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THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

NH SUPERIOR COURT
SUPERIOR COURT COUNTY
CONCORD, NH

Docket No. 03-E-0106
In the Matter of the Liquidation of
The Home Insurance Company

ACE PROPERTY & CASUALTY INSURANCE COMPANY'S RESPONSE TO THE LIQUIDATOR'S MOTION FOR APPROVAL OF ITS SETTLEMENT WITH THE SAUGET ESTATE AND OTHERS

ACE Property & Casualty Insurance Company ("ACE P&C") (on its own behalf and on behalf of any subsidiary including ACE Insurance Company of Illinois), by its attorneys Orr & Reno, respectfully submits this Response to the Liquidator's Motion for Approval of its Settlement Agreement with the Sauget Estate and "Others" (namely, the United States of America on behalf of U.S. EPA, Sauget and Company, Solutia Inc., Pharmicia Corporation, Cerro Flow Products, Inc. and Union Electric Company) (the "Settlement").

Like the Home Insurance Company ("Home"), the INA Insurance Company of Illinois (now ACE Insurance Company of Illinois, a subsidiary of ACE P&C) and Aetna Insurance Company (succeeded to by ACE P&C) also issued policies to Sauget and Company. To the extent that ACE P&C has made and/or in the future will make payments to the Sauget Estate and/or to Others (including Sauget and Company, and in connection with claims against or policies issued to Sauget and Company), it is ACE P&C's position that nothing in the Liquidator's Settlement affects, alters or in any way negates any current and/or future contribution or subrogation claim against the Home estate in connection with those payments.

The Liquidator has recognized that such claims by similarly situated insurers are preserved. In its motion for approval of the Settlement, the Liquidator stated (with respect to another insurer, Century Indemnity Company):

Century Indemnity Company has submitted a contribution claim in respect of the policies. Unlike third party claimants' claims, a contribution claim is independent of the insured's claims (although derived from the same underlying circumstances), and it will remain to be determined on its own merits in the liquidation proceeding. See settlement Agreement ¶ 6.

Liquidator's Motion for Approval of Settlement Agreement with Sauget Estate and Others at ¶5 n.1. As a result, any ACE P&C claim for contribution or subrogation connection with payments made to the Sauget Estate and/or to Others (including Sauget and Company, and in connection with claims against or policies issued to Sauget and Company), will remain to be determined on its own merits in the Liquidation.

Further, to the extent that the Court approves the Settlement, we would not understand that approval to affect, alter or in any way negate any contribution or subrogation claim against the Home estate in connection with the Sauget Estate and Others (including Sauget and Company, and in connection with claims against or policies issued to Sauget and Company). Finally, ACE P&C reserves all of its rights including any rights against all parties; nothing in this statement shall be deemed an admission by ACE P&C or a waiver by ACE P&C of any rights or remedies including, without limitation, claims or defenses.


Respectfully submitted,

CENTURY INDEMNITY COMPANY,
ACE PROPERTY & CASUALTY INSURANCE
COMPANY, PACIFIC EMPLOYERS
INSURANCE COMPANY AND ACE
AMERICAN REINSURANCE COMPANY

By their attorneys,

ORR & RENO, P.A.
One Eagle Square
P.O. Box 3550
Concord, NH 03302-3550
Telephone (603) 224-2381
Facsimile (603) 224-2318

Date: May 19, 2010

By: 
Lisa Snow Wade (Bar #5595)

CERTIFICATE OF SERVICE

I, Lisa Snow Wade, Esq., hereby certify that on this 19^h day of May, 2010, I have caused a copy of the attached document to be forwarded by US Mail to the persons listed on the attached service list.


Lisa Snow Wade

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Docket No. 03-E-0106

SERVICE LIST

Roger A. Sevigny,
Commissioner of Insurance
New Hampshire Insurance Department
21 South Fruit Street
Concord, NH 03301

J. Christopher Marshall, Esq.
New Hampshire Department of Justice
Attorney General's Office
33 Capitol Street
Concord, NH 03301-6397

J. David Leslie, Esq.
Eric. A. Smith, Esq.
Rackemann, Sawyer & Brewster
One Financial Center
Boston, MA 02111

Gary S. Lee, Esq.
Kathleen E. Schaaf, Esq.
James J. DeChristofaro, Esq.
Morrison & Foerster
1290 Avenue of the Americas
New York, NY 10104-0050

Peter Van Tol, Esq.
Lovells
590 Madison Avenue
New York, NY 10022

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1 2010 MAY 19 1 A 10:55 1

Gail M. Goering, Esq.
Adam Goodman, Esq.
Eric Haab, Esq.
Lovells
One IBM Plaza
330 N. Wabash Avenue, Suite 1900
Chicago, Illinois 60611

Peter G. Callaghan, Esq.
Preti, Flaherty, Beliveau, Pachos
& Haley, PLLP
57 North Main Street
P.O. Box 1218
Concord, NH 03302-1318

George T. Campbell, III, Esq.
Robert A. Stein, Esq.
Robert A. Stein & Associates, PLLC
One Barberry Lane
P.O. Box 2159
Concord, NH 03302-2159

David M. Spector, Esq.
Dennis G. LaGory, Esq.
Schiff Hardin, LLP
6600 Sears Tower
Chicago, Illinois 60606

Michael Cohen, Esq.
Cohen & Buckley, LLP
1301 York Road
Baltimore, Maryland 21093

David H. Simmons, Esq.
Mary Ann Etzler, Esq.
De Beaubien, Knight, Simmons,
Mantzaris & Neal, LLP
332 North Magnolia Avenue
P.O. Box 87
Orlando, Florida 32801

Martin P. Honigberg, Esq.
Sulloway & Hollis, P.L.L.C.
9 Capitol Street
P.O. Box 1256
Concord, NH 03302-1256

Richard Mancino, Esq.
Willkie Farr & Gallagher, LLP
787 Seventh Avenue
New York, NY 10019

Joseph G. David, Esq.
Willkie Farr & Gallagher, LLP
1875 K Street, N.W.
Washington, DC 20006

Albert P. Bedecarre, Esq.
Quinn Emanuel Urquhart
Oliver & Hedges, LLP
50 California Street, 22nd Floor
San Francisco, California 94111

Jeffrey W. Moss, Esq.
Morgan Lewis & Bockius, LLP
115 Franklin Street
16th Floor
Boston, MA 02110

Gerald J. Petros, Esq.
Hinckley, Allen & Snyder, LLP
50 Kennedy Plaza, Suite 1500
Providence, RI 02903

Christopher H. M. Carter, Esq.
Hinckley, Allen & Snyder, LLP
50 Kennedy Plaza, Suite 1500
Providence, RI 02903

Robert M. Horkoviceh, Esq.
Robert Y Chung, Esq.
Anderson Kill & Olick, P.C.
1251 Avenue of the Americas
New York, NY 10020

Garry R. Lane, Esq.
Andrew B. Livernois, Esq.
Ransmeier & Spellman, P.C.
One Capitol Street
P.O. Box 600
Concord, NH 03302-0600

John A. Hubbard, Esq.
615 7th Avenue South
Great Falls, Montana 59404

Adebowale O. Osijo, Esq.
2015 East Pontiac Way, Suite 203
Fresno, California 93276-3978

Timothy E. Curley, Esq.
Crowell Moring
1001 Pennsylvania Avenue, NW
Washington, DC 20004-2500

Paul Kalish, Esq.
Crowell Moring
1001 Pennsylvania Avenue, NW
Washington, DC 20004-2500

Ellen Farrell, Esq.
Crowell Moring
1001 Pennsylvania Avenue, NW
Washington, DC 20004-2500