

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

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

**MOTION FOR APPROVAL OF REINSURANCE COMMUTATION
AGREEMENT WITH CX REINSURANCE COMPANY LIMITED**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of The Home Insurance Company (“Home”), hereby moves that the Court enter an order in the form submitted herewith approving a Reinsurance Commutation Agreement, Settlement and Release (the “Commutation Agreement”) between the Liquidator and CX Reinsurance Company Limited (“CX Re”). As reasons for this motion, the Liquidator respectfully states:

1. This motion seeks approval of the Commutation Agreement between the Liquidator and CX Re. A redacted copy of the Commutation Agreement (with economic terms removed) is attached as Exhibit 1. A complete copy of the Commutation Agreement is attached to the Confidential Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Approval of Reinsurance Commutation Agreement with CX Reinsurance (“Bengelsdorf Confidential Affidavit”) submitted herewith under seal. The Commutation Agreement is subject to approval by the Court. Commutation Agreement ¶ 1. Bengelsdorf Confidential Affidavit ¶ 2.

2. As a part of its business, Home entered into reinsurance agreements with numerous reinsurers under which Home ceded and the reinsurers assumed a portion of Home’s obligations. Collection of reinsurance is the principal asset marshalling task of the Home liquidation. Bengelsdorf Confidential Affidavit ¶ 3.

3. CX Re provided Home with reinsurance coverage under various treaties during the period 1977 to 1994 for a broad spectrum of risks, including property, casualty, workers' compensation, directors' and officers' liability, and retrocessional business. Bengelsdorf Confidential Affidavit ¶ 4.

4. Home provided CX Re with reinsurance coverage through Home's participation in the American Foreign Insurance Association ("AFIA") pool, and CX Re filed a proof of claim claiming amounts under AFIA reinsurance agreements. Bengelsdorf Confidential Affidavit ¶ 5.

5. Home thus "ceded" reinsurance to CX Re (which "assumed" the exposures), and Home also "assumed" reinsurance from CX Re (which "ceded" the exposures through AFIA). The Liquidator seeks to recover from CX Re the value of Home's ceded reinsurance to CX Re less the value of CX Re's ceded reinsurance to Home, which CX Re asserts as an offset. Bengelsdorf Confidential Affidavit ¶ 6.

6. The Commutation Agreement provides for the commutation of all of Home's ceded business to CX Re. Commutation Agreement, first and second Whereas clauses, ¶¶ 5-6, 10. It does not commute CX Re's ceded AFIA business to Home. *Id.*, second and third Whereas clauses. Bengelsdorf Confidential Affidavit ¶ 7.

7. CX Re has the right to setoff amounts due it under the AFIA reinsurance agreements against amounts due to Home under the Home ceded reinsurance agreements. See RSA 402-C:34. CX Re would not commute its obligations to Home without preserving that setoff right. To facilitate the present collection of reinsurance from CX Re by commutation while preserving CX Re's ability to obtain the benefit of setoff, the Commutation Agreement provides that, in the event that CX Re obtains Court-approved allowances of claims under the AFIA agreements, the Liquidator will return amounts equal to the allowances to CX Re from the

amounts paid to Home under the Commutation Agreement. Commutation Agreement ¶ 3. The obligation to so return amounts to CX Re is capped at the amount that CX Re is to pay under the Commutation Agreement, and will expire when the AFIA Scheme is resolved. *Id.* Bengelsdorf Confidential Affidavit ¶ 8.

8. The Commutation Agreement provides for the full and final settlement of all past, present and future obligations and liabilities under the commuted reinsurance agreements (all Home' ceded business to CX Re) for a payment to Home of a sum certain. Commutation Agreement ¶¶ 2, 10. The payment is to be made up of a wire transfer, a drawdown on a letter of credit balance, and transfer of all funds remaining in a trust account. *Id.* ¶ 2. Bengelsdorf Confidential Affidavit ¶ 9.

9. The Commutation Agreement provides that CX Re will pay the commutation sum to the Liquidator by wire transfer, letter of credit drawdown, and transfer of funds in the trust account within ten business days after the Court's approval of the Commutation Agreement. Commutation Agreement ¶ 2. The other provisions of the Commutation Agreement, including mutual releases of all matters under the commuted reinsurance agreements (Commutation Agreement ¶¶ 5-6), are set forth in the Commutation Agreement. Bengelsdorf Confidential Affidavit ¶ 13.

