

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 FULLER-AUSTIN**

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 Fuller-Austin Insulation Company ("Company") and the Fuller-Austin Settlement Trust ("Trust") (the Company and Trust collectively, "Fuller-Austin") 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 in Support of Motion for Approval of Settlement Agreement with Fuller-Austin ("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 ¶ 1. Bengelsdorf Aff. ¶ 4.

2. Home issued one insurance policy to Dynalectron Corporation, the parent company of the Company, under which the Company is an insured, for the policy period between February 1, 1977 and March 2, 1978. Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, Fuller-Austin filed a proof of claim in the Home liquidation regarding claims under the policy, including but not limited to claims for coverage for asbestos-related bodily injury. Settlement Agreement, fourth Whereas clause. Bengelsdorf Aff. ¶ 3.

3. The Settlement Agreement provides that the Liquidator will recommend allowance of the proof of claim in the aggregate amount of \$2,166,000 as a Class II priority claim of Fuller-Austin 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 proof of claim. 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. All distributions to Fuller-Austin will be made to the Trust. Id. ¶ 2(C). Bengelsdorf Aff. ¶ 5.

4. The Settlement Agreement is intended to resolve the proof of claim. See Settlement Agreement ¶¶ 2(B). To that end, the Settlement Agreement provides for mutual releases of all claims among the Liquidator, Home and Fuller-Austin arising from or related to the proof of claim. Id. ¶¶ 4, 5. The Liquidator also agrees not to pursue claims against Fuller-Austin's other insurers, all of whom have reached settlements with Fuller-Austin. Id. ¶ 7; Settlement Agreement, fifth Whereas clause. Bengelsdorf Aff. ¶ 6.

5. The Liquidator is not aware of any third party claimants who have asserted claims under the policy. However, in resolving all matters relating to the proof of claim, the Settlement Agreement contemplates denial of any third party claimants' claims in the Home liquidation without prejudice to their claims against Fuller-Austin. Accordingly, Fuller-Austin agrees to address, at its sole cost, the claims of claimants asserting claims against Fuller-Austin as if Fuller-Austin had no insurance coverage from Home under the policy. Fuller-Austin also agrees to indemnify and hold the Liquidator and Home harmless from all claims arising from or relating to the policy, including asserted rights of third party claimants, up to the amounts ultimately distributed or distributable to Fuller-Austin. Settlement Agreement ¶ 6. Bengelsdorf Aff. ¶ 7.

6. The denial of any third party claimants' proofs of claim without prejudice to their claims against Fuller-Austin will not harm the third party claimants, who will continue to have

their full claims against Fuller-Austin, although those claims can only be paid in accordance with the provisions of the Trust and the Company's bankruptcy plan.¹ As noted above, Fuller-Austin has agreed to address these claims as if it 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 Fuller-Austin from those claims up to the limits of the policy 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, 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, the Trust will continue to be responsible for any third party claimants' claims against it in accordance with its terms and the provisions of the Company's bankruptcy plan. See Settlement Agreement ¶ 6. Bengelsdorf Aff. ¶ 8.

7. The Settlement Agreement differs from other settlement agreements previously approved by the Court. While Fuller-Austin and the Liquidator release each other from any claims arising from or related to the proof of claim, the Settlement Agreement does not resolve all matters arising from or related to the Home insurance policy. Fuller-Austin is currently pursuing claims against Zurich-American Insurance Company and others in Fuller-Austin Asbestos Settlement Trust, et al. v. Zurich-American Insurance Co., et al. in San Francisco Superior Court, which is coordinated with other cases in the same court (the "Zurich Litigation").

¹ The Company made a bankruptcy filing in 1998 (In re: Fuller-Austin Insulation Company, Chapter 11 Case No. 98-2038 (Bankr. D. Del.), and it is the subject of a plan of reorganization that established the Trust. Under the plan, asbestos claims against the Company were assumed by the Trust, which is to resolve and pay asbestos claims pursuant to certain claim resolution procedures, and the Company was discharged from those claims. The plan included an asbestos insurance company injunction which generally enjoined the assertion of claims, including asbestos claims, against insurers of the Company (except by the Trust or reorganized Company).

Settlement Agreement sixth Whereas clause. The Liquidator acknowledges that he is aware of Fuller-Austin's pending claims in the Zurich Litigation and takes no position as to the claims and defenses in the Zurich Litigation. The Settlement Agreement is not intended to have any effect on the Zurich Litigation. *Id.* ¶ 3. Since the Settlement Agreement does not resolve all matters under the Home policy, it specifically addresses claims against insurance guaranty associations. *Id.*, seventh Whereas clause, ¶¶ 4, 6.

