

**THE STATE OF NEW HAMPSHIRE**

**MERRIMACK, SS.**

**SUPERIOR COURT**

**Docket No. 03-E-0106**

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

**LIQUIDATOR'S MOTION FOR APPROVAL OF  
SETTLEMENT AGREEMENT WITH GRC GLOBAL**

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 GRC Global Fund LLC ("GRC Global") and the Liquidator. GRC Global is assignee of certain claims from General Cable Corporation ("General Cable"). As reasons therefor, the Liquidator states as follows:

1. Home issued eight insurance policies under which General Cable is the named insured for various policy periods between July 1, 1963 and December 31, 1978. Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, General Cable filed eight proofs of claim in the Home liquidation regarding the claims at issue. Settlement Agreement, fourth Whereas clause. General Cable assigned to GRC Global its rights concerning certain asbestos bodily injury or personal injury claims under the policies (the "Assigned Claims"). Settlement Agreement, third Whereas clause. The Settlement Agreement resolves the Assigned Claims and the related proofs of claim. Other claims, including environmental claims and other non-asbestos related claims, together with their related proofs of claim, and other amounts previously allowed under General Cable proofs of claim, are specifically excluded from the Settlement Agreement. Settlement Agreement, fourth Whereas clause and ¶ 2. Affidavit of

Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Settlement Agreement with GRC Global (“Bengelsdorf Aff.”) ¶ 3.

2. The Liquidator and GRC Global have negotiated a Settlement Agreement reflecting a resolution of the proofs of claim and all matters under the policies regarding the Assigned Claims. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 1. A copy of the Settlement Agreement is attached as Exhibit A hereto.

Bengelsdorf Aff. ¶ 4.

3. The Settlement Agreement provides that the Liquidator will recommend allowance of a further amount under the proofs of claim regarding the Assigned Claims in the aggregate amount of \$6,600,000 as a Class II priority claim of GRC Global under RSA 402-C:44. Allowance of the recommended amount as a Class II claim will fully and finally resolve all Assigned Claims (and the related proofs of claim) GRC Global has under the policies. 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. Settlement Agreement ¶ 3. Bengelsdorf Aff. ¶ 5.

4. The Settlement Agreement is intended to resolve the proofs of claim and all matters under the policies regarding the Assigned Claims. See Settlement Agreement ¶¶ 3(B), 6. To that end, the Settlement Agreement provides for mutual releases among the Liquidator, Home and GRC Global arising from or related to the proofs of claim or the policies as regards all Assigned Claims. Id. ¶¶ 4, 5. Bengelsdorf Aff. ¶ 6.

5. The Liquidator is not aware of any third party claimants asserting asbestos claims (“Claims”) under the policies.<sup>1</sup> However, in resolving the proofs of claim and all matters under the policies regarding the Assigned Claims, the Settlement Agreement contemplates denial of any third party claimants’ Claims under the policies in the Home liquidation without prejudice to their claims against General Cable. Accordingly, GRC Global acknowledges in the Settlement Agreement that it is intended to resolve all matters between GRC Global and the Liquidator/Home relating to the proofs of claim and all matters under the policies regarding the Claims, including asserted rights of third party claimants under the policies. Settlement Agreement ¶ 6. GRC Global agrees to address, at its sole cost, the claims of claimants asserting Claims against General Cable as if General Cable had no insurance coverage from Home under the policies. *Id.* GRC Global agrees to indemnify the Liquidator and Home against Claims arising from the policies up to the amounts ultimately distributed to GRC Global. *Id.* Bengelsdorf Aff. ¶ 7.

6. The denial of any third party claimants’ proofs of claim without prejudice to their claims against General Cable will not harm the third party claimants, who will continue to have their full claims against General Cable. As noted above, GRC Global has agreed to address these claims as if General Cable had no insurance coverage from Home under the policies. Settlement Agreement ¶ 6. Third party claimants’ proofs of claim against the insolvent Home, if not denied with this agreement, would release General Cable from those claims up to the limits of the policies but only entitle the third party claimants (assuming their claims were allowed) to a presently undetermined percentage distribution at the future date when a distribution is made.

