

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 WRG ASBESTOS PI TRUST

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 WRG Asbestos PI Trust (the "Trust"), as successor in interest to W. R. Grace & Co. ("Grace"), 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 WRG Asbestos PI Trust ("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.

¹ W. R. Grace & Co. and sixty-one other companies are the subject of a Chapter 11 bankruptcy proceeding, In re: W.R. Grace & Co., et al., Chapter 11 Case No. 01-1139 (Bankr. D. Del.), and they are the subject of a plan of reorganization that established the WRG Asbestos PI Trust. See id., Recommended Findings of Fact, Conclusions of Law and Order Regarding Confirmation of First Amended Joint Plan of Reorganization as Modified through December 23, 2010 (March 9, 2011); In re: W.R. Grace & Co. et al., Case No. 1:11-cv-00199-RLB (D. Del.), Order dated June 11, 2012 (confirming plan of reorganization). Under the plan, bodily injury asbestos claims against Grace were assumed by the Trust, which is to resolve and pay asbestos claims pursuant to certain claim resolution procedures, and Grace was discharged from those claims. The plan included a channeling injunction which directs all asbestos claims against Grace to the Trust and an asbestos entity injunction which generally enjoins the assertion of claims against settling insurers of Grace.

2. Home issued seventeen insurance policies to Grace for various policy periods between October 20, 1962 and June 30, 1985. Settlement Agreement, first Whereas clause. Upon Home's placement in liquidation, Grace filed twelve proofs of claim in the Home liquidation, including claims for coverage for asbestos-related bodily injury claims. Settlement Agreement, third Whereas clause. The Trust is the successor in interest to Grace as respects insurance coverage for asbestos-related bodily injury liabilities.² Bengelsdorf Aff. ¶ 3.

3. The Settlement Agreement provides that the Liquidator will recommend allowance of the proofs of claim in the aggregate amount of \$73,000,000 as a Class II priority claim of the Trust 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 Trust has 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). Bengelsdorf Aff. ¶ 5.

4. The Settlement Agreement is intended to resolve the proofs of claim and all claims that the Trust has 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 Trust arising from or related to the proofs of claim or the policies. *Id.* ¶¶ 3, 4. The Liquidator also releases claims respecting the underlying matters covered by the proofs of claim against other insurers of the Trust that agree to release such claims against Home. *Id.* ¶ 6. The Trust also agrees to use best efforts to seek the bankruptcy court's designation of Home as a protected party under the bankruptcy court's channeling injunction portion of the Trust's plan of reorganization. See fn. 1; Settlement Agreement ¶ 7. Finally, the Trust agrees to reduce

² Although the Trust is the successor to Grace only with respect to Grace's asbestos-related bodily injury liabilities, the only proofs of claim filed by Grace in the Home liquidation proceeding relate to asbestos claims.

collection from any insurer to the extent necessary to extinguish any liability that the Liquidator or Home may have to such insurer. Settlement Agreement ¶ 8. Bengelsdorf Aff. ¶ 6.

5. The Liquidator is not aware of any third party claimants asserting claims under the policies.³ However, in resolving all matters relating to the proofs of claim and the policies, the Settlement Agreement contemplates denial of any third party claimants' claims under the policies in the Home liquidation without prejudice to their claims against the Trust.

Accordingly, the Trust acknowledges in the Settlement Agreement that it is intended to resolve all matters between the Trust and the Liquidator/Home relating to the proofs of claim and the policies, including asserted rights of third party claimants. Settlement Agreement, ¶ 5. The Trust agrees to address, at its sole cost, the claims of claimants asserting claims against the Trust as if the Trust had no insurance coverage from Home under the policies. Id. The Trust agrees to indemnify the Liquidator and Home against claims arising from the policies by paying up to the amounts distributed to the Trust or by offset against subsequent distributions from the Trust. Id. Bengelsdorf Aff. ¶ 7.

6. The denial of any third party claimants' proofs of claim without prejudice to their claims against the Trust will not harm the third party claimants, whose claims have been channeled to the Trust and who will continue to have their claims against the Trust. As noted above, the Trust has agreed to address these claims as if it had no insurance coverage from Home under the policies, Settlement Agreement ¶ 5, although payment of these claims can only be made in accordance with the bankruptcy plan and Trust. Third party claimants' proofs of claim against the insolvent Home, if not denied with this agreement, would release the Trust from those claims up to the limits of the policies but only entitle the third party claimants (assuming

³ Two other insurers of Grace have submitted proofs of claim concerning 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 be determined under applicable law in the liquidation proceeding.

their claims were allowed) to the 15% interim distribution and any later distribution at a presently undetermined percentage at the future date when 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) of Home 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 the terms of the Trust and the provisions of Grace’s bankruptcy plan. See Settlement Agreement ¶ 5. Bengelsdorf Aff. ¶ 8.

