCarter & English, LLP, attorneys for Johnson & Johnson ("J&J"). I have been admitted *pro hac vice* in this matter. I have represented J&J for approximately twenty years on various insurance coverage issues, including issues related to coverage for claims arising out of the use of J&J's talc products. I make this affidavit in support of J&J's Motion to Hold in Abeyance the Liquidator's Motion for Approval of Settlement Agreement with J&J (hereafter, "Liquidator's Motion"). I am fully familiar with the facts set forth herein.

2. The motion seeks the entry of an order holding in abeyance for sixty (60) days from the date of the order the Liquidator's Motion.

3. J&J recently entered into a settlement agreement with The Home Insurance Company in Liquidation ("Home") to resolve the proofs of claim submitted by J&J relating to J&J's talc liabilities. The settlement was executed on December 2, 2020. The Liquidator's Motion was filed on December 3, 2020.

4. J&J learned recently that Imerys Talc Vermont ("Imerys"), J&J's former talc

supplier that declared bankruptcy in early 2019, is asserting it has rights under certain policies issued to J&J, including, potentially, policies issued by The Home Insurance Company and City Insurance Company (the “Home policies”). The bankruptcy is pending in Delaware Bankruptcy Court.

5. Imerys made the assertion that it has rights under policies issued to J&J in a December 10, 2020 letter to plaintiff-insurers involved in an insurance coverage litigation pending in New Jersey (the “coverage litigation”). Attached hereto as Exhibit A is a true and correct copy of Imerys’ December 10, 2020 letter. That coverage action was brought against J&J by a number of J&J’s insurers, seeking a declaratory judgment that they do not owe coverage under their policies to J&J for its talc losses. Home is not a party to the case.

6. In its December 10th letter, Imerys demands that the plaintiff-insurers seek a stay of the coverage litigation. Imerys asserts that continuation of the coverage litigation may violate the automatic stay Order in place in the bankruptcy proceedings.

7. To J&J’s knowledge, Imerys has not filed a proof of claim in the instant liquidation proceedings. Additionally, the Home policies are not at issue in the coverage litigation. However, Imerys has identified the Home policies as assets of its bankruptcy estate. Attached hereto as Exhibit B is a true and correct copy of the schedule of insurance assets filed by Imerys in the bankruptcy court.¹

8. Accordingly, J&J believes it would be prudent to hold the Liquidator’s

¹ J&J does not concede that Imerys may impede J&J’s ability to secure coverage under policies issued to J&J, including the Home policies.

Motion in abeyance for sixty (60) days from the date of the order. J&J anticipates it will receive within that time further direction from the Court in New Jersey and/or the Bankruptcy Court in Delaware regarding a stay of the New Jersey coverage action or approval of the Home settlement pending before this Court.

9. I have conferred with the Liquidator regarding the motion and the Liquidator has no objection to the relief sought in the motion.

I DECLARE UNDER THE PAINS AND PENALTIES OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

EXECUTED ON DECEMBER 22, 2020

/s/ Thomas W. Ladd
Thomas W. Ladd