See RSA 402-C:40, I; *Gonya v. Commissioner, New Hampshire Insurance Dept.*, 153 N.H. 521,

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<sup>1</sup> Four insurers have submitted contribution claims 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.

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) will be paid in full. Under the Settlement Agreement, GRC Global will be fully responsible for any third party claimants’ Assigned Claims against it. See Settlement Agreement ¶ 6. Bengelsdorf Aff. ¶ 8.

7. The Settlement Agreement reflects a compromise of the Assigned Claims. It is the result of negotiations involving the Claims Department, which has extensive experience in assessing the exposure presented by asbestos bodily injury and personal injury claims under Home’s insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under Home’s policies respecting the underlying liabilities of General Cable. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$6,600,000 settlement amount as a Class II claim of GRC Global in accordance with RSA 402-C:45 and RSA 402-C:44. Bengelsdorf Aff. ¶ 9.

8. The Court has previously approved similar settlement agreements. See, e.g., Order Approving Settlement Agreement with Wisconsin Energy (March 18, 2010); Order Approving Settlement Agreement with Straits Steel (May 3, 2009); Order Approving Settlement Agreement with Georgia-Pacific (April 3, 2008); 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.

9. 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 GRC Global.

10. 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. ¶ 10.

WHEREFORE, the Liquidator respectfully requests that this Court:

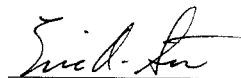
- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Settlement Agreement, approving the Liquidator's claim recommendation, and allowing GRC Global's claim as a Class II claim in the aggregate amount of \$6,600,000; and
- C. Grant such other and further relief as justice may require.

Respectfully submitted,

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

By his attorneys,  
MICHAEL A. DELANEY  
ATTORNEY GENERAL

J. Christopher Marshall  
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New Hampshire Department of Justice  
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December 20, 2011

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with GRC Global, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent this 20<sup>th</sup> day of December, 2011, by first class mail, postage prepaid to all persons on the attached service list.

A handwritten signature in cursive script, appearing to read "Eric A. Smith", is written over a horizontal line.

Eric A. Smith  
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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

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# **SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release ( "Settlement Agreement") is made this 29<sup>th</sup> day of November 2011, by and between GRC Global Fund LLC ("Claimant") 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 insurance policies to General Cable Corporation ("General Cable") under which General Cable is the named insured:

<u>Policy Number</u>	<u>Policy Period</u>
HEC9543377	7/1/63 - 7/1/66
HEC9555221	7/1/66 - 7/1/69
HEC9729613	7/1/69 - 7/1/72
HEC4345256	7/1/72 - 12/31/74
HEC4973402	12/31/74 -12/31/75
HEC9208664	12/31/75 - 12/31/76
HEC9345876	12/31/76 - 12/31/77
HEC9693743	12/31/77 – 12/31/78

which together with all other insurance policies that Home may have issued to General Cable are hereinafter 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**, On August 12, 2010, Claimant, as Assignee, and General Cable, as Assignor, executed the Home Assignment Agreement ("Assignment") which provided for the assignment of rights concerning asbestos bodily injury or personal injury claims ("Claims") under the Policies ("Assigned Claims") from General Cable to Claimant;

**WHEREAS**, General Cable has submitted claims in the Home liquidation estate that have been assigned the following proof of claim numbers:

INSU275417  
INSU275418  
INSU275419  
INSU275420  
INSU275487  
INSU391223  
INSU700777  
EMTL387666

which together with any other proof of claim hereinbefore or hereinafter filed by General Cable in the Home liquidation estate, except for proof of claim numbers EMTL713895; EMTL713896; EMTL713897; EMTL713898; EMTL713899; EMTL713900; EMTL713901; and EMTL713902, are hereinafter defined collectively as the "Proofs of Claim";

**WHEREAS**, the Parties are desirous of resolving all Assigned Claims;

**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 estate 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 at his expense for approval of this Settlement Agreement promptly following execution by

both Parties.