7. 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 the supervision of the Special Deputy Liquidator, 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 Home’s policies respecting the underlying liabilities of the Trust. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the \$73,000,000 settlement amount as a Class II claim of the Trust 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 Washington Gas (July 15, 2013); Order Approving Settlement Agreement with Wisconsin Energy (March 18, 2010); Order Approving Settlement Agreement with Straits Steel (May 3, 2009); 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 the Trust.

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 the Trust's claim as a Class II claim in the aggregate amount of \$73,000,000; and
- C. Grant such other and further relief as justice may require.

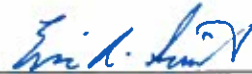
Respectfully submitted,

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

By his attorneys,

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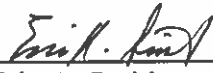


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December 4, 2014

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Settlement Agreement with WRG Asbestos PI Trust, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 4th day of December, 2014, 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 by and between the WRG Asbestos PI Trust (“Claimant”), as successor in interest to W.R. Grace & Co. (“Grace”¹) 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, in its own capacity and as successor to City Insurance Company and any other insurance company which was merged into and assumed by The Home Insurance Company (collectively, “Home”), on the other hand (the Claimant and the Liquidator are hereinafter referred to collectively as the “Parties”).

WHEREAS, Home issued seventeen (17) insurance policies to Grace, to which Claimant is the successor in interest as respects insurance coverage for asbestos-related bodily injury liabilities:

| <u>Policy Number</u> | <u>Policy Period</u> |
|----------------------|----------------------|
| HEC9543206 | 10/20/62-10/20/65 |
| HEC9544498 | 10/20/65-10/20/68 |
| HEC9304605 | 10/20/68-6/30/71 |
| HEC9919945 | 6/30/71-6/30/74 |
| HEC4356740 | 2/27/73-6/30/78 |
| HEC4495872 | 7/17/74-6/30/78 |
| HEC9531436 | 6/30/77-6/30/78 |
| HEC9694109 | 6/30/78-6/30/79 |
| HEC9694108 | 6/30/78-6/30/79 |
| HEC9694110 | 6/30/78-6/30/79 |
| HEC9826188 | 6/30/79-6/30/80 |
| HEC9826189 | 6/30/79-6/30/80 |
| HEC9826575 | 6/30/80-6/30/81 |
| HEC1198526 | 6/30/81-6/30/82 |
| HEC1198525 | 6/30/81-6/30/82 |
| HEC1199602 | 6/30/82-6/30/83 |
| HXL1638423 | 6/30/84-6/30/85 |

¹ The term “Grace” includes all 62 entities that were debtors in *In re WR Grace & Co.*, No. 01-1139-JKF (Bankr. D. Del.).

which together with all other insurance policies that Home may have issued to Grace as respects insurance coverage for asbestos-related bodily injury liabilities are 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, Grace submitted claims in the Home liquidation estate that have been assigned the following proof of claim numbers:

| | |
|------------|------------|
| INSU701171 | INSU709291 |
| INSU709292 | INSU709293 |
| INSU709294 | INSU709295 |
| INSU709296 | INSU709297 |
| INSU709298 | INSU709299 |
| INSU709300 | INSU709300 |

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

WHEREAS, by virtue of the final confirmation order entered in *In re WR Grace & Co.*, No. 01-1139-JKF (Bankr. D. Del.), Claimant is the successor in interest to the claims submitted by Grace in the Home liquidation estate with respect to insurance coverage for asbestos-related bodily injury liabilities;

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 concerning the Proofs of Claim and all rights and obligations with respect to the Policies;

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 upon approval by the Liquidation Court (the "Effective Date"). 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 \$73,000,000 (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 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.

3. 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 trustees, 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 Proofs of Claim or to the Policies, in law, admiralty, or equity, which Claimant, or 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 Proofs of Claim or to the Policies.

4. 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 each of its trustees, 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 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 trustees, 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 or to the Policies.