8. The Settlement Agreement reflects a compromise of the claims asserted in the proof 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 asbestos-related bodily injury claims under Home's insurance policies. The agreed recommended settlement amount is based on careful evaluation and negotiation of coverage obligations under Home's policy respecting the underlying liabilities of Fuller-Austin. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$2,166,000 recommended amount as a Class II claim of Fuller-Austin in accordance with RSA 402-C:45 and RSA 402-C:44. *Bengelsdorf Aff.* ¶ 10.

9. 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.

10. 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 policy coverage compromises and settlements in an insurer liquidation context. That analysis also applies to the proposed Settlement Agreement with Fuller-Austin.

11. 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. ¶ 11.

WHEREFORE, the Liquidator respectfully requests that this Court:

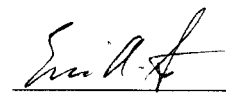
- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Settlement Agreement, approving the Liquidator's claim recommendation, and allowing Fuller-Austin's claim as a Class II claims in the aggregate amount of \$2,166,000; and
- C. Grant such other and further relief 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
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160 Federal Street
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(617) 542-2300

October 25, 2012

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with Fuller-Austin, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 25th day of October, 2012, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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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 16th day of October 2012, by and between Fuller-Austin Insulation Company ("Fuller-Austin"), and the Fuller-Austin Settlement Trust ("Trust") (collectively "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 the following insurance policy to Dynalectron Corporation, the parent company of Fuller-Austin, under which Fuller-Austin is an insured:

<u>Policy Number</u>	<u>Policy Period</u>
HEC9006863	2/1/77 – 3/2/78

which is defined as the "Policy";

WHEREAS, Claimant has no right, title or interest in benefits under any other policy issued by Home to Dynalectron

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 seeks payment from Home respecting claims against it, including but not limited to asbestos-related bodily injury, and has submitted a proof of claim in the Home liquidation estate that has been assigned the following proof of claim number:

INSU703059

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

WHEREAS, Claimants have reached settlements with all of its other insurers (all such insurers are defined as the "Settling Insurers");

WHEREAS, Claimant is currently pursuing claims against Zurich-American Insurance Company, individually and as successor to Zurich Insurance Company; Zurich American Insurance Company of Illinois, Steadfast Insurance Company, Zurich Insurance Company (Switzerland), Individually and as a Successor in Interest, Parent, and Alter Ego of Zurich Home Investments Limited formerly known as ZCI Investments Limited, Centre Reinsurance Limited (Barbados), Centre Reinsurance Limited (Bermuda), and Centre Reinsurance Holdings, Ltd., American Guarantee and Liability Insurance Co., American Zurich Insurance Company, and Orange Stone Reinsurance (Ireland), formerly known as Centre Reinsurance (Dublin), successor to Centre Reinsurance International (hereinafter the "Zurich Defendants") in the matter styled *Fuller-Austin Asbestos Settlement Trust, et al. v. Zurich-American Insurance Co., et al.*, Case Nos. CGC 04-431719 (San Francisco Superior Ct.), which is coordinated for all current purposes with *Western Asbestos Settlement Trust, et al. v. Zurich-American Insurance Co., et al.*, case no. CGC-04-436181 (San Francisco Superior Ct.) *PepsiAmericas, Inc. et al. v. Zurich-American Insurance Co., et al.*, CGC 05-442140 (San Francisco Superior Ct.), and *Pneumo Abex, LLC v. Zurich-American Insurance Co., et al.*, Case No. CGC 05-442745 (San Francisco Superior Ct.) (collectively, the "Zurich Litigation");

WHEREAS, the Parties are desirous of resolving all claims that were asserted, or could have been or could be asserted, between them and resolving all matters relating to the Proofs of Claim, including any claims that could be asserted with respect to Home against any insurance guaranty association or fund established by law to provide for payment of certain covered claims in case of the insolvency of an insurer ("Insurance Guaranty Associations"); and

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 all Parties.

2. 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 \$2,166,000 (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 Proofs of Claim. 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 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. All distributions to Claimant shall be paid to the Trust.

3. Acknowledgement of Other Claims. The Liquidator acknowledges that he is aware of the Claimant's pending claims in the Zurich Litigation and takes no position as to those claims. This Settlement Agreement is not intended to affect those claims.