2. Environmental Claims and Other Non-Asbestos related claims Expressly Excluded from this Settlement Agreement

For the sake of clarity, nothing in this Settlement Agreement is intended to address or impact (i) environmental and other non-asbestos related claims (referred to herein as “Environmental Claims”) or to extinguish or alter in any way General Cable’s pending claims with respect to Environmental Claims under the Policies as submitted in the Home liquidation estate under proof of claim numbers EMTL713895; EMTL713896; EMTL713897; EMTL713898; EMTL713899; EMTL713900; EMTL713901; and EMTL713902; or (ii) amounts allowed as Class II priority claims in the sum of \$5,049,342.79 in respect of the Proofs of Claim prior to the Effective Date..

3. 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 further amount of \$6,600,000 (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. 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 under the Policies that Claimant has. In the event that the Liquidation Court does not allow the Recommended Amount as a Class II 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 claim, 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.

4. Release by Claimant Subject to the terms of this Settlement Agreement and the Liquidation Court's approval of the Recommended Amount as a Class II claim, Claimant for itself and on behalf of its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, predecessors, and their successors and assigns, 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), 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 Assigned Claims or to the Proofs of Claim or to the Policies, in law, admiralty, or equity, which Claimant, its subsidiaries, 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 Assigned Claims or to the Proofs of Claim or to the Policies.

5. 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, 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 Claimant and its officers, directors, employees, agents, attorneys, subsidiaries, 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 Assigned Claims or 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 Claimant or its 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 Assigned Claims or to the Proofs of Claim or to the Policies.

6. Resolution of Matters and Indemnification. Claimant acknowledges that this Settlement Agreement is intended to resolve all matters arising out of or relating to any rights General Cable ever had under the Policies with respect to the Claims, including any asserted rights of third-party claimants against General Cable under the Policies relating to Claims, and Claimant agrees to address, at its sole cost and expense, any such claims of third-party claimants against General Cable as if there had been no liquidation proceeding for Home and as if there

had been no insurance coverage for Claims available from Home by virtue of the Policies. In consideration of the Recommended Amount being allowed by the Liquidation Court as a Class II claim, Claimant agrees 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 Claims relating to the Proofs of Claim or to the Policies and such indemnification shall be capped at the total amount ultimately distributed or distributable in relation to the Recommended Amount as allowed by the Liquidation Court. The future obligations of Claimant under this paragraph shall extend to and include (by way of example and not limitation) claims for defense or indemnity for Claims, made under the Policies against the Liquidator or Home by vendors, or by other insurers of General Cable, or by any individuals or entities asserting "direct action" claims involving Claims arising out of or related to the Policies (hereinafter "Indemnified Claims"). The Liquidator shall promptly notify Claimant of any such claim, and shall afford Claimant 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. Claimant shall cooperate with the Liquidator (including but not limited to the provision of affidavits or testimony) to defend against and resolve such claims.

7. No Assignments. Claimant warrants and represents that (1) it has not assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in any way to the Policies, the Assigned Claims or any proceeds thereof, or to the claims, losses and expenses released herein, to any person or entity, and (2) other than the Assignment, General Cable has not assigned, conveyed or otherwise transferred the Assigned Claims or the proceeds thereof to any person or entity. 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.

8. 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.

9. 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 Assigned Claims, the Proofs of Claim, the Policies or this Settlement Agreement shall be the Liquidation Court.

10. 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.

11. 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 rights to or in any person or entity other than the Parties.

12. 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.

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

14. 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, affiliates, attorneys, liquidators, receivers, administrators, agents, representatives, successors, and assigns.

15. 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.

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

17. 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.

18. 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.

19. 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:

Mr. John Osborne  
GRC Global Fund LLC  
1300 Connecticut Ave.  
Washington, DC 20036

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

20. 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.

**GRC GLOBAL FUND LLC**

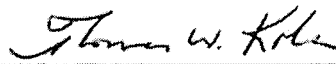
By: 

Name: John Osborne

Title: Managing Member

Date: November 28, 2011

**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. Korben

Title: Chief Claims Officer

Date: November 29, 2011