10. The Commutation Agreement and certain supporting materials have been provided to members of the National Conference of Insurance Guaranty Funds' Subcommittee on The Home Insurance Company in Liquidation ("NCIGF Subcommittee"), who have entered confidentiality agreements. The NCIGF Subcommittee has advised the Liquidator that it has no objections to the Commutation Agreement. Bengelsdorf Confidential Affidavit ¶ 15.

11. The Bengelsdorf Confidential Affidavit summarizes the reasons that support the determination to enter the Commutation Agreement. Bengelsdorf Confidential Affidavit ¶¶ 7-16. For the reasons set forth in the Bengelsdorf Confidential Affidavit, the Liquidator submits that the Commutation Agreement is fair and reasonable and in the best interests of the policyholders and other creditors of Home. The Commutation Agreement will convert future reinsurance obligations into immediate cash and avoid delay in the collection of reinsurance. See Bengelsdorf Confidential Aff. ¶ 16.

WHEREFORE, the Liquidator respectfully requests that this Court:

- A. Grant this Motion for Approval of Reinsurance Commutation Agreement with CX Reinsurance Company Limited;
- B. Enter an Order in the form submitted herewith approving the Commutation Agreement; 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,

JOSEPH A. FOSTER
ATTORNEY GENERAL

J. Christopher Marshall,
NH Bar ID No. 1619
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301-6397
(603) 271-3650



J. David Leslie
NH Bar ID No. 16859
Eric A. Smith
NH Bar ID No. 16952
Rackemann, Sawyer & Brewster P.C.
160 Federal Street
Boston, MA 02110
(617) 542-2300

November 16, 2015

Certificate of Service

I hereby certify that a copy of the foregoing Motion for Approval of Reinsurance Commutation Agreement with CX Reinsurance and the Proposed Order Approving Reinsurance Commutation Agreement with CX Reinsurance Company Limited were sent, this 14th day of November, 2015, by first class mail, postage prepaid to all persons on the attached service list. The Confidential Affidavit being filed under seal was not so served.



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. 217-2003-EQ-00106

SERVICE LIST

Lisa Snow Wade, Esq.
Orr & Reno
One Eagle Square
P.O. Box 3550
Concord, New Hampshire 03302-3550

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

Robert A. Stein, Esq.
The Stein Law Firm, PLLC
One Barberry Lane
P.O. Box 2159
Concord, New Hampshire 03302-2159

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

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

David H. Simmons, Esq.
Mary Ann Etzler, Esq.
Daniel J. O'Malley, Esq.
deBeaubien, Knight, Simmons,
Mantzaris & Neal, LLP
332 North Magnolia Avenue
P.O. Box 87
Orlando, Florida 32801

Martin P. Honigberg, Esq.
Suloway & Hollis, P.L.L.C.
9 Capitol Street
P.O. Box 1256
Concord, New Hampshire 03302-1256

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

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

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

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

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

Christopher H.M. Carter, Esq.
Hinckley, Allen & Snyder LLP
11 South Main Street, Suite 400
Concord, New Hampshire 03301

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

Andrew B. Livernois, Esq.
Ransmeier & Spellman, P.C.
One Capitol Street
P.O. Box 600
Concord, New Hampshire 03302-0600

John A. Hubbard
615 7th Avenue South
Great Falls, Montana 59405

Paul W. Kalish, Esq.
Ellen M. Farrell, Esq.
Timothy E. Curley, Esq.
Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004-2595

Harry L. Bowles
306 Big Hollow Lane
Houston, Texas 77042

Gregory T. LoCasale, Esq.
White and Williams, LLP
One Liberty Place, Suite 1800
Philadelphia, Pennsylvania 19103-7395

Kyle A. Forsyth, Esq.
Commercial Litigation Branch/Civil Division
United States Department of Justice
P.O. Box 875
Washington, D.C. 20044-0875

W. Daniel Deane, Esq.
Nixon Peabody LLP
900 Elm Street, 14th Floor
Manchester, New Hampshire 03861

Joseph C. Tanski, Esq.
John S. Stadler, Esq.
Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110

Steven J. Lauwers, Esq.
Michael S. Lewis, Esq.
Rath Young Pignatelli
One Capital Plaza
Concord, New Hampshire 03302-1500

Robert E. Murphy, Esq.
Michael J. Tierney, Esq.
Wadleigh, Starr & Peters, PLLC
95 Market Street
Manchester, New Hampshire 03101

Steven E. Sigalow, Esq.
Mark J. Andreini, Esq.
Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114-1190

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home"), and CX Reinsurance Company Limited ("CX Re"). The Liquidator, Home and CX Re are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, Home and CX Re entered into various reinsurance agreements pursuant to which either Home ceded liabilities to CX Re that CX Re assumed or CX Re ceded liabilities to Home that Home assumed, all in accordance with the terms and conditions therein contained (the "Reinsurance Agreements");

WHEREAS, certain of the Reinsurance Agreements are hereinafter collectively referred to as the "Settled Agreements," which term shall mean the Reinsurance Agreements other than the AFIA Agreements (as defined below);

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity Home entered into certain non-novated reinsurance agreements with CX Re pursuant to which CX Re ceded to Home, and Home assumed from CX Re, a certain share of CX Re's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement as set forth therein (the "AFIA Agreements");

WHEREAS, Home is in liquidation pursuant to the June 13, 2003 Order of Liquidation issued by the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, pursuant to an Order of The High Court of England and Wales, the Home U.K. Branch Business was placed into Provisional Liquidation and Joint Provisional Liquidators were appointed (the "Joint Provisional Liquidators");

WHEREAS, the Joint Provisional Liquidators and insurance companies and syndicates ceding liabilities into AFIA (the "AFIA Cedents"), with the approval of the Liquidator, entered into an agreement leading to a Scheme of Arrangement with respect to Home U.K.'s AFIA liabilities (the "Scheme"), sanctioned by The High Court of England and Wales. The agreement was also approved by final order of the Liquidation Court affirmed by the New Hampshire Supreme Court. The Scheme entitles AFIA Cedents, including CX Re, to share in Scheme proceeds under the terms of the Scheme based on the allowance of their claims into the Home estate;

WHEREAS, Home and CX Re previously entered into a trust agreement (the "Trust Agreement"), pursuant to which certain monies were from time-to-time placed into trust with Rackemann, Sawyer & Brewster, PC, as Trust Account Trustee (the "Trustee"), for the joint protection of Home and CX Re in accounting for monies and ensuring the due and proper application of offsets in and about the Reinsurance Agreements (the "Trust Account");

WHEREAS, on May 11, 2004, CX Re submitted Proof of Claim No. RAHM 331524 into the Home estate with respect to the AFIA Agreements (the "AFIA POC"). The Liquidator has to date issued 37 Notices of Determination ("NODs") with respect to the AFIA POC, as set forth on Exhibit A hereto. CX Re has previously received credit for the amounts on NODs Nos. 1 through 36, following their approval by the Liquidation Court, as offsets against amounts due from CX Re;

WHEREAS, CX Re provided Home with certain letters of credit totaling [REDACTED] as shown on the attached Exhibit B to the commutation agreement which are maintained by CX Re for the benefit of Home (the "LOCs");

WHEREAS, in addition to NOD No. 37, the Parties expect that CX Re will continue to submit claims pursuant to the AFIA POC for determination by the issuance of appropriate NODs

and approval by the Liquidation Court (the "Future AFIA NODs," which, for the avoidance of doubt, includes NOD No. 37 within its definition);

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Settled Agreements with immediate effect and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained, without effect on the Parties' rights and obligations under the AFIA Agreements and while preserving CX Re's potential offsets by virtue of the AFIA Agreements.

NOW THEREFORE, intending to be legally bound, in consideration of the promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. This Agreement shall only become effective on the date that this Agreement is approved by the Liquidation Court (the "Effective Date"). This Agreement is conditioned upon approval by the Liquidation Court and in the event that the Liquidation Court does not approve this Agreement, it shall be deemed null and void *ab initio* and of no force or effect.

2. Subject to the terms and conditions hereinafter set forth, the Parties agree to fully and finally settle and commute any and all past, present and future liabilities between the Parties under the Settled Agreements in the net amount of [REDACTED] due Home (the "Agreed Sum"). In order to effect payment under this agreement, upon the effective date, Home shall be immediately entitled to draw down on the [REDACTED] of letter of credit balances shown on the attached Exhibit B. CX Re agrees to pay the remaining amount of the Agreed Sum of [REDACTED] to the Liquidator free and clear of and without any deduction within ten (10) days of receiving notice of the Effective Date from the Liquidator. CX Re agrees that time is of the essence in its performance in effecting payment of the Agreed Sum and agrees to effect such payment, free and clear of and without any deduction, by wire transfer of funds directed as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company In Liquidation
Account No. [REDACTED]
Attention: EfraimAbramsohn

In addition to the aforementioned settlement of the Agreed Sum, CX Re and the Liquidator will promptly contact the Trustee after the Effective Date and will take all steps necessary to provide for the release of all remaining funds in the Trust Account to the Liquidator within ten (10) days of notice of the Effective Date. The Parties agree that all remaining funds in the Trust Account are due to Home in addition to the Agreed Sum and shall be released to the Liquidator free and clear of and without any deduction. Upon release of those funds, the Trust Agreement shall be deemed terminated and of no continued force or effect and the Parties agree to do all things necessary to secure the discharge of the Trustee.

3. The Liquidator agrees and acknowledges that in recognition of CX Re's asserted right of set-off pursuant to N.H. RSA 402-C:34 of amounts due from Home under the AFIA Agreements against amounts due from CX Re under the Settled Agreements, CX Re shall, subject to the terms and conditions contained herein, be entitled to return from the Agreed Sum paid under paragraph 2 of amounts equal to the allowances in Future AFIA NODs as they are approved by the Liquidation Court. The Parties agree that the Liquidator's obligation to so return amounts from the Agreed Sum paid (a) shall be limited to and shall in no event exceed the Agreed Sum plus the amount in the Trust Account; and (b) is contingent on and limited to the Future AFIA NODs approved by the Liquidation Court following resolution of the Scheme by way of cut-off and/or agreement of a final CX Re Scheme valuation under the Scheme valuation process. In all events, however, the Parties agree that CX Re's right to return of funds on account of claims under the AFIA Agreements shall extinguish and be deemed irrevocably concluded once CX Re's final Scheme valuation has been agreed and the funds returned to CX Re, and the Parties agree that the then-remaining unreturned balance of the Agreed Sum shall become the sole and exclusive property of Home.

4. If CX Re fails to pay any portion of the Agreed Sum provided for in paragraph 2, within ten (10) days after notice of the Effective Date, CX Re shall pay (1) interest on any unpaid amounts at the rate of [REDACTED] per year from the Effective Date; and

(2) any and all costs, including reasonable attorneys' fees, incurred by the Liquidator in recovering the Agreed Sum in full (the "Collection Costs"). The acceptance by the Liquidator of the Agreed Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final payment of the Agreed Sum as if payment of the Agreed Sum had been made in full within ten (10) days after the Effective Date.

5. Subject to the terms and conditions of this Agreement and to the timely payment in full by CX Re of the Agreed Sum and other consideration provided for herein, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, and their respective predecessors, successors and assigns, irrevocably and unconditionally releases and discharges CX Re, its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, shareholders, parents, and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, specialties, commissions, variances, expenses, acts, omissions, bonds, bills, covenants, contracts, controversies, agreements, promises, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, all whether known or unknown to one or both parties, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, which the Liquidator or Home ever had, now has, or hereafter may have against CX Re by reason of any matter whatsoever arising out of or in connection with or in relation to the Settled Agreements. Additionally, the Liquidator fully understands and expressly waives Home's rights and benefits with respect to the Settled Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

6. Subject to approval by the Liquidation Court and in consideration of the release of CX Re pursuant to Paragraph 5 above, CX Re on behalf of itself, its officers, directors, employees, agents, attorneys, and their respective predecessors, successors and assigns, irrevocably and unconditionally releases and discharges the Liquidator and Home and their

respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, shareholders, parents, and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, specialties, commissions, variances, expenses, acts, omissions, bonds, bills, covenants, contracts, controversies, agreements, promises, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, all whether known or unknown to one or both parties, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, which CX Re ever had, now has, or hereafter may have against the Liquidator and/or Home by reason of any matter whatsoever arising out of or in connection with or in relation to the Settled Agreements. Additionally, CX Re fully understands and expressly waives its rights and benefits with respect to the Settled Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. This Agreement shall, subject to its approval by the Liquidation Court as provided for in paragraph 1, inure to the benefit of and bind the Parties and their respective predecessors, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the Settled Agreements or the AFIA Agreements.

8. This Agreement embodies the final, complete and entire agreement between the Parties. The Parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

9. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any applicable jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

10. Subject to the provisions of paragraph 1, the Parties hereby agree that this Agreement shall take precedence over and supersede the Settled Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the Settled Agreements. In addition, the Parties and their respective successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Settled Agreements.

11. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

12. The Parties, without further consideration, agree to execute and deliver such other documents and take such other action as may be necessary to effect and implement this Agreement.

13. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the Settled Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an

admission of liability or responsibility on the part of any party hereto regarding any aspect of the Settled Agreements, other than with respect to the terms and conditions herein contained.

14. (a) CX Re represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is being executed freely and voluntarily with an intent for it to be bound by its terms; and (b) the Liquidator represents and warrants that he has the exclusive power and authority to enforce the Home's rights and obligations under the Settled Agreements and that, subject to the Liquidation Court's approval, he is duly authorized to enter this Agreement and the transactions contemplated herein; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

15. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.