5. 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 Claimant ever had, now has, or hereafter may have under the Policies and the Proofs of Claim, including any asserted rights of third-party claimants against Claimant under the Policies, and Claimant agrees to address, at its sole cost and expense, any such claims of third-party claimants

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 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 or related 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. With respect to their indemnification right, the Liquidator and Home may recoup from Claimant only the amount actually distributed to Claimant, although the Liquidator and Home may satisfy any portion of an indemnification claim not recouped from Claimant by offsetting such amount against future distributions to which Claimant otherwise would be entitled. The future obligations of Claimant under this paragraph shall extend to and include (by way of example and not limitation) any claims for defense or indemnity for claims made under the Policies against the Liquidator or Home by vendors, or by other insurers of Grace, or by any individuals or entities asserting "direct action" claims arising out of or related to the Policies. 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.

6. Mutual Release of Settling Carriers. Claimant agrees to use reasonable commercial efforts to cause any settlement agreement relating to the underlying matters covered by the

Proofs of Claim with any other insurance company to include a waiver by that other insurance company of any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, against Home regarding the underlying matters covered by the Proofs of Claim. The Liquidator agrees to waive, relinquish and release any claim, including contribution, apportionment, indemnification, subrogation, equitable subrogation, allocation, or recoupment, as to the underlying matters covered by the Proofs of Claim against any other insurance company which executes a settlement with Claimant that includes a provision that is materially the same as this paragraph.

7. Bankruptcy Court Injunction. The Claimant agrees to use best efforts to cause the Liquidator and Home to be designated as protected parties under the asbestos bodily injury permanent channeling injunction approved by the final confirmed plan in the Grace bankruptcy (the "Channeling Injunction"). Claimant will incur the expenses associated with filing papers with the bankruptcy court and/or district court seeking such a designation for Home and the Liquidator. Failure to obtain such protection, provided Claimant uses best efforts to seek such protection for Home and the Liquidator, shall not affect the Parties' obligations hereunder.

8. Judgment Reduction. In the event that Claimant obtains a judgment against any insurer, Claimant shall reduce or return the amount of any judgment, including any associated interest or costs, to which Claimant would be entitled in connection with any cause of action against any such insurer to the extent necessary to extinguish any liability of the Liquidator and Home for any claim by such insurer against the Liquidator and/or Home with respect to such judgment.

9. No Assignments. Claimant warrants and represents that it has not assigned, conveyed, or otherwise transferred any claims, demands, causes of action, rights, or obligations related in

any way to the Policies, or any proceeds thereof, or the Proofs of Claim, or the claims, losses and expenses released herein, to any person or entity. Claimant represents that it is not aware of any assignment, conveyance or transfer by Grace of any claims, demands, causes of action, rights or obligations related in any way to the Policies, or any proceeds thereof, or the Proofs of Claim, or the claims, losses and expenses released herein, to any person or entity other than Claimant.

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.

10. 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. If Claimant becomes legally obligated under the Medicare Secondary Payer Act and the Medicare, Medicaid and SCHIP Extension Act of 2007 (the "Acts"), Claimant agrees to provide claims data, if and when required or requested, to the Centers for Medicare and Medicaid Services. Claimant also agrees to provide claims data to the Liquidator, if and when requested, in the event that the Liquidator becomes legally obligated under the Acts in connection with any funds distributed pursuant to this Agreement. The Parties acknowledge that Claimant does not believe it has a reporting obligation in connection with any funds distributed pursuant to this Agreement and that the Liquidator does not believe that he has such a reporting obligation.

11. 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 Policies or this Settlement Agreement shall be the Liquidation Court.

12. 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.

13. 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.

14. 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.

15. 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 further represents and warrants that it is the successor to Grace's asbestos-related bodily injury liabilities and to Grace rights under the Policies with respect to insurance coverage for such liabilities and to the Proofs of Claim.

16. 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, attorneys, liquidators, receivers, administrators, agents, representatives, successors, and assigns.

17. 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.

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

19. 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.

20. 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.

21. 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:

WRG Asbestos PI Trust
c/o ARPC
1220 19th Street, N.W., Suite 700
Washington, D.C. 20036
Attn: Gary L. Wingo
Fax: 202-797-3619

and

Robert M. Horkovich Esq.
Anderson Kill P.C.
1251 Avenue of the Americas
New York, New York 10020
Fax: 212-278-1733

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

22. 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.

WRG ASBESTOS PI TRUST

By: 

Name: LEWIS P. SIFFORD

Title: MANAGING TRUSTEE

Date: 11.25.2014

**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. KOBERN

Title: Chief Claims Officer

Date: November 26, 2014