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 (including any trustee or other statutory successor), 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, and any and all Insurance Guaranty Associations 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

Proofs of Claim, 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, or any Insurance Guaranty Associations, all whether known or unknown, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, arising from or related to the Proofs of Claim. Such release does not extend to the Zurich Defendants.

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 (including any liquidator or other statutory successor), 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 Proofs of Claim, 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 Proofs of Claim.

6. Resolution of Matters and Indemnification. In consideration of the Recommended Amount being allowed by the Court as a Class II claim, Claimant agrees to address, at its sole cost and expense, any claims against Claimant as if there had been no liquidation proceeding for Home and as if Claimant had no insurance coverage from Home by virtue of the Policy. Claimant further 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 or relating to the Policy. The future obligations of Claimant under this paragraph shall extend to and include (by way of example and not limitation) (a) claims for defense, indemnity, contribution, reimbursement, set-off, indemnity, subrogation, attorney's fees or costs against Home or the Liquidator by vendors, by other insurers of Claimant, by any individuals or entities asserting "direct action" claims, or by any Insurance Guaranty Association, and (b) claims asserted on account of any hospital or medical lien law, any attorney's fee lien, or any other lien, or by any person or entity that provided Medicare, Medicaid, and/or any other form of public assistance (the "Indemnifiable Claims"). Indemnification of such Indemnifiable Claims shall be capped at the total amount ultimately distributed or distributable in relation to the Recommended Amount as allowed by the Liquidation Court. The Liquidator shall promptly notify Claimant of any such claim, shall keep Claimant informed of material developments regarding such claims, 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 and support the Liquidator (including but not limited to the provision of affidavits or testimony) to defend against and resolve such claims.

7. Release of Settling Carriers. The Liquidator, in his capacity as such and on behalf of Home, releases any and all Settling Insurers from any alleged or potential claims or actions for contribution, subrogation, indemnity, reimbursement or recoupment of any kind that the Liquidator or Home has made or may or could make against any Settling Insurer with regard to insurance of Claimants.

8. No Assignments. Claimant warrants and agrees that it has not assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in any way to the Proofs of Claim or the Policy, or any proceeds thereof, or to the claims, losses and expenses released herein, to any person or entity. Claimant agrees that it shall not assign, convey, or otherwise transfer any claims, demands, causes of action, rights, or obligations related in any way to the Proofs of Claim or the Policy, or any proceeds thereof, or to the claims, losses and expenses released herein, to any person or entity. Claimant shall not assign, convey or otherwise transfer this Settlement Agreement or any rights and obligations thereunder without the written consent of the Liquidator, which consent shall not be unreasonably withheld.

9. 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.

Claimant acknowledges it is aware of the requirements of the Medicare Secondary Payer Act and the Medicare, Medicaid and SCHIP Extension Act of 2007, including provisions Concerning Medicare Set-Asides and/or notification to the Centers For Medicare and Medicaid Services ("CMS") regarding certain Medicare-eligible, or potentially eligible, claimants who enter into settlement agreements that may justify recovery for Medicare covered case-related services. Claimant believes, based on a letter dated November 2, 2009 from the

Secretary of Health and Human Services, that it has no obligation to report to CMS, but agrees that if such determination is rescinded, or CMS otherwise requires the Claimant or the Liquidator to provide such information, Claimant will provide data, including data from the Trust, if and when required or requested, for CMS regarding claimants who receive his or her payment from the Recommended Amount, if any.

10. 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 Proofs of Claim, the Policy or this Settlement Agreement shall be the Liquidation Court.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

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

18. 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.

19. 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.

20. 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:

Fuller Austin Settlement Trust
c/o W.D. Hilton, Jr.
2716 Lee St., Suite 500
Greenville, TX 75401

---and---

Robert M. Horkovich, Esq.
Anderson Kill and Olick, P.C.
1251 Avenue of the Americas
New York, NY 10020

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
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33 Capitol Street
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Fax: 603-271-2110

and

J. David Leslie, Esq.
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160 Federal Street
Boston, MA 02110-1700
Fax: 617-542-7437

21. 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.

FULLER-AUSTIN SETTLEMENT TRUST

By: W.D. Hilton, Jr.

Name: W. D. Hilton, Jr.

Title: Managing Trustee

Date: October 15, 2012

FULLER-AUSTIN INSULATION COMPANY

By: W.D. Hilton, Jr.

Name: W. D. Hilton, Jr.

Title: President

Date: October 15, 2012

**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. Kober

Name: THOMAS W. KOBER

Title: Chief Claims Officer

Date: October 16, 2012