16. The Parties, including but not limited to their attorneys, agents, and representatives, will not disclose the terms of this Agreement to anyone other than is necessary to effectuate the terms of this Agreement; except that the Parties may disclose the terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer or auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the Parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and

statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Liquidation Court.

17. The Parties represent that the consideration for this Agreement, provided in exchange for the Parties' mutual promises made herein, is fair and reasonable. The Parties shall provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

18. The Parties will not seek to re-open or set aside this Agreement on the grounds that any party hereto in the future becomes aware of any mistake of law (including such mistake arising as a result of a subsequent change in the law) or of a fact or facts relating to this Agreement (or any of the Settled Agreements) or upon which this Agreement was entered into.

19. Each Party acknowledges that this Agreement is made solely for the consideration specified herein, without reliance on any statement, warranty, or representation of the other Party or of the other Party's agents or representatives except as provided in this Agreement.

20. Neither this Agreement nor any provision herein shall constitute an admission by either Party either with respect to any matter settled hereunder or with respect to the existence, validity, or enforceability of the Settled Agreements.

21. This 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.

22. This 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 Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of this Agreement and the Parties agree to submit to the jurisdiction of the Liquidation Court for such purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized officers.

Roger A. Sevigny, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator of The Home Insurance Company

By: Peter A. Bengelsdorf Date: August 29 2015
Name: Peter A. Bengelsdorf
Title: Special Deputy Liquidator of The Home Insurance Company

CX Reinsurance Company Limited

By: [Signature] Date: August 27 2015
Name: FRANK
Title: Chairman


**The Home Insurance Company In Liquidation
Notices of Determination Issued thru June 30, 2015**

Exhibit A

CX Reinsurance Company Limited

| | | <u>NODs Issued</u> |
|--------------------|---------------|--------------------|
| February 13, 2006 | NOD #1 | \$22,391 |
| March 28, 2006 | NOD #2 | \$0 |
| October 12, 2006 | NOD #3 | \$5,423 |
| January 12, 2007 | NOD #4 | \$48,630 |
| April 24, 2007 | NOD #5 | \$14,015 |
| May 18, 2007 | NOD #6 | \$26,314 |
| July 26, 2007 | NOD #7 | \$32,328 |
| November 1, 2007 | NOD #8 | \$17,365 |
| January 8, 2008 | NOD #9 | \$1,625 |
| February 11, 2008 | NOD #10 | \$9,915 |
| February 26, 2008 | NOD #11 | \$11,094 |
| March 27, 2008 | NOD #12 | \$21,365 |
| May 30, 2008 | NOD #13 | \$7,275 |
| August 11, 2008 | NOD #14 | \$18,538 |
| September 11, 2008 | NOD #15 | \$22,841 |
| October 23, 2008 | NOD #16 | \$33,609 |
| December 12, 2008 | NOD #17 | \$13,463 |
| January 27, 2009 | NOD #18 | \$18,204 |
| March 5, 2009 | NOD #19 | \$34,086 |
| March 31, 2009 | NOD #20 | \$32,210 |
| August 6, 2009 | NOD #21 | \$34,736 |
| September 23, 2009 | NOD #22 | \$18,954 |
| December 21, 2009 | NOD #23 | \$8,561 |
| February 9, 2010 | NOD #24 | \$15,681 |
| April 5, 2010 | NOD #25 | \$10,053 |
| May 19, 2010 | NOD #26 | \$10,977 |
| August 11, 2010 | NOD #27 | \$6,314 |
| October 25, 2010 | NOD #28 | \$8,184 |
| July 30, 2012 | NOD #29 | \$77,358 |
| September 13, 2012 | NOD #30 | \$3,633 |
| February 27, 2014 | NOD #31 | \$40,492 |
| March 26, 2014 | NOD #32 | \$23,184 |
| May 28, 2014 | NOD #33 | \$2,540 |
| July 22, 2014 | NOD #34 | \$24,929 |
| Sept. 23, 2014 | NOD #35 | \$3,714 |
| October 20, 2014 | NOD #36 | \$12,121 |
| February 25, 2015 | NOD #37 | \$14,154 |
| | Totals | <u>\$706,277</u> |

Exhibit B
Letters Of Credit Held By Home Which Were Provided By Cx Re

| <u>LOC #</u> | <u>Currency</u> | <u>Balance</u> | <u>Broker</u> |
|--------------|-----------------|---|---------------|
| 2879 | USD |  | Willis Ltd. |
| 43 | USD | | Marsh Ltd. |
| 4605 | USD | | Marsh Ltd. |
| 201079 | USD | | BMS |