

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 03-E-106

In the Matter of the Liquidation of
The Home Insurance Company

**CENTURY INDEMNITY COMPANY'S AND ACE PROPERTY & CASUALTY
INSURANCE COMPANY'S RESPONSE TO THE LIQUIDATOR'S MOTION FOR
APPROVAL OF SETTLEMENT AGREEMENT WITH
SCHNITZER STEEL INDUSTRIES**

Century Indemnity Company on its own behalf and (i) in its capacity as successor to CCI Insurance Company as successor to Insurance Company of North America, (ii) in its capacity as successor to CIGNA Specialty Insurance Company (formerly known as California Union Insurance Company)(collectively, "Century"); and ACE Property & Casualty Insurance Company, formerly known as CIGNA Property and Casualty Insurance Company, formerly known as Aetna Insurance Company ("ACE P&C") respectfully submit this Response to the Liquidator's Motion for Approval of its settlement agreement with Schnitzer Steel Industries, Inc. ("Schnitzer"), in its capacity as successor in interest to Proler International Corporation ("Proler") and MRI Corporation ("MRI").

Like the Home Insurance Company, Century and ACE P&C each issued one or more policies of insurance to Schnitzer, or its predecessors, Proler and MRI. To the extent that Century or ACE P&C has made and/or in the future will make any payments with respect to policies issued to Schnitzer, Proler, or MRI, it is Century's and ACE P&C's position that nothing in the Liquidator's Settlement with Schnitzer affects, alters or in any way negates any current and/or future contribution or subrogation claim which Century or ACE P&C has and/or may

have against the Home estate in connection with those payments (unless such claim has already been fully resolved).

The Liquidator has recognized as much in connection with his motion for the approval of other settlement agreements, by acknowledging that: "Unlike third party claimants' claims, a contribution claim is independent of the insured's claims (although derived from the same underlying circumstances), and it will remain to be determined on its own merits in the liquidation proceeding." *E.g.*, Liquidator's Motion for Approval of Settlement Agreement with Freeport-McMoran at ¶5 n.1. Thus, any current or future Century or ACE P&C claim for contribution in connection with payments made under policies issued to Schnitzter will remain to be determined on their own merits in the Liquidation.

Century and ACE P&C request that the Liquidator retain all claim files pertaining to these policyholders. Century and ACE P&C reserve all of their rights including any rights against all parties; nothing in this statement shall be deemed an admission by Century or ACE P&C, or a waiver by Century or ACE P&C of any rights or remedies including, without limitation, claims or defenses.

CENTURY INDEMNITY COMPANY and
ACE PROPERTY & CASUALTY INSURANCE
COMPANY

By its attorneys
OKR & RENO, P.A.

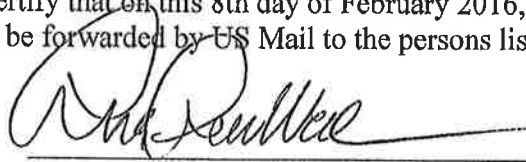


Dated: February 8, 2016

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CERTIFICATE OF SERVICE

I, Lisa Snow Wade, Esq., hereby certify that on this 8th day of February 2016, I have caused a copy of the attached document to be forwarded by US Mail to the persons listed on the attached service list.

A handwritten signature in black ink, appearing to read 'Lisa Snow Wade', written over a horizontal line.

Lisa Snow Wade

THE STATE OF NEW HAMPSHIRE

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Docket No. 217-2003-EQ-00106